



The Japanese Programme for Intellectual Capital in Communities

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WORLD BANK INSTITUTE
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World Conference on Intellectual Capital for Communities
- Third Edition -

SMEs and Regional Economies

- **SMEs in Japanese economy**

4.3 million enterprises (99.7% of all)

28 million employees (71% of all)

- **Sustainable development of regional economies depends on activities of SMEs.**

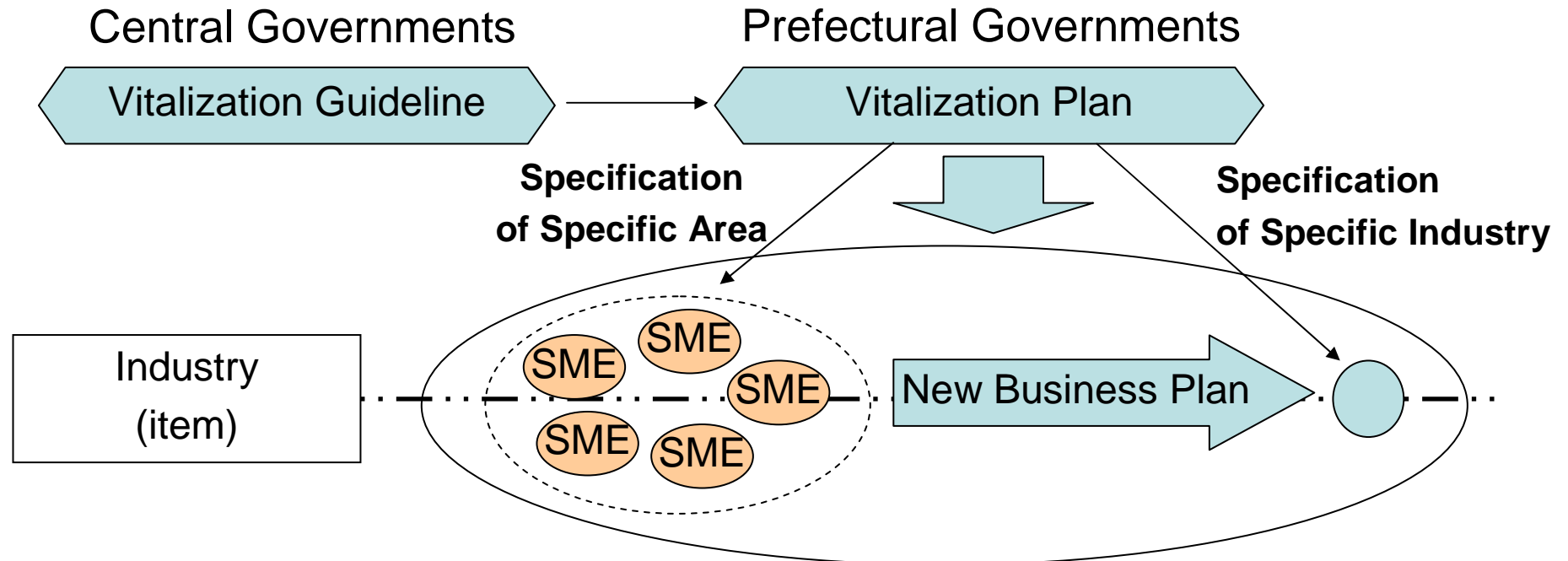
- **Activities of SMEs are based on their communities.**

- **Japanese policy on regional SMEs**

Act on Temporary Measures for Activation of Specific Regional Industrial Agglomeration. (Agglomeration Act)

