Harvard Law School Program on International Financial Systems

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Symposium on Building the Financial System of the 21st Century: An Agenda for Japan and the United States

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Final Report

2021 Symposium on Building the Financial System of the 21st Century: An Agenda for Japan and the United States

The twenty-second Japan-U.S. Symposium on Building the Financial System of the 21st Century was held via Zoom on November 8-9, 2021. Sessions addressed the prospects for macroeconomic normalization after the COVID pandemic, whether fiscal and monetary policy responses to the pandemic had been appropriate, and the impact of new trends in finance including green finance and the rise of fintech trading platforms for retail investors.

Session 1: Macroeconomic Policy Normalization Post-COVID: Is Inflation or Market Damage Avoidable?

In Session 1, participants discussed macroeconomic policy normalization in the post-COVID era. They focused particularly on inflation in the U.S. and on the options facing the Fed. Many participants expressed skepticism about claims that inflation was transitory. In contrast, participants did not anticipate a resurgence of inflation in Japan.

Resurgence of Inflation?

Much of the discussion in Session 1 was about expectations for inflation in the U.S. Participants noted statements by the Fed and Biden administration that portrayed inflation as a transitory phenomenon, based on temporary supply chain issues. In contrast, many participants argued that U.S. inflation was likely to be higher and less transitory.

While participants agreed that some of the factors leading to the current high inflation were related to temporary supply chain issues related to the pandemic, they worried about factors that were likely to lead to sustained high prices. In particular, many participants pointed to rapid wage increases that were driven by labor shortages rather than productivity gains. They worried that wage hikes would drive continued inflation that would feed back into demands for higher wages, creating a self-perpetuating cycle.

Some participants also noted the potential impact of consumers starting to spend down the high savings that had accumulated as a result of pandemic-era fiscal policies. With high pent-up demand, they argued that consumer demand would remain high longer than markets were anticipating. Meanwhile, on the supply side, some cautioned bottlenecks may not be temporary. One example was employment in trucking, as well as some other areas of high demand like construction, where large numbers of workers were leaving the labor force, while relatively few younger-generation workers were entering. They also noted that the pandemic had accelerated a variety of business dislocations, due to widespread deployment of new technologies, changing preferences of workers, and threats to globalized supply chains. – employment, tech, Chinese shifts.

Turning to macroeconomic policy, many participants agreed that expansionary fiscal policies had contributed to inflation by building household savings and enabling consumption even though supply had grown more slowly. Several expressed concern that the U.S. government was continuing to carry out aggressively expansionary fiscal policy despite the already high demand, and questioned the wisdom of the Build Back Better plan.

In contrast to the situation in the U.S., participants saw few indications of inflation in Japan, despite tight labor markets and supply-chain disruptions that would persist well into 2022. Although GDP and earnings growth were still strong, it was argued that growth was decelerating, and that price pressures would therefore not overcome Japan's deflationary environment. However, concerns were raised about the effects on Japan's terms of trade, as the continued depreciation of the real effective exchange rate reduced Japanese consumers' purchasing power.

Monetary Policy Implications

Turning to the implications for U.S. monetary policy, there was a general agreement that the Fed would start gradually tapering asset purchase very soon, with quantitative easing ending by early summer. At that point, most participants expected that interest rate hikes would follow. However, expectations for the speed and extent of tightening diverged.

Several participants expected that rapid post-COVID recover would compound existing price pressures, leading to increasing inflation. They argued that the Fed would need to tighten much more quickly and abruptly over the next two years in order to stop an inflationary spiral, with a tail risk of the Fed Funds rate possibly reaching as high as 6%. They worried that this could easily lead to a situation of stagflation.

Others were skeptical that such drastic steps would be necessary. They argued that temporary inflationary factors like supply chain bottlenecks would ease, reducing the pressure on prices. Even factoring in a modest wage-price spiral, they anticipated that sustained inflation would not exceed around 3%, which they saw as easily controlled with more modest interest rate hikes. Several noted that modest above-average inflation would allow for normalization of nominal interest rates and movement away from the extraordinary measures of the last dozen years, including quantitative easing and (outside the U.S.) negative interest rates.

One wildcard was how the Fed would manage its dual mandate of targeting both inflation and employment. A number of participants suggested that the Fed had become very dovish about inflation and was much more focused on achieving full employment. Depending on participants' views about whether inflation was likely to be transitory or lasting, they saw this as either reassuring or concerning.

