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Social Responsibility in Healthcare System: ISO 26000 and Socially Responsible Investment

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Abstract

The global nature of some environmental and health issues and more geographically dispersed value chains mean that the issues relevant to an organization may extend well beyond those existing in the immediate area in which the organization is located. Globalization and the availability of instant communications mean that individuals and organizations around the world are finding it easier to know about the activities of organizations both nearby and in distant locations.

The essential characteristic of Social Responsibility (SR) is the willingness of an organization to take responsibility and be accountable for the impacts of its activities and decisions on society and the environment. A fundamental principle of SR is to respect for the rule of law and compliance with legally binding obligations. SR, however, also entails actions beyond legal compliance and recognition of obligations to others that are not legally binding.

The new guidance standard will be published in 2010 as ISO 26000 which addresses SR. "Medical professionalism in the new millennium: a physician charter" published in 2002 clarifies social justice and the social responsibility of individual physicians or groups of physicians. Every organization in healthcare system will be encouraged to become more socially responsible by using ISO 26000. Socially Responsible Investment (SRI) will be a useful means of financially supporting ISO 26000.

keywords: social responsibility, ISO 26000, socially responsible investment, medical professionalism, physician charter, healthcare system

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I. Introduction

ISO (International Organization for Standardization) is a network of the national standards institutes of 162 countries, one member per country, with a Central Secretariat in Geneva, Switzerland, that coordinates the system. ISO is a non-governmental organization that forms a bridge between the public and private sectors. On the one hand, many of its member institutes are part of the governmental structure of their countries, or are mandated by their government¹⁾.

The ISO 9000 and ISO 14000 families are among ISO's best known standards ever. The ISO 9000 family addresses "Quality management". This means what the organization does to fulfill: the customer's quality requirements, and applicable regulatory requirements, while aiming to

enhance customer satisfaction, and achieve continual improvement of its performance in pursuit of these objectives. The ISO 14000 family addresses "Environmental management". This means what the organization does to: minimize harmful effects on the environment caused by its activities, and to achieve continual improvement of its environmental performance¹⁾.

Through recent rapid globalization, all organizations including educational institutes, medical facilities, NPO/NGO, governments, and international organizations have acquired social influence. The organizations around the world, as well as their stakeholders, are becoming increasingly of the need for social responsibility behavior. The new guidance standard will be published in 2010 as ISO 26000. The ISO 26000 addresses "Social Responsibility". The aim of social responsibility is to

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contribute to sustainable development, including health and the welfare of society. The ISO 26000 will have a dramatic effect on the concept of social responsibility in healthcare system.

II. Sustainability and Corporate Social Responsibility (CSR)

In the 20th century, advanced nations entered the industrial age, marking the start of full-scale mass production. Human beings have become wealthier than ever before and the world's population is growing explosively. Meanwhile contamination and destruction of the environment, which is the foundation of human survival, through acid rain, tropical deforestation, desertification, global warming caused by greenhouse gases, depletion of the ozone layer, and so on are expanding on a global scale. This reflects tropical deforestation resulting from slash and burn agriculture and other destructive uses of the environment due to poverty, and excessive consumption of resources and energy to feed the world's addiction to wealth.

From a global standpoint, a private think tank, the Club of Rome, was set up by an Italian businessman in 1968 on the theme, the advance of humankind and harmonization with the global environment²⁾. In 1972, the Club of Rome published its first report "The Limits to Growth". This report discussed a scenario and human choices needed to harmonize sustainable growth of humankind with the limited global environment, and sounded the warning "if present circumstances continue unchanged, the limits to growth of human beings will be reached sometime within the next 100 years," making a major impact on the world³⁾.

The UN's World Commission on Environment and Development (Brundtland Commission) published "Our Common Future" in 1987. This report points out that human beings must sever the vicious cycle of development and environmental destruction and shift to the process of "Sustainable Development," which means advancing development while preserving the environment and resource base. It describes sustainable development as development that meets the needs of the present without compromising the ability of future generations to satisfy theirs⁴⁾.

