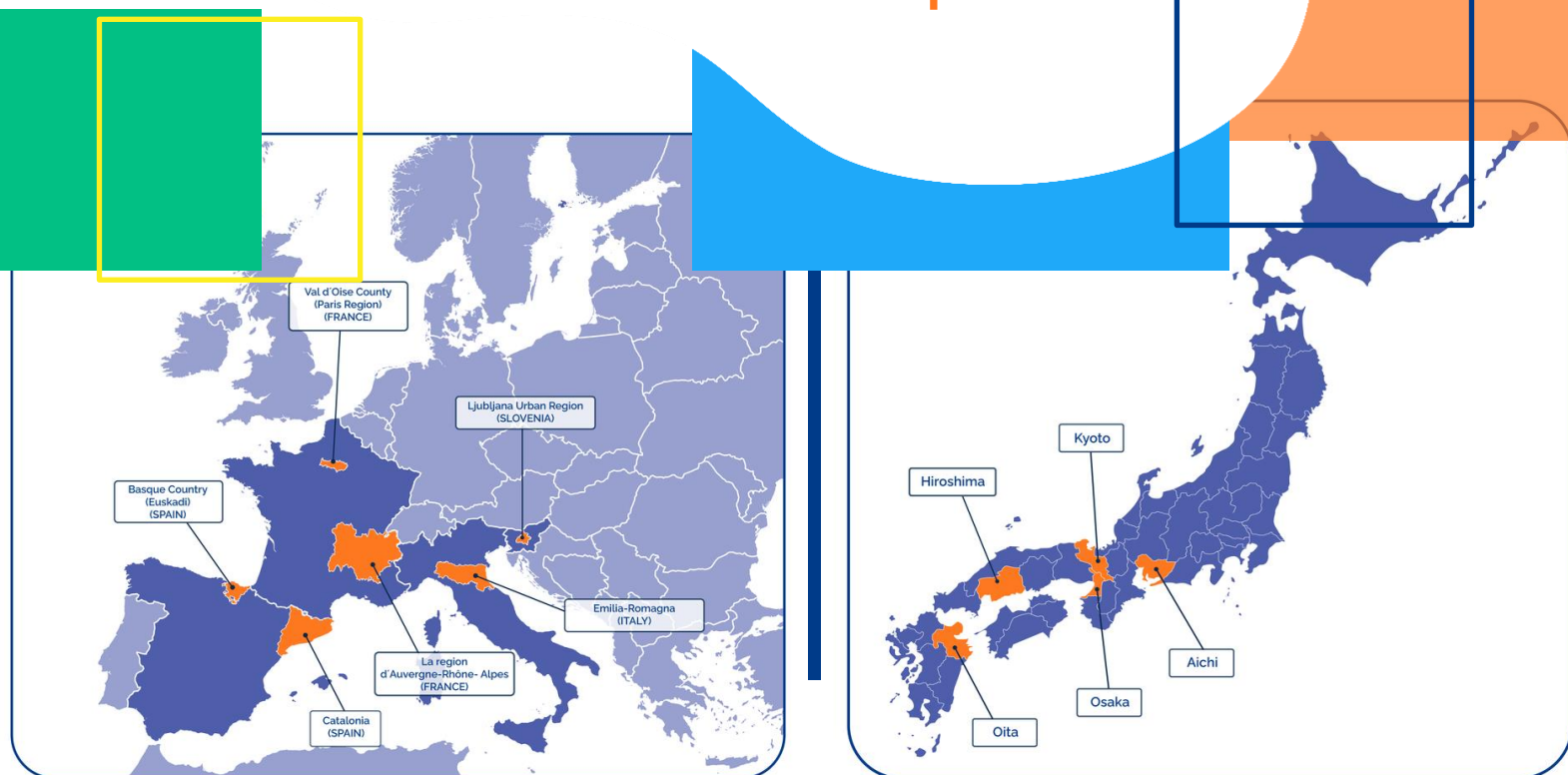


THEMATIC CLUSTER CASE STUDY

No.2

Startup Ecosystems and Open Innovation

EU-Japan Region to Region Innovation Cooperation



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Startup Ecosystems and Open Innovation

There is growing enthusiasm for fostering exchanges between startups, entrepreneurs, and innovation ecosystems across European Union regions and Japanese prefectures. Both areas have launched diverse initiatives and programs dedicated to nurturing startups and cultivating open innovation. EU-Japan cooperation will bring mutual benefits: it opens up opportunities for EU startups to enter the Japanese market and access various technologies, while Japan can encourage its startups to adopt a global mindset and provide support for international expansion.



EXECUTIVE SUMMARY

The EU-Japan partnership, aligned with their strategic collaboration, aims to leverage the strengths of both regions to create a nurturing environment for startups, drive innovation, and boost economic growth. This collaboration involves sharing knowledge and working together among companies, entrepreneurs, universities, and research institutions to develop a vibrant and competitive ecosystem for startups and open innovation in both the EU and Japan.

