

Opening the Door of Japanese National Universities

By *Yuko HARAYAMA*

1. Introduction

In April 2004, what Japanese society considered as inconceivable happened in its university system. All national universities, until then subordinated to the Ministry of Education, Culture, Sports, Science and Technology (MEXT), have been incorporated, and at the same time, their personnel lost the status of national civil servants. This “big bang” transformed drastically the rules of the game reigning over the Japanese university system, which includes not only national universities but also private, dominant in number, and prefectural and municipal universities: in sum, more “market mechanism” and less direct government intervention.

National universities getting “independence” and “decision-making power” were expected to play a more active role in the Japanese innovation system. However, university reforms continue to be one of the priorities in the science and technology policy arena even now, and Japanese universities stagger under the pressure from not only policymakers, but also from industry, regional governments and, to a lesser extent, students. Had this “big bang” not been taken further enough? Are more reforms needed due to the fact that the environment surrounding the Japanese university system is evolving in permanence? Or to put more simply, are the fundamentals of university, specifically the Humboltian model of university based on the complementarity of teaching and research, changing?

This article attempts to grasp the rationale behind the demand for further university reforms, focusing mainly on the political issues. In the following, after a brief overview of university reforms (section 2), taking particular note of the incorporation of national universities (section 3), we will examine the reaction of the national universities to this imposed institutional change

(section 4) and their awareness of environmental changes underway (section 5). Then, we will conclude by proposing some new perspectives for the future development of Japanese national universities (section 6).

2. Brief Overview of University Reforms

The foundation of Japanese universities goes back to the proclamation of the Imperial University Order (1886) and of university regulations (1918), and since then incremental reform took its course, occasionally accentuated by some drastic changes, the first one being the establishment of the School Education Law (1947) just after the end of World War II. The latter constitutes the framework for the current university system. Also, what makes one of the characteristics of the Japanese university system – that is, the coexistence of public and private schools – finds its legal foundation in the Standards for the Establishment of the National School Law and the Private School Law (1949). These laws have been followed by the establishment of the Standards for the Establishment of Universities (1956) and the Standards for the Establishment of Graduate Schools (1974), which clarified the rules regarding the establishment of universities and graduate schools.

Then came the next vogue of university reform as a consequence of political initiatives launched by Yasuhiro Nakasone, then prime minister, who expressed the need for a profound reform of the Japanese education system. Based on a report by the National Council on Educational Reform, the University Council was established in 1987. After 10 years, the latter submitted to the minister of education a report that intended to direct university reform. Key elements were “Emphasis on Graduate Education,” “Diversification Based on Individual Responsibility in a

Competitive Environment,” “Improvements for Organizational Management” and “Establishment of an Evaluation System.” These recommendations have been “concretized” by establishing independent graduate schools (universities that have only graduate schools), broadening educational courses, reinforcing the president’s office, and establishing a university evaluation system and the National Institution for Academic Degrees.

What we learn from the above brief description of the period after WWII to 1990 is that the university system has repeatedly undergone drastic reforms, and that these have been initiated with the aim to improve the functioning of the university system. In sum, these reforms have been driven by rationales that are internal to the university system, opposed to the forthcoming reform, the so-called “incorporation of national universities.” Indeed, in turning national universities into independent administrative institutions, deliberations have proceeded as a part of administrative reform. This reform does not stop with simply altering the framework of national universities, but also induces the reorganization of the university system including also private universities and prefectural and municipal universities, and furthermore forces reconsideration of the relationship between the social system and the university system. From this point, one can understand that this university reform makes a clear distinction from the predecessors.

3. Incorporation of National Universities

Following the National University Corporation Law enacted in 2003, national universities became “incorporated national universities” in April 2004. Since then, the founder is no more the central government, but “incorporated national universities” themselves, mean-

ing that each “incorporated national university” with its juridical personality sets up and manages university businesses, even though existing departments and affiliate research institutions will continue to handle the practical operations related to education and research.

The basic idea behind the incorporation of national universities is to transform them into “unique” and “attractive” institutions by making them “independent” from the internal structure of MEXT, unfettering their staff from civil-servant status and giving them more management freedom. Concretely, organizational structure and management have been transformed in depth. The university’s headquarters is transferred to a corporate organization comprising a board of directors, a management council and an education and research council. Human resources are no longer under the jurisdiction of the National Civil Service Law, but the Labor Standards Law prevails. The endowment of operational grants is allocated by MEXT, but with the approval of the Ministry of Finance. The question remains if these structural changes will allow national universities to fully exploit their newly acquired competencies and to become “unique” and “attractive” institutions.