In 1992, the UN Conference on Environment and Development (Earth Summit) was held in Rio de Janeiro, Brazil, adopting the "Rio Declaration on Environment and Development" and its action plan "Agenda 21"^{5), 6)}. In 2002, the World Summit on Sustainable Development (WSSD) was held in Johannesburg, South Africa, adopting the "Johannesburg Declaration on Sustainable Development". This declaration reasserts that the overall purpose of

"sustainable development" is to reduce poverty, change the manner of production and consumption, and preserve and control the natural resource base to achieve economic and social development⁷⁾.

As you may guess from the sequence of messages: "The Limits to Growth," "Our Common Future," "Rio Declaration on Environment and Development," and "Johannesburg Declaration on Sustainable Development," the globalization that has advanced over the last several decades has strengthened interdependence among members of the international community. Under these circumstances, building up a society that can support "sustainable development" requires cooperative efforts by citizens, profit-making businesses, nonprofit organizations, governments, and international organizations. A great deal is expected of enterprises, which are leading players in economic activities. The social responsibilities of businesses to build a society that enables "sustainable development" are called Corporate Social Responsibility (CSR).

In response to these background circumstances, the concept, Triple Bottom Line, was proposed by John Elkington in 1998. A bottom line generally refers to the closing accounts of a business activity, or the financial results of a business. The Triple Bottom Line expresses the idea that a business's sustained expansion requires totally improving "environmental results" such as environment preservation and "social results" such as relationships with employees and communities as well as "financial results" such as profit taking⁸⁾.

At the World Economic Forum held in January 1999, Kofi Annan, then the United Nations' secretary general, advocated The Global Compact (GC). GC is the fundamental principle that businesses should comply with when practicing CSR. It demands that businesses improve their roles as responsible corporate citizens through collective action. It is based on the belief that practicing CSR allows private businesses to cooperate with other social entities and can realize a sustainable and comprehensive global economy. The Global Compact's ten principles are listed below. Note that Principle 10, Anti-Corruption, was added at the first GC Leaders Summit held in June 24, 2004⁹⁾.

[Human Rights]

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

[Labour Standards]

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

[Environment]

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

[Anti-Corruption]

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

III. Social Responsibility (SR) and ISO 26000

The concept of CSR is not new to Japan. The idea that a company should practice fair management and contribute to the community, bringing mutual benefits has existed since the Edo era. From the Edo (1603-1868) to Meiji (1868-1912) eras, the Ohmi merchants had done business outside Ohmi, though they were based in Ohmi (today's Shiga prefecture). The Ohmi merchants, who brought material from the countryside and shipped products out of Kamigata (today's Kansai region), had been peddling goods in other domains and needed to build trusting relations with local people. To peddle their goods, they had to visit prospective domains or provinces every year instead of one-time sales activities, in order to expand their territory by finding new customers in places where they had no territorial connections or blood relations. They established the business management principle "Sanpo-yoshi: Good for Three Sides" meaning that transactions are good for sellers, buyers, and society, to define their mental attitude to such business practice¹⁰.

In addition, Yukichi Fukuzawa who was a very famous Japanese author, writer, teacher, translator, entrepreneur and political theorist and founded Keio University stated in his work, "Bunmeiron no Gairyaku (An Outline of a Theory of Civilization); Chapter 7" published in 1875, that pursuing short-term profits would likely result in a large loss in the long term¹¹. He pointed out the following: "In business

practice, pursuing an immediate gain may violate a sense of honor. This is called a merchant's dishonesty. For example, in the production of silkworm-egg cards in Japan, if a producer seeks immediate gain by fraudulent means, the value of Japanese silk will decrease and a large benefit will be lost by the entire nation in the long term, and the fraudulent producer will eventually suffer a loss, so it is just like abandoning both his honor and his profits. In contrast, Western merchants do legitimate business without cheating customers. When a seller offers several tens of thousands of bolts of fabric by showing a small sample, the buyer accepts the complete lot of fabric without checking the contents trusting that the fabric does not differ from the sample. Considering this practice, it appears that Japanese people are dishonest and Western people are honest. However, by taking a closer look, it's not as if Western people are faithful and Japanese people are faithless. Western people, who want to do business on a large scale to make great perpetual profits, are reluctantly compelled to refrain from fraud because doing business in a fraudulent manner may pose later obstacles which block their path to profits. Their honesty does not come from the heart but is well calculated."

