

CANADA-JAPAN FUTURES FORUM

FOSTERING ENTREPRENEURSHIP AND INNOVATION PARTNERSHIPS

Forum Report



March 17-18, 2016
Shangri-La Hotel, Toronto, ON

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INTRODUCTION

The Centre for International Governance Innovation (CIGI) in Waterloo, Ontario, working in partnership with the Embassy of Japan in Canada and the Centre for Global Enterprise at the Schulich School of Business, York University, organized the *Canada-Japan Futures Forum: Fostering Entrepreneurship & Innovation Partnerships*, held in Toronto on March 17 and 18, 2016. The event brought together close to 50 prominent Japanese and Canadian experts from research and academic institutions, innovators and entrepreneurs from the private sector, plus some current and former government officials.

In light of the challenges faced by both Canada and Japan in building the entrepreneurial cultures and innovation eco-systems needed to ensure future business success, the Forum examined the nature of these challenges and discussed areas where cooperation between the two countries can be enhanced.

Looking to the future, the Forum examined the challenges and sought to find areas where Japan and Canada might learn from each other's experiences, help each other and deepen institutional and business linkages in the process. Much of the Forum was spent investigating the systemic issues and factors that promote or discourage entrepreneurial behaviours and innovation.

Participants also looked in more depth at Japanese and Canadian experiences in two sectors (Clean Technologies, and Health and Medical Technologies) for particular insights. One practical objective of the Forum was to see if there might be, for example, potential for growth in cooperation between Japanese and Canadian innovators and entrepreneurs, which could lead to greater business success in each other's markets, but also in the Asia Pacific marketplace and beyond, bringing new high growth dimensions into the historically strong Canada-Japan economic relationship.

The Futures Forum was not able, in the course of the day and half of its proceedings, to investigate fully all of the areas in its ambitious agenda; however, it did come to one important overarching and positive conclusion. While the situations in Canada and Japan concerning entrepreneurialism and innovation have some similarities, it is the often-stark difference in corporate size, culture and experience between Japan and Canada, and the contrasting eco-systems for innovation and entrepreneurial development that create the complementarities and greatest potential for finding new avenues for economic and business cooperation.

The most important themes and ideas to emerge from the Toronto Forum along with some suggestions for future action are set out in Section One below. Section Two summarizes the main points to emerge from each individual panel session.

Participants polled after the event strongly favoured a follow up Forum meeting on the same subject, perhaps in Japan. This second Futures Forum could take the conversation further and deeper, build some momentum around the better ideas, and drive towards some practical outcomes through more concentrated look at promising sectors such as clean tech and health, possibly adding in ICT, an area of both Japanese and Canadian strength.

A handwritten signature in black ink, appearing to read 'Leonard J. Edwards'.

Leonard J. Edwards, Chair, Canada-Japan Futures Forum

SECTION ONE: FOSTERING ENTREPRENEURIALISM AND INNOVATION PARTNERSHIPS BETWEEN CANADA AND JAPAN

Potential Areas for Future Cooperation

Following are nine suggestions for future Canada Japan cooperation in the general areas of “Entrepreneurialism and Innovation”. Participants explicitly suggested some of these ideas, while others have emerged after the event from a review and analysis of the Forum’s proceedings.

Unsurprisingly, while some of these suggestions should be easier to pick up and implement, others will need time and additional effort to bear fruit. Some will need some further discussion and examination. All will require leadership and innovative engagement by businesses, academic institutions (including business schools) and governments to succeed.

- 1. Entrepreneurialism: Learning from Each Other’s Strengths:** While both countries face challenges in fostering entrepreneurialism generally, the Global Entrepreneurship Monitor for 2015 puts Canada in 2nd place with Japan lagging well back in 27th. Does this offer an opportunity for Japanese to learn from Canadian approaches? Are there not strengths in the Japanese system that Canadians could adopt? For example, Canadians entrepreneurs could benefit from the approaches Japanese businesses have taken traditionally to strategic market development and long-term focus, while Japanese could learn about how to manage in a riskier environment and overcome the fear of failure.