To achieve these goals, EU regions and Japanese prefectures have introduced various initiatives and programs to support startups and encourage open innovation. These initiatives often include partnerships between regional and municipal governments, universities, private sector companies, and industry associations, highlighting a strong interest in promoting interaction between startups, entrepreneurs, and innovation ecosystems of both regions. This collaborative effort focuses on technology and knowledge exchange, aiming to enhance the competitiveness of

startups in each area. Furthering these objectives, numerous events like startup competitions and networking conferences are planned. These events are designed to cultivate collaboration and knowledge sharing, establishing a platform for reciprocal learning and development in the startup and innovation sectors of the EU and Japan. The cooperation not only opens up new market opportunities for EU startups in Japan, providing access to a variety of technologies, but also encourages Japanese startups to embrace a global perspective and supports their international expansion efforts.,

MAIN CHALLENGE AND SOLUTION

Each of the EU regions and Japanese prefectures participating in the EU-Japan Region-to-Region Innovation Cooperation has its own unique economic, industrial, and R&D background. Each region or prefecture faces its own set of challenges and has taken measures commensurate with these challenges to promote the startup ecosystem and open innovation. The distinctive activities implemented in each region/prefecture are outlined by the initiatives listed in the **table** below.

Initiatives in EU Regions	
Auvergne-Rhone-Alpes, France	The cities of Lyon and Grenoble are key hubs for startups and innovation in the region. Several world-class universities and research institutions like CEA (French Alternative Energies and Atomic Energy Commission) and Inria Centre at the University Grenoble Alpes are located here.
Basque Country, Spain	BIND-4.0 is the largest open innovation platform in the region. Basque Tek Ventures focus on new deep tech startups. The Automotive Intelligence Center (AIC) generates value in the automotive sector.
Catalonia, Spain	Transformative Innovation Labs (TILs) enable multidisciplinary collaboration, and addresses complex social issues.
Emilia Romagna, Spain	Clust-ER Associations and Technopoles rely on the innovation capacity of the entire ecosystem. World-class high-performance computers housed in CINECA and other datacenters are utilized.
Ljubljana Urban Region, Slovenia	Ljubljana Technology Park provides supportive environment for startups. Open innovation system of the Adriatic-Ionian Region is an EU-funded project.
Val d’Oise, France	CY Cergy Paris University hosts several Open Innovation Labs. It has launched StartUp Studio in partnership with ESSEC (école supérieure des sciences économiques et commerciales).

Initiatives in Japanese Prefectures	
Aichi	STATION Ai, the largest startup support base in Japan after its completion in 2024, is a pivotal part of the Aichi startup strategy.
Kyoto	Keihanna Open Innovation Center (KICK) enjoys a strategic advantage due to its location in Keihanna Science City situated near both Osaka and Kyoto.
Osaka	Osaka Innovation Hub is a key organization that supports startups and entrepreneurs in the region. Osaka’s startup ecosystems are unique in their inclusive approach involving SMEs from diverse sectors.
Hiroshima	"Town and Gown" concept at Hiroshima University represents a collaborative initiative involving the university, local governments, and other organizations.



The primary challenge in the collaboration between EU regions and Japanese prefectures for startup ecosystems and open innovation lies in the insufficient exchange of information and differing perspectives on global engagement. While there are parallel developments in various regions, the lack of robust international communication, especially from Japan, poses a barrier. Japan's approach to global markets appears less aggressive compared to Europe's more proactive strategy. Furthermore, Europe's advantage of having established financial support systems from national governments and the EU contrasts with the less developed frameworks in Japan.

RESULTS AND IMPACT

In November 2022, delegations from six EU regions, divided into two groups, visited five Japanese prefectures. Subsequently, in June 2023, representatives from five Japanese prefectures, organized into flexible groups, made reciprocal visits to six EU regions. During these visits, they toured various organizations as outlined in the provided table and engaged in meetings and discussions. These visits proved to be mutually beneficial, allowing for firsthand observation of specific innovations at each facility. This exchange fostered new interpersonal connections and established partnerships between research institutions and companies.