Japanese businesses' efforts to promote CSR after World War II were supported by the three pillars: environmental management, philanthropy, and compliance management. Environmental management was introduced as action to deal with pollution problems which were a growing concern in the 1960's to the 1970's. Philanthropy attracted attention in response to the economic boom in and after the 1980's. Compliance management increased in importance as the result of a series of corporate scandals in the 1990's. In the 21st century, Japanese society is about to enter a drastic turning point driven by changes in the social environment, such as globalization, introduction of IT, increasing civil activities by NPOs and NGOs, correction of excessive shareholder capitalism, end of the 1955-era political order, aging and a very low birthrate, and diversification of individual values. Keizai Doyukai (Japan Association of Corporate Executives) defines today's CSR as the concept of combining sustainable social evolution with continuous value creation and improvement of competitiveness in businesses and integrating the economic aspect and the social and human aspect of business activity¹².

As CSR attracts growing worldwide attention, efforts to standardize CSR are intensifying in several other nations. Typical standards include "Sustainability - Integrated Guidelines for Management (SIGMA)" in the UK, "Sustainable development - Corporate social responsibility - Guide for the taking into account of the stakes of

sustainable development in enterprise management and strategies (SD 21000)” in France, and “Corporate Social Responsibility (AS 8003)” in Australia¹³⁾.

In line with the trend to standardize CSR seen in many nations, ISO has discussed the standardization of CSR since January 2001. ISO, which stands for International Organization for Standardization, is an NGO set up in 1947, and is used as the generic name of standards developed by the organization¹⁾. ISO international standards have been provided for third-party certification. Examples are the ISO 14000 series concerning environmental management and the ISO 9000 series concerning quality management. ISO initially used the term “CSR” but changed it to “SR (Social Responsibility)” in February 2002 because not only businesses assume social responsibilities. SR is thought of as an organization’s responsibility for impacts of its organizational decisions and activities on society and the environment, and which is fulfilled through the following transparent and ethical actions¹⁴⁾:

- Sustainable development and commitment to health and social prosperity
- Attention to expectations of stakeholders
- Compliance with applicable laws and regulations and respect for international codes of conduct
- Actions integrated in the entire organization and practiced through its organizational relationships

When approaching and practicing SR, the overarching goal for an organization is to maximize its contribution to sustainable development, including health and the welfare of society. Although there is no comprehensive list of principles for SR, organizations should at least apply the seven principles outlined below¹⁴⁾.

Principle 1: Accountability

An organization should be accountable for its impacts on society and the environment.

Principle 2: Transparency

An organization should be transparent in its decisions and activities that impact on society and environment.

Principle 3: Ethical behaviour

An organization should behave ethically at all times.

Principle 4: Respect for stakeholder interests

An organization should respect, consider and respond to the interests of its stakeholders.

Principle 5: Respect for the rule of law

An organization should accept that respect for the rule of law is mandatory.

Principle 6: Respect for international norms of behaviour

An organization should be respect international norms of behaviour, while adhering to the principle of respect for the rule of law.

Principle 7: Respect for human rights

An organization should respect human rights and recognize both their importance and their universality.

Through recent rapid globalization, all organizations including educational institutes, medical facilities, NPO/NGO, governments, and international organizations have acquired social influence. This international standard is, therefore, being developed as a multi-stakeholder process by experts in the fields of consumers, government, industry, labor, NGO, services, support, research, and others from 80 nations including developing nations. The SR standard, ISO 26000, will be published in 2010. The discussions of this international standard included issues to be addressed not only by businesses but by all types of organizations, permitting its unrestricted use instead of limiting its uses to third-party certification, regulations, or contracts. An internal working document of the ISO 26000 Fourth Working Draft Revision 2 (WD4.2) which was written in English and Japanese has been posted on the web site of the Japanese Standards Association¹⁵⁾.