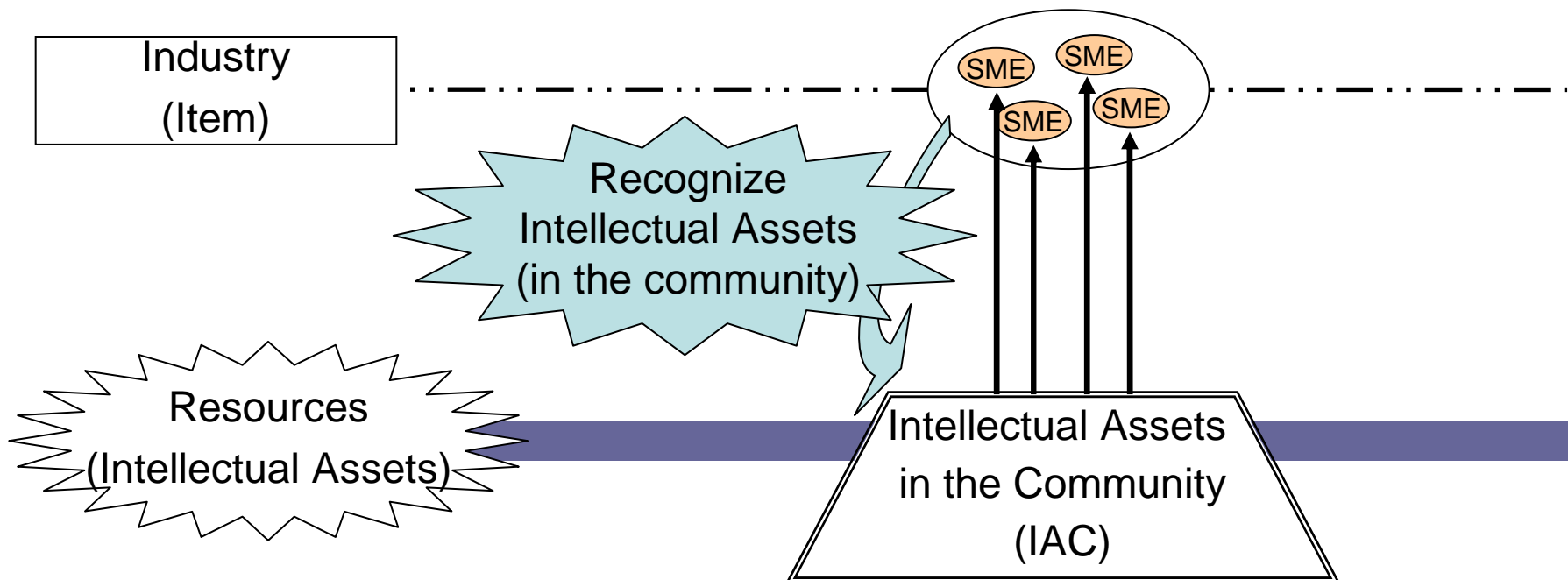
Agglomeration Act

Prefectural governments specify “Specific Area” and “Specific Industry” for local SMEs



