

A Characteristic and Problem of Civic Finance for Renewable Energy

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1. INTRODUCTION AND OBJECTIVE OF STUDY

In our country, the spread of renewable energy is required by the accident of The Fukushima Dai-ichi nuclear power plant which was caused by the Tohoku earthquake in March 2011. While various business entities worked on this problem, there is the case that renewable energy spread by civic finance to raise funds by the sympathy from a citizen to a business purpose. Unlike the renewable energy business by the major company, the significance of the business by civic finance producing the consciousness change of the investor and the ripple effects on the area. However, the business by civic finance has two problems.

One is regulation to civic finance by Financial Instruments and Exchange Act. The business of civic finance may be delayed by this regulation. However, civic finance has potential to facilitate the financing of social business such as the renewable energy business, so the objective of this study is clarifying a characteristic and problem of civic finance as the financing method.

The other is investors are limited by limit of the public information means. Financial Instruments and Exchange Act regulates the public information means, so the offer of civic finance does not reach well. So it is important problem to collect investments from what kind of person. The other objective of this study is to clarify what kind of person invests a lot and continuously through investor analysis.

2. ANALYSIS

For the first objective, I clarify a characteristic and problem of the civic finance by comparing civic finance with other financing methods and arranging the financing process of the civic finance by hearing investigation. For the other objective, I clarify a difference of characteristic between allotment-oriented investor and support-oriented investor using questionnaire survey.

3. CONCLUSION

Civic finance for the renewable energy business has two characteristics. The first is a citizen contributes a fund by the sympathy to business purpose. As a result, it is easy for an energy development company lacking in trust and a security to raise a fund. The second is companies can decide a yield of the allotment and an investment ratio to each business by putting various businesses together and raising civic finance. Therefore, an energy development company contributes to expansion of the business by helping the financing of the company which does not have the know-how of the civic finance offer.

Next I clarify what kind of person invests a lot and continuously through investor analysis. As a result, the allotment-oriented investor is more likely to invest and invests a lot. But economic motive for allotment does not have an affect on the continuation of investments. Profit provided for only a civic investment is necessary to promote a continuous investment. If the company provide investors with the profit by investor tour, the civic investment business will spread in future.