With regard to Japan, again participants saw little likely change in monetary policy targets or policies. With inflation unlikely to even approach the BOJ's 2% target, they predicted continued quantitative easing and low to negative interest rates. If growth were to slow excessively, participants expected that that fiscal stimulus was the most likely macroeconomic policy. Despite Japan's extremely high public debt, several participants argued that it still had plenty of fiscal space, given the low interest, low inflation environment.

Financial Stability Implications

There was also some question of the financial stability implications of rising inflation. Many participants anticipated greater market volatility, as investors tried to figure out the conflicting signals about inflation, monetary policy, and fiscal policy. Some predicted that asset prices were likely to generally move downwards, on the basis that monetary policy would inevitably have to tighten to constrain inflation in the U.S. Although Japan was not expected to see much inflation or change to monetary policy, it was argued that Japanese asset values and exchange rates were also likely to be volatile due to the widening of the gap between U.S. inflation and interest rates and those of Japan.

Despite expectations of greater market volatility and possibly even a significant market correction in one or more countries, participants were sanguine about the impact on financial systems. In particular, they argued that the post-financial crisis reforms of higher capital requirements and stress testing had left banks in a stable condition. Some argued that banks had remained healthy and had continued to lend money to the real economy throughout the pandemic, even when financial markets seized up in March and April 2020. Given the health of banks and the availability of central bank liquidity backstops, participants anticipated that even a substantial market correction would not lead to financial instability.

Some participants raised a different concern. Given the size of the Fed's balance sheet, it was argued that if the Fed were to raise interest rates rapidly in response to inflation, it could lose substantial amounts of money (as much as $60 billion by one estimate). If at some point the Fed had to sell assets, it will have to recognize those large embedded losses. This would reduce or eliminate Fed remittances to the Treasury and conceivably require a capital infusion by the Congress.

Session 2: Fiscal and Monetary Policy Responses to COVID: Enough or Too Much?

In Session 2, participants reviewed the responses of public authorities in Japan and the U.S. to the COVID pandemic. In general, they agreed that fiscal and monetary policy had been successful in staving off an economic disaster, but there were criticisms of particular aspects of each country's response. Participants also raised concerns about long-term effects of the COVID-era macroeconomic policies.

Fiscal and Monetary Policy Response

In response to the COVID pandemic, countries around the world had engaged in massive monetary and fiscal responses to the pandemic. Central banks had been proactive in making sure that credit continued to flow and that financial markets continued to work. In the U.S., drawing on the lessons of the 2008 crisis, the Fed made aggressive use of zero interest rate policies and quantitative easing, building on the lessons of the 2008 crisis and using some of those facilities, and inventing new ones. Fiscal policy had also been very aggressive in countries around the world. This was especially true in the U.S., where a total of $5 trillion (25% of GDP) had been injected into the economy between the CARES Act and the American Rescue Act, significantly more than the approximately 10% during the subprime crisis. U.S. monetary policy had also been accommodating; however, Main Street Lending Program (the Fed's signature directed lending program for SMEs) was observed to have had very little impact, due to its strikingly low uptake, with only $17.5 billion disbursed out of the authorized $600 billion. Other countries also made extensive use of fiscal stimulus, with Japan for example increasing stimulus by about 16% of GDP.

These efforts were seen by participants to have been highly successful in preventing economic crises, particularly in developed economies, although some participants worried about current and future side effects. One aspect of pandemic-era fiscal stimulus that differed across countries was support for workers. The U.S. had followed a mixed strategy. Although some programs, such as the Paycheck Protection Program (PPP), were predicated on the expectation that fiscal support and lending would enable firms to retain employees, there were massive decreases in employment. Instead, various studies had shown that the main way in which household incomes were maintained was through enhanced unemployment benefits that ensured that most workers would have enough income to ride out the slump. Although the reliance on unemployment benefits rather than employer-based subsidies had allowed for more rapid sectoral transitions in the labor force than in other countries, the U.S. had also experienced far more severe unemployment than Japan or Europe. Some also argued that the U.S. had essentially paid workers not to work, which had negative macroeconomic effects while also disincentivizing them from returning to work as the economy started to move back to normal. Others favored it as a way of allowing for reallocation of labor across sectors. In Japan, in contrast, fiscal stimulus policies had subsidized firms to keep workers employed even when their services were not needed. There was some disagreement between those who applauded Japan's success in preventing the kind of unemployment spike seen in the U.S. and those who worried about longer-term effects on allocation of labor.

