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8. THE CONSEQUENCES OF MARKET-BASED MASS POSTSECONDARY EDUCATION: JAPAN'S CHALLENGES

INTRODUCTION

Japan achieved mass higher education very early even compared to other developed countries. The share of youth enrolled in higher education exceeded 15% in 1963, 50% by 1978, and was 79.8% in 2016. These data include enrollments in the newly established non-university, postsecondary sector, according to the *School Basic Survey* that the Ministry of Education, Culture, Sports, Science, and Technology (MEXT) carries out every year. Gross enrollment, as reported by the UNESCO Institute of Statistics, was 62.4% in tertiary education in 2013. Given the rapid growth of participation in the global context, Japan's figures are not incredibly impressive. In particular, enrollment in postgraduate education is rather low compared to that of other member countries of the Organization for Economic Co-operation and Development (OECD).

The contrast between Japan's rapid achievement of mass higher education, from 15% to 50% enrollment, according to Trow's [2010] definition, by mid-1970s and its slow subsequent expansion after reaching universal access (50% or more) reflects a dramatic shift in national higher education policy and the government's plan to control total enrollment in higher education. It is also evident that there is a consistent demand among youth for higher, or at least postsecondary, education and a national policy directed at differentiating postsecondary institutions according to diversified missions.

In Japan, the approach to differentiation in postsecondary education and the roles of universities have also changed several times during expansion; sometimes, the differentiation between the types of university and non-university sectors was stressed, and in other times, the differentiation within the university sector was stressed.

In this chapter, the authors analyze development and transformation, based on market forces and governmental intervention, of the mass and universal-access higher education system in Japan following World War II. This essay outlines the current state of Japan's postsecondary education system and its different types of institutions.

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and then summarizes current policies and debates toward the further differentiation of Japan's postsecondary education system to meet society's highly complex demands.

OVERVIEW OF THE CURRENT SYSTEM

Japanese higher education, as the government defines it in law, comprises three types of institutions: universities *(daigaku)*, junior colleges *(tanki daigaku)*, and colleges of technology *(koutou senmon gakko)*. In addition, diploma programs with one year or more of study offered by professional training colleges *(senmon gakko)* are recognized officially as postsecondary or tertiary education.

Table 1: Numbers of institutions, students, and teaching staff in the postsecondary education system in Japan (2015)

	Universities	*Junior Colleges*	*Colleges of Technology*	*Professional Trainin Colleges*
Number of institutions	779	346	57	3,201
national	86	0	51	9
local public	89	18	3	193
private	604	328	3	2,999
Number of students	2,860,210	132,681	57,611*	588,183
national	610,802	0	51,615	55,393**
local public	148,766	6,956	3,778	
private	2,100,642	125,725	2,218	562,460
Number of Teaching Staff (Full-time)	182,733	8,266	4,354	37,063

*including 1st to 3rd year students
**total number of national and local public, due to the limitation of published data
Source: School Basic Survey, MEXT.

UNIVERSITIES

Universities provide four-year bachelors, one or two-year masters and three-year doctoral programs. Medical, dental, veterinary, and pharmacy programs are offered as six-year bachelors degree programs. After World War II, Japan's education system was

redesigned from a European model to a US-compatible system. The current School Basic Act defines a university as the center of academic activities with a mission of educating students and conducting a wide range of research to cultivate knowledge and skills and to make social contributions.

Universities are divided into three sectors: national, local public, and private. National universities are operated by a national university corporation whose primary funding is provided by the national government. This fund complements other sources of institutional revenue such as tuition fees, external funds for research, and collaborations with industry. One national university corporation operates only one national university, and the chair of the corporate board and the president of the national university are the same person. Local public universities are steered mostly by local public university corporations, and some local public universities are operated by local municipal governments. Private universities are operated by nonprofit school corporations.

