



# The Japanese Programme for Intellectual Capital in Communities

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**WORLD BANK INSTITUTE**

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# 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.**

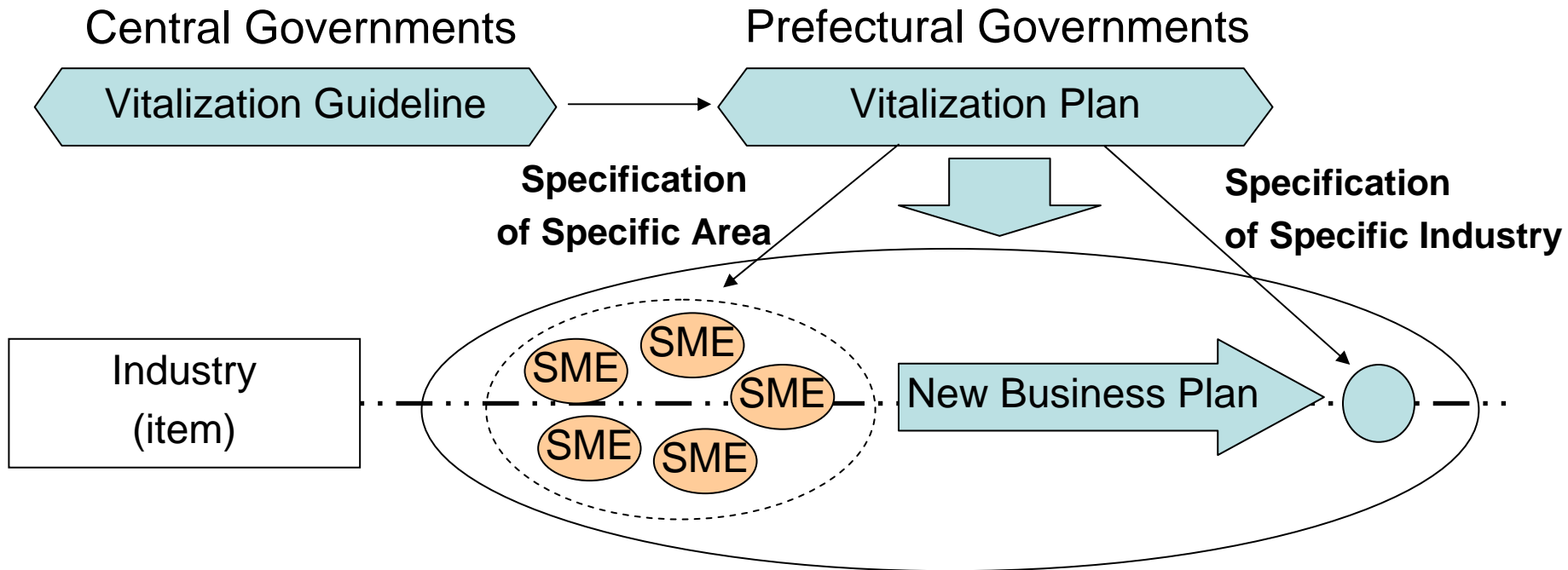
## - **Activities of SMEs are based on their communities.**