Longer-Term Effects

While generally approving of the ways in which Japan and the U.S. managed the short-term economic challenges raised by the pandemic, participants raised a variety of concerns about longer-term effects. In both countries, participants predicted that it would be difficult to fully withdraw pandemic-era fiscal supports. In Japan, the Kishida government was preparing a new fiscal stimulus plan. In the U.S., the Biden stimulus of early 2021 was still working its way through the economy, even as the new infrastructure plans promised ongoing fiscal support. For both countries, participants worried that as pandemic support such as guaranteed loan programs was reduced, some sectors and firms would find themselves unviable and political pressures would rise for extending that support. This raised not only general issues about the socialization of risk and moral hazard for firms, but also the concern is that fiscal support for particular sectors (e.g., travel) would last longer than intended, preventing reallocation of resources.

Another such concern was about effects on labor markets. Several participants were critical of the Japanese approach to propping up employment, which focused on providing funds for firms to maintain employment. They argued that this approach implicitly assumed that Japan's post-pandemic economic structure would be the same as pre-pandemic. However, the pandemic had accelerated structural shifts in the economy and the nature of work that the Japanese economic system was already struggling with. Thus, they felt that Japan's pandemic-era fiscal support was only making the system less adaptive to changes necessitated by technological shifts, globalization, and shifting patterns of demand.

On the U.S. side, a number of participants worried that the pandemic-era policies had promoted a large-scale exit from the labor market of workers in sectors such as trucking, construction, and in-person services that were now facing bottlenecks. There were also some concerns about the sustainability of company debt (particularly in in-person services and among SMEs) accrued due to pandemic-era lending policies. On the bright side, there was also evidence presented that small businesses had survived surprisingly well. For example, small businesses had suffered the smallest employment losses among U.S. firms, probably due to PPP, whereas companies with over 1000 employees were actually hit hardest. Also, it was noted that a historically large number of new businesses had been started in 2021, suggesting continued dynamism and entrepreneurship in the U.S. economy.

Finally, some participants expressed concern about the effects of higher fiscal debt and deficits both Japan and the U.S., which they worried would impede long-term growth and make it harder to respond to future shocks. On the U.S. side, a number of participants expressed particular concerns about the cost of debt service as interest rates began to rise, possibly rapidly. On the Japanese side, there was less concern about the effects of interest rate spikes. However, several participants worried that, in combination with the fiscal effects of aging society, Japan was stuck in a pattern of ever-rising debt that would eventually become impossible to sustain. In the meantime, some also worried about crowding out of private investment, a concern in the

Symposium over many years. Finally, a number of participants observed that high deficits and debts in emerging economies raised the risk of sovereign debt crises, especially as U.S. interest rates began to rise. This would inevitably create challenges for U.S. and Japanese economic policy makers.

Session 3: Green Finance, Robinhood and the Socialization of Finance: Good or Bad?

In Session 3, participants discussed two emerging trends in financial markets: environmentally-conscious investing and new digital platforms for retail investors. Participants discussed the need for standards in green finance, as well as its potential to promote environmental and climate objectives. With regard to digital platforms for retail investors, participants discussed the pros and cons for market integrity and stability, as well as investor opportunities and protection. They also noted contrasts between Japan and the U.S.

Potential of Green Finance

Participants noted the rapid growth of green finance around the world, including Japan and the U.S. The profusion of green bonds and green investment funds was supported by both investor enthusiasm and government policies. Among investors, participants observed that financial products labeled as green were particularly popular among younger investors, suggesting that there was considerable growth potential as those investors continued to accumulate assets. So far, economic studies had shown green investment funds to have as high or even higher returns than other index funds, but there was some skepticism that that effect would persist over time.

Government policies in many countries supported the supply, and in some cases the demand, for green financial products. One aspect of that was national decarbonization pledges many of which were being upgraded at the ongoing COP26 meeting in Glasgow. For example, Japan had made a target of net zero carbon emissions by 2050 and a 47% reduction by 2030, which would require large-scale public and private investment in low-carbon infrastructure and projects. Planning for climate-resilience in countries around the world also called for new infrastructure investment. Meanwhile, regulatory policies in various jurisdictions (most notably Europe) also created incentives for investors and lenders to shift their portfolios toward green companies and projects.