4. National Universities’ Reaction to “Big Bang”

During the preparation toward “incorporation,” which could be qualified as a “big bang,” national universities were followers rather than leaders. Even through the Japan Association of National Universities (JANU) their bargaining power vis-à-vis the central government was limited. Indeed, they had to work simultaneously on various fronts to be in conformity with the new framework imposed by the National University Corporation Law, if only on the formal structure.

National universities have overcome reforms many times in the past, and this is no different in the sense that the reforms are exogenous. However, the magnitude of the “big bang” is incomparable and easily beyond the scope that can be dealt with by simply having management and operational structures pas-

sively meet the requirements. Despite this, national universities did not have enough time or did not measure correctly the magnitude of this reform to go in depth in the restructuring process. This argument will be illustrated by the following two facts:

- According to the National University Corporation Law, MEXT should set a six-year midterm goal for each national university, taking account of the intention of the latter, then, given these goals, the national university should submit an execution plan to MEXT in its turn. To trigger this process, national universities were asked to submit their draft midterm goals to MEXT. Confronting this very first experience, the reaction of the national universities was to urge MEXT to provide a sort of template, so that the formulation of their intention was from the beginning molded by this deliberate act. These drafts have in their preambles the “basic goals of the university,” while in their main text are “measures to improve the quality of education and research,” “measures to improve administration of operations and efficiency,” “measures to improve finances,” “measures regarding self-evaluation and accountability to society” and “measures for other important operational objectives” to be tackled over six years. That said, it was rather difficult to find the projection of their vision or highlight the advantage of their specificity in formulation of the goals among national universities and homogeneity prevailed. Also, the extent to which universities utilized their discretionary power remained veiled.
- The second fact lies in the internal organization of the universities. Given that management councils and education and research councils are to be set up in line with the National University Corporation Law, there will be limited room for individual universities to express their own views. What universities can plan at their own discretion is perceptible in the rules that dictate the relationship between the executive bodies and the operational bodies such as individual schools, departments and

research centers. Another point is the governance system represented by the board of directors. “The strong leadership of the president” has become the key phrase in the incorporation of national universities, and universities may take advantage of the board to strengthen the president’s decision-making power. Also, an important role may be played by the presidential selection committee, which has the authority to select and dismiss the president, who is responsible for education, research and management. However, while the National University Corporation Law sets some restrictions on the sort of people who can sit on the selection committee, there is still room for discretion on the part of the universities. All these discretions are at the table, but only a limited number of national universities made use of them.

Can such exogenous university reform as the incorporation of national universities trigger endogenous reforms so that universities try to change themselves? Expectations and doubts regarding national universities still abound.