Figure 1: Hiroshima Science Park, Hiroshima



Figure 2: Keihanna Open Innovation Center (KICK) in Kyoto





Figure 3: Automotive Innovation Center (AIC) in Basque Country



Figure 4: CIMNE in Catalonia



LESSONS LEARNED



The collaboration between EU regions and Japanese prefectures in the startup ecosystem and open innovation offers a pathway to enhance their respective innovation landscapes and foster economic growth. Here are the key strategies and lessons:

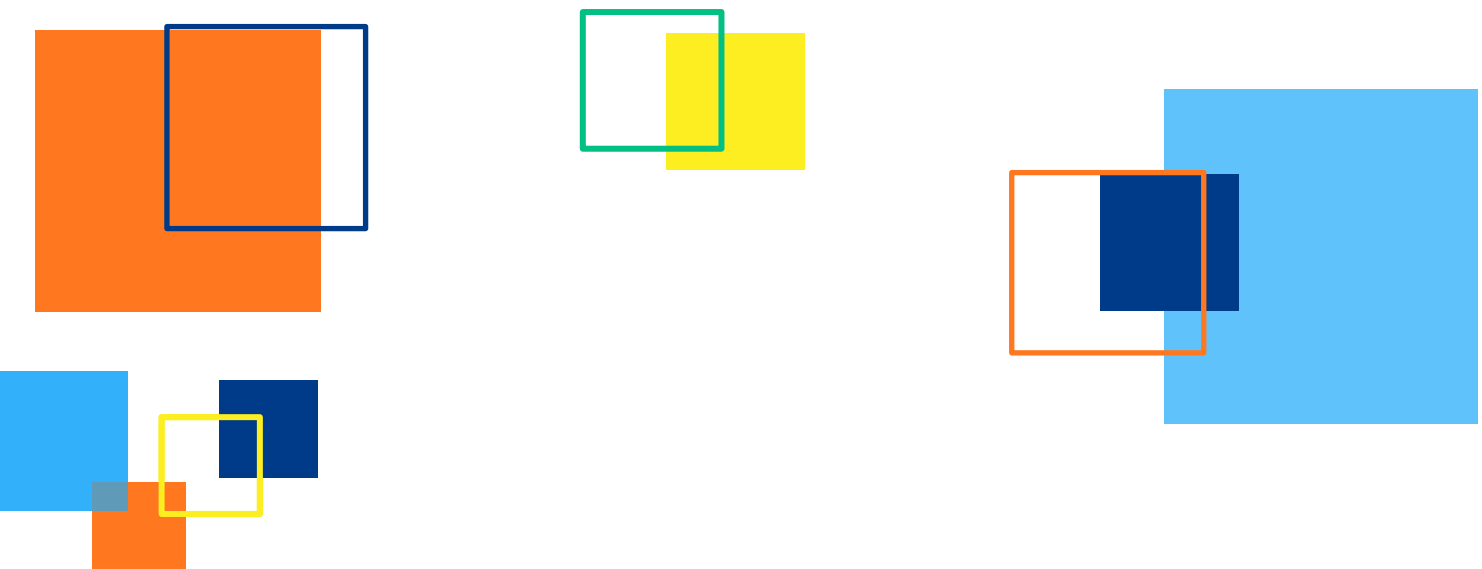
Enhanced Information Exchange and Global Outlook: Establishing structured communication channels like international conferences, digital platforms, and exchange programs is essential for bridging the information gap and fostering a global perspective. Active participation in global startup ecosystems, forming international partnerships, and inviting global experts can enhance the international outlook of Japanese prefectures. Encouraging Japanese startups to adopt a global mindset and supporting their international expansion can foster global competitiveness. Leveraging Smart Specialization Strategy (S3): The EU's S3 approach, focusing on regional strengths and specialized sectors, can serve as a model for Japanese prefectures to develop a competitive edge and cohesive ecosystem. Japanese prefectures can adopt strategies from European regions such as Catalonia and the Basque Country, utilizing their open innovation and regional policies as a roadmap.

Tailored Regional Approaches: Customizing strategies based on the unique economic, industrial, and R&D backgrounds of each EU region and Japanese prefecture is crucial. Investing in entrepreneurship education and skills development programs, as done in the EU, can nurture entrepreneurial talent in Japan. Japan can benefit from encouraging collaboration among cities, regions, universities, and businesses, similar to the extensive collaboration seen in EU regions.

Emphasis on IT and Digital Technology: Collaborative projects in IT and digital technology can drive innovation, opening new markets for startups in both the EU and Japan.

Access to Funding: Diversifying and making funding more accessible, similar to the EU's mix of government grants and venture capital, can help Japanese startups grow and innovate.

Implementing these strategies can develop a more dynamic and competitive innovation ecosystem in both the EU and Japan, which will attract talent and investments, and drive economic growth through innovation and entrepreneurship.



THE IURC PROGRAMME

The International Urban and Regional Cooperation (IURC) programme enables cities in different global regions to link up and share solutions to common problems. It is part of a long-term strategy by the European Union to foster sustainable urban development in cooperation with the public and private sectors, as well as representatives of research and innovation, community groups and citizens. Through engaging in IURC, cities will have the chance to share and exchange knowledge with their international counterparts, building a greener, more prosperous future.

The IURC programme is an opportunity for local governments to learn from each other, set ambitious targets, forge lasting partnerships, test new solutions, and boost their city's international profile. Its activities will support the achievement of policy objectives as well as major international agreements on urban development and climate change, such as the EU Urban Agenda, the UN Sustainable Development Goals, and the Paris Agreement.

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