

Column A The Legacy of Expo 2025 Osaka-Kansai and Co-Creation Innovation

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1. The World Expo 2025 Is Coming to Osaka-Kansai

What will the Osaka-Kansai Expo 2025 bring to Kansai, the host region of the Expo, as well as to Japan? This report discusses the methodology of how the Kansai region as a whole should take advantage of the once-in-a-lifetime opportunity of hosting the Expo, and the future social and business possibilities that can be expected from the event¹⁾.

(1) Outline of the Osaka-Kansai Expo

The Osaka-Kansai Expo (official name: Expo 2025 Osaka, Kansai, Japan) is a large-scale registered Expo (formerly certified Expo) that is to be held in Osaka for the first time in 55 years, and its outline (theme, concept, goals, etc.) is as follows (Figure 4-CA-1).

It can be said that the theme, concept, and other features of this Expo should not be merely for the period of the Expo, but rather they are the very direction that Kansai should aim to take.

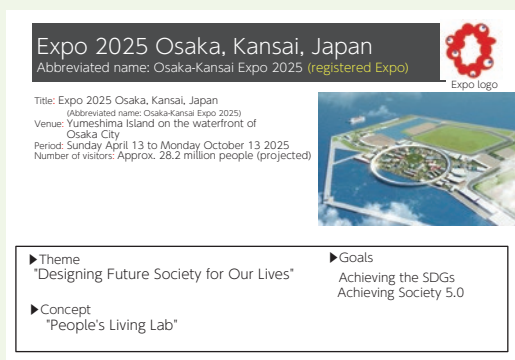


Figure 4-CA-1 The Outline of EXPO 2025 Osaka, Kansai, Japan

Source: Materials from the Japan Association for the 2025 World Exposition

1) The content of this report is based on the author's personal views and does not represent the official views of the organization, etc., to which the author belongs.

(2) Challenges after Festivals Like the Expo

For example, when looking at the economy during the two 10-year periods before and after the Osaka Expo in 1970, the ratio of Osaka Prefecture's GDP relative to the national level increased until the Expo's end and then dropped sharply immediately after its closure (relative to the national level).

A similar phenomenon was evident after the 1975 Okinawa Ocean Expo, when many lodging facilities and retail stores that expected to attract Expo visitors experienced difficulties. In addition, many of the Expos that were held after the 1975 Expo, such as the 1990 Osaka Flower Expo and the EXPO 2005 Aichi, Japan (Exposition of Global Harmony), experienced declines in the host regions' economies relative to the national level after the end of the events, albeit with some time lag.

Although phenomena, such as a decrease in construction investment, may be unavoidable as "the silence after festivals," for this coming Osaka-Kansai Expo, it is important to devise regional strategies so that the Expo can have a significantly positive impact on the local economy over the long term, while minimizing these declines as much as possible.

In particular, tourism and other strategies that expect to attract Expo visitors should consider measures in advance, such as strategies to promote repeat visits and regional brand strategies, to avoid a depression of the local economy even after the end of the Expo.

(3) Thinking about the Expos' Soft Legacies

The Expos, which began with the first London Expo in 1851, have been held in many countries and regions to date, and they have greatly impressed many people with their respective country's architectural heritages, such as the Eiffel Tower, and exhibitions of cutting-edge technologies, such as Bell's telephone and Edison's phonograph.

In particular, the 1970 Japan World Exposition (1970 Osaka Expo) in Japan, which the first time it was held in Asia, left a strong impression on people. I myself visited the 1970 Osaka Expo 13 times as a child, and the exhibitions of cutting-edge science and technologies, including the Tower of the Sun and the Moon Stone, are deeply etched in my mind.

What is also noteworthy is that, in the past Expos, mechanisms and rules that would be useful to future generations after the Expos, such as

the wine grading and international patent systems, were also examined. At the 1970 Osaka Expo, pictograms were presented.