Participants also addressed the question of how green investing might contribute to the achievement of national and global environmental and climate goals. They noted several ways in which that might occur, particularly in the capital-intensive area of energy transitions, which would require a combination of technological development, large-scale infrastructure investment, and in some cases major changes in consumer behavior (e.g., switching to electric vehicles). Growing interest in green investment could generate more funds for such transitions. A number of participants argued that changes in investor preferences, as well as government regulations in support of green finance, could also lead to relatively higher costs of capital for polluters and greenhouse gas emitters that could further speed energy transitions.

Most participants agreed that Europe was much further ahead than other countries in promoting and creating an architecture for green finance, both within the borders of the EU and at the international level. The U.S., in contrast, was seen as a laggard, which concerned some participants. A number of participants argued that Japan was now seeking a leadership role in global carbon transitions, particularly through financial means. Internationally, they pointed to financial support for low-carbon and climate-resilient infrastructure in emerging economies through aid agencies and official lenders like the Japan Bank for International Cooperation. Domestically, they pointed to strict environmental regulations, increased spending on green infrastructure, and the Bank of Japan's newly-announced strategy on climate change, including monitoring of banks' climate-related risks, incorporation of climate change into scenario analysis for banks, encouraging enhanced climate-related risk disclosure by banks, and fund-provisioning for banks that make loans to address climate change.

Looking beyond national borders, participants pointed to the growing attention of international bodies to green finance. They noted recent efforts to create global standards, including the International Financial Reporting Standards Foundation's establishment of the International Sustainability Standards Board, the Financial Stability Board's Task Force on Climate-Related Financial Disclosures and roadmap for addressing climate-related financial risks, as well as the COP26 meeting itself as important steps in globalizing efforts to support green finance.

Challenges Facing Green Finance

Despite growing enthusiasm among investors, issuers, and governments for green finance, participants agreed that there were significant challenges that could impede the growth of green investing. One of the most basic ones was how to define a green asset or investment strategy. Participants raised multiple questions about approaches. For example, some noted that some funds and indexes that identified themselves as "green," avoided investments to polluting or carbon-intensive sectors, whereas others differentiated, in terms of carbon intensity, between companies in a particular industry. The latter approach meant that some self-identified green funds were investing in carbon-intensive sectors such as petrochemicals and steel, which many investors might not realize. Another issue had to do with entity versus activity—for example, if a company whose assets included coal-mining issued bonds in support of a carbon sequestration project, would those bonds count as green?

Another concern was over trade-offs. A number of participants noted that many funds were marketed as ESG (environment, social, and governance), but that in some cases social or governance objectives did not support environmental objectives. They asked whether it made sense to lump together criteria based on corporate governance measures with criteria focused on environmental or climate impacts. A number of participants argued that environmental (and especially climate) objectives were far more urgent to the long-term health of economies and societies than social and governance objectives, and that therefore ESG strategies should be unbundled. Even within the category of "green," there could be huge trade-offs that could not easily be resolved in a uniform way for investors—for example, nuclear energy contributed to reduced carbon emissions, but also created radioactive waste.

Participants also saw challenges in developing data standards for disclosure to markets and regulators. Even if thresholds for greenness varied by jurisdiction or fund, participants agreed that there was a need for global data standards in order to improve the quality of information for investors and regulators, while also reducing the costs to firms and financial institutions of complying with multiple different reporting requirements. In addition, many important causal relationships had not been fully clarified or quantified—for example, what would be the increased default risk for projects that did not account for climate change, or how should greenhouse gases with different impacts and longevity (e.g., carbon dioxide and methane) be standardized in terms of a project's climate impact?

There had been some recent progress in addressing these challenges of definition and categorization. These included the new standards from IFRS and FSB. Participants agreed that the most advanced regulatory schemes related to green finance were found in the EU, which had developed environmental taxonomies for classifying projects and companies and which was putting in place rules that required or incentivized financial institutions to direct funds toward green projects. Not all participants were enthusiastic about these efforts, particularly to the extent that they anticipated that the EU may seek to impose its standards and rules in an extraterritorial way, such as by regulating foreign firms' access to EU financial markets or markets in goods and services based on their environmental performance. More generally, participants agreed that, even with clear and widely-agreed data standards, monitoring would remain very difficult, both for SMEs that might lack the necessary resources and for firms and financial institutions that sought to track their environmental impacts all the way along the value chain. These challenges would be even greater for firms and financial institutions whose operations and supply chains crossed borders.