Future action:

- Canadian and Japanese centres of expertise in the field of entrepreneurialism could meet regularly and consider in more detail what we could learn from each other, engaging and connecting entrepreneurs directly in the process.

- 2. Management and Marketing: Two Keys to Start-up Business Success:** Canadian research and experience on what contributes most to long-term business success with start-ups isolates two outstanding aspects: the importance of managerial competency and of proceeding with aggressive investments in sales and marketing even as the technology is still in development. While management skills are generally strong in Japan, marketing is given little weight.

Future actions:

- Canadian business schools could promote start-up courses to Japanese clients that feature the importance of marketing.
- Well managed Japanese start-ups could work with Canadian partners who can bring marketing talents to the table--- a winning combination in either Japan or Canada.

- 3. Intellectual Property and ‘Open Innovation’:** There was considerable discussion during the Forum on the role that intellectual property policy plays in creating the supportive eco-systems in both countries that facilitate innovation and bringing business success. Japanese participants noted that Japan is moving away from its traditional emphasis on high levels of patent registration and protection, to a more “open innovation” stance, where companies chose whether to register and protect their IP (and then use or license it) or to make it accessible to the public as a strategic business decision.

Future action:

- This change to a more sophisticated IP management approach could open the door to both expert and intergovernmental discussions between Canada and Japan. These discussions could focus on the role of IP in high innovation economies that do not enjoy the economic power of the major players like the United States and China. Discussions could also touch upon whether less restrictive rules around the protection of IP and more “freedom to operate” would be more in national interest, an argument heard from some participants during the Forum.

- 4. Fostering Start-Up Culture in Japan Through Youth Engagement:** There are increasing numbers of young high performing Canadians attracted to business careers. Now, more than ever, they are launching their own companies around innovative technologies and ideas. In contrast, there is not the same level of interest among similarly talented young Japanese; although there has been a growing trend in this direction and away from the traditional preference for large companies and government ministries.

Future action:

- Japan/Canada inter-company and business school exchanges could be used to expose more young Japanese business students and entrepreneurs to the Canadian start-up culture.

- 5. Helping Japanese Start-Ups Achieve Business Success— “Going for Broke”:**

One concern expressed by Japanese participants was that Japan’s major companies and conglomerates tend by nature to be less innovative and less entrepreneurial (Canadians made the same point regarding Canadian companies), and dominate the business culture

and eco-system in Japan despite the large number of SME's, some of them trying to be innovative, that create most of the jobs in the country. In a related trend, a number of Japanese start-ups are taking their ideas out of Japan and establishing their businesses abroad. There is some effort underway by government and business to change the eco-system in Japan, and make it more start-up friendly, but the question is whether innovative Japanese SMEs and start-ups might find tie-ups with firms in Canada as a way to break out of this straightjacket and "go for broke".

Future actions:

- Governments and Business Associations on both sides could set up a "matching service" to create tie ups between innovative Japanese start-ups looking for foreign partners and investors that will help them achieve business success as well as to build long-term business bridges back into Japan for the benefit of both countries.
- Whether or not Japanese start-ups came to Canada to stay, they could certainly come to Canada and visit innovation hubs such as the Toronto-Waterloo corridor to pilot and test their technologies, access talent from around the world, and create new business opportunities.

6. Helping Canadian Start-ups Succeed Through Japanese Support: Just as Japanese firms might come to Canada, Japanese participants suggested Canadian start-ups could come to Japan to pilot their technologies and then move offshore possibly in a business alliance with a Japanese partner familiar with the Asian market.

7. International Cooperation Between Canadian and Japanese Companies Looking to Expand into Foreign Markets: Part of the reason Japanese start-ups are trending to move outside Japan is the "push" factor from the demographics of a declining population and a shrinking market. This will have an impact on the capacity to foster business success in Japan over the long term. The Forum heard how several innovative Japanese businesses were "going global" and increasingly looking offshore for opportunity and growth. This is a situation that ambitious medium and small-scale Canadian companies know well: significant business success in a smaller domestic market requires being present in the global marketplace as well.