It is no exaggeration to say that at the Osaka Expo in 1970, many boys and girls began to enthusiastically dream about the future and some aimed to become technologists while others yearned to conduct overseas business, and their later performances in the real world became the driving force behind the stable growth of the Japanese economy in the 1980s.

I call such mechanisms that could contribute to the perpetual development of industries in Kansai “soft legacies (intangible heritages)” and consider them to be one of the most important factors for the achievements of the Expo 2025.

2. The Greater Expo—a New Concept beyond the Conventional Expo

(1) Extension of the Three Axes and a New Expo Concept

The Osaka-Kansai Expo will not be large scale in comparison to the previously held 1970 Osaka Expo or the Dubai Expo. Considering the physical restrictions such as the venue area, holding exhibitions and events only within the Expo venue may not be very impactful.

Expos are large-scale global events that have great potential to change society, and in order to maximize the effects, the Osaka-Kansai Expo requires a completely different and more realistic approach than previous Expos.

Concerning this proposition, the author would like to propose the idea of the Greater Expo that extends the concepts of “theme, time, and space” of the conventional Expo.

Specifically, the strategy focuses on (i) the development of new actions from the perspective of the Expo’s theme and goals, such as SGDs and Society 5.0, (ii) long-term actions over the periods before and after the Expo, (iii) and the expansion of the space for activities that are highly compatible with the Expo to include the entire Kansai region (and even the whole country), in addition to the Yumeshima venue where the Expo will be held.

In other words, this new concept is to extend the conventional

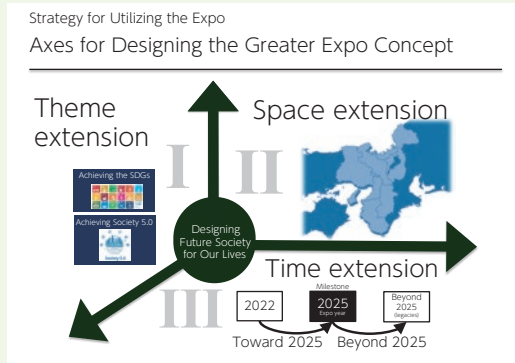


Figure 4 -CA- 2 Concept of the Greater Expo

(Prepared by the author)

Expo’s concept from various perspectives such as the theme, time, and space, and to implement the Expo in an extended way to include projects that are difficult to implement at the Expo site, such as trade markets and activities outside the Expo period in particular, by regarding the entire Kansai region as a virtual pavilion.

From such a point of view, the Greater Expo has already started and will continue even after the Expo itself is over. While previous Expos exhibited only within the Expo venues, the Expo 2025 could regard all activities over an entire vast area as exhibits, in addition to those within the Expo venue, and by calling them collectively the Greater Expo, more people will be able to become involved in the event and it can be expected to be far more attractive than previous Expos, providing ripple effects to local communities.

In fact, by demonstrating many economic activities, new markets, and events in Kansai that are in line with the Greater Expo’s concept while associating them with the Expo, it would be possible to revitalize industries by maximizing the geographical advantages of the host region.

Incidentally, I would like to add that for the Expo 2025 to break with the conventional concept, it is necessary to change the mindset from the past successful experience of the 1970 Osaka-style Expo.



Figure 4-CA-3 Making the entire Kansai region a pavilion

(Prepared by the author)

(2) Edinburgh Fringe

The Edinburgh International Festival is a reference case when considering the Greater Expo. As many of you may know, this Festival is a world-class cultural event that began in Edinburgh, Scotland, UK in 1947 and that includes opera, theater, classical music, and other events.

During the Edinburgh International Festival, unique events such as comedy performances and musicals were voluntarily started in the surrounding areas. This was called the Edinburgh Festival Fringe and gradually grew to surpass the main international festival.

After that, self-organized events like those in the Fringe gradually increased to more than 15, covering a wide variety of genres such as international film, jazz and blues, and art and entertainment festivals, and even Internet-related events. These are collectively called the Edinburgh Festival and it attracts many tourists from around the world.

