

RIETI BBL Seminar Handout

Capitalism and Crises: How to Fix Them

April 10, 2025

Speaker: Colin MAYER
Emeritus Professor, Saïd Business
School University of Oxford



Reimagining Capitalism: Solutions for a World in Crisis And Japan in Transition

Colin Mayer

BUSINESS TRUSTED IN 15 OF 28 COUNTRIES

2024 Edelman Trust Barometer | Percent trust in business

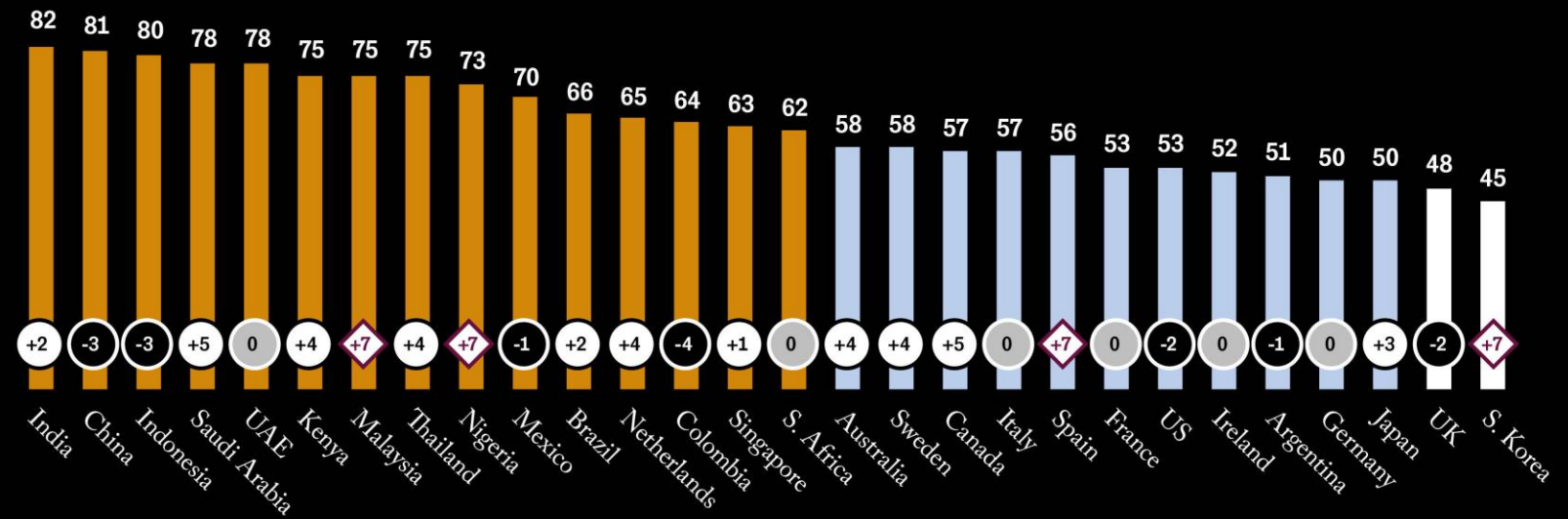
Global 28

Distrust (1-49)
 Neutral (50-59)
 Trust (60-100)

- 0 + Significant Change

63

+1
 pt
 Change,
 2023 to 2024



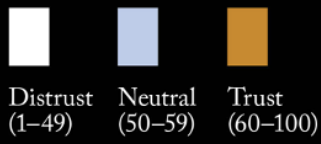
2024 EDELMAN TRUST BAROMETER. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 28-mkt avg. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