IV. Changes in Healthcare System and the Healthcare Environment

The World Health Report issued by the World Health Organization (WHO) adopted the “Health System” as the theme for 2000 and caused significant ripples throughout the world. The report compared and ranked the health systems in 191 WHO member nations using five criteria: (1) healthy life expectancy and (2) regional difference in the infantile mortality rate, concerning the “Health Attainment,” (3) health care satisfaction level and (4) fairness in access, concerning the “Responsiveness to Public Expectation,” and (5) fairness in financial contribution. Each criterion was weighted as follows: (1) healthy life expectancy: 25%; (2) regional difference in the infantile mortality rate: 25%; (3) health care satisfaction level: 12.5% ; (4) fairness in access: 12.5%; and (5) fairness in financial contribution: 25%. The healthy life expectancy is a new index reflecting more precisely the “quality of life duration” that is calculated by subtracting periods in which health is lost due to a disease, injury, or dementia from the life expectancy. Japan’s health system won the first place in the overall ranking of 191 WHO member nations¹⁶⁾.

The postwar Japanese health care system has focused on quantitative enhancement of health care services, such as improvement of the medical insurance system, cultivation of doctors, nurses and co-medicals, and increase of hospital beds. In 1961, the “universal care and universal pension coverage” was established to provide health care for all the people at comparatively low costs and ensure fair access to

health care. Meanwhile, patients have an option between medical institutions. The primary reason why Japan won the first place in the overall ranking is that Japan took first in the “healthy life expectancy” category for both males and females. Therefore, some may argue that this first prize could be taken because of not only the health care system but other factors such as Japanese lifestyle and dietary habits. However, in spite of rapid aging of the population, the ratio of the total health care cost to GDP in Japan has been constantly much less than the average health care cost in the Organization for Economic Co-operation and Development (OECD) nations and there is no doubt from a global perspective that the Japanese health care system had efficiently achieved significant results in the late 20th century.

According to OECD Health Data 2009, the average healthcare-related expenditure of OECD nations in relation to GDP had been on an upward trend from 6.6% in 1980, and although this trend has recently weakened, the average healthcare-related expenditure of OECD nations in relation to GDP was 8.9% in 2006. Data from 2007 shows that the healthcare-related expenditure in relation to GDP was 16.0% for the U.S., 11.0% for France, 10.8% for Switzerland, 10.4% for Germany, 10.1% for Canada, 9.1% for Sweden, 8.7% for Italy, 8.7% for Australia (data from 2006), 8.4% for United Kingdom and 8.1% for Japan (data from 2006), which was the lowest among major nations¹⁷⁾.

Nonetheless, Great changes have occurred in today's healthcare system and the healthcare environment. Medical technologies have achieved remarkable progress. The rapid advance of molecular biology has provided the ability to understand a disease state from the integrated perspective of “gene - protein - enzyme - tissue function,” creating the possibility of essential and radical treatments for medical diseases. A fusion of cell culture technology and genetic manipulation technology has brought a new dimension to the practical application of regenerative medicine. Endoscope technology, robot technology, and IT technologies have been combined to bring a new perspective to traditional surgical treatment. An accumulation of evidence in clinical medicine has allowed the clinical field to introduce an epidemiological approach, leading to the establishment of the concept of Evidence-Based Medicine (EBM) in the 1990's. In addition, rapid progress of technological innovation in the field of nursing-care and welfare has been achieved. In fact, it is now possible to lease a robot suit (artificial powered exoskeleton).

As the population ages, the disease structure is changing rapidly with a sharp increase of chronic diseases. Providing

healthcare services for elderly people or chronic disease patients requires a system with more advanced functional differentiation and collaboration than ever before. To efficiently provide high-quality care to elderly patients, a healthcare system that enables seamless services from medical care to nursing care, i.e., from acute treatment through rehabilitation to facility or home care is required. In developed nations, with diversification of values, significantly increased awareness of rights, and rich knowledge of healthcare among the people, there are higher expectations of the healthcare system.

The case of a medical error caused by an overdose of an anticancer drug at the Dana-Farber Cancer Institute, which was reported as the front-page headline of *The Boston Globe* in March 23, 1995, had a major impact on the entire world, as well as in the U.S. In this case, a patient who had agreed to undergo treatment for breast cancer with an experimental protocol mistakenly received four times the amount of anticancer drug prescribed in the protocol for four days and died on the expected date of discharge. Afterwards, a succession of serious medical error cases was reported in media around the world. While medical facilities are actively involved in medical risk management, public mistrust and concern for patient safety have not yet been relieved¹⁸⁾.