If the Expo 2025 itself is compared to the Edinburgh International Festival, it is very important that many fringe projects (the Greater Expo) are implemented in Kansai, which will be one of the factors for the success of the Expo 2025.

(3) Specific Examples and Fringe Map

So what are the activities of the Greater Expo? The following can be considered examples of activities.

(i) Opening of various sites: Various sites and facilities that have not so far been deemed tourist-worthy can become pavilions, such as small and medium-sized factories (open factories), hospitality service sites, and universities and research institutes.

(ii) Expansion of international activities: Invite international conferences, international academic meetings, etc., to Kansai and hold them on a regular basis. Promote youth exchanges with sister cities and cities with which there has been little interaction so far, as well as promote trade with overseas companies.

(iii) Markets (marts): While the Expo venue is the center of exhibitions, many markets (marts) can be opened outside the venue so that Kansai can continue to function as an international business center even after the Expo.

(iv) Attracting visitors to various places in Kansai: Attract business people visiting the Expo venue both from Japan and overseas to various places in Kansai. Measures to encourage repeat visits after the closure of the Expo and regional cooperation are also important.

(v) Co-creation activities: Implement the Expo's concept of "People's Living Lab" in the entire Kansai region. In order for Kansai to continue to function as a co-creation space in the world even after the Expo, start co-creation activities in various places before the Expo.

When implementing Greater Expo activities in various regions, if there was a list (a fringe activity map) that systematically illustrates the activities and highlights their characteristics, visitors from Japan and overseas could easily access such activities.

In fact, the Kansai Bureau of Economy, Trade and Industry has created and released a list of activity data called the 360-degree EXPO Extension Map as a prototype.

(4) Connection with the Expo

The Greater Expo is a group of activities conducted in Kansai. By associating them with the original Expo in some way, they can be easily recognized as part of the Expo's activities.

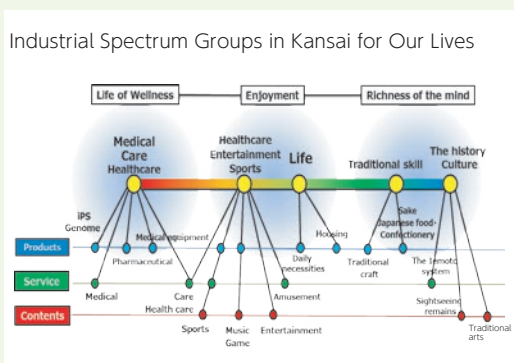


Figure 4-CA-4 Industrial Spectrum Groups in Kansai

(Prepared by the author)

The main theme of the Osaka-Kansai Expo is “Designing Future Society for Our Lives,” which can be understood as a very broad concept. If various industry groups in Kansai are mapped onto a spectrum under the theme of “Industries for Our Lives” from the aspects of hardware, services, and content, many industries in Kansai can be arranged seamlessly with a very high affinity with the Expo.

It is also important to demonstrate that the Greater Expo activities outside the venue are connected with the Expo under a common theme.

In addition, as the organizer of the Osaka-Kansai Expo, the Japan Association for the 2025 World Exposition is promoting the TEAM EXPO 2025 program to register activities outside the Expo venue that are in line with SDGs. This new approach is very close in concept to the Greater Expo that has not been seen at previous Expos, and it can also be a way to show the connection between the Expo and the activities registered in the program.

3. Next-generation Co-creation Innovation Brought About by the Expo

(1) Changes in the Business Environment

During the COVID-19 pandemic, teleworking and meetings using communication tools have become widespread, and many seminars and

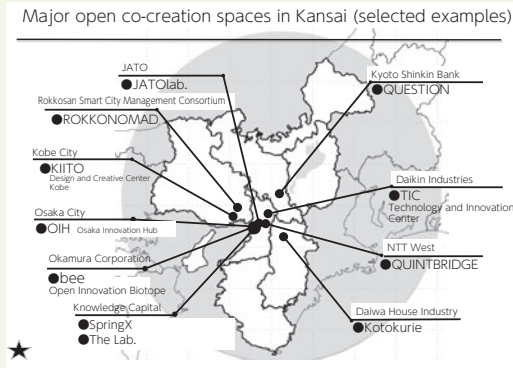


Figure 4-CA-5 Major open co-creation spaces in Kansai

Source: 360-degree EXPO Extension Map created by the Kansai Bureau of Economy, Trade and Industry

events are being held via the Internet.

