

Strengthen a True "Control Tower" Function to Drive Further Innovation in the Field of Science and Technology

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Abstract

In order to strengthen the "control tower" function of the Science, Technology and Innovation (STI) Strategy Headquarters, it is necessary to transfer and consolidate the policy planning functions of the Ministry of Education, Culture, Sports, Science and Technology into the STI Strategy Headquarters. Additionally, in order to extract tangible results from a huge budget allocated to science and technology, science and technology/application must be clearly separated into two distinct research fields, and a policy of budget allocation and an evaluation method must be separately established for each of these fields. As a prerequisite for taking these actions, it is essential to put in place a highly transparent process for selecting members of the STI Strategy Headquarters, as well as its secretariat office members and to eliminate any relationships that may create conflicts of interest.

1. Background

1) Japan's Science and Technology Policy and Policy Issues and Challenges

Japan has invested heavily in the fields of science and technology in line with its Science and Technology Policy, but it appears that no significant and tangible results have been achieved to date to fully justify such huge investments. Conceivably, one of the reasons for this is that the Council for Science and Technology Policy, which is supposed to function as a control tower, has not been able to fully play its expected commanding role.

2) Integrate Council for Science and Technology Policy into STI Strategy Headquarters as part of Reorganization Scheme

The Study Group of Experts on Promotion of Science, Technology and Innovation Policy has initiated studies on how to strengthen a "control tower" function in the fields of science, technology and innovation since November 2011. A proposed reorganization plan of the Council for Science and Technology Policy was developed in December 2011, and a bill based on this reorganization plan will be submitted to the Diet for deliberations in the near future. We at KEIZAI DOYUKAI (Japan Association of Corporate Executives) developed this policy proposal in time to realize essential changes in the reorganization of the Council for Science and Technology Policy to better reflect the Association's concerns.

- 2. Policy Proposal: Strengthen a True "Control Tower" Function to Drive Further Innovation in the Field of Science and Technology
- 1) Strengthen "Control Tower" Functions through Reorganization

<u>Proposal 1:</u> The Japanese Government should clearly integrate all "control tower" functions in the fields of science, technology and innovation into the STI Strategy Headquarters.

- In order to support full integration of all policy planning functions into the STI Strategy
 Headquarters, an article concerning policy planning functions in the Act for the
 Establishment of the Ministry of Education, Culture, Sports, Science and Technology should
 be deleted.
- All existing advisory and think tank functions, among other functions, in the fields of science and technology should be transferred to the STI Strategy Headquarters.
- 2) Further Clarify Evaluation Methods and Enhance Their Transparency by Clearly Separating Science from Technology and Application.

<u>Proposal 2:</u> The STI Strategy Headquarters should clearly differentiate between science-related and technology and application-related research and development activities and develop clear policies in their respective fields.

- To support promotion of scientific research, a certain level of budget should be secured and creative ways, such as setting up funds, should be devised to ensure financing of long-term and large-scale investment projects.
- Research and development for technology and application should be primarily financed by competitive research grants and promoted through metabolic changes and the principle of competition.

<u>Proposal 3:</u> The STI Strategy Headquarters should establish an effective method for evaluating research and development programs in these respective fields.

- An effective evaluation method should be established for science and technology/application respectively.
- All objectives and evaluation methods of research and development themes in the fields of technology and application should be quantified.

3) Prerequisite Conditions for Restructuring and Strengthening Japan's Science and Technology Policy-Making Organization

<u>Proposal 4:</u> The STI Strategy Headquarters should establish a more transparent method of selecting its organization members and eliminate any relationships that may create conflicts of interest.

- To select its organization members in an open and fair manner, studies should be made to adopt the following -- clearly specify the qualification requirements of organization members and establish a transparent method of open recruitment of organization member candidates.
- For public officials who are dispatched on loan to the STI Strategy Headquarters, their
 relations with their dispatching government agencies must be completely severed while
 they are on loan to the STI Strategy Headquarters so that they can dedicate themselves
 solely to their assignments at the STI Strategy Headquarters.

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