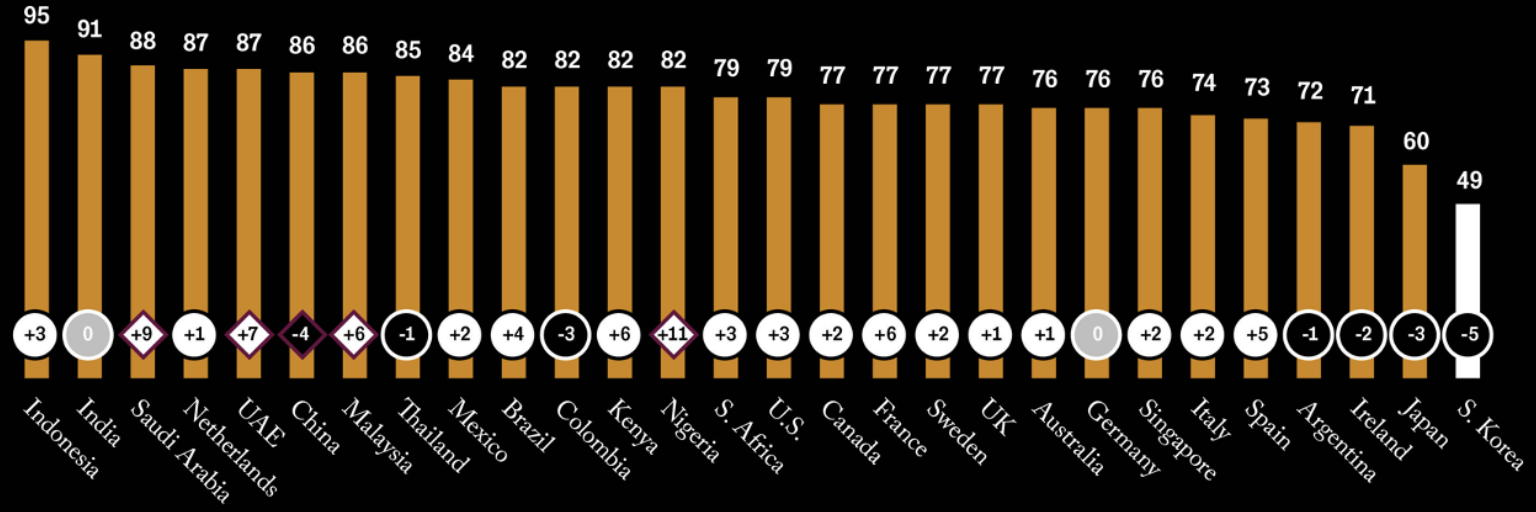
MY EMPLOYER TRUSTED IN 27 OF 28 COUNTRIES

Percent trust

Global 28



+2 pts
 Change, 2023 to 2024



Business	63
NGOs	59
Government	51
Media	50




2024 EDELMAN TRUST BAROMETER. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 28-mkt avg. "Your employer" only shown to those who are an employee of an organization (Q43/1). Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



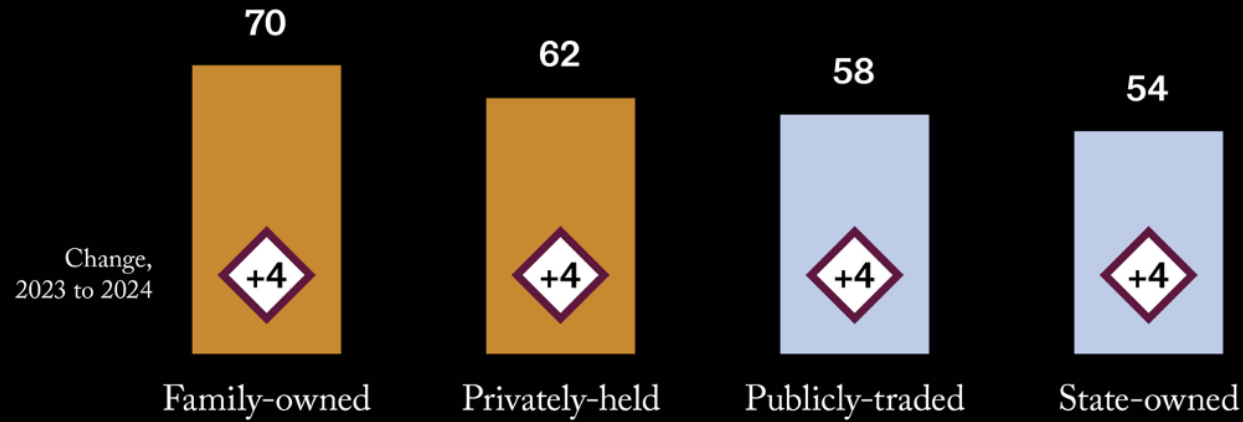
FAMILY-OWNED BUSINESSES MOST TRUSTED

Percent trust in each type of business to do what is right

Global 28

 Distrust (1-49)
 Neutral (50-59)
 Trust (60-100)

    Significant Change



2024 EDELMAN TRUST BAROMETER. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right. 9-point scale; top 4 box, trust. General population, 28-mkt avg. Year-over-year changes were tested for significance using a t-test set at the 99%+ confidence level.