Facebook changed its name to Meta and Microsoft announced its Metaverse strategy, which became hot topics, so XR²⁾ and the Metaverse have been the focus of much attention since last year.

The rapid penetration of cyberspace and the “improved adaptability of people” to it have eliminated the sense of discomfort and resistance to interactions through cyberspace.

Thus, cyberspace is expected to be used extensively at the Osaka-Kansai Expo and will continue to advance along with the spread of 5G and 6G, becoming an indispensable part of people’s lives and business.

For example, Okamura Corporation developed exchange activities in its own co-creation space as part of the TEAM EXPO 2025 program activities and NTT West established a vast co-creation space. In this way, co-creation activities in real co-creation spaces have been actively developed by various companies in recent years.

(2) From industrial clusters to theme-based co-creation activities

The concept of the Osaka-Kansai Expo 2025 is “People’s Living Lab.”

2) XR is a generic term for VR (Virtual Reality), AR (Augmented Reality), MR (Mixed Reality), and other technologies that integrate the real and the virtual worlds.

This concept represents the Expo's approach of co-creation activities through open innovation in which users and other various players participate. I hope that the Greater Expo mentioned above will function as a living laboratory and become a permanent device for creating innovation for the entire Kansai region even after the closure of the Expo.

The concept of an "industrial cluster," which is similar in the sense that it refers to a region where industries are revitalized, is a state in which a group of enterprises mainly in the same industry are located in proximity to each other and "compete and cooperate" with each other to revitalize themselves based on the theory of spatial economics, etc.

With the aforementioned development of cyberspace, it is quite possible that in the near future, not only proximity co-creation that allows face-to-face interactions (i.e., the conventional industrial cluster concept), but also interactions and co-creation activities in cyberspace transcending physical distance will become commonplace (the liberation from physical space constraints).

While conventional industrial clusters are often areas of concentration of specific industries that have emerged due to historical or geopolitical factors, such as "production areas," co-creation in cyberspace will make it easier for players from diverse industries to participate simultaneously and for which the "attractiveness of co-creation themes" will become even more important. For example, under the theme of "future sports," a

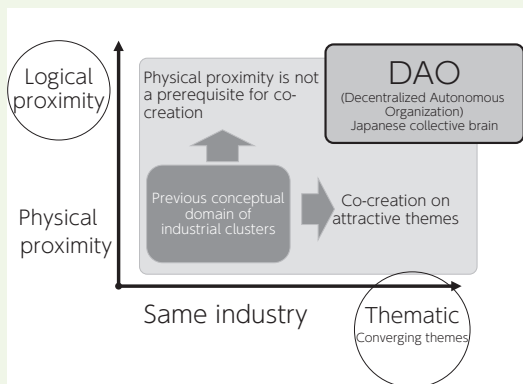


Figure 4-CA-6 Theme-based co-creation activities

(Prepared by the author)

new business through unique co-creation that intersects different industries such as “events,” “music,” “fashion,” “IT/media,” and “education” will become possible (the liberation from industry constraints).

However, rather than carrying out all exchange activities in cyberspace, a more realistic and effective methodology would be co-creation activities focusing on “attractive themes” in a hybrid environment by concurrently utilizing cyberspace, free from physical distance and time constraints, and the aforementioned real co-creation spaces that are becoming more and more common.

(3) Developing strong human networks and community activities

In recent years, co-creation activities in which talented individuals gather together to develop new products have been gaining momentum due to the limited mobility of individual companies and the lack of power of individuals. Many SDGs-oriented co-creation teams have registered with the TEAM EXPO 2025 program mentioned above.

