Monozukuri Subsidy — Japan's Flagship SME Investment Grant, Where Rigorous Evaluations Find Little Productivity Gain

City Innovation Library · Good practice · Japan

Quality score: 52/100

Evidence strength: Moderate

Summary

Japan's Monozukuri Subsidy has co-funded SME equipment and new-product investment since FY2012. RIETI evaluations using matching, DID and regression discontinuity find output and jobs rise but no clear gain in value added per worker or sales per head.

Key dimensions

Dimension	Score
Evidence of impact / measured results	2/3
Transferability / demonstrated replication	1/3
Scalability	3/3
Sustainability / continuity	2/3
Innovation	1/3
Inclusiveness / equity	1/3
Multi-stakeholder collaboration	1/3

Evaluated by C-NAPSE

Data sources

C-NAPSE web research — accessed 2026-11-18

Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry (METI) — accessed 2026-11-18

RIETI DP 23-J-014 — Self-reported data and repeat applications (2023) — accessed 2026-11-18

RIETI DP 21-J-028 — Matching and DID analysis (IDEAS/RePEc) — accessed 2026-11-18

RIETI DP 23-J-014 on EconPapers — accessed 2026-11-18

Cite this — Evidoria. *Monozukuri Subsidy — Japan's Flagship SME Investment Grant, Where Rigorous Evaluations Find Little Productivity Gain*. Persistent ID: 10020a54-2324-4672-8dfc-af1c605ad9ca.