Future action:

- Exploiting the potential of Asian and other international markets offers a strategic avenue for cooperation between Canadian and Japanese start-ups who are seeking to "go global", perhaps teamed up with larger companies that are already internationally active.

8. With Japanese Investors Looking for Innovative Technology Opportunities, Canada Should be in the Picture:

While financing and venture capital are seen to be critical factors for success in both countries, and while issues exist in both locations (especially in getting major capital for the scaling-up step from start-up to a sustainable company) a main take-away from the Forum's discussion was that for the reasons cited above, some Japanese financial institutions are actively looking for good investments abroad in innovative technology companies given the apparent lack of home grown opportunities, with a particular eye for "disruptive" technologies of the future. This should be opening the door to more Canada-Japan investment partnerships in leading innovative sectors, especially where there are strong complementarities of national interest, such as clean technologies and medical and health technologies, as discussed at the Forum, and where both countries have traditionally been strong, such as ICTs.

Future action:

- Governments and investment/technology promotion bodies should be active in this area.

9. Awareness in Japan of Canada's Innovation Strengths Remains a Weakness:

Observations heard at the Forum underlined that while there is a strong awareness in Japan of the major global clusters for innovation in the US (led by Silicon Valley), and in the UK, Europe and Israel, there seems to be little in depth knowledge in Japan of what Canada has to offer despite the positive buzz around, for example, the Toronto-Waterloo corridor. This is evidently a communication problem that Canadians need to address.

Future action:

- The main suggestion from Japanese participants was for Canadians to "come to Japan": bring the best you have—your leaders from incubator institutions, from business schools, from successful start-ups, etc., and make an impact through a major focused mission possibly in tandem with a sequel to this Forum.

Research Recommendations and the Role of Academia

1. Entrepreneurship and innovation cultures in Canada and Japan.

While the forum could not delve deeply into this subject, it's clear that there is a lot of research into these areas being conducted around the world. Should a second Forum be held on this subject, deepened research would strengthen the academic rigour with which various topics are discussed.

Futures discussions would benefit from:

- Providing a working definition for “entrepreneurship” and “innovation”;
- Assessing the state of research as well as any gaps that need addressing;
- Assessing the attitudes towards entrepreneurship and innovation in both countries.

2. Improving the Integration of Academia with Government and Business interests

Some Japanese and Canadian participants felt that academia has not taken enough of a role in fostering entrepreneurship, and that innovative tech sector firms do not look enough to academia and business schools for answers to management, marketing and other challenges that they face.

Future action:

- A coalition of several Canadian business schools and Japanese universities could work with the Canadian and Japanese Chambers of Commerce and young entrepreneur associations to develop a bilateral network of expertise that could be available (on a commercial basis) to start-ups and SMEs that are “going global” in both countries for help and advice when needed.

Two Sectors of Promise: Clean Tech and Health Technologies Are Open Doors for Cooperation

The Futures Forum looked at these particular sectors for four reasons: (1) they represent areas of strength in terms of activity and interest in both our countries; (2) they are areas where national experiences related to innovation in one country might be instructive to the other; (3) they hold high potential for significantly greater cooperation and partnerships in the future; and (4) they represent areas of potentially high growth and investment.

Panel discussions on each of the sectors amplified many of the findings noted above concerning the general environment for entrepreneurialism and innovation in Japan and Canada.

Canadian participants noted that while there was plenty of first stage venture capital available, additional capital is hard to find at the later “scale-up” stage. De-risking projects is especially important if venture capital is to be secured from pension funds. In order to foster national success stories, governments also must have the “courage” to select out strong sectors and start-ups for emphasis and support in order to create “winners”. As one participant said, “He who supports all supports nothing”. Government incubation programs are not particularly selective

and strive for equality of treatment in terms of funding. As a result, some start-ups with limited potential receive support that could have gone to more promising ventures.

