



The Japanese programme for Intellectual Capital for Regions Yasuyuki Abe, METI



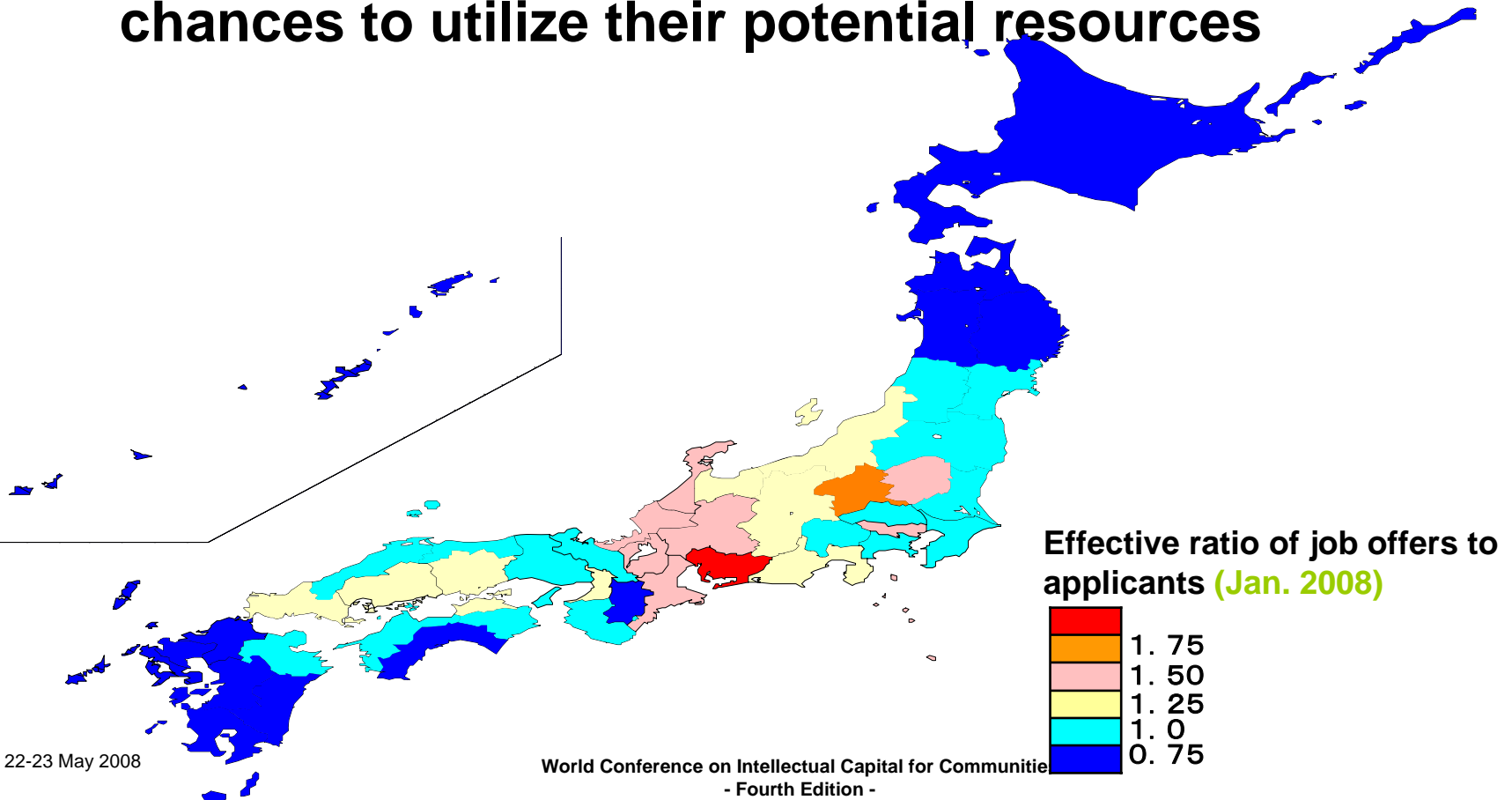
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World Conference on Intellectual Capital for Communities
- Fourth Edition -

Overview of Regional Economic Situation in Japan

- Economic disparities between regions
- Decline in regional economies means they lose chances to utilize their potential resources



Overview of SMEs in Japan

- **SMEs play an important role in Japan's economy**
 - **4.3 million enterprises (99.7% of the total)**
 - **28 million employees (71% of the total)**
 - **58 trillion yen added value in industrial products (57% of the total)**
- **Sustainable development of regional economies depends on the activities of SMEs**
- **Activities of SMEs are based on their communities**

Policy Target- How to promote SME activity in terms of regional economic vitalization

- **Features of SMEs**

- (1) creative actions to potential business seeds (regardless of scale)**

- (2) have strong points in some aspects**

- (3) weakness in credit, resources, networks**

- **Features in Regions**

- (1) have intellectual assets to vitalize business**

- (e.g. traditional technology, agricultural products)**

- (2) less resources to utilize them**

Setting up a policy program in 2007

2007 Act on Promoting Business Activities of SMEs Utilizing Intellectual Assets in Communities (Enforced June 29, 2007)

Key Concepts

Promote SME creative actions utilizing regional IACs

1. Specification and publication of IACs by regional government
2. Support through subsidies, credit, guarantees, funds, public financing
3. Dispatch specialists to support actions by the central government

 **More than 300 projects were accredited by April 2008**

Evaluation of SME Policy to accelerate the program (1)

- The research in the 2008 White Paper on SMEs in Japan shows that the following improvements are needed to accelerate the program.

1. SMEs supplement their resources by collaborating with those that have had no capital ties or business connections until the project and those that are based in their regions
2. SMEs demand detailed public assistance for each stage of their projects (business matching, planning, operations)
3. SMEs need public assistance providing them with useful information to support their projects

Evaluation of SME Policy to accelerate the program (2)

- From research, we can find some tasks need improvement in the enforcement of our policy

Demands

Supporting their weak
networks in their region

Providing them useful
information for effective
support

Need for improvement

Public assistance centers should
(1) be allocated in each region
(2) have great networks covering
a lot of enterprises, finance
companies, lawyers, etc...

Public assistance centers should
fully grasp various public policy
information.

The prescription for the problems

- **Setting up more than 300 public assistance centers throughout Japan in June 2008.**
- **These assistance centers keep specialists for supporting SMEs (retired able business persons, certified public accountants, bankers, consultants, etc...)**
- **The centers collaborate with each other and other institutions for offering full support to SMEs.**

Example of public assistance centers supporting SMEs