Participants also noted the political challenges of creating global standards and agreements on regulation. Partly, this was due to different societal preferences—for example, European publics (and, increasingly, the Japanese public) were very forward-leaning on climate policies while the U.S. society and politics was more divided. Equally important was the gaps between the capabilities and vulnerabilities of developed versus emerging economies. Emerging economies had resisted externally-imposed standards, but were large and increasing emitters of greenhouse gases. Participants agreed that engaging emerging economies on regulation and promotion of green finance would be a challenge. Some participants argued that the most important factor in creating global standards and cooperation would be U.S.-China cooperation, since they were the two largest economies and the two largest greenhouse gas emitters. However, these participants recognized that U.S.-China cooperation on high-standards agreements would be challenging.

Participants also questioned the effectiveness of green finance on its own terms. One question was whether increasing investor interest in green assets would actually lead to better climate or environmental outcomes, given that green finance remained a relative small part of global capital markets and bank lending and that some of the distinction between projects deemed green versus brown could be quite small. As some participants put it, "Disclosure doesn't get you to decarbonization." They argued that what was really needed was regulation, whether in the form of regulation at the source, global carbon tax, or other policy measure. Others countered that increasing the quality and attractiveness of green finance would be an important element of a comprehensive strategy, even though it would not be the main element. They also argued that the development of science-based disclosure standards would be useful beyond just finance.

Finally, some participants raised the question of whether green finance would continue to grow in attractiveness to investors. While studies to date had shown green investment funds to have similar or even slightly higher returns than other funds, a number of participants were skeptical that would persist. In particular, while they recognized that corporate profitability in some cases might be linked to environmental performance (e.g., by reducing climate-related hazards or costs of complying with environmental regulations), in many cases there seemed to be little or no logical link between greenness and profitability. Some speculated that the real reason for strong returns on green funds was simply investor demand rather than project or company profitability. They raised the possibility that returns to date might constitute a "green bubble." And they worried that if the green bubble burst and relative returns dropped, there could be a loss of interest in green financing, with potentially severe effects on the prospects of technologically driven energy transition.

Robinhood and the Socialization of Finance

The final topic discussed at the Symposium was the growth of electronic trading platforms for retail investors, which participants referred to as the "socialization" or "democratization" of finance. Participants observed that these retail trading platforms were transforming the way in which retail investors—and in particular, younger investors—were understanding markets and investing.

In the U.S., retail trading platforms had received attention for several reasons. One was their rapid growth. This was driven by their ease of use, low cost, and broad offerings. Platforms like Robinhood allowed for rapid trading with no commissions for investors. Moreover, they offered young users a familiar interface that allowed them to do their investing on their phones in the same way that they were already used to transferring money and making purchases. They also offered a broad range of financial products, including stocks, funds, options, gold, and crypto. A second reason they had received attention was what critics referred to as "gamification." Critics argued that, by offering rewards, push notifications, and congratulations to users, Robinhood and other platforms lowered investors inhibitions about taking risks. Third, the role of Robinhood in market events like the run-up and sell-off of GameStop in January 2021 had raised concerns among regulators and the media about its potential for facilitating market manipulation.

A number of participants applauded the rise of retail trading platforms, arguing that these platforms removed unnecessary obstacles to retail investors and allowed them to enjoy access to services previously unavailable outside of institutional and high-net-worth investors. The ability to invest quickly and cheaply in products like options and crypto offered opportunities for rapid growth in assets—and even though they also offered opportunities to lose substantial sums of money, some participants emphasized that they allowed investors to freely choose their own preferred risk levels. Given the increasing availability of market information and platforms' rapid execution of orders, retail investors had opportunities to compete more equally with professional traders, and to implement investing and trading strategies that most closely fit their individual needs.

