

Opening Remarks in
2010 Entrepreneurship Mentoring Initiative Roundtable
and First Annual "The Entrepreneurs Awards Japan"
On November 22, 2010

Thank you. Good afternoon, everyone.

My name is Shige KATO. I'm now working on higher education policy in the Ministry of Education, Culture, Sports, Science and Technology. I have frequent contacts with Professor Kurokawa about so-called inward lookingness of Japanese youth, and I think that's why he invited me here today. I thank him for giving me this opportunity to speak to you.

Entrepreneurship creates new economic value, as well as job. It is even more important policy issue in today's Japan whose economy is stagnant for long time, and its outlook is gloomy.

For more than a decade, Japanese government has taken various measures to encourage and promote entrepreneurship. Amending corporation law, giving financial support, and opening university courses on

entrepreneurship are examples of such measures. It is not my purpose here today to go into detail about these measures.

The problem in Japan is that, in spite of these measures, vigorous entrepreneurship is not realized. Why? I think one of the causes is mind set of Japanese people and society.

I worked with Professor Kurokawa in making "Innovation 25," the strategic plan for making Japan an innovative country, tasked by then-Prime Minister Shinzo Abe. I talked with Kurokawa-sensei what difference the "Innovation 25" would make from previous many policy reports on innovation, and we had a same view that innovation is not only a matter of technology development and institutional change, but also, or more profoundly, a matter of mind set. Japanese society tends to be risk-averse.

The report called upon to "cultivate the nail sticking out," whereas traditional Japanese saying has been to "strike down the nail sticking out."

Has the Japanese society changed to embrace risk-taker and entrepreneurship? I'm afraid that I have to say,

NO. Even worse.

During the past year, the concern about inward lookingness of Japanese youth has been echoed in newspapers, and among university professors, corporate executives, and government officials.

But I want to say to them, although I am among them, "Who made the Japanese youth inward looking? Don't you think you did? It is not a solution just to raise the voice of concern."

Now, I want to draw your attention to an important aspect not to be missed when talking about Japanese youth. It is the fact that not every one of them is inward looking. There are some who are very active and ambitious. I am recently interested in university students who are so active in pursuing extra-curricular, social activities as to take leave of absence.

This morning I met with Mr. Atsuyoshi Saisho. He is a student of Waseda University, and has taken a leave of absence to do something very innovative in Bangladesh.

There, only students from rich family could enter Dhaka

University, the country's flag-ship university, because of high-cost of prep school. So, for students in rural area where family income is low, it has been an unfinished dream to enter Dhaka University. Mr. Saisho implemented prep education in a rural area, using e-learning and with participation of Dhaka University students as mentors, and one of his students passed entrance exam of Dhaka University.

He is full of drive, and his belief is "There is no impossibles." I was very much encouraged by him.

Mr. Saisho is one example of the active, ambitious Japanese youth, and what we have to do first is to make them more visible to Japanese people, especially to those of same generation, to encourage them to follow such examples.

In this respect, "The Entrepreneurship Japan Awards" is valuable undertaking, and I expect its high visibility.

Let me go back to think about why entrepreneurship is low-profile in Japan. It appears to me that what have been missing in supporting entrepreneurs in early stage is a platform for them to be connected each other to learn good practices, to be connected with

global business leaders giving them quality advise. I appreciate that "Entrepreneurship Mentoring Initiative" EMI is skillfully designed and implemented for this purpose.

So, EMI and TEJA are two wings which are going to make Japanese entrepreneurship flying high. I really appreciate the warm and kind attention of Ambassador Roos on the issue of Japanese entrepreneurship, and genius and passion of Ernst & Young and other global companies and IMPACT Japan in sponsoring this program.

I am a little bit ashamed that Japanese companies and society have not launched an effort like this, but if they have had, I think this one with viewpoint from outside of Japan is still valuable. Different cultural background enables you to identify the weakness, as well as strength, of Japanese system and institution which we Japanese are not aware of.

I welcome and am open to any observation and advise you give us, and they will be good material in our effort to reconstruct policy measures and programs to encourage and promote entrepreneurship in the present Japanese context.

Last, but not the least, I would like to appreciate all the mentee participants to the Entrepreneurship Mentoring Initiative for their challenging sprit. You are making new economic, social values in Japan and around the world. Also I would like to thank all the mentor in the initiative for their precious advise to mentee. I hope today's roundtable will be further value-added to the program and to all the participants.

Thank you for your attention.