Local public university corporations and school corporations can operate more than one university. Local public universities receive financial support from municipal governments. Furthermore, the national government provides private universities with financial support that covers around 10% of their total expenditures. Universities that offer medical programs typically affiliate these programs with a university hospital whose staff and finances are also managed by the university.

Universities have a high level of autonomy and academic freedom, and this is stipulated in the national constitution. Traditionally, professors at the faculty level have enjoyed absolute autonomy in appointing new faculty members for teaching and research activities and, in many cases, have autonomy in financial decisions. Recent reforms initiated by the government, however, have sought to strengthen the decision and management power of the president, but autonomy at the institutional level still very strong. In the case of national universities, officially presidents are appointed by the minister of education; however, the minister never refuses the nomination of a university's selection committee. Many universities, primarily traditional national ones, maintain a custom of referring a selection made by a faculty vote to the search committee, and this is frequently the final candidate.

JUNIOR COLLEGES

Junior colleges offer two and three-year education programs that lead to associate degrees. The School Basic Act defines the core mission of a junior college as providing academic education and research that are related to developing the skills necessary for one's vocation and entire life. The junior college system was originally established in 1949 as a temporary category, with junior colleges expected to be upgraded to universities at a later point. However, based on the market that developed in both

vocational training and short-term higher education for women, junior colleges were given permanent status in 1964 as a part of the university sector. Since the 1990s, however, demand for both types of institutions has shrunk dramatically. Now, nearly all junior colleges function within the private sector as short-track higher education colleges for women; vocational fields, such as paramedical and social services, are the most popular.

The degree of autonomy of junior colleges is similar to that of universities. While teaching staff have titles equivalent to those of university academic staff (e.g., professors and associate professors), their actual status is more similar to that of teachers.

COLLEGES OF TECHNOLOGY

Colleges of technology offer five-year programs combining three years of senior secondary education and two years of short-term higher education. The School Basic Act defines the core mission of colleges of technology as providing academic training and vocational skills. These schools do not include a research function, although their teaching staff are eligible to apply for governmental research funds. The number of students and institutions of colleges of technology is limited, and most are part of the national sector. The National Colleges of Technology Corporation operates all national colleges of technology. Graduates of these institutions have good job prospects for mid-level professional positions. There is no link to other postsecondary institutions. However, in the current economic environment that favors higher degrees, many graduates now transfer to the second or third year of bachelors degree programs, often in elite universities. As in the junior colleges, while the teaching staff have titles equivalent to those of university academic staff, such as professors and associate professors, their actual status is likewise, closer to that of a teacher.

PROFESSIONAL TRAINING COLLEGES

Professional training colleges provide vocational and life skills, including general education. They offer postsecondary education that leads to a diploma following a two-year program and a higher diploma upon completion of a four-year program. Students completing the two-year diploma can often enter the third year of undergraduate program of university, and students receiving a higher diploma can apply to graduate school. Professional training colleges are not officially categorized as higher education, but the MEXT frequently references them as part of postsecondary education. Their degree of institutional autonomy is very high, but mainly because these institutions are private and because government support and regulation are weak. Most teachers are part time, and it is rare that these staff undertake research. According to the School Basic Survey by MEXT, only 40% of staff have bachelors degrees or higher.

POLICY SHIFTS

Participation in higher education expanded significantly in Japan in the 1960s and 1970s, alongside Japan's rapid economic development (Yonezawa 2013). It also experienced a temporary bubble in the youth population, and post-World War II baby boomers exerted significant pressure on Japanese society and the government to address their demand for higher education. Public resources were insufficient to meet the greater demand, and the government was cautious about expanding the national higher education sector while maintaining the quality of education and research activities. Under these circumstances, a significant number of private universities opened to absorb the increased demand among young adults seeking to enter the modern industrial sectors.

