

Summary:

“Driving Innovations through Business Education and Social Entrepreneurship”

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As a member of The Business-University Forum of Japan, I have the pleasure to present a summary of the conference.

I would like to thank the chairmen, guests and participants who have sat through the whole day listening to our discussion, and to express our gratitude to all those in Niigata Prefecture, Niigata City, the Niigata Association of Corporate Executives and the Federation of the Chambers of Commerce and Industry of Niigata Prefecture who have had a hand in organizing this successful event. Thank you so much.

The conference was not limited to today’s discussion but included the preparatory meeting held in Tokyo on Thursday, the meeting on the role of the university in the face of globalization at University of Tokyo that afternoon, and the reception held at Ikinari-ya here in Niigata on the eve of the conference. It was a comprehensive event that addressed myriads of topics including innovation, nurturing talents, providing liberal arts education, science and math (STEM in English standing for Science, Technology, Engineering and Math), social entrepreneurship, regional vitalization, business rebirth, and how best to promote collaboration between business and higher education across national borders.

The chairman of the first parallel session reported on the topic How to Invigorate Cooperative Innovation through Education and Social Entrepreneurship, followed by the chairman of the second parallel session reporting on How Cooperative Innovation would invigorate regions and business.

The Japanese have traditionally felt the importance of innovation and nurturing talents. The only condition for a small country like ours with limited land and resources to be able to grow and contribute to the world as the second largest economy was our success in turning out innovative people at the time of the Meiji Restoration and after World War II. It does not mean that the Japanese people are born innovators, but rather that we were able to put together a knowledge ecosystem that enables people to be innovative, and it was, I believe, the root of our success in building a broad educational and social system.

The Tea Ceremony and Flower Arrangement, Zen and Kabuki all came from China, but the Japanese adapted them to make them singularly our own. So it was when Japan faced the challenge of the modern Western system in the 19th century. In 1853 Commodore Perry visited the port of Uraga with his four black ships. Only fourteen years later, the Japanese were able to replace the old feudal system with a modern form of government. They were equally successful in catching up with and adapting technology and institutions pioneered by in the Western countries at a speed no less than theirs. This was repeated in the post-war period. From the devastation of the war, they applied quality control and management systems developed in the West to the production and innovation of transistor radios, cameras and automobiles, and in the process small town factories and auto shops grew into competitive global companies.

Niigata is blessed with one of the richest climates in the country, enabling it to offer gourmet food prepared with its proud rice and sea products. Today, this part of Japan is called the back door of the country, but during the Edo period it was not so. Large ocean-going cargo ships called Kitamaebune transported rice, marine products and culture to Edo, today's Tokyo, Osaka and Kyoto. Niigata prospered as an entrepôt, shipping marine products from Hokkaido down to Okinawa. The economic prosperity of Edo was

supported by regions such as Niigata that produced people with the flair to innovate. This was equally true of enterprises from Niigata and other regions that were the engine of the industrial development of Japan.

Today, however, this tradition in Japan has problems. The Japan that has prided itself on its competitive edge up to the nineties has all of a sudden lost it. The same goes for education, and today even in STEM education, Japan is lagging behind Asian and Nordic countries.

The same is occurring in regional vitality. Concentration in Tokyo of all productive activities has drained vitality from the regions, leading to a general weakening of the country's vitality. Fifteen years ago, a business-university forum was established to seriously engage in discussion on these issues among leaders who represented Japanese business, academia and government.

Fortunately, during these fifteen years, a basic law on science and technology was introduced, business-university collaboration was identified as a top priority, and a comprehensive science council was established to formulate strategic science and technology policies. The Fukuda government, following the direction of the Abe government, is beginning to grapple squarely with the issues of innovation and revitalization of the regions.

Full-scale financial support is beginning to be provided to underwrite these initiatives. For example, 200 billion yen has been allocated from the national budget to business-government-university collaboration, and another 200 billion yen has been allocated to innovation projects. Centers have been established in core regions to promote these developments.

To be frank, we members of the business-university forum are beginning to fear that there is too little to show for these efforts. For example, the International Institute of Management

Development (IMD) in Switzerland in its 2006 world competitiveness almanac ranked Japan 24th down from 16th. We are beginning to think something is missing, and that there is a need to promote innovation in a deeper sense. At the time of the international exposition in Nagoya an Innovation Summit was organized, and this series of meetings this time is part of that effort.

I have referred to the challenges Japan faces today. However, may I say that these are not uniquely Japan's challenges, but that they are probably the same issues faced by countries that some of our friends come from?

Yesterday, Dr. Shoichiro Toyoda, chairman of BUF Japan, pointed out a need for a new set of rules in the 21st century. The first rule must be to learn from the world and act with the world. The second is that we should not leave matters to our governments but must all be active participants. The third is for us all to contribute to the convergence of knowledge and share our varied experience.

Our foreign friends may have heard of Fukuzawa Yukichi, who gave the nation spiritual guidance during the Meiji era. You can see his portrait on the ten thousand yen note you have in your wallet. Fukuzawa had set rules for innovation: to free oneself from set ideas, then prepare a legal system, and lastly to reform tangible matter—by which he meant technology and institutions. He advised that reform should follow these steps. Then, even though the challenges are daunting, obstacles will be overcome and the way will be found, but if the order of steps is reversed, “the road will be blocked as if by a wall, preventing one from taking further steps.”

I believe that the best possible formula would be to combine Fukuzawa's rules with Chairman Toyoda's. More precisely, the new rules to be added are collaboration, networking, sharing

knowledge and fostering new mindsets. We believe that education, innovation, regional renaissance and nurturing entrepreneurship should be done within the framework of the world. Unilateralism was the mark of the 20th century. Even while revitalizing our gift for innovation and resuscitating the best traditions of Japan, we must learn from the world and seek a convergence of knowledge. We will gladly share our own knowledge and experience with Asian, Latin American and African countries if they wish. Sharing our experience, we believe, will lead to a rebirth of Japan's innovative spirit.

Some of you here today, as I mentioned earlier, may have participated in the Innovation Summit two years ago in Nagoya. The present conference is co-hosted by the Business-University Forum of Japan, Business-Higher Education Forum (U.S.A), the The Council for Industry and Higher Education (U.K.) and The International Association of University Presidents with the support of organizations such as OECD. In concluding, my summary, I have a suggestion to make—that the conference be convened biannually, hosted by different countries in turn.

Julian Huxley said at the end of the Second World War, when launching the preparatory committee of UNESCO on which he served it as the first secretary-general, that he hoped it would help to bring sustainable peace and security to the world through the dissemination of education, culture and science. Huxley believed that education and human development could not be achieved by the governments or citizens of our separate nations, and proposed the establishment of a world educational council. That was half a century ago. I believe the time has come for his proposal to be seriously considered.

As I conclude this summary, I would like once again to thank all who have contributed to making this valuable gathering possible, as well as to the participants and those who have provided the interpretation.