The OECD Health Project summary report (“Towards High-Performing Health Systems”) issued in May 2004 points out serious shortcomings in the quality of health care, such as providing healthcare services that should not be provided according to medical standards, a failure to provide a basic healthcare service despite its effectiveness, or a treatment provided by a technically low level or incorrect method. It also reveals that in most OECD nations, there is increasing evidence of unnecessary deaths or disabilities, deterioration of health, or increased unnecessary costs¹⁹⁾.

Thus, the public, as well as patients and healthcare providers are becoming much more aware of problems concerning “safety and quality of healthcare,” “access to healthcare,” and “costs of healthcare.” Combined with “rapid progress of medical technologies,” “increasing demand for healthcare services in an aged society,” and “diversification of values and increased awareness of rights,” this is placing extremely strong and continuous upward pressure on healthcare expenditures.

V. Medical Professionalism and Social Responsibility (SR)

According to the “Medical professionalism in the new millennium: a physician charter” published in 2002, medical

professionals must regard a patient's interest as more important than a physician's interest, maintain high-level skills and good faith, and provide professional advice about health to society^{20, 21}. Medical professionalism originates from an oath written by Hippocrates, who is known as the father of medicine, about 2,500 years ago (in the Greek era). The "Hippocratic Oath" is known as immortal words of wisdom preaching medical ethics, as shown below²²:

"I swear by Apollo the physician, by Aesculapius, Hygeia, and Panacea, and I take to witness all the gods, all the goddesses, to keep according to my ability and my judgment the following oath: To consider dear to me as my parents him who taught me this art; to live in common with him and if necessary to share my goods with him; to look upon his children as my own brothers, to teach them this art if they so desire without fee or written promise; to impart to my sons and the sons of the master who taught me and the disciples who have enrolled themselves and have agreed to the rules of the profession, but to these alone, the precepts and the instruction. I will prescribe regimen for the good of my patients according to my ability and my judgment and never do harm to anyone. To please no one will I prescribe a deadly drug, nor give advice which may cause his death. Nor will I give a woman a pessary to procure abortion. But I will preserve the purity of my life and my art. I will not cut for stone, even for patients in whom the disease is manifest; I will leave this operation to be performed by practitioners (specialists in this art). In every house where I come I will enter only for the good of my patients, keeping myself far from all intentional ill-doing and all seduction, and especially from the pleasures of love with women or with men, be they free or slaves. All that may come to my knowledge in the exercise of my profession or outside of my profession or in daily commerce with men, which ought not to be spread abroad, I will keep secret and will never reveal. If I keep this oath faithfully, may I enjoy my life and practice my art, respected by all men and in all times; but if I swerve from it or violate it, may the reverse be my lot."

In the midst of rapid change in healthcare and the healthcare environment mentioned above, medical professionalism is not easy to practice. To reconfirm the principles and responsibilities of medical professionalism, the American College of Physicians-American Society of Internal Medicine (ACP-ASIM), the American Board of Internal Medicine (ABIM), and the European Federation of Internal Medicine launched a joint project in November 1999 and developed "Medical professionalism in the new millennium: a physicians' charter" in 2002 for publication

both in *Lancet* and *Annals of Internal Medicine*^{20, 21}.

This physicians' charter is organized into the following sections: Preamble, Fundamental Principles, A Set of Professional Responsibilities, and Summary. The three fundamental principles and ten professional responsibilities are outlined below:

[Fundamental Principles]

- *Principle of primacy of patient welfare*

This principle is based on a dedication to serving the interest of the patient. Market forces, societal pressures, and administrative exigencies must not compromise this principle.

- *Principle of patients autonomy*

Physicians must have respect for patients' autonomy. Physicians must be honest with their patients and empower them to make informed decisions about their treatment.

- *Principle of social justice*

The medical profession must promote justice in the healthcare system, including the fair distribution of healthcare resources. Physicians should work actively to eliminate discrimination in healthcare, whether based on race, gender, socioeconomic status, ethnicity, religion, or any other social category.