The excitement (heightened mood) that people feel about the future through holding the Expo is a very important power, and it is desirable to prepare places for exchanges of ideas and co-creation in which people who are excited about starting something new can gather together.

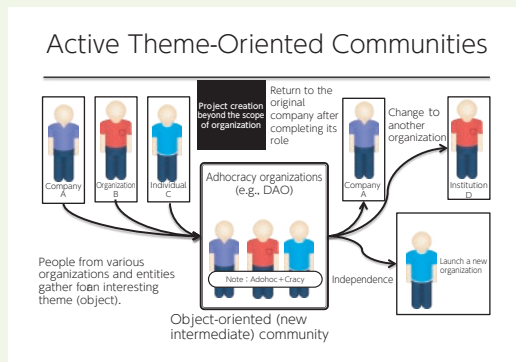


Figure 4-CA-7 Theme-oriented communities are active
(Prepared by the author)

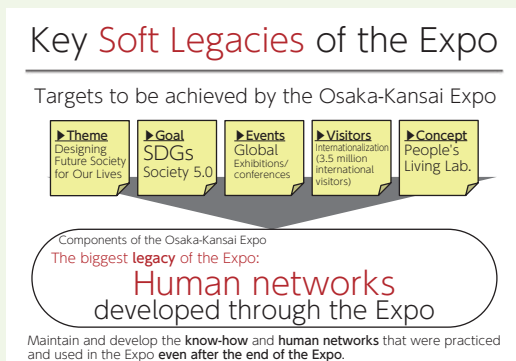


Figure 4-CA-8 Forming strong human networks through the Expo

(Prepared by the author)

The collective-brain³⁾ methodology, in which a large number of people come up with ideas together, is well suited to the Japanese. At this moment, if we call the organizational form that acts as an intermediary between individuals and companies and that functions as a “team” that goes beyond the scope of a corporate organization a “new intermediate community⁴⁾,” this new intermediate community may play a central role as a new economic entity in the future.

Recently, new forms of organizations such as DAOs (Decentralized Autonomous Organizations⁵⁾) derived from Web 3.0, which is being called the next-generation Internet, have also become a hot topic. We should also pay attention to the organizational forms that are undergoing various changes that could become new economic entities.

The themes and goals of the Osaka-Kansai Expo are “the very image of what Kansai aspires to be,” and using the Expo as an opportunity to

- 3) A collective brain refers to the wisdom and abilities of a number of individuals that are gathered together to co-create and to evolve. It is said that the human race has prospered because of the collective brain.
- 4) An intermediate community is an entity that exists between the state and individuals. Since the Meiji era, “companies” have mainly played the role of intermediate communities. Here, intermediate communities are expressed as entities that exist in an intermediary position between companies and individuals.
- 5) Decentralized communities and organizations using blockchain and other technologies. DAOs are able to promote businesses and projects by connecting people with similar goals, even without a central administrator.

promote co-creation activities both inside and outside the Expo venue will be an important legacy of the Expo, not only in terms of their results, but also in terms of the strong human networks that will be fostered during the process of examining such activities.

(3) The Future We Imagine and The Future We Desire

Using the Expo as a springboard, what kind of mindset should we adopt when developing new businesses in the future?

For example, in the past, when the innovative technology of television was created, it became a catalyst for the birth of content technologies such as TV dramas and sports broadcasts. As such, when a new innovative technology is created, new businesses associated with this new technology are also created one after another.

Now that AI and the Metaverse are evolving dramatically, we should be the first to use our imaginations and explore new businesses that can be derived from the innovative technologies to be developed.

But on the other hand, in the midst of the major changes to technologies and society, it is difficult for many people to accurately understand such changes and it is not easy to predict the future. Rather, it is also important to envision “the desired future” and work backwards (back-cast) to explore new businesses.

I look forward to new and further efforts by each and every individual, as well as by various sectors of society, from the opportunity provided by the Expo. Let’s begin!