Among the concerns noted by Canadian participants were both the lack of unified innovation strategies for the clean tech and health sectors in Canada as well as the confusion and conflict between the social and economic goals pursued in each area. Regulations and policies by Canada's governments (fragmented into 13 provincial, and territorial jurisdictions plus the federal government) tend to give primary weight to social outcomes often at the expense of economic approaches and incentives that would lead to world-class innovations and improvements in health care or sustainable development. Innovations should serve both the public good as well as create successful businesses and prosperous communities, and create strong platforms for international activity.

Clean Technologies

In the clean tech area, for example, the traditional energy sector and employment-driven government policies can work against innovation and business success for clean tech companies. For instance, businesses in this sector are often puzzled as to why non-clean tech companies - like those in waste disposal - are included in this category (and programs) by governments. Policies would be better guided by having a clear definition of what clean tech companies are. There is also the lack of a clear unified voice in Canada speaking for the innovative clean tech industry with government. Canada could learn a lot from Japan, which does much better in marshaling all relevant players and working together in a strategic manner.

Health Technologies

In the health field, while Canadian participants celebrated Toronto as having all the key attributes of a top global health innovation cluster, they also cited the poor record of local governments and the health community generally in adopting the new technologies available, in large part the result of outdated, silo'ed and cost-driven (not technology-driven) procurement systems. This inhibits innovators and health sector entrepreneurs from achieving the levels of local success they should be having. This success would add to their reputation and competitiveness in global markets. Lots of research is being done, but there is little innovation in local procurement and regulatory systems to create markets for new technologies and services. In contrast, Japan has a much better record of adopting new health technologies faster.

Future Cooperation

As regards the potential for Canada-Japan cooperation in these sectors, the Forum was able only to address briefly what the future might hold.

There is no doubt that Japan's huge demand for energy combined with its ambitious targets for greenhouse gas reductions creates an enormous need (and market) for innovations in clean technologies across many sectors. One of Japan's strength is in the ICT dimension of clean tech, with a focus as well on manufacturing processes, while Canada brings the energy and resources sectors, manufacturing as well as other clean tech dimensions to the table. This opens huge opportunities, some already being pursued, for trade and investment in clean technology activities, and for growing partnerships in Asia including ASEAN countries which need these technologies.

Complementarities of another kind exist in the health sector, with both countries facing the similar challenges of developing the technologies and innovative health systems to deal with the health issues of an aging population in particular --- again opening the door to policy, research and business interchanges, including collaborations in third countries. Canadians should pursue ventures in Japan given its business opportunities. The Japanese should be coming to Canada for its diversity (clinical testing) and for its research and entrepreneurialism.

Drawing from the Forum's discussions on clean tech and health technologies, three sector-specific suggestions for future actions are noted:

1. There is both a policy and a practical challenge for governments and other authorities in bringing often conflicting social and economic objectives into synch in the clean technology and health innovation areas so as to meet critical social goals while fostering and rewarding leading edge innovation and creating successful companies
 - a. A Japan-Canada symposium could be organized in Japan involving a strong delegation of public officials and innovators/entrepreneurs in the Health Tech sector from the Toronto-Waterloo region to meet with a similar group in Japan. Objectives would be to share experiences on how best to put innovations in health care into place that meet both social and economic goals, and to create and promote concrete business and other collaborations.
 - b. A similarly targeted symposium could be held in Canada involving policy makers and entrepreneurs/innovators from both sides in the clean technology field to consider the social and economic interface. An additional objective of value to Canada would be to share experiences on how best to develop coherent strategies and plans in the Clean Tech domain where governments, industry and researchers work together — a longstanding Japanese strength.

2. One Japanese suggestion at the Forum was to develop a Canada-Japan “Smart Cities” initiative around the sustainable development theme. The challenge would be where to start.
 - a. For example, it might be initiated in Canada by the Federation of Canadian Municipalities, led by the Big Cities Mayors’ Caucus, and those Canadian cities that already have established relationships with Japanese counterparts. In Japan, the Ministry of Economics, Trade and Industry (METI) is also key (meaning Canadian government engagement); it coordinates and funds Smart City (or Smart Community) projects at home, and abroad through its NEDO (New Energy and Technology Development Organization).
 - b. It could begin with something as simple as exchanges on each other’s experiences and policies with respect to Smart Community/City development, and evolve into collaboration on technology research and innovation, and eventually business partnerships
3. A suggestion from the Canadian side was that with Japan’s and Canada’s leading medical technologies, treatments and prevention techniques, perhaps we could find third countries in Asia (e.g. India) where we might work together in the management and control of certain widespread diseases such as diabetes, perhaps starting with the basics of education and the role of diet before moving to technologies.

