## Setting the Tone: Innovation Ecosystem

**Mr. Tateo Arimoto**: The Japanese economy is recovering from a long period dedicated to eliminating excess debt. Now a keen need is felt need to achieve sustainable growth through a suitable allocation of skilled labor, capital and technological advances. The capital factor drove Japanese economic development until the 1980s but in an aging society we can no longer rely on the capital factor and thus we need the contribution of technological advance. The Japanese economy needs to enhance productivity through technological development.

The recovering Japanese economy requires a better functioning innovation system, necessitating the need for a new national innovation ecosystem which was echoed in our latest science and technology policies. Prime Minister Koizumi and Keidanren head Mr. Mitarai have proposed an Innovate Japan program for sustainable development. The new 5-year plan for science and technology covering 2006~2010 was approved last year and it stresses science-based innovation derived from Japan's own scientific and technological developments.

We need to achieve a fusion of knowledge and technology from many fields and this is driving a move to integration. High expectations are held for the integration of information technology with other fields such as robotics and nanotechnology.

There are many cases of successful innovation based on Japanese research, such as Nobel Prize winner Dr. Shirakawa's research on conductive polymers and also the work of one of our conference speakers, Prof. Hashimoto, on photo-catalytic materials.

In the complex context of modern markets, managers must have a wide range of expertise to manage all the stakeholders in the innovation process. Interaction between policymakers and planners is becoming increasingly important. In the chart on the screen, we have tried to show a possible framework for innovation ecosystems from national innovation ecosystems through to regional and global ecosystems all leading to sustainability and development. The chart is controversial and there is still a significant gap between rhetoric and reality.