

# Why Do We Study Silicon Valley?

Purpose of Research by RIETI/ Kyoto University and Positioning of Ujiie Report

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# Priorities for Industrial Cluster Formation

- Focus of Industrial Cluster Policy in Japan
  - To form innovation network in industrial agglomerations
- Priorities to realize that objective
  - To search firms to promote the industrial cluster activities
    - SMEs that have absorptive capacity
  - To organize intermediaries
    - University-industry linkage and inter-firm linkage for product development
  - To promote innovation linkages between large firms and high-technology SMEs
    - Look at Silicon Valley as a reference, taking into consideration of the differences between the U.S. and Japan

# Framework to examine inter-firms innovation linkages

- Technology buyers (large firms) and technology sellers (high-tech SMEs and venture businesses)
- Checkpoints to realize innovation linkages
  - Are there sufficient number of technology sellers and is their agglomeration recognized by technology buyers?
  - Is there intermediary function to enable firms to meet potential partners?
  - Isn't there too big gap in bargaining power between large firms and SMEs?
  - Is it compatible for high-tech SMEs to be independent ?