Until the mid-1970s, the government did not support the operational expenditures of private higher education institutions. Thus, almost all private universities, including the most prestigious ones, such as Waseda University and Keio University, relied on tuition as their main income source. In the 1960s and 1970s, private universities faced the dilemma of maintaining teaching quality while covering the increased costs of staff and facilities. Furthermore, during the 1970s, student activism significantly interfered with the normal routines of academic life. One focal point of these tensions was the rapid increase in private tuition.

The government decided to introduce public subsidies to private universities, and junior colleges for their operational expenditures in 1970. At the same time, the government developed a national plan for total enrollment and strengthened its control over the distribution of students. Universities, junior colleges, colleges of technology, and professional training colleges are assigned quotas for student enrollment by the government. The quota is set primarily for assuring the quality of the educational environment, such as the minimum number of teaching staff, the provision of space, and other considerations. This control was ensured through regulatory measures and financial incentives. In the public sector, quotas are rigorously linked with the budgetary allocation. The absolute majority of private universities and higher education institutions meet the quota requested for receiving government subsidies and accreditation. The retention rate among all types of higher education institutions is very high.

The Japanese government approves every education program and sets a fixed student enrollment. In so doing, the government can ensure the quality of education by requiring most universities, especially private ones, to maximize their student enrollment and thus tuition income. To make this quota system effective, the government asks universities to enroll the number of students that fits the given quota. In the case of national universities, the government is able to exert direct pressure, and with governmentally regulated, low tuition there is no financial incentive to overenroll. For private universities, the government adjusts its financial support if these institutions enroll significantly more or significantly fewer students than the assigned quota.

Under this strengthened government enrollment control, the enrollment expansion of universities, junior colleges, and colleges of technology slowed to a stop in the early 1980s. Government quotas and control led to increased enrollment pressure because the demand for access among youth continued to grow. Under these market condition where demand exceeded supply, the private universities were easily able to raise the tuition. Since the mid-1970s, the national and local public universities also drastically raised the tuition fees of national universities by introducing the idea of the "beneficial payment principles" into the various public services including the universities.

While unmet demand for access persisted, the government established new non-university educational institutions; these were professional training colleges with postsecondary, vocationally-oriented diploma programs. These professional training colleges absorbed the demand for vocationally-oriented higher education and became strong competitors for junior colleges.

Beginning in the mid-1980s, the government began to allow further expansion of the university sector. Several factors influenced this decision. A second baby boom produced an increase in secondary education graduates. The Japanese economy was booming and the transformation to a knowledge economy required a highly skilled labor force. A neoliberal ideology moved the government to deregulate enrollment controls and let the market determine enrollment. Importantly, the 1986 Act to ensure equal employment opportunities for females and males shifted the demand among female youth from junior colleges to universities.

Beginning around 1990, higher education policies related to massification and universal access entered a different phase. Japanese experts and government officials predicted that the numbers of young people would continue to decrease after 1990. This decrease temporarily slowed in the 2010s, but will begin again around 2020. When the second baby boomers began to enroll in higher education in the mid-1980s, the government adjusted quotas to meet the increase in demand and then the expected decrease in demand beginning in 1990. However, the government also ended its strict control of total enrollment at the national level. Amano (1997) described this as the transformation of Japanese higher education policy from planned to market-led. Following this change, policy stressed quality assurance rather than the quantitative control over student enrollment.

The elimination of enrollment quotas in the 1990s did not necessarily mean the deregulation of the quality standards for a university education. The government permitted the establishment of new programs and universities that met the required educational standards.

In 1992, the government began to require universities to undertake regular self-evaluation. In 2004, the government required universities, junior colleges, and colleges of

technology to be accredited by quality assurance agencies every seven years. Professional training colleges were not regulated as strictly because they are not included in mainstream schooling and their programs do not lead to bachelors or associate degrees. The vocational programs go through the accreditation process based on the qualification requirements.