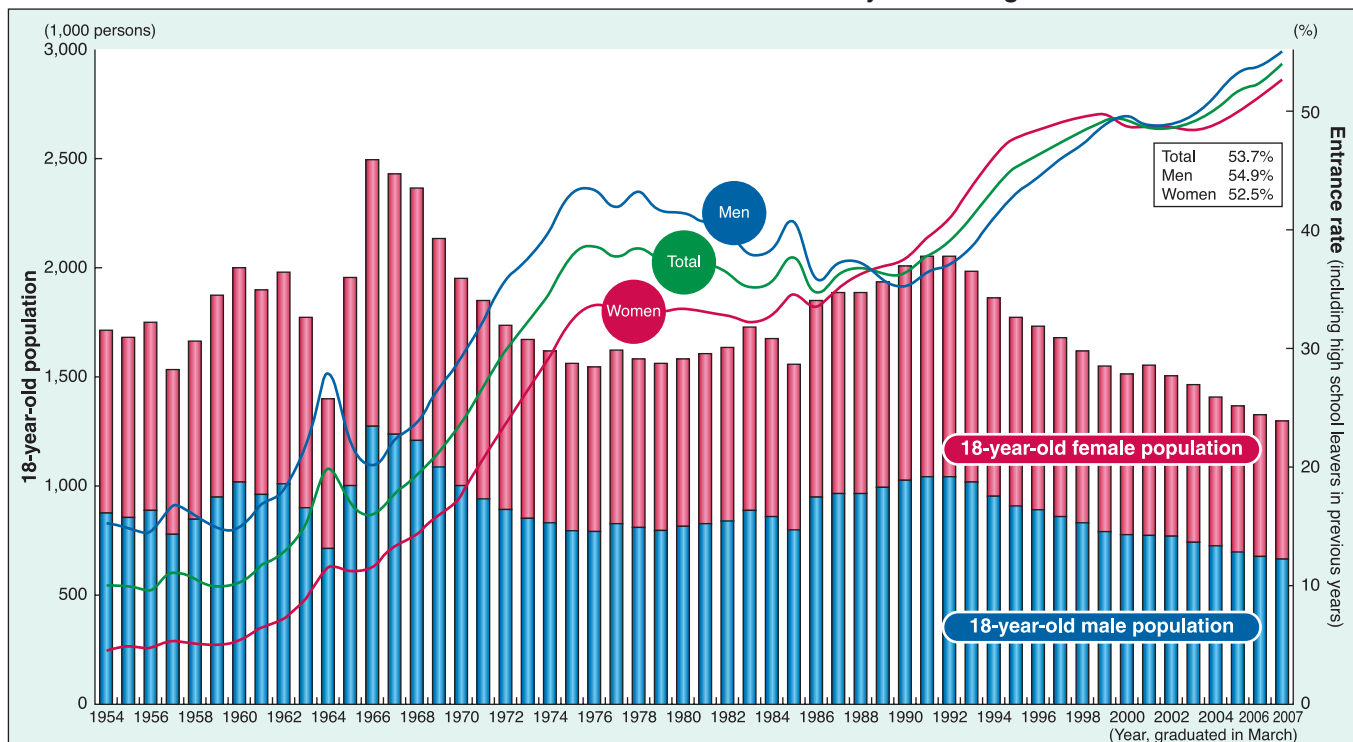
5. Facing Environmental Changes

After almost three years, adaptation to the new framework is still an on-going process. Some universities, especially former “imperial universities,” started to affirm their own “vision of university,” and they are midway to restructuring internal organizations and to introducing new schemes or rules along this line. However, for most national universities, inertia is not easily overcome. That said, national universities are subject to other pressures, such as changing demographic conditions, science and technology policy, and economic policy.

5.1 Changing demographic conditions

The demographic downfall has a great impact not only on the labor market or social security system, but also on the Japanese university system. Due to the total fertility rate’s decline (to 1.25 as of 2005) since 1970, coupled with the matured entrance ratio to universities (51.5% of the 18-year-old population as of 2005) (*Chart*), the pie of traditional students is no longer expanding; rather,

Chart Trends of entrance rate to universities/junior colleges



Source : "Fiscal 2007 basic school survey (preliminary)," Ministry of Education, Culture, Sports, Science & Technology

it is contracting. Also, in 2007, the number of available places at Japanese universities is estimated to have exceeded that of potential candidates for entrance – that means, hypothetically at least at the macro level, Japanese universities can absorb all those who wish to enter university. In this context, Japanese universities are forced to review their recruiting methods through modifying entrance exams and finding new markets for students, e.g. foreign students or students coming from the workplace. National universities having been incorporated, there is no longer a visible safety net provided by MEXT; in sum, more competition in perspective.

5.2 Science and technology policy

Since 1996, every five years, the Council of Ministers adopts a Science and Technology Basic Plan (STBP) based on a recommendation of the Council for Science and Technology Policy (CSTP). The STBP constitutes the reference for all measures related to science and technology during the covering period, including university matters. Needless to say, "university" is

under the competency of MEXT, but from the viewpoint of science and technology, the university is a key actor as a provider of highly qualified human resources and a generator of knowledge. From the first STBP (1996-2000), constantly, the university has a reserved seat, but the third STBP (2006-2010), where human resource development and innovation are placed to the heart, goes a step further. More concretely, it means acknowledging that Japanese universities are facing global competition, and are encouraged to improve women's opportunities, increase the share of international staff, and diversify the recruitment procedures to stifle their inbreeding practices.