Japan: The Problem

- Low growth
- Productivity
- International competitiveness

Japan: The Solution

- Corporate governance reforms
- Unwinding cross-shareholdings
- Increased foreign institutional shareholdings
- More active institutional investors and takeover markets

Japan: The Issue

- Can social harmony be preserved?
- Can environmental interests be protected?
- Can they be sustained in the face of populist agendas elsewhere?
- Can political and social divisions in other countries be avoided?

Is There Another Way?

- Can a balance between efficiency and social harmony be struck?
- Is there a corporate governance system that achieves this?
- Is there a better system of corporate ownership?
- What is the role of government and regulation in this?

TOTAL VALUE

Just profit increment

Social improvement

REVENUE

Environmental improvement

TRUE COST

Just profit

Supply detriment

Labour detriment

Environmental detriment

Measured profit

MEASURED COST

Capital cost

Supply cost

Wages

TOTAL VALUE

Just profit increment

Social improvement

Waves of initiative
innovation and
inspiration

REVENUE

Environmental improvement

Just profit

TRUE COST

Measured profit

Weeds of entanglement,
exploitation, and
unjust enrichment

Supply detriment

Labour detriment

Environmental detriment

MEASURED COST

Capital cost

Supply cost

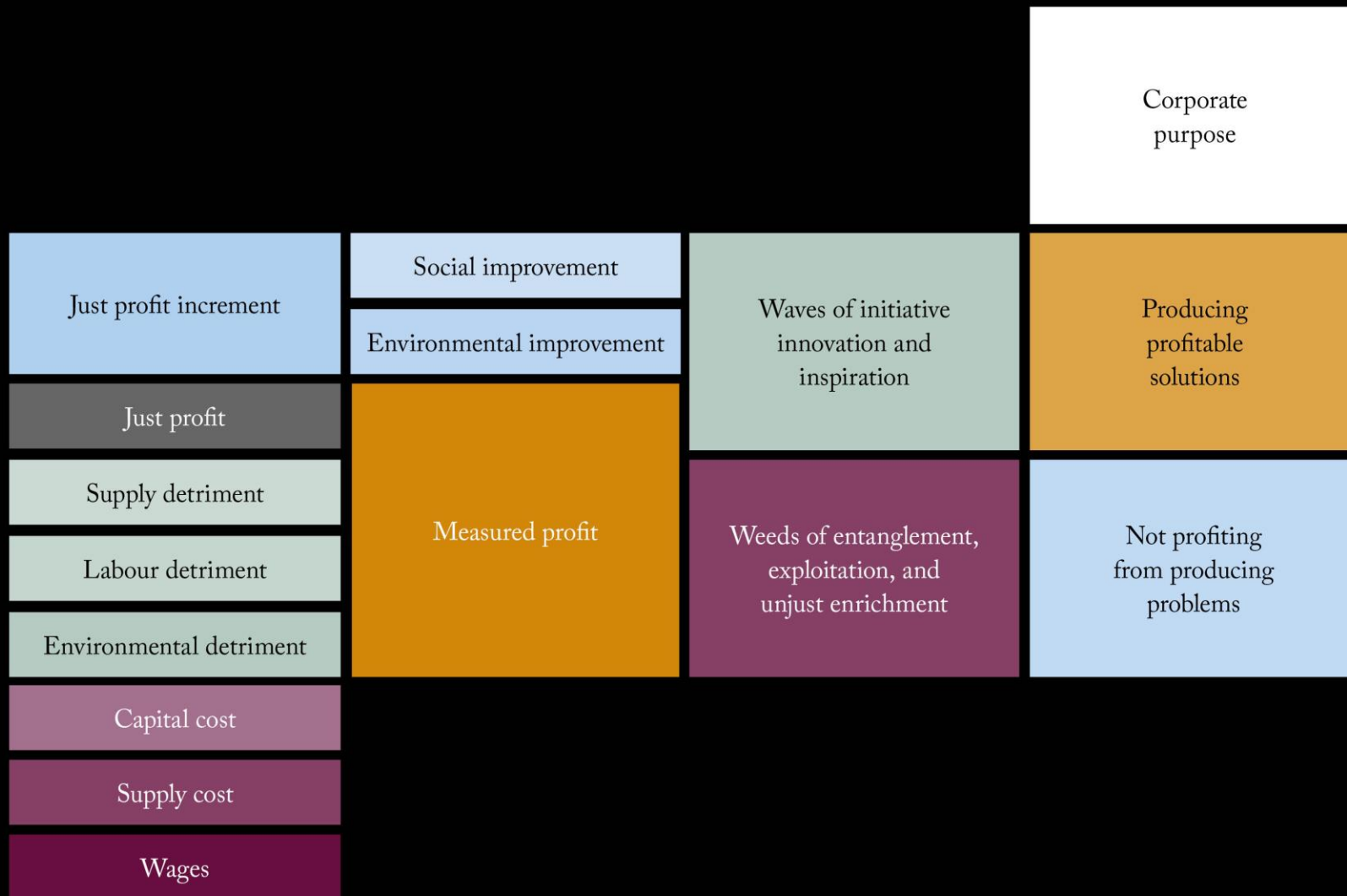
Wages

TOTAL VALUE

REVENUE

TRUE COST

MEASURED COST



Purpose



To produce profitable solutions for problems of people and planet, not profiting from producing problems for either.