[A set of professional responsibilities]

- *Commitment to professional competence*

Physicians must be committed to lifelong learning and be responsible for maintaining the medical knowledge and clinical and team skills necessary for the provision of quality care. More broadly, the profession as a whole must strive to see that all of its members are competent and must ensure that appropriate mechanisms are available for physicians to accomplish this goal.

- *Commitment to honesty with patients*

Physicians must ensure that patients are completely and honestly informed before the patient has consented to treatment and after treatment has occurred. This expectation does not mean that patients should be involved in every minute decision about medical care; rather, they must be empowered to decide on the course of therapy. Physicians should also acknowledge that in health care, medical errors that injure patients do sometimes occur. Whenever patients are injured as a consequence of medical care, patients should be informed promptly because failure to do so seriously compromises patient and societal trust. Reporting and analyzing medical mistakes provide the basis for appropriate prevention and improvement strategies and for appropriate compensation to injured parties

- *Commitment to patient confidentiality*

Earning the trust and confidence of patients requires that appropriate confidentiality safeguards be applied to disclosure of patient information. This commitment extends to discussions with persons acting on a patient's behalf when obtaining the patient's own consent is not feasible. Fulfilling the commitment to confidentiality is more pressing now than ever before, given the widespread use of electronic information systems for compiling patient data and an increasing availability of genetic information. Physicians recognize, however, that their commitment to patient confidentiality must occasionally yield to overriding considerations in the public interest (for example, when patients endanger others).

- *Commitment to maintaining appropriate relationships with patients*

Given the inherent vulnerability and dependency of patients, certain relationships between physicians and patients must be avoided. In particular, physicians should never exploit patients for any sexual advantage, personal financial gain, or other private purpose.

- *Commitment to improving quality of care*

Physicians must be dedicated to continuous improvement in the quality of health care. This commitment entails not only maintaining clinical competence but also working collaboratively with other professionals to reduce medical error, increase patient safety, minimize overuse of health care resources, and optimize the outcomes of care. Physicians must actively participate in the development of better measures of quality of care and the application of quality measures to assess routinely the performance of all individuals, institutions, and systems responsible for health care delivery. Physicians, both individually and through their professional associations, must take responsibility for assisting in the creation and implementation of mechanisms designed to encourage continuous improvement in the quality of care.

- *Commitment to improving access to care*

Medical professionalism demands that the objective of all health care systems be the availability of a uniform and adequate standard of care. Physicians must individually and collectively strive to reduce barriers to equitable health care. Within each system, the physician should work to eliminate barriers to access based on education, laws, finances, geography, and social discrimination. A commitment to equity entails the promotion of public health and preventive medicine, as well as public advocacy on the part of each physician,

without concern for the self-interest of the physician or the profession.

- *Commitment to a just distribution of finite resources*

While meeting the needs of individual patients, physicians are required to provide health care that is based on the wise and cost-effective management of limited clinical resources. They should be committed to working with other physicians, hospitals, and payers to develop guidelines for cost-effective care. The physician's professional responsibility for appropriate allocation of resources requires scrupulous avoidance of superfluous tests and procedures. The provision of unnecessary services not only exposes one's patients to avoidable harm and expense but also diminishes the resources available for others.

- *Commitment to scientific knowledge*

Much of medicine's contract with society is based on the integrity and appropriate use of scientific knowledge and technology. Physicians have a duty to uphold scientific standards, to promote research, and to create new knowledge and ensure its appropriate use. The profession is responsible for the integrity of this knowledge, which is based on scientific evidence and physician experience.

- *Commitment to maintaining trust by managing conflicts of interest*

Medical professionals and their organizations have many opportunities to compromise their professional responsibilities by pursuing private gain or personal advantage. Such compromises are especially threatening in the pursuit of personal or organizational interactions with for-profit industries, including medical equipment manufacturers, insurance companies, and pharmaceutical firms. Physicians have an obligation to recognize, disclose to the general public, and deal with conflicts of interest that arise in the course of their professional duties and activities. Relationships between industry and opinion leaders should be disclosed, especially when the latter determine the criteria for conducting and reporting clinical trials, writing editorials or therapeutic guidelines, or serving as editors of scientific journals.