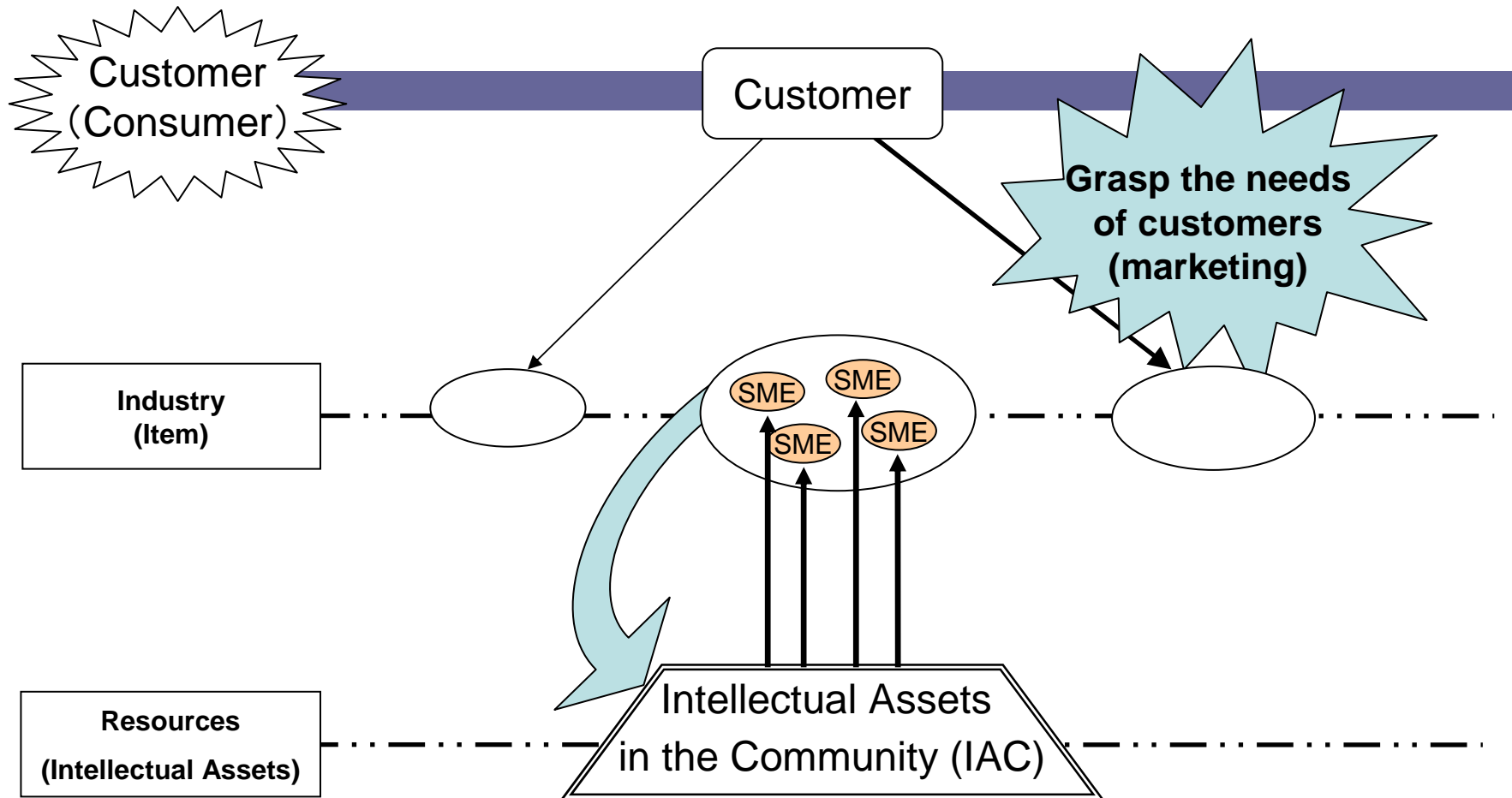
The Concept of New Policy

<Point 1> Resource Based Approach



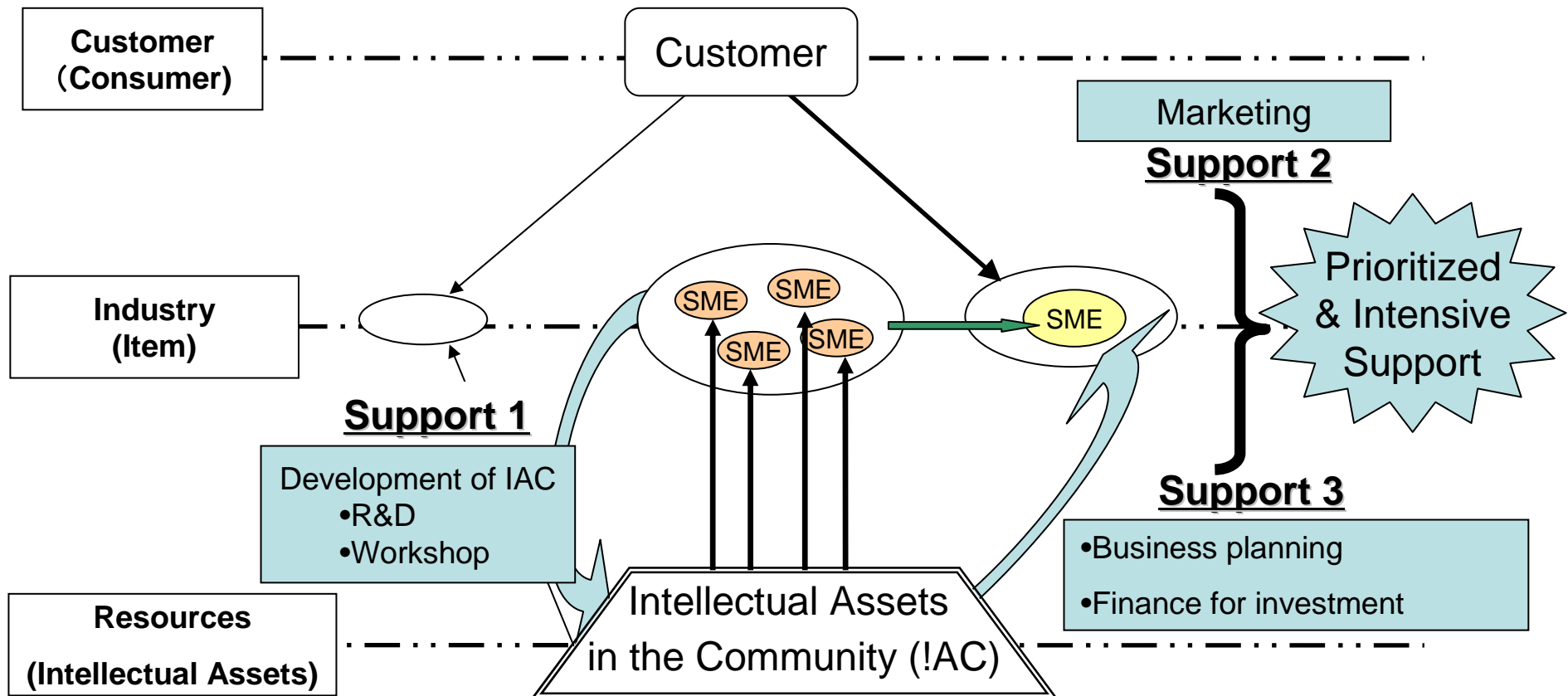
The Concept of New Policy

<Point 2> Customer Oriented Approach



The Concept of New Policy

<Point 3> **Intensive support for creative activities of SMEs utilising IAC**



Policy Shift

1997 Act on Temporary Measures for Activation of Specific Regional Industrial Agglomeration → **Abolished**

Policy Shift ↙

2007 Act on Promoting Business Activities of SMEs Utilizing Intellectual Assets in Communities