SECTION TWO: FORUM PANEL PROCEEDINGS AND MAIN POINTS

Session 1 – Fostering Entrepreneurialism and Innovation

This session discussed entrepreneurialism, innovation, the role of academia, the business ecosystems (regulations, education, company structures and size, tax and business environment, etc.) in Canada and Japan, and how they can be adapted to improve the performance of individuals and companies as entrepreneurs and innovators.

The participants made the following remarks:

Entrepreneurship and business success

- In Canada, Small and Medium Enterprises (SMEs) make up 99% of businesses, create 2/3 of all jobs and more than half of economic output.
- In Canada, only a quarter of these companies invest in R&D. Japan, on the other hand, has the highest level of investment in R&D within the G7, much higher than the OECD average. However, Japanese SMEs account for less than 6% of R&D spending.
- Both Japanese and Canadian SMEs lag their peers in other countries in access to international markets, so we have much to learn.
- Innovation happens across many areas: technological innovation (where there is already a degree of cooperation between Canada and Japan), process/product innovation and management innovation
- What are the drivers of revenue growth? Canadian research has shown that one of the main pieces of the puzzle is management capability. In order to grow revenue, management skills must be improved. They are too often overlooked.
- For younger Canadian firms, research indicates two things stand out for growth: investments in sales and investments in marketing. Successful firms involve the customer right from the start. Japanese firms can be good with ideas but are weak as regards marketing.

Education and academia

- Fostering entrepreneurialism starts with education. The job market of the future will be different, so the education system needs to align with the jobs of the future.
- Are the managers coming out of management schools ready? What you learn in MBAs is not necessarily what you need to run a small business. Business schools need to give students the ability to work both with both start-ups as well as large firms.

Entrepreneurship culture

- Fostering entrepreneurship: in order to see more young entrepreneurs, young people need to be exposed to the opportunities that are out there. In Japan, many are not aware of these opportunities. When one asks university students what they want to do, too few say they want to start a business.

Entrepreneurship in Japan

- Thanks to modifications in legislation, there are now fewer hurdles to overcome for start-up businesses.
- Japanese proceedings are very complicated and time consuming, but the Japanese government is eager to reform legal system in order to attract foreign investors; lack of English use in Japan is another weak point to address.
- In Japan, young start-up leaders, however, are very open-minded and going outside Japan, which is a new trend, especially in the tech sector. The result is that start-ups are being globalized.

Areas of convergence and opportunity

- Can academia play a role in fostering entrepreneurship? Academia has *not* taken enough of a role. On the other hand, tech sector firms are often looking for knowledge, but don't think about looking to academia for answers. Academia can provide very valuable information, but it takes a lot of resources to do this.
- As communication capabilities in Japan often constitute a barrier, tech companies in both countries should be looking at innovative language solutions

Session 2 – Innovation and Business Success

This session examined the challenges faced by entrepreneurs and firms in Japan and Canada in turning innovations into business success, including the roles of Intellectual Property (IP) laws, tax regimes, and access to financing. The participants considered how Japan and Canada can improve their performance relative to competitors, and whether innovative Japanese and Canadian firms could better combine their respective strengths to achieve business success in Asian and global markets. It discussed whether there are regulatory barriers or other impediments to success that need to be addressed.

