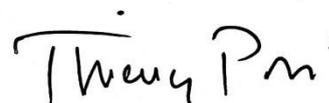


## Report of the CULCON Education Task Force



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Minoru Makihara  
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## Report of the CULCON Education Task Force Executive Summary

The U.S.-Japan Alliance is the cornerstone of prosperity, peace, security and stability in the Asia-Pacific region. This partnership, based on a common commitment to democracy, the rule of law, open societies, human rights, security, and free and open markets, has underwritten the dynamic growth and prosperity of the region for 60 years.

The bedrock of the partnership is the close bond between our people, which remains the greatest resource for our Alliance. For nurturing the bonds between Japan and the United States, student exchanges have a central place. In this context, educational and cultural exchanges between Japan and the United States have been vital to build the strong partnership that exists today. At the same time, student exchanges help Japan and the United States to address the global challenges as partners with shared values, and to enhance the global competitiveness of both countries.

However, despite their importance, the pace of exchanges between Japan and the United States gives cause for serious concern. Over the past 15 years, there has been a 57 percent drop in the number of Japanese students studying in the United States, from over 47,000 students in 1997-1998 to fewer than 20,000 in 2011-2012. During the same period, Japan fell from being the number-one country of origin for foreign students on U.S. campuses to seventh place. While the number of U.S. citizens studying in Japan tripled during the same period, reaching 6,000, the absolute number is still quite small, and there is a major need to expand exchange opportunities.

To jointly address these issues, CULCON convened a binational Education Task Force (ETF) under the leadership of former Prime Minister Yasuo Fukuda and Secretary Norman Mineta to examine trends in bilateral student exchanges, and to make recommendations to leaders in both nations towards an ambitious goal: *Double the Number of U.S. and Japanese Students Studying in Each Other's Country by 2020* as attached (Attachment 1).

With this report now completed, CULCON will continue to pursue its mission of advancing intellectual and cultural exchanges between Japan and the United States, and will monitor progress with respect to the ETF's recommendations. We submit this Final Report, deliberated in consultation with a broad range of officials and experts, public and private, to our respective political leaders, pledging to continue our efforts to contribute towards building a strong and lasting bilateral relationship.

**GOAL: Double the Number of U.S. and Japanese Students Studying in Each Other's Country by 2020.**

**A. ACTION FOR JAPAN**

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- 1) Recognizing the government's important role in exchanges, issue a strong statement endorsing the importance of international experience for nurturing global citizens.
- 2) Recognizing that English language instruction in Japanese schools is in need of reform, adopt major steps to improve it:
  - a) Increase the emphasis on communication skills in English language training.
  - b) Employ an international standardized English test such as TOEFL and IELTS as part of the entrance exams for the universities.
  - c) Expand the JET Programme to include experts in English-language teaching and other specialists.
  - d) Develop a role for JET alumni in English-language instruction and other subjects.
- 3) Advance the process of internationalizing universities in Japan.
  - a) Change the academic calendar to facilitate a wide variety of exchanges to make it more possible for Japanese students to study abroad in the summer and then re-enroll in their home institution in the fall and for American students to study in Japan.
  - b) Encourage a liberal arts education for better training of global citizens.
  - c) Expand the number of courses/programs in English at Japanese universities.
- 4) Seek a business-wide agreement through the good offices of major business groups in Japan to reform the hiring process of new graduates.
  - a) Encourage companies to postpone active recruitment of students until later in their undergraduate careers, allowing time for study abroad.
  - b) Value overseas experience and English proficiency in the hiring process.
- 5) Expand private sector scholarships for Japanese students to study abroad.
- 6) Expand International Baccalaureate programs.

**B. ACTION FOR THE U.S.:**

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- 1) Recognizing the government's important role in exchanges, take steps to facilitate study abroad by Japanese students.
  - a) Demystify the student visa process.
  - b) Improve the quality and accessibility of information on U.S. study programs (application process, costs, financial aid, and admissions requirements), and increase student awareness of the wide variety of U.S. educational institutions.
  - c) Expand the number and use of university fairs and virtual university fairs for specific target audiences (i.e., semester or year-abroad programs, by field of study, by type of program).
  - d) Expand EducationUSA's visibility and activities in Japan and publicize more widely U.S. programs such as Fulbright and other scholarship and exchange programs.
- 2) Encourage U.S. universities to develop and promote non-degree programs featuring English-language, practical business, and other training along with degree/exchange programs, and make students more aware of how to gain provisional acceptance to degree programs (e.g., Bridge and/or Pathway programs).
- 3) Recognizing that Japanese subsidiaries of U.S. firms have a role to play in promoting study abroad by Japanese students, seek their cooperation in efforts to reform the process of recruiting new graduates from Japanese universities.
- 4) Expand private sector support for U.S.-Japan exchange programs including internships and public-private partnerships such as the TOMODACHI Initiative.
- 5) Enhance efforts to promote the hiring and training of global talent in the United States.