Indeed, the incorporation of national universities allows them new prerogatives on their human resource management, and no longer does the National Public Service Law prevail. However, on the ground, the procedure for nomination of faculty members remains decentralized, leaving most decision-making power at the department level. This practice may throw back decisions made at the top management level. Also, pres-

idents and the board of directors, whose powers have been reinforced, have an important role to play in shaping the research potential of their universities. However, within an organization of a certain scale, all top-down-style decision-making needs to be accompanied by several bottom-up reporting channels that facilitate information gathering, goal sharing and team making, and universities are no exception. These channels are not part of the formal governance structure provided for in the National University Corporation Law. Each Japanese university should seek its own way to accompany the empowerment of its president by fine-tuning the allocation of bargaining power.

The third STBP, for the first time, referred explicitly to "innovation" as a target for science and technology policy and more generally as a driving force of economic growth. Against this background, the Long-term Strategic Guideline "Innovation 25" was formulated in 2007, aiming to make Japan one of the most innovative countries in the world by 2025 through the design and implementation of a wide range of poli-

cies. This initiative applies to Japan's social system as well as to scientific and technological research and development. The guideline sets specific goals for realizing high technologies extremely difficult to develop, but also addresses policy tasks the government must tackle in realizing the diffusion of such technologies, which include education reforms, regulation system reviews and financial support. Again, universities are at the core of the strategic guideline, related recommendations being:

- Reforming universities to become the center of education and research;
- Opening educational and research institutions to overseas and participating in research activities at an international level;
- Urging universities to accept students without distinguishing between science and humanities majors and providing them with a broader education.

In view of global-scale science and technology competition, and the need for placing emphasis on innovative people and building up an "innovation ecosystem," reform of the university system has been urged.

5.3 Economic policy

Universities are gaining political interest not only from the science and technology perspective, but also from the economic one. In line with the endogenous growth theory, the Council on Economic and Fiscal Policy (CEFP), a consultative organ placed within the Cabinet Office, enacted in February 2007 a plan to boost productivity in Japan by 50% within five years. Its recommendation placed a particular emphasis on "university reform." Recognizing that Japanese universities have been left far behind in the global competition, the CEFP proposed to push ahead with university reform in three directions: concentration of research activities on selected areas; concentration of research funding on the selected areas; increased competitive funds and merit-based allocation of administrative expense subsidies for national universities. This attempt to

introduce more market mechanisms within the university system should be perceived by Japanese universities as a signal that they have to go further than just internalizing the "big bang." They have to affirm and demonstrate through their actions *raison d'être* of national universities not only for the Japanese economy but for the society as a whole. The public good characteristics of teaching and research are no longer any guarantee of public support for national universities, but rather they should be gained. That is the strong warning of these recommendations, aside from their credibility and applicability.

6. Conclusion

Since the start of the Koizumi cabinet in 2001, society has come to accept the recognition that to cope with the economic crisis, structural reform is necessary. The "incorporation of national universities" was in line with this structural reform of Japanese society. The signal has been sent to national universities – the ivory tower's perception is becoming a legacy – and the latter has been expected to find its own way to conduce and manage what is considered a key institution leading Japanese society into the future, at least by the political sphere.

Another fact is that the environment surrounding national universities continues to change, gaining speed and scope, leaving almost no room for national universities to come up with their adaptation to the above-mentioned "big bang."

With this in the background, how should Japanese national universities decide which way to steer?

The role of universities has been expanded beyond traditional education and research to include technology transfer and contributions toward society. All universities are not able to assume equally and perfectly all these roles. Each one has to find its own niche according to its strength and weakness; that means, a self-assessment, implying all stakeholders, is urged.

Also to deal with matters outside the university border and to ensure social accountability, national universities have to have deeper understanding of their counterparts, and exchange of people,



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for example appointing individuals with work experience both inside and outside the university, may facilitate this task. However, this type of mobility is rather exceptional within the Japanese labor market. Basically, Japan should promote a social system whereby diverse career paths are possible.

Finally, research is a cross-border activity, and education is becoming also cross-border. The argument that Japanese universities are protected or isolated by the language barrier is losing its force. On this point, an "all or nothing" approach should be ruled out. Japanese universities should find a right balance between English and Japanese and between foreign students and faculty members and nationals, in the perspective of exploiting the wealth of diversity.

For Japanese national universities, there is no unique solution, but the only way to overcome all the pressures described above is to learn by cumulating experience and opening the door to the outside.

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