The participants presented the following remarks and ideas:

Business success and innovation

- Innovations, in particular those that are disruptive, come mainly from start-ups, not from big companies

- Therefore, it is important for large companies to collaborate with start-ups, which requires a mature ecosystem, a key to success
- A major challenge in Canada is access to capital. Entrepreneurs can often get angel investors to start the company, but once they look for larger amounts to scale up, financing is hard to come by. Entrepreneurs must often look abroad to scale up.
- Scaling up is also a problem in Japan. Many start-ups try to go global, but the number of those that do is pretty small. Japanese investors also tend to want start ups to make money as soon as possible rather than focussing on longer term success
- Considering the Japanese market is shrinking and the population dwindling, both Japanese investors and start-ups have to look for opportunities abroad, we need to go in other markets, otherwise, cannot scale up
- Canadian companies also have to deal with their own demographic problem, as Canada's population and market are small
- We need to harmonize regulatory environments in different countries. This would make it easier to expand abroad for start-ups and small companies.
- The Japanese government tries to promote open innovation. But governments should focus on what they can do: better regulations, immigration policies to attract new talent, etc. Governments should not invest themselves in start-ups
- Innovation is the key to economic sustainability, and business investment in R&D is critical to innovation.

IP strategy and environment

- It is important for governments to establish an IP strategy. Japan reviews its own strategy on a yearly basis.
- The field of IP is becoming increasingly sophisticated, and it is therefore important that IP management strategies reflect this sophistication
- Some firms are moving towards sophisticated management of IP, from exclusive licensing to non-exclusive licencing.
- Japan is moving away from an emphasis on filing for patents towards an open innovation approach, with some firms deciding to voluntarily share their technologies.
- Related to “freedom to operate”, there is a need to develop international standards, which would support emerging clean tech companies.
- Entrepreneurs already face many barriers to entry and success, so their home country (government) should not be one of them

- Collectively, we need to collaborate and work together, with innovators from various countries and environment, to find solutions to the problem of innovation adoption

Health sector

- Canada can allocate its resources more effectively to become a dominant exporter of health innovations, a sector with a potential for exponential growth
- Corporations of all sorts have an interest in establishing health companies or create health care divisions. That creates opportunities for Canadian (and Japanese) entrepreneurs
- Health entrepreneurs say that Canada has a cumbersome regulatory approval process (with 14 government jurisdictions to navigate through), a painful procurement environment, lack of accountability, and perceived mistrust of the private sector

Areas of convergence and opportunity

- Canada and Japan share the same interests and values concerning innovation and sustainable development, so we need to cooperate on a sustainable future
- Canada—and its technology clusters—may be considered a good place to bring Japanese start-ups with a view to testing and piloting Japanese innovations

Session 3 – Innovation and Sustainable Development Technologies

This session looked specifically at Japanese and Canadian performance, standing and specialization in innovating and achieving business success in clean/green technology sectors. Looking to the future, the participants considered whether there are specific areas where greater business cooperation in clean technologies has particular promise in the Asian market place and elsewhere, and what is necessary to achieve it.

The participants in this session made the following remarks:

- Toyota announced a partnership with a few local governments aiming to generate hydrogen from solar and wind power. Canada could be looking at similar strategies and ventures, but it does not have a coherent strategy.
- The provinces of Quebec and Ontario like to see themselves as progressive places to do business in, with a focus on clean tech and sustainable development. However, there not much of a plan to support this vision.
- Canada should learn from Japan on this front, as it has a more cohesive policy
- An aging population exacerbates the problem of entrepreneurialism and contributes to a declining consumer market.

Future of innovation and clean tech

- We need a clear definition of clean tech, as it is currently too broad. The revised definition should include innovation, because a company that does not innovate in the realm of clean tech should not be regarded as a part of the industry
- There should be a clear voice in Canada speaking for the clean tech industry, industry players from around the country should unify and be better organized
- There appears to a challenge getting adequate capital in Canada, especially follow up money for commercialization; pension plan capital needs to be de-risked
- What Canada can learn from Japan is how industry, academia and government work together on clean tech. Japan must innovate in that field, as it is not endowed with abundant resources.

Role of government

- The government is in a position to make regulations and give support to the development of certain technologies
- The main barriers to the clean tech sector in Canada are: 1- Government support agencies don't understand the innovative processes of SMEs. SMEs do not operate the way big corporations do. 2- labour and energy policies: the government will often impose policies without understanding their impact on these fronts.
- Canada cannot attain high performance in every sector. It needs to focus on specific sectors and select a few “winner” industries.
- Canada needs an open innovation model. At the moment, too many patents are needed in order to develop a new chemical, for instance.