- 6) Encourage the continuation and enhancement of a “reverse JET” program organized by the U.S. side that would invite Japanese youth to contribute to Japanese language education in the U.S.

### C. ACTION FOR THE UNITED STATES AND JAPAN JOINTLY

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- 1) Encourage government-to-government strategic dialogue on educational exchange and include the issue in the agenda of a future bilateral summit.
- 2) Expand study abroad opportunities for high school and university students
- 3) Enhance and increase government-funded grants for study abroad, including short-term study scholarships for high school and/or university students.
- 4) Encourage U.S. and Japanese campuses to improve their infrastructure for accepting international students.
- 5) Actively reach out to students and study abroad advisers and provide them with information about programs and scholarships.
- 6) Promote regional studies and intellectual exchanges to deepen mutual understanding and encourage study abroad.
- 7) Assign merit to high school experience abroad in the Japanese and American university admissions process.
- 8) Expand funds and local support for the study and teaching of the Japanese language in the U.S. by various means.
- 9) Expand “JUSTE” (Japan-U.S. Training and Exchange Program for English Language Teachers), a program to bring English-language teachers from Japan to U.S. campuses, and other programs with similar goals
- 10) Increase opportunities for non-matriculating students to enroll in semester- or year-long programs through consortia (such as ISEP).
- 11) Encourage grassroots exchanges and early exposure to each other’s culture as additional tools to give incentives for study abroad.
- 12) Encourage the relevant professional groups to improve transfer of credit for U.S.-Japan study abroad students (such as CHEA, JUAA and NIAD-EU).
- 13) Support and raise the visibility of the alumni activities of Japanese and Americans who studied abroad and encourage alumni groups to actively recruit students for the institution they attended.
- 14) Expand institutional linkages among the two countries’ relevant professional and higher education organizations.
- 15) Promote active and mutually beneficial partnerships between American universities and Japanese universities, and extend the range of institutions included.
- 16) Encourage key exchange organizations such as the Institute of International Education (IIE) and Japan Student Services Organization (JASSO) to expand cooperation in research, data collection and sharing of best practices, including in methods of data collection to capture non-credit/short-term service learning.
- 17) Establish metrics and measures to assess progress toward reaching the goal of increasing U.S.-Japan student exchanges and annually share information on both sides.

## Report of the CULCON Education Task Force

- I. Preamble**
- II. Goal and Recommendations**
- III. A Summary and Analysis of the Current State of U.S.-Japan Educational Exchange**
- IV. Promoting Interactive Exchange between Japan and the United States**
- V. Conclusion**

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### **I. Preamble**

#### **A. The Importance of the Bilateral Relationship and Two-Way Exchanges**

The U.S.-Japan Alliance is the cornerstone of prosperity, peace, security and stability in the Asia-Pacific region. This partnership, based on a common commitment to democracy, the rule of law, open societies, human rights, security, and free and open markets, has underwritten the dynamic growth and prosperity of the region for 60 years.

Japan and the United States share a long history of working closely together on issues ranging from energy and national security to trade and transportation. Educational and cultural exchanges between Japan and America have been vital to building the strong partnership that exists today. The strength of the U.S.-Japan partnership was clearly demonstrated in the aftermath of the Great East Japan Earthquake of 2011, when unprecedented levels of cooperation jumpstarted the long and difficult recovery efforts.

The yield of those exchanges over six decades can be seen in the extraordinary human resources that bind together our two nations. The bedrock of the partnership is thousands of people, Japanese and American—ordinary citizens, teachers, scholars, policy makers, government officials, journalists, doctors, researchers, and members of the NGO and business communities—who have gained the international experience and communication skills to contribute, each in his or her own way, to maintaining the relationship, promoting mutual understanding, and helping the two nations meet global challenges. The close bond between our people remains the greatest resource for our Alliance.

For nurturing the bonds between Japan and the United States, student exchanges thus have a central place. The experience of decades, backed up by scientific research, shows that providing young people with the opportunity to study in another country and culture is a life-altering and enriching experience. It provides tools and cross-cultural communication skills that help prepare tomorrow’s leaders to become global citizens and to contribute creatively within the workplace of tomorrow. In “The Price of Peace,” Senator J. William Fulbright observed that of all the foreign policy activities a nation might undertake, none is more worthwhile and rewarding, and more important “from the standpoint of future world peace and order”, than educational exchanges.

Actively promoting and supporting the exchange of students between Japan and America in the complex global environment of the 21<sup>st</sup> Century is thus a central task in the bilateral relationship.

## **B. The Role of Student Exchanges in Developing Global