



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

Japan

An initiative of the European Union



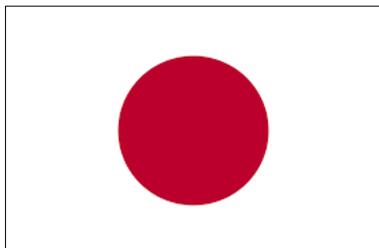


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Introduction



This document presents an overview of the cluster policy in Japan. Given its importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country in socioeconomic terms can be consulted in the [OECD Economic Survey: Japan 2019](#).

The “Economic Surveys” present the major challenges faced by the country, evaluating key economic policies (e.g. fiscal, monetary, labour, green growth) and giving insight into cluster activities.

01

National cluster policy, programmes and initiatives



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Strengthening the European economy through collaboration



1. National cluster policy, programmes and initiatives

Policy type:	National cluster policy	Regional cluster policy
Policy name:	Industrial Cluster Project	Regional Core Business Creation Support Programme (地域中核企業創出・支援事業)
POLICY OBJECTIVES 	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Supporting internationalisation activities</p> <p>Enhancing the visibility of clusters</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Fostering innovation and strengthening innovation ecosystems</p> <p>Supporting cluster excellence and professionalisation of cluster management</p> <p>Supporting the consolidation of existing cluster organisations</p> <p>Supporting the creation of new cluster organisations</p> <p>Promoting entrepreneurship, start-ups and spin-offs</p> <p>Promoting employment and upgrading skills and competences</p> <p>Enhancing territorial cohesion (through RIS3)</p> <p>Strengthening the network of cluster organisations/cross-clustering</p> <p>Connect to global supply chains</p>	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Promoting entrepreneurship, start-ups and spin-offs</p> <p>Promoting employment and upgrading skills and competences</p> <p>Strengthening the network of cluster organisations/cross-clustering</p>
	<p>The Industrial Clusters policy was launched in 2001 with the aim to enhance Japan's competitiveness through industrial clusters. At the core of this policy is the collaboration between local and regional SMEs and start-ups with universities and other research institutions. The policy is segmented into three phases, the Launch Period (2001-2005), the Development Period (2006-2010), and the Autonomous</p>	<p>The "Regional Core Business Creation Support Programme" focuses on creating core companies that revitalise and drive the regional economy. The programme aims to support regional businesses through the creation of a network of external resources such as universities, financial institutions, cluster organisations, and cooperating companies from across the country by using support personnel.</p>



	<p>Growth Period (2011-2020). Throughout these phases, Japan aims to develop regional clusters across the country in collaboration with local governments, fostering business network formation, entrepreneurship, territorial cohesion, innovation, internationalisation activities, collaborative research, the creation of new industries and businesses, the visibility of clusters, and matchmaking among enterprises. The policy strengthens the collaboration between companies, universities, research institutions, and government agencies.</p>	<p>Additionally, the programme helps companies formulate commercialisation strategies and develop sales channels. The policy provides cluster subsidies on an annual basis. Alongside JETRO's "Regional Industry Tie-up programme", the "regional core business creation support programme" launched by the METI is one of Japan's most important regional cluster policies. The policy does not focus on any specific regions; however, regional authorities (regional METI bureaus) are involved in the development of the clusters.</p>
<p>POLICY FOCUS</p> 	<p>Sectoral</p> <p>The Japan External Trade Organization (JETRO) categorises industrial clusters in Japan into ten different sectors which are automobile and transport equipment, aircraft, food manufacturing, ICT, electronics, life science, environment and energy, service, tourism, and others.</p>	<p>No specific focus</p> <p>The cluster policy does not support a specific sector but provides general support for regional businesses. Some regional support programmes carried out as part of this policy, however, focus on specific sectors. The Hokkaido Biotechnology Industrial Cluster Forum, for instance, supports biotechnology to enhance and connect the food, agriculture, and health sector.</p>
<p>RESPONSIBLE AUTHORITIES</p> 	<p>Both drafting and implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p> <p>National and local authorities share and divide responsibilities. The Ministry of Economy, Trade and Industry (METI) manages the coordination of the policy, while the METI local offices monitor the development and progress of the industrial clusters. Moreover, JETRO oversees the implementation of internationalisation activities. The Council for Science, Technology and Innovation (CSTI), former Council for Science and Technology Policy (CSTP), is also involved in the regulation and coordination of industrial clusters.</p>	<p>Both drafting and implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p> <p>The Japanese Ministry of Economy, Trade and Industry (METI) is responsible for the drafting, funding, and implementation of this regional cluster policy. Regional branch organisations (e.g. the Kanto Bureau of Economy, Trade and Industry or the Chugoku Bureau of Economy, Trade and Industry) also oversee and support the cluster policy.</p>
<p>BENEFICIARIES</p> 	<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p> <p>Academic institutions</p> <p>Start-ups</p> <p>Technology centres</p>	<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p> <p>Academic institutions</p> <p>Start-ups</p> <p>Large firms</p>