Retail trading platforms such as those sponsored by Rakuten, SBI, and Monex, had also become increasingly popular in Japan, although the number of investors and volume of trading were significantly lower than on similar platforms in the U.S. As in the U.S., these platforms had proven to be particularly popular among younger investors, and a number of participants applauded them for nurturing the creation of a new investor class that was more willing to take risks in order to earn returns. Given the longstanding concerns of Symposium participants about the unwillingness of Japanese households to put their savings into vehicles other than bank accounts and life insurance, several participants found it exciting to think that a new generation might be prepared to supply risk capital to the Japanese economy. In considering why Japanese retail trading platforms had not taken off to the same extent as U.S. counterparts, participants discussed two possible reasons. One was that Japanese savers and investors were still more cautious than Americans, either because of cultural factors or because returns in Japanese stock and bond markets had often been lackluster. The other was that Japanese platforms still relied on commissions or advising fees. The reason for the difference in business model was that U.S. trading platforms were able to profit from payment for order flow (PFOF), which was illegal in Japan. A number of participants argued that the inability to offer free trading would prevent Japanese retail trading platforms from achieving the same volume as U.S. platforms.

While many participants were enthusiastic about the improved access to investing and trading, a number of concerns were also raised about the rise of retail trading platforms, particularly in the U.S., where trading volumes were higher than in Japan and investors had access to investment in options. These concerns included potential hazards for retail investors and the possibility of systemic risks or market manipulation. This raised questions about the role of regulators.

Investor protection loomed large for a number of participants. Some expressed the concern that retail trading platforms encouraged trading rather than investing. They worried that the ease of trading and elements of gamification were leading some retail investors on the platforms to focus on quick profits rather than long-term growth of assets or appropriate asset allocation. A lack of knowledge about capital gains taxes might compound that tendency. However, the biggest concern was that retail trading platforms were giving retail investors access to instruments that they may not understand or in which they might not have the ability to manage attendant risks. They noted that, unlike traditional brokers, who have a fiduciary duty, the platforms, like earlier forms of on-line trading, did not provide much investor education or analysis of risks. Instead, retail investors were primarily getting their information about instruments, strategies, and market conditions from outside sources. This was seen as particularly problematic with regard to risky or complex products (options, cryptoassets) and strategies (margin trading). Margin trading of options, which had traditionally been available only to sophisticated institutional investors was seen by a number of participants as a particularly dangerous activity for unsophisticated retail investors operating without professional guidance.

The other concern was systemic risks and market integrity. For several participants, the GameStop episode—in which rumors and coordination on internet chats enabled a massive price run-up and then crash—loomed large. They worried about the potential for herd behavior and market manipulation that could result. In principle, if retail trading platforms became large enough, there could be systemic impacts, especially if fueled by margin trading and/or focused on options. This raised two questions. First, participants discussed whether fintech platforms enabled market manipulation and mispricing. Opinions were mixed, with some participants worrying that the lack of regulation and of financial education among retail investors making them much more susceptible to manipulation and herd behavior, while others argued that there was no practical difference between the new retail trading platforms and more established online brokerage services, and further believed that retail investors were too small a part of the market to cause significant swings. Second, in cases where misinformation and/or market manipulation was facilitated by trading platforms, would the platforms themselves be legally responsible? Here too, there was some debate, although it appeared that many participants felt that, as long as the information was coming from outside the platform, they should not be held responsible.

In looking at the role of regulators, the common denominator for participants was that new retail trading platforms should be held to the same standards for market integrity that other, more established brokers and fund managers already faced, where brokers or fund managers offer advice. With regard to concerns about misinformation, participants recognized that online trading platforms and traditional advisors in terms of the amount of advice and information provided to investors; however, they agreed that regulators had an interest in ensuring that the information provided to investors by platforms was indeed accurate. While participants disagreed to some extent on the degree to which these were problems the new platforms, they agreed that there was a need for continued study, and that episodes of apparent market manipulation should be investigated and prosecuted.

Participants were more ambivalent about the role of regulators in investor protection. Some participants felt that it was inappropriate to regulate retail investors preferences and choices. They argued that it was sufficient to ensure that retail trading platforms were providing adequate disclosure of their operations and not providing misinformation; beyond that, it was the responsibility of investors to assess the risks they were taking. Other participants wondered if there ought to be more restrictions on access to options and margin trading, reflecting traditional distinctions between sophisticated and unsophisticated investors. There was a general consensus that more investor education was desirable, even if it was not clear who would provide it, through what medium, and at what cost.

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