Areas of convergence and opportunity

- Skunkworks projects work are a promising approach
- Looking to the future, we need a multi-disciplinary approach to clean tech and innovation. Corporate culture plays a big part in developing such an approach.
- We should look at “smart cities” and bring ideas from both countries together.
- Canada and Japan can jointly produce high-quality clean tech products, as both share the same interests and values about a sustainable future.

Session 4 – Innovation and Health Sciences

This session looked specifically at Japanese and Canadian performances, standings and specializations in innovating and achieving business success in this key sector of mutual

strength. Looking to the future, it considered barriers and challenges that need to be addressed in the areas of health science and healthcare in general.

- Toronto is uniquely positioned: it has multinational expertise that can help companies scale up all over the world
- How can the health sector be made an economic driver instead of a cost centre?
- What is a top innovation cluster? It requires 1- networks 2- heterogeneity 3- marketplace orientation. Toronto is rich in all three, but is not ranked as a top cluster. It should do a better job to promote itself.
- Ontario health sector has failed to adopt many innovations that other sectors have. Procurement practices are outdated; there are issues with scaling up.
- Countries like Israel, Denmark, Germany, and UK have shown the importance of partnering with industry both to develop the economy and to be a host to their local entrepreneurs in order to develop their technologies
- There is a lot of health research in Canada, but relatively little development. There may be too much basic research and not enough research in health services and the applications.

Barriers and challenges

- Both Japan and Canada face a common challenge in that they are sitting next to a giant market with much larger population.
- Barrier to efficiency: Canada's health care system has an outdated infrastructure and is silo-based. It needs to reorganize its health care system to adjust and be more open to innovation, new technologies and new systems. Decisions are cost driven, not technology driven. Japan tends to adopt new technologies faster
- In health care, Canada wants to move from volume to value. We're not yet measuring value enough. There is a lack of data, poor traceability, we don't know how much things are costing
- Healthcare funding in Canada is a problem. The healthcare budget mostly goes to hospitals, physicians and pharmaceuticals, which is impinging on our ability to fund other areas. These three areas need to be reformed.
- Innovation in health sector amounts to the creation of social value, not just economic, so has double positive impact
- but social dimension and silos in health sector are also a challenge and slows down application of innovation
- the people dimension is critical in the health sector: more about people than technology

Areas of Convergence and Opportunity

- Is cooperation possible between Canada and Japan in focusing on particular countries or groups?
- There is significant potential for local and regional health science industries to invest in research and development and improve their levels of innovation
- The move to integrate health and wellness with technology is illustrated by Canada's federal development agency's endeavor to make accessible health records via smartphones. More initiatives such as these needs to be encouraged.

FORUM AGENDA

Shangri-La Hotel, Toronto, Ontario

THURSDAY, MARCH 17, 2016

3:00–4:00 P.M. REGISTRATION

4:00–4:30 P.M. OPENING REMARKS

4:30–6:00 P.M. SESSION 1: FOSTERING ENTREPRENEURIALISM AND INNOVATION

- Examines the relationship between entrepreneurialism and innovation, and the ecosystems (regulations, education, demographic trends, company structures and size, tax and business environment, etc.) in Canada and Japan.
- Explores how ecosystems can be adapted to improve the performance of individuals and companies as entrepreneurs and as innovators. Considers what lessons can be learned from the other's experience to enhance our international standings and success in these areas, and if there are broad complementarities that can be exploited.

6:30 –7:30 P.M. OPENING RECEPTION

7:30–9:00 P.M. DINNER

FRIDAY, MARCH 18, 2016

7:00–8:15 A.M. NETWORKING BREAKFAST

8:30–10:00 A.M. SESSION 2: INNOVATION AND BUSINESS SUCCESS

- Examines challenges faced by entrepreneurs and firms in Japan and Canada in turning innovations into business success (for example, roles played by IP laws, tax regimes, access to financing, etc.).
- Considers how both countries can improve their performance in this regard and if or how partnerships between Japanese and Canadian firms could improve business success in Asian and global markets.
- Discusses whether there are regulatory, business practice or other impediments to these kinds of partnerships.