## - **Japanese policy on regional SMEs**

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

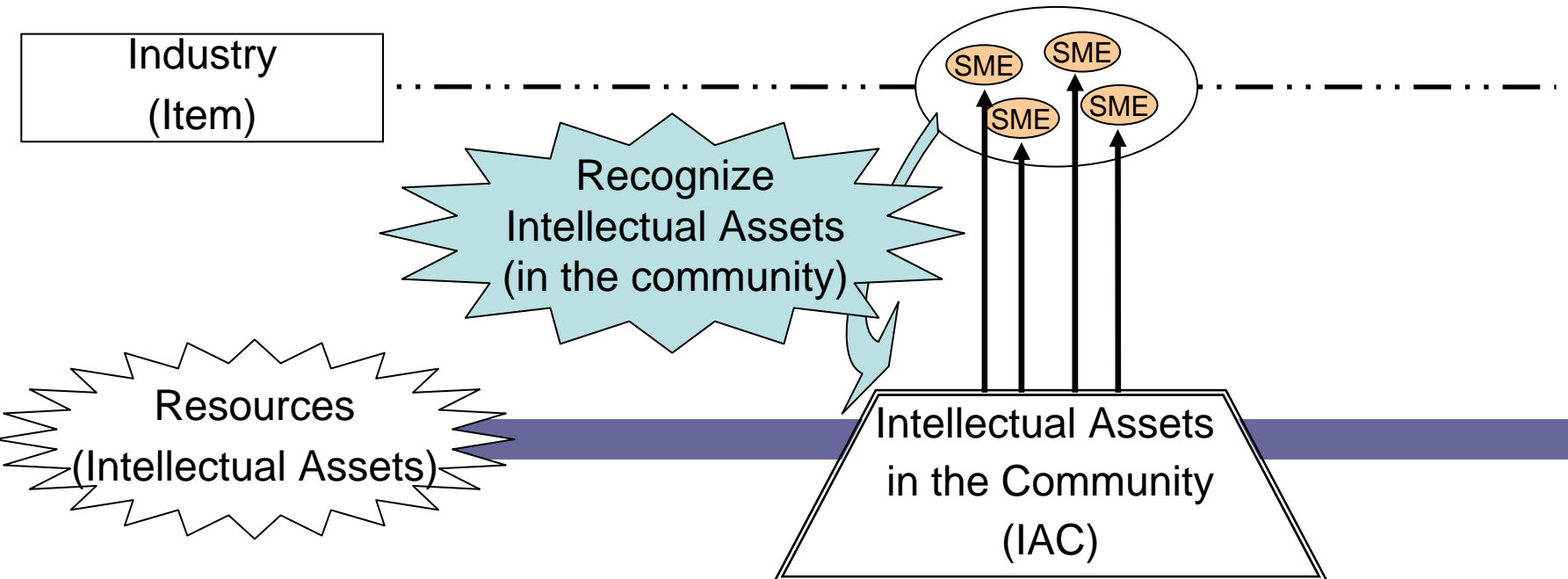
# Agglomeration Act

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



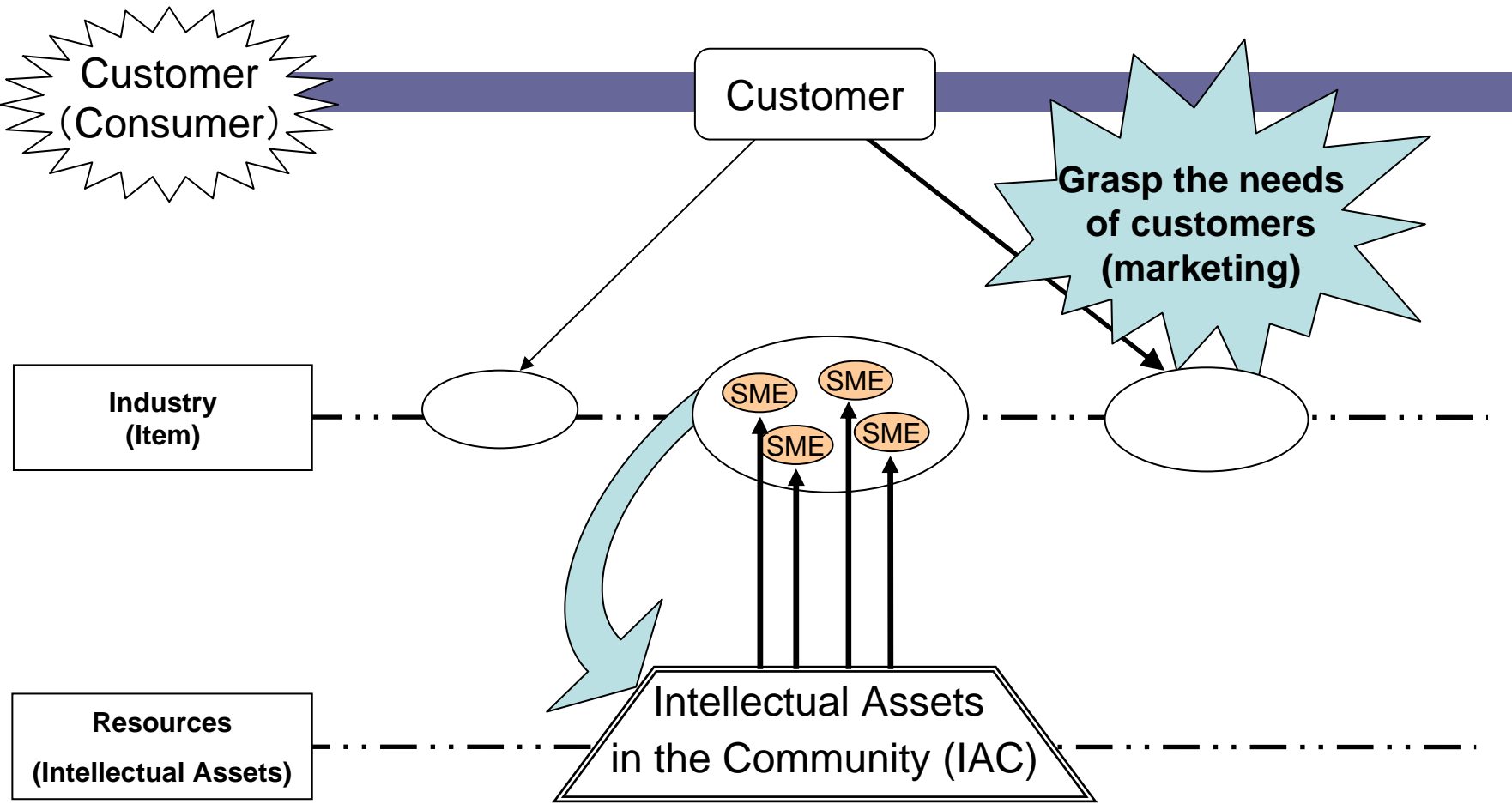
# The Concept of New Policy

## <Point 1> Resource Based Approach



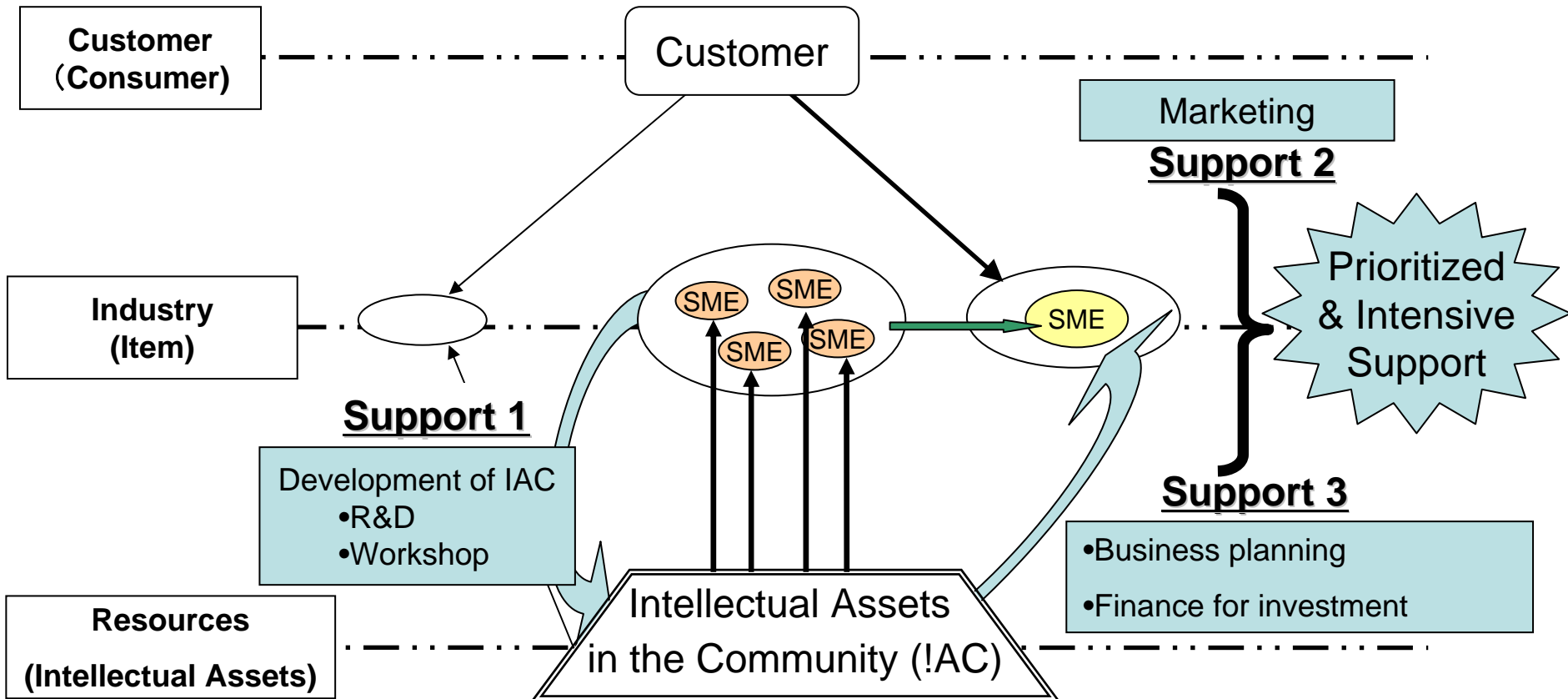