- *Commitment to professional responsibilities*

As members of a profession, physicians are expected to work collaboratively to maximize patient care, be respectful of one another, and participate in the processes of self-regulation, including remediation and discipline of members who have failed to meet professional standards. The profession should also define and organize the educational and standard-setting process for current and future members. Physicians have

both individual and collective obligations to participate in these processes. These obligations include engaging in internal assessment and accepting external scrutiny of all aspects of their professional performance.

This physicians' charter, which contains the three fundamental principles: principle of primacy of patients' welfare, principle of patients' autonomy, and principle of social justice, differs from the "Hippocratic Oath" in one major feature: it clarifies social justice and the social responsibility of individual physicians or groups of physicians. In fact, it expressly declares that individual physicians or groups of physicians must be actively engaged in efforts to fulfill their social responsibility.

VI. Socially Responsible Investment (SRI) and Principles for Responsible Investment (PRI) in Healthcare system

A Socially Responsible Investment (SRI) is a means of financially supporting SR. SRI originated with the exclusion of industry sectors which do not conform to religious values, such as cigarettes, alcohol, and gambling from targets of investment by a U.S. association in the 1920's. In American society, a traditional concept of "negative screening", screens out undesirable businesses from targets of investment based on certain standards. Meanwhile, a widely accepted approach in Europe is "positive screening," which includes acceptable businesses in targets of investment based on certain standards¹³⁾.

In April 2006, the UN Environment Programme Finance Initiative (UNEPFI) and the UN Global Compact, led by Kofi Annan, then the United Nations' secretary general, developed and published a voluntary investment principle called the "Principles for Responsible Investment (PRI)." PRI provides six principles that institutional investors managing assets and fund managers entrusted with asset management should comply with to make investments in consideration of the Environmental, Social and Governance Issues (ESG)²³⁾.

[The Principles for Responsible Investment]

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

1 We will incorporate ESG issues into investment analysis and decision-making processes.

Possible actions:

- Address ESG issues in investment policy statements
- Support development of ESG-related tools, metrics, and analyses
- Assess the capabilities of internal investment managers to incorporate ESG issues
- Assess the capabilities of external investment managers to incorporate ESG issues
- Ask investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) to integrate ESG factors into evolving research and analysis
- Encourage academic and other research on this theme
- Advocate ESG training for investment professionals

2 We will be active owners and incorporate ESG issues into our ownership policies and practices.

Possible actions:

- Develop and disclose an active ownership policy consistent with the Principles
- Exercise voting rights or monitor compliance with voting policy (if outsourced)
- Develop an engagement capability (either directly or through outsourcing)
- Participate in the development of policy, regulation, and standard setting (such as promoting and protecting shareholder rights)
- File shareholder resolutions consistent with long-term ESG considerations
- Engage with companies on ESG issues
- Participate in collaborative engagement initiatives
- Ask investment managers to undertake and report on ESG-related engagement

3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Possible actions:

- Ask for standardised reporting on ESG issues (using tools such as the Global Reporting Initiative)
- Ask for ESG issues to be integrated within annual financial reports
- Ask for information from companies regarding adoption of/adherence to relevant norms, standards, codes of conduct or international initiatives (such as the UN Global Compact)
- Support shareholder initiatives and resolutions promoting ESG disclosure

4 We will promote acceptance and implementation of the Principles within the investment industry.

Possible actions:

- Include Principles-related requirements in requests for proposals (RFPs)
- Align investment mandates, monitoring procedures, performance indicators and incentive structures accordingly (for example, ensure investment management processes reflect long-term time horizons when appropriate)
- Communicate ESG expectations to investment service providers
- Revisit relationships with service providers that fail to meet ESG expectations
- Support the development of tools for benchmarking ESG integration
- Support regulatory or policy developments that enable implementation of the Principles

5 We will work together to enhance our effectiveness in implementing the Principles.

Possible actions:

- Support/participate in networks and information platforms to share tools, pool resources, and make use of investor reporting as a source of learning
- Collectively address relevant emerging issues
- Develop or support appropriate collaborative initiatives

6 We will each report on our activities and progress towards implementing the Principles.

Possible actions:

- Disclose how ESG issues are integrated within investment practices
- Disclose active ownership activities (voting, engagement, and/or policy dialogue)
- Disclose what is required from service providers in relation to the Principles
- Communicate with beneficiaries about ESG issues and the Principles
- Report on progress and/or achievements relating to the Principles using a 'Comply or Explain' approach
- Seek to determine the impact of the Principles
- Make use of reporting to raise awareness among a broader group of stakeholders

Rating agencies that evaluate businesses from such a perspective and stock indexes and investment trust funds which deal with stocks selected based on the SRI standards are appearing successively around the world. From a global perspective, institutional investors (pension funds and their operating agencies) are including ESG of investment destinations in decisions about investments and operations. The incorporated nonprofit organization, Social Investment Forum Japan (SIF-Japan), reports that in the U.S. market which includes the most advanced SRI market, the total

value of the SRI market was 2.29 trillion dollars (about 270 trillion yen) in 2005, accounting for 9% of funds under professional management. The total value of the European SRI market is estimated to have been about 1.33 trillion euros (about 150 trillion yen) at the end of 2005. In contrast, the total value of the Japanese SRI market remained at about 840 billion yen (\$7.3 billion) at the end of September 2007²⁴⁾.

The Japanese capital market lags behind Western markets in embracing SRI, partly because it relies primarily on indirect finance, and direct finance has not fully matured. Although the main players in promoting SRI are long-term investors, typically pension funds, the institutional investors like public pension funds presence is extremely small in the SRI market in Japan compared to Europe and the United States. SRI-style shareholder advocacy and engagement is still next to nil. In the meanwhile, both the activities relating to SR and the awareness of individuals about environmental issues are very high in Japan. If one considers the fact that Japanese personal financial assets amount to 1,410 trillion yen (\$14.4trillion, according to Bank of Japan, as of the end of March 2009)²⁵⁾ and the fact that a large number of institutional investors are paying attention to the PRI, one could conclude that there is enormous latent potential for further expansion of SRI in Japan.

While a public spending reduction policy has been followed since 2001 to rebuild public finances in Japan, limits to the mechanical budget cutting approach in the field of social security have recently appeared. However, even if the government was to change the basic policy, medical budgets would continue to be restrained. Considering the Japanese legal durable years for hospitals (39 years for steel-reinforced concrete or reinforced concrete buildings), new quake-resistance standards established by the 1981 amendment of the Building Standards Act, the restriction on hospital beds based on the first amendment of the Medical Service Act in 1985, and promotion of reorganization and networking of hospitals in accordance with the public hospital reform guideline issued in December 2007, a rush of hospital construction is expected to start in 2011. Under these circumstances, as financing instruments of medical facilities are gradually increasing in Japan, it is highly desirable, that to prepare for the future, hospital management involves an awareness of SRI standards based on ESG.

VII. Conclusion

The global nature of some environmental and health issues and more geographically dispersed value chains

means that the issues relevant to an organization may extend well beyond those existing in the immediate area in which the organization is located. Documents such as “Rio Declaration on Environment and Development”⁵⁾ and “Johannesburg Declaration on Sustainable Development”⁷⁾ emphasize this worldwide interdependence.

Globalization and the availability of instant communications mean that individuals and organizations around the world are finding it easier to know about the activities of organizations both nearby and in distant locations. They also mean that organizations’ activities are subject to increased scrutiny by a wide variety of groups and individuals. Policies or practices applied by organizations in different locations can be readily compared.

The essential characteristic of SR is the willingness of an organization to take responsibility and be accountable for the impacts of its activities and decisions on society and the environment. A fundamental principle of SR is to respect for the rule of law and compliance with legally binding obligations. SR, however, also entails actions beyond legal compliance and recognition of obligations to others that are not legally binding. These obligations arise out of widely shared ethical and other values¹⁴⁾.

This physicians’ charter clarifies social justice and the social responsibility of individual physicians or groups of physicians^{20, 21)}. In fact, it expressly declares that individual physicians or groups of physicians must be actively engaged in efforts to fulfill their social responsibility. Every organization in healthcare system will be encouraged to become more socially responsible by using ISO 26000. SRI will be a useful means of financially supporting ISO 26000.

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