TOTAL VALUE

REVENUE

TRUE COST

MEASURED COST

Just profit increment

Just profit

Supply detriment

Labour detriment

Environmental detriment

Capital cost

Supply cost

Wages

Social improvement

Environmental improvement

Measured profit

Waves of initiative innovation and inspiration

Weeds of entanglement, exploitation, and unjust enrichment

SEC, IFRS, Extrinsic ESG, Single Materiality, SFDR Article 8 Funds

CSRD, CSDDD, Intrinsic ESG, Double Materiality, SFDR Article 9 Funds

Social risk

Environmental risk

Social impacts

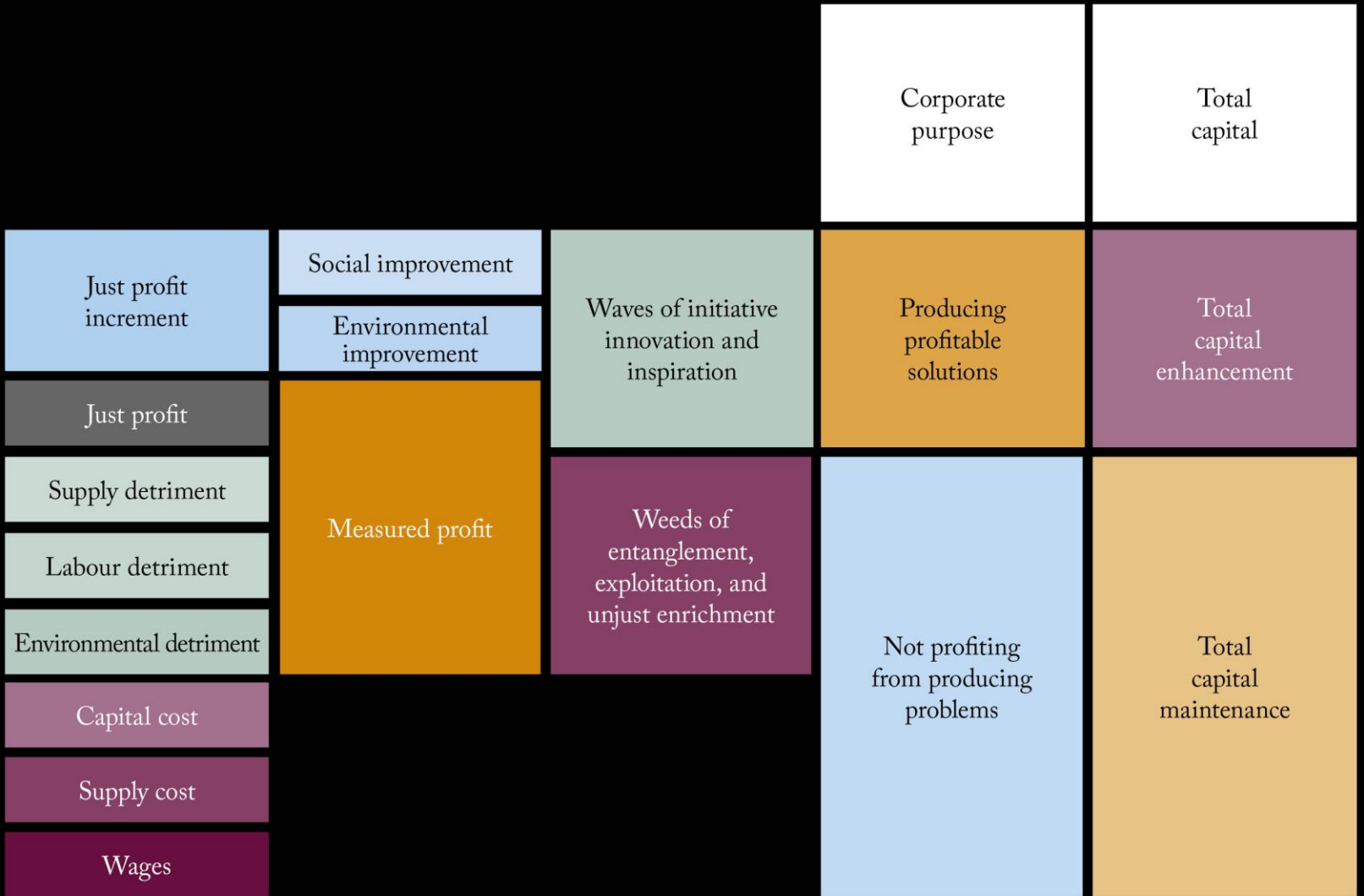
Environmental impacts

TOTAL VALUE

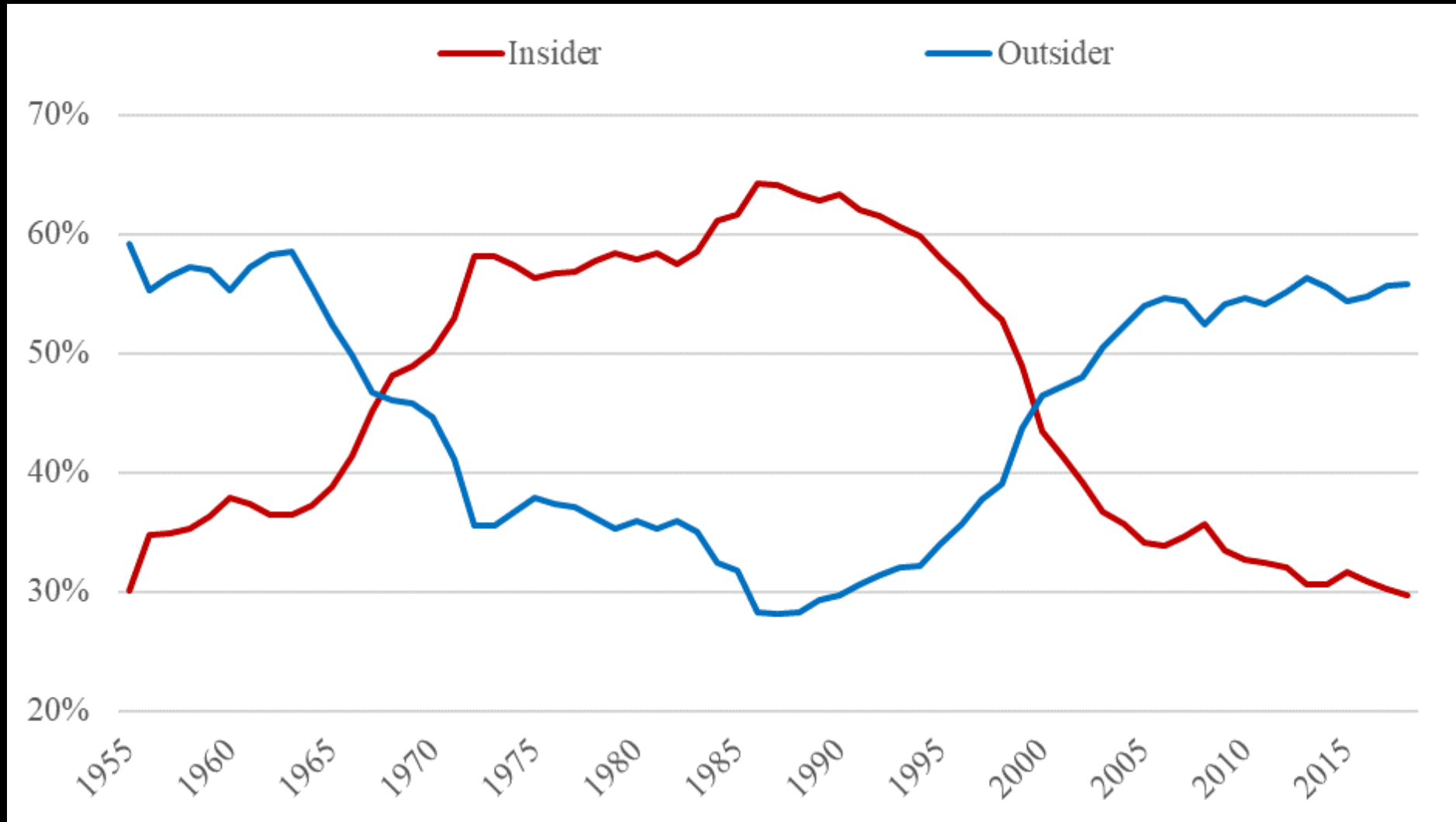
REVENUE

TRUE COST

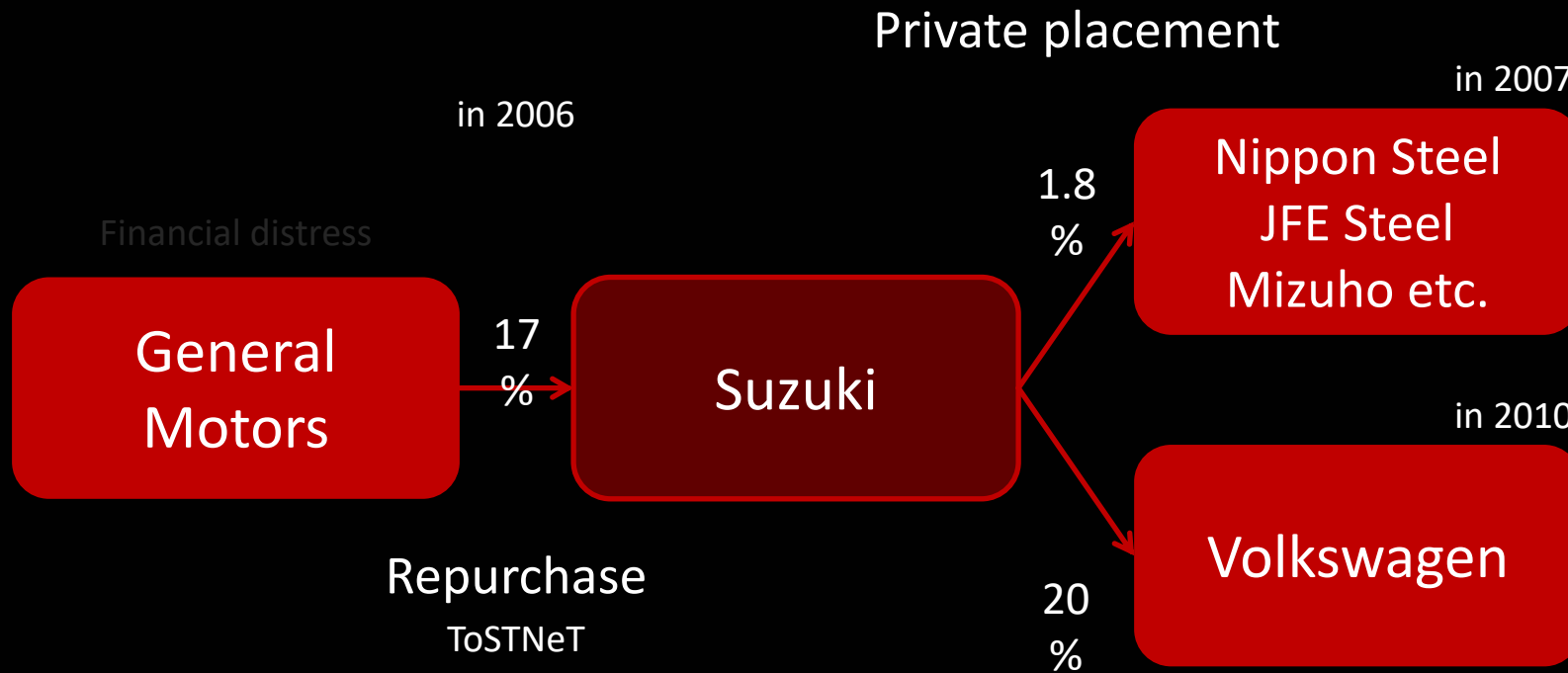
MEASURED COST



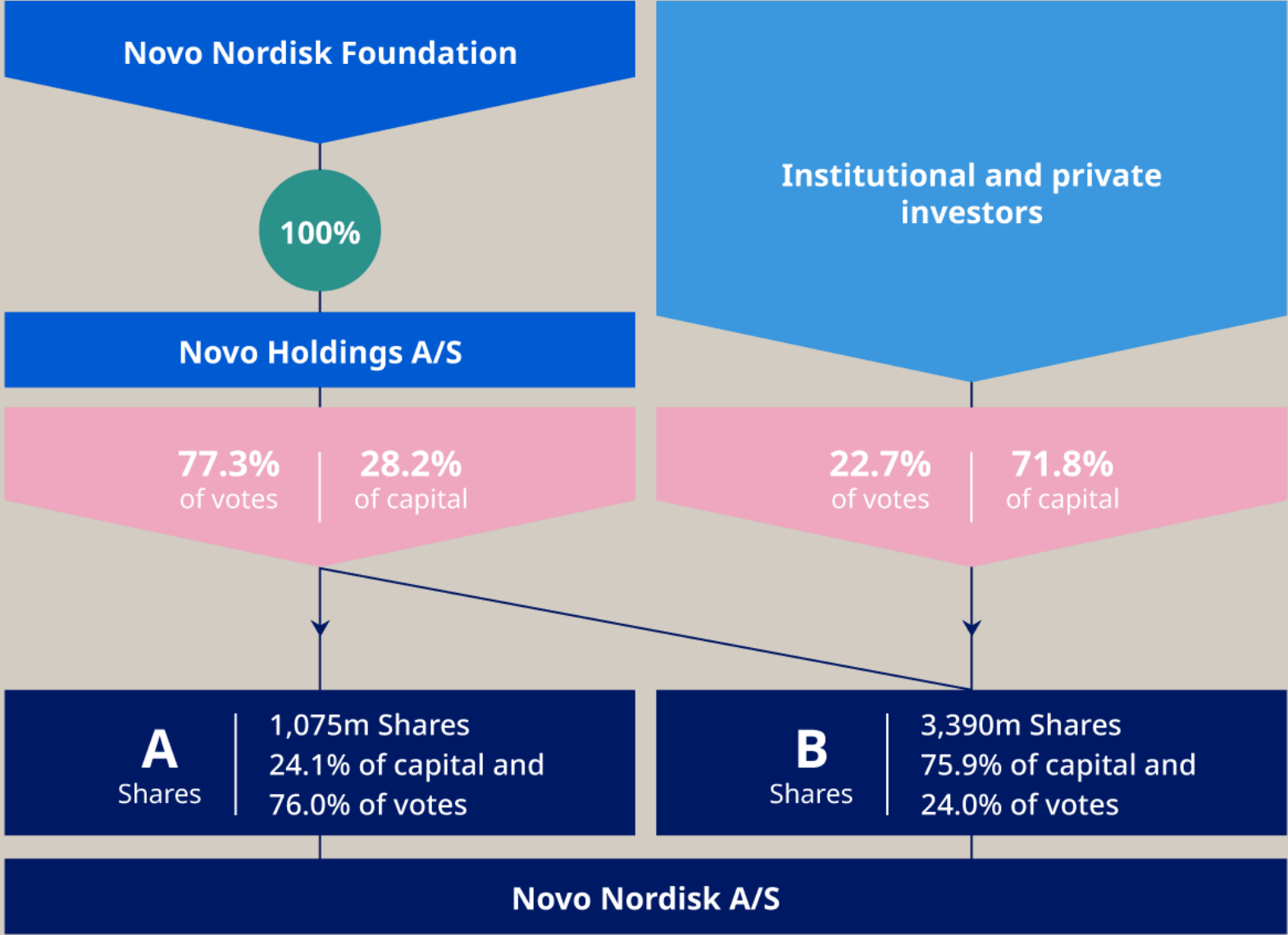
Ownership in Japan



The Case of Suzuki



Suzuki made other occasional open-market repurchases



資本主義

Capitalism and Crises:
How to Fix Them

危機の解決策と新しいかたち

再興

コリン・メイヤー
宮島英昭 監訳
清水真人
馬場晋一 訳

ハーバース経営の世界的権威が説く
新しい資本主義理論

「神の見えざる手」に
欠けていたのは何か？

日経BP