		General population	General population
		<p>The Industrial Clusters policy focuses mainly on SMEs, start-ups, universities, and other research organisations. The policy also includes cluster organisations; however, the Japanese definition of cluster organisations differs from the European understanding of cluster organisations. According to Japan's understanding, cluster organisations are mostly temporary R&D structures coordinating private companies, universities, and public entities in the realisation of very specific research projects. These cluster organisations end their activities once a project's goals have been met.</p>	<p>The regional cluster policy focuses primarily on regional companies to spur their growth. Other important actors and beneficiaries are universities, cooperating companies, and financial institutions.</p>
INSTRUMENTS 	Financial	<p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Application to labelling schemes and similar initiatives</p>	<p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Financing start-ups</p> <p>Others: Financing of human resources activities, market research, participation in exhibitions to develop new markets, and meetings related to business matchmaking</p>
	Technical assistance	<p>Infrastructure: coworking spaces, offices, incubation and accelerator spaces, research centres, technology parks etc.</p> <p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>	<p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p> <p>Others: Support for formulation of commercialisation strategy and development of sales channels using human resources</p>
	Explanation	<p>The Industrial Clusters policy mainly provides technical assistance, supporting incubation as well as soft and hard skill development, including knowledge transfer, entrepreneurship, co-ordination and collaboration between cluster actors, joint marketing, seminars, training, and similar activities. Moreover, support to the development of technologies for practical use is tailored to regional characteristics.</p> <p>Regarding financial instruments, the Ministry of Economy, Trade and Industry (METI) funds most cluster organisations in Japan in collaboration with the Ministry of Education, Culture, Sports, Science and Technology (MEXT) (The</p>	<p>The regional cluster policy provides both financial and technical assistance. A METI committee consisting of external experts is responsible for the screening and approval of cluster projects applying for funding. In 2018, about 227 regional projects were selected for funding. This support covers the development of systems to implement projects, the development and application of new technologies and services, the formulation of strategies for commercialisation, and the development of sales channels for regional companies.</p>



		MEXT is not directly involved in the Industrial Clusters policy, however). Additionally, the METI provides financial (ad hoc) assistance to cluster projects in case of necessity.	
HISTORY 	Period	Limited period	Unlimited period
	Ending year (for policies with limited period)	2020	Not indicated in the sources
	Starting year	2001	Not indicated in the sources
	Explanation	The Industrial Clusters policy was started in 2001, commencing the launch period from 2001 to 2005. The final phase of the policy is set to end in 2020.	Not specifically indicated in the sources. A policy information paper suggests that the policy has existed since as early as 2011.
BUDGET 	Overall	The budget is not publicly available	The budget is not publicly available
	Annual	The budget is not publicly available	For 2016: EUR 16.7 million
	Source of funding	The Japanese Ministry of Economy Trade and Industry (METI) as well as local authorities	Funded by the METI (national and regional bureaus)
POLICY  EVALUATION	Availability	in-itinere	no policy evaluation
	Results	An evaluation report submitted to the METI by the Industrial Cluster Study Group in 2005 found that the policy helped build networks between businesses and universities and improved the flow of information, technical support for applications, and information about policy measures and public support. The results show that new collaborative projects, businesses, and ventures building on the expertise of universities were started due to the Industrial Clusters policy. Additionally, the policy think tank The Research Institute of Economy, Trade and Industry (RIETI) found in 2015 that the policy expanded transaction networks, particularly with companies in Japan's capital city Tokyo. Furthermore, the policy raised the sales and employment of businesses that participated in the cluster policy.	The sources do not indicate that a policy evaluation was carried out.



<p>POLICY ALIGNMENT WITH THE EU PRIORITIES</p> 	<p>Green economy Digitalisation</p>	<p>-</p>
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02

State of play of cluster policy





2. State of play of cluster policy

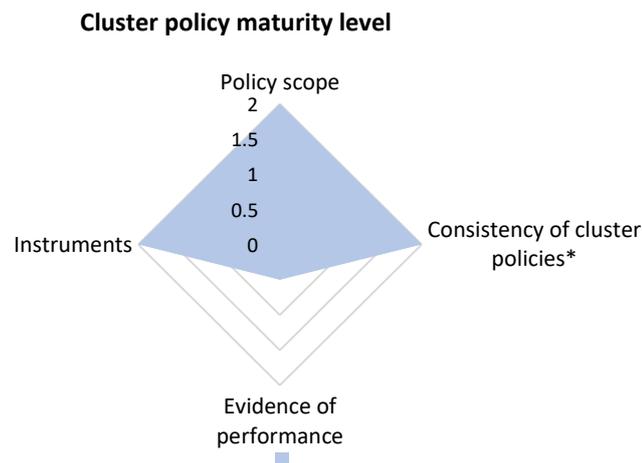
The data below illustrates how the country ranks in terms of maturity of cluster policy. The maturity index is based on a combination of factors presented in Chapter 1 and which are scored based on their existence:

- **Policy scope:** whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies (existence of broader policies = 1 point; existence of targeted cluster policies = 2 points)
- **Consistency of cluster policies:** assessment of the duration and experience of the country in doing cluster policies. This dimension assesses only existing cluster policies and not broader policies (no cluster policies available = 0 points; < 10 years of experience or > 10 years (but interrupted) = 1 point; > 10 years (but with clear continuity = 2 points)
- **Evidence of performance:** the existence of monitoring and evaluation mechanisms determines the degree of policy development in the country (no evaluations = 0 points; existence of evaluations of past policies or in-itinere = 0.5 points; existence of ex-ante and/or ex-post evaluations = 0.5 points)
- **Instruments:** whether the policies provide any instruments to support the policy implementation, being these financial and/or technical assistance (1 point for each type of instrument available)

It is important to note that the maturity does not reflect the performance of a country, but only the degree of development of their cluster policy at the moment when the data was collected (2020). The maturity index illustrates how the country scores for each of these four dimensions (policy scope, consistency of cluster policies, evidence of performance and instruments) compared to the maximum score that they can reach.

	Japan	Maximum score
Policy scope	2	2
Consistency of cluster policies*	2	2
Evidence of performance	0,5	1
Instruments	2	2

* This dimension is scored solely if the country has a dedicated cluster policy and it assesses only cluster policies



State of play of cluster policy in the country

Availability of evaluations for terminated policies



<p>Policy evaluation (for terminated policies)</p>	<p>The Knowledge Cluster Initiative (2002-2011) was launched by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and focuses on strengthening complementarities between education, universities, industry, and public agencies, specifically targeting new technologies and emerging industries.</p> <p>Each cluster was advised to evaluate and re-examine its own cluster project. The MEXT also evaluated the progress of the Knowledge Cluster Initiative every 2.5 years. The progress of the policy was evaluated based on 1) the progress and plans of the policy (i.e. technical factors such as R&D progress, regional programmes and autonomy, and systems for the projects' promotion), 2) the quality of self-evaluation, and 3) the possibility of a future cluster.</p> <p>A 2005 interim evaluation of the Knowledge Clusters Initiative highlights that some clusters require an improvement in the business-orientation of research themes and a better integration of intellectual property strategies. Additionally, some clusters require more market needs analyses, numerical targets, and involvement of private corporations. Finally, the evaluation concluded that internationalisation activities and human resource activities (e.g. talent scouting) should be enhanced in some clusters.</p>
<p>Policy approach in the country</p>	<p>Policy support for the activities of cluster organisations</p> <p>Cluster approach used directly by national/regional development agencies</p> <p>Specific policies to support cooperation projects</p>
<p>Continuity</p>	<p>After the economic and financial crisis in Asia in the 1990s, Japan focused on investing into R&D. Japan developed a cluster approach driven by the joint cooperation of the Ministry of Economy, Trade and Industry (METI) and the Ministry of Education, Culture, Sports, Science and Technology (MEXT).</p> <p>The Science and Technology Law of 1995 paved the way for the collaboration between businesses and universities. The second Science and Technology Law of 2001 eventually permitted the launch of Japan's first national cluster policy, the Industrial Cluster project under the supervision of the METI. A year later in 2002, the second national policy, the Knowledge Clusters programme was started. This policy continued for a decade until 2011.</p> <p>The continuity of the “regional core business creation support programme” is not clearly indicated in the sources. This regional policy has existed since at least 2011 and appears to be ongoing. Applications for cluster projects are selected and supported by the METI on an annual basis.</p>
<p>Consistency</p>	<p>> 10 years (but with clear continuity)</p> <p>Both national cluster policies have been carried out continuously without interruption, with the Knowledge Cluster project ending in 2011 and the Industrial Cluster project remaining in effect until 2020 when it is scheduled to end. Originally set to end several years earlier in 2016, the Industrial Cluster policy has been extended until 2020. It remains unclear whether Japan will extend this national policy again or permanently conclude the programme. The Japanese government also continuously implements regional cluster policies such as the “regional core business creation support programme” (supported by METI, running since at least 2011) and the “Regional Industry Tie-up” policy (supported by JETRO, running since 2007).</p>

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