# The Concept of New Policy

## <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**

6<sup>th</sup> Feb. Cabinet Decision → 11<sup>th</sup> May proclamation

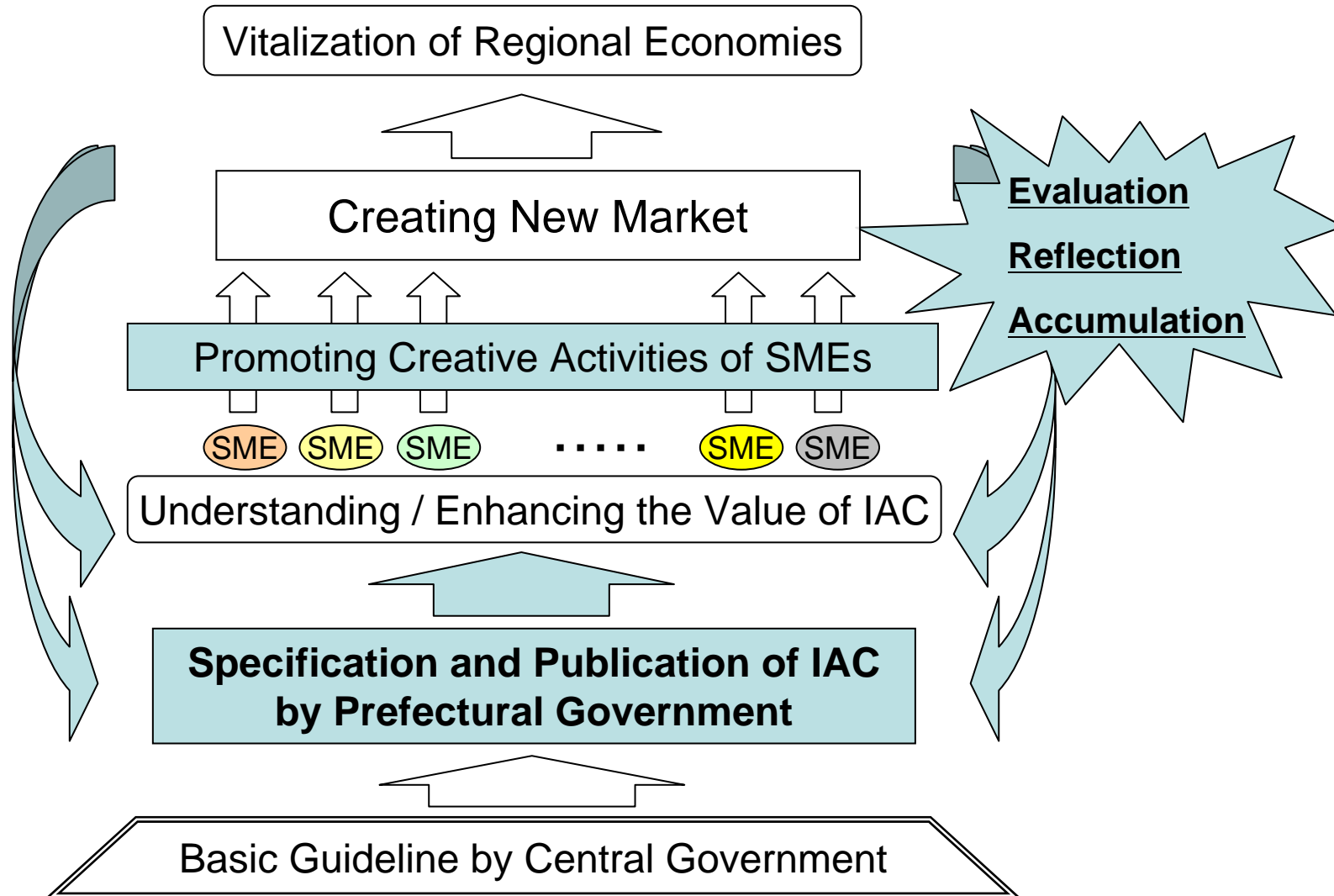
### Key Concepts

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

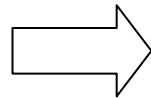
Business Activities utilizing IAC

**Skills /Techniques  
nurtured in  
production area**



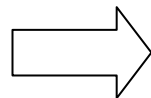
**Development of products using IAC  
as essential elements of the product**

**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 combining IAC and needs of customers

### IAC

### Needs

### New Products

**KUMANO City**  
**Hiroshima Pref.**



**X**



**=**



**KAMO City**  
**Niigata Pref.**



**X**



**=**