The removal of quantitative control of total student enrollment at the national level in the 1990s produced shifts in the supply and demand for higher education. By the end of the 20th century, the response to decades of demand for access to bachelors programs had produced an oversupply of seats, since the enrollment capacity of universities continued to increase without regard to changes in demographics. The increase of the enrollment capacity of competitive universities, however, will further worsen the situation of smaller universities and junior colleges, typically located in the rural areas. According to the Promotion and Mutual Aid Corporation for Private Schools of Japan, the governmental agency for public support of private universities and schools, 45% of private universities failed to meet their assigned student enrollment quota in 2016. These universities often tried to change their program offerings or decrease their enrollment quotas, because the unfilled quota results in decreased governmental aid. Some institutions were closed. The situation was worse among junior colleges that provided bachelors degree educations to many young women. To survive, many junior colleges were transformed into small coeducational universities.

The saturation of the student market resulting from deregulated enrollment was also evident in postgraduate education. Compared to other OECD countries, postgraduate education in Japan is rather underdeveloped. Even the most prestigious research universities face difficulties maintaining and expanding enrollment in masters programs in the humanities and social sciences, and doctoral programs in science and technology, largely due to the strong tradition of in-house training and career paths offered by Japanese enterprises, especially large companies (Inenaga 2007). University education, including graduate education, was publicly criticized for its orientation toward traditional academic research over professional, practically oriented education. In response, the government, universities, and industries tried to strengthen postgraduate education as training for highly skilled professionals (Amano 2004). In 2003, a new official category of "professional graduate schools" was introduced. These professional graduate schools offered studies in law, management, business administration, and accounting, among others, and were subject to discipline-based accreditation every five years. In the science, technology, engineering and mathematics (STEM) fields, the Ministry of Economy, Trade, and Industry (METI) committed to strengthening the career paths of doctoral degree holders. A side effect of the dwindling popularity of postgraduate education among Japanese students was an increased share of international students. However, it cannot be said that Japan provided internationally competitive professional educations at the graduate level.

CURRENT POLICY DEBATES FOR FURTHER DIFFERENTIATION

As discussed above, Japanese higher education has been massified for a long time. At the same time, the existing higher education system is confronting saturation along with difficulties meeting student demands for further expansion.

Among the first degree programs, the total enrollment of higher and postsecondary education has gradually decreased since its peak in 2003. Through this process, the number of students enrolled in universities has increased moderately, and, to a slightly lesser degree, enrollment in professional training colleges has grown. The enrollment shares of junior colleges and colleges of technology are much smaller.

It is difficult to define the place of professional training colleges within the higher education sector, since these schools include a wide variety of institutions ranging from large, nationwide, franchised groups to very small private and independent schools. The articulation with universities that facilitate the transfer of the students and credit is not systematic and there is a consistent reluctance for the university side to acknowledge professional training schools as a part of higher education.

Current policy discussions focus on diversifying the functions of universities, including possibly incorporating some of the better quality professional training colleges into the higher education sector. The diversification of the university sector has been a result of shifts in public financial support. As already mentioned, national and private universities in Japan have both received public support for operational expenditures, although the enormous gap of their amounts and shares has remained until today.

Due to the high selectivity of students in prestigious private universities and their strong international reputation, at least among Asian countries, a few of these universities in Japan are considered research intensive. In particular, Keio University and Waseda University, the two top comprehensive private universities, participate in Research University 11, a top research university consortium. However, even Keio and Waseda rely heavily on tuition as their main income source, and their research activities are more focused on the social sciences and applied sciences, which do not require heavy subsidies from the government.

Under the existing national budgetary structure, that concentrates on public investment in national universities, there has been a consistent tendency to maintain preferential treatment to a limited number of universities with a prewar history. Seven national universities in Japan (University of Tokyo, Kyoto University, Tohoku University, Kyushu University, Hokkaido University, Osaka University, and Nagoya University) have historical origins as imperial universities before World War II, though they lost this distinguished status after the war. These and some other universities, such as the Tokyo Institute of Technology and the University of Tsukuba established in 1973 as “new concept” comprehensive universities, retain advantageous resource allocations and system structures, the prioritized authorization of doctoral programs and

research institutes, and the transfer of faculty members from undergraduate programs to graduate programs.

Beginning in the 1980s, the government increased the use of competitive funding in public universities, especially through the public research grant system (Asonuma 2002). In 2001, the MEXT released a memo on the basic principles of higher education policies that aimed to cultivate approximately 30 world-class universities and to stimulate competition among universities regardless of sector: national, local public, or private. Since then, the government has provided various types of competitive funds to encourage research through programs such as the 21st Century Center of Excellence (2002–2008), the Global Center of Excellence (2009–2013), Global 30 (2009–2013), and Top Global Universities (2014–2023). The impact of these programs on top universities, however, has not been sufficient to improve international competitiveness, judged mainly through research performance (Yonezawa and Shimmi 2015). The government has also provided competitive funds for good practices of teaching and learning, student support, and community engagement. The main target of these funds has been education-oriented universities, junior colleges, and colleges of technology, although the amounts have been too small to make the institutions globally competitive. By 2010, these policy trends were identified as promoting functional differentiation among universities. For example, in its 2005 report on the grand design of higher education, the Central Council for Education, a policy advisory council for the Japanese government, identified seven functions that universities can choose from to define their missions.

Quite recently, the government began to build official categories for differentiating the functions of universities. These categories focus mainly on a hierarchical classification and were already suggested in the early 1970s. However, the post-World War II reforms have maintained a strong resistance to changes that would result in equal legal status for all universities. For example, in 2004, when national universities received corporate status through a new public management policy, all national universities, regardless of their profiles, were included (Yamamoto 2004; Kitagawa and Oba 2010). In 2016, however, to apply for a six-year operating budget, the government requested national universities to choose one of three types of core missions: (1) globally competitive in all fields, (2) globally competitive in specific fields, or (3) contribute to the local community. Beginning in 2017, the government plans to award a distinguished corporate status to a very limited number of universities to help them become globally competitive through greater institutional autonomy in governance and finance.

Lastly, the government is discussing the establishment of a new category of higher education institution expected to offer two- and four-year vocational programs. The category will be positioned between universities and professional training colleges. Through these programs, the Japanese higher education system may better meet the demand for more vocationally oriented, but better quality higher education in this sector. However, some criticisms and doubts concerning the effectiveness of such

programs have been registered. At the same time, the current professional training college system is not adequate to provide the quality needed.

CONCLUSION

In this chapter, the authors analyzed the policy changes related to the process of realizing mass higher education through, first, private provision and, then, maintaining and further developing the mass and universal access system to meet diversified needs. Japan is an interesting case of fairly strong government steering, although the control is relatively weakened by the recent stress on market conditions.

The chapter highlighted the continuous dichotomy among Japan's policy trials to either differentiate the missions and functions of universities and higher education institutions in order to meet diversified needs, or to respond to the desires of universities and other institutions to be treated equally rather than be differentiated along a hierarchical ladder.

Expansion tended to rely on market forces, including cost sharing through student contributions, but tuition has finally reached the saturation point of what the market can support. Under the current circumstances, the functions of higher education institutions will inevitably need to be further diversified. The risk is that if a higher education system hierarchy is created, the bottom half of the institutions may face economic and operational instability that may damage the quality of learning.

Among East Asian and Southeast Asian higher education systems, similar patterns of massification have been observed at different times. Japan's policies and their consequences have been strongly influenced by different policy trends (e.g., human capital theory in the expansion process in the 1960s, welfare state policies in public support and national planning in the 1970s, and neoliberal policies in re-deregulation in the 1980s and beyond). These policy changes have defined different patterns of differentiation among universities and other higher and postsecondary institutions in their respective periods. The authors believe it is important to engage in a wider range of international comparisons and to study more Asian cases with expansion and differentiation that occurred in the different eras of global trends.

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