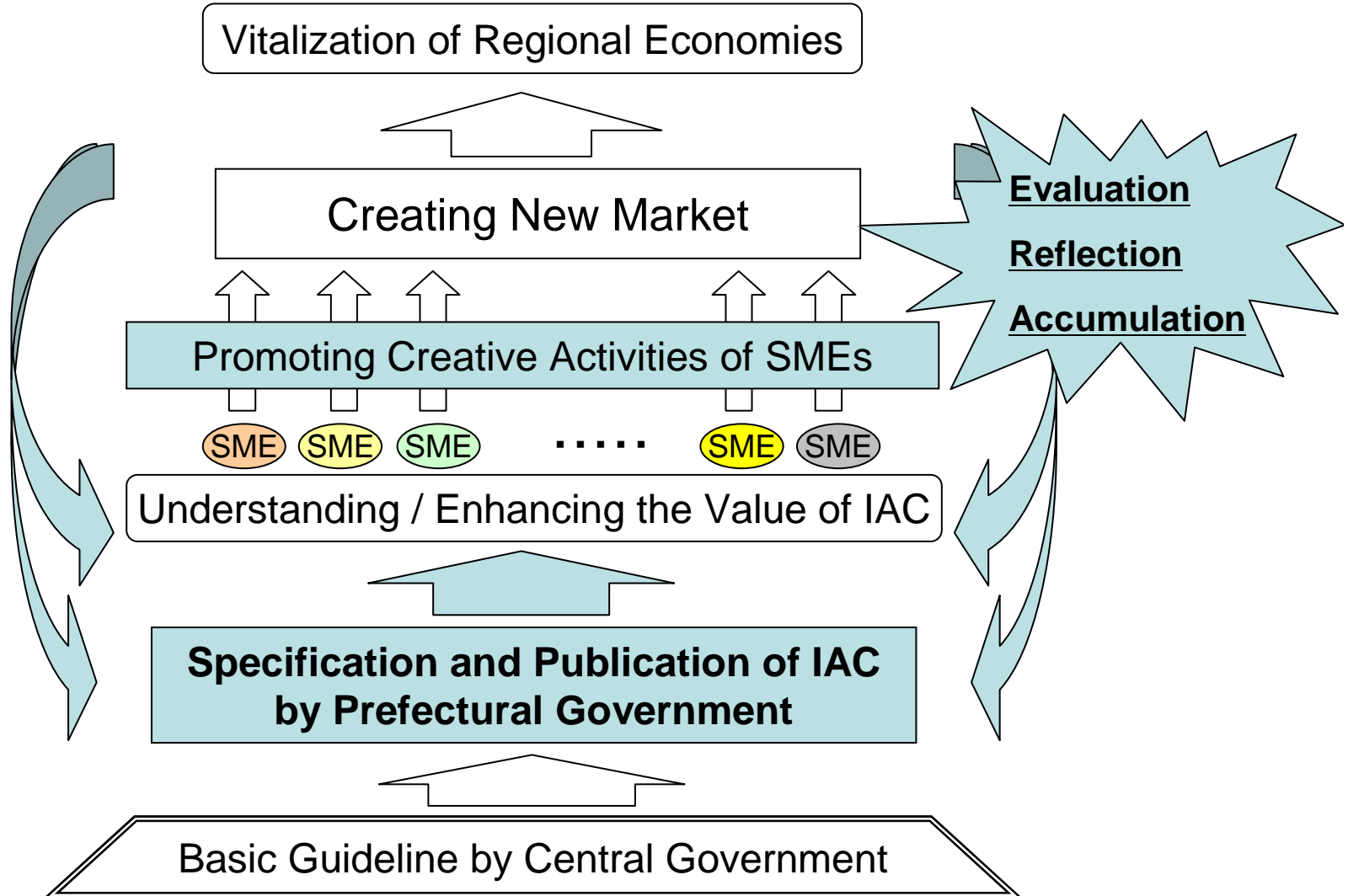
6th Feb. Cabinet Decision → 11th May proclamation

Key Concepts

Resource Based / Customer Oriented / Creativity of SMEs

- Associated Budget : 10 billion yen
- Comprehensive Policy Package including Subsidy , Credit Guarantee , Fund , Public Financing

Basic Structure of the New Act



Definitions of IAC in the Act

Intellectual Assets
in Communities

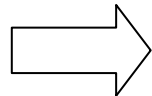
Business Activities utilizing IAC

**Skills /Techniques
nurtured in
production area**



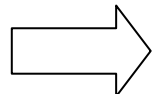
**Development of products using IAC
as essential elements of the product**

**Agricultural
/Industrial
Products**



**Development of products using IAC
as essential materials /components
of the product**

**Resource
of Tourism**



**Development of products / services
exploiting unique characteristics
of the IAC**

Examples

Developing new products combing IAC and needs of customers

**KUMANO City
Hiroshima Pref.**



X



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**KAMO City
Niigata Pref.**



X



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