10:00–10:30 A.M. HEALTH BREAK AND NETWORKING

10:30–12:00 P.M. SESSION 3: INNOVATION AND SUSTAINABLE DEVELOPMENT
TECHNOLOGIES

- Examines Japanese and Canadian performance, standing and specialization in innovating and achieving business success in clean/green technology sectors.
- Considers areas where greater business cooperation between Canadian and Japanese firms in clean technologies could have particular promise in the Asian marketplace and elsewhere, and what is necessary to achieve it.

12:15–1:45 P.M. LUNCH

2:00–3:30 P.M. SESSION 4: INNOVATION AND HEALTH SCIENCES

- Examines innovations and business success in health sciences for both Japan and Canada.
- Considers promising areas for business cooperation between Canadian and Japanese firms in this sector (e.g., in medical devices, pharmaceuticals and biologics, diagnostic and treatment systems, digital health technologies) in the Asian marketplace and elsewhere.

3:30–4:00 P.M. HEALTH BREAK AND NETWORKING

4:00–5:15 P.M. SESSION 5: CLOSING SESSION

- Identify and refine the main conclusions of the Forum.
- Looking ahead, highlight key strategies and actions that Japanese and Canadian firms, research and science institutions, and governments could undertake in order to enhance national performances in fostering entrepreneurialism and innovation and achieving business success.
- Identify major steps that these entities should take to strengthen bilateral cooperation in the fields of entrepreneurialism and innovation, both to improve national performances and to create successful Japan-Canada business collaborations in Asian and global markets.

5:15–5:30 P.M. CLOSING REMARKS AND ACKNOWLEDGMENTS

ACKNOWLEDGEMENTS

This report was written with the assistance of:

- Erik Davies, Manager Strategic Initiatives & Special Projects, Centre for International Governance Innovation.
- Benoit Hardy Chartrand, Senior Research Associate, Global Security & Politics, Centre for International Governance Innovation

CIGI would like to thank the many distinguished individuals who came from Japan and various locations in Canada to contribute to the success of this Canada-Japan Futures Forum, especially those who participated as Keynote Speakers, Moderators and Panelists, and who contributed input in the writing of this Report.

Furthermore, CIGI would like to acknowledge the particular assistance of the following organizations:

- The Embassy of Japan, Ottawa, Canada
- The Centre for Global Enterprise, Schulich School of Business, York University
- The Asia Pacific Foundation of Canada
- The Canadian Chamber of Commerce
- The Trade Commissioners Service, Ontario Regional Office, Global Affairs Canada
- Global Affairs Canada, Ottawa
- The Embassy of Canada, Tokyo, Japan
- Innovation, Science and Economic Development Canada, Ottawa

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CIGI's International Law Research Program endeavors to find innovative and creative ways for international law to improve global governance in relation to the economy, environment and intellectual property. Through analysis of the efficacy of international law regimes and a range of legal solutions, the ILRP collaborates with CIGI's Global Economy Program and Global Security & Politics Program to contribute the legal governance dimensions (e.g., pertaining to the Internet, the Arctic, sovereign debt and climate change). As a new international law research program situated in an established and independent think tank, the ILRP seeks both to develop international law capacity and have influence on decision makers. It does this by embracing practical approaches, empirical case studies and interdisciplinary research. Through its expanding networks of influence, the ILRP produces world-class workshops, conferences, reports and policy briefs.

ABOUT CIGI

The Centre for International Governance Innovation is an independent, non-partisan think tank on international governance. Led by experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate and generates ideas for multilateral governance improvements.

Conducting an active agenda of research, events and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world. CIGI's current research programs focus on three themes: the global economy; global security & politics; and international law.

CIGI was founded in 2001 by Jim Balsillie, then co-CEO of Research In Motion (BlackBerry), and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario. For more information, please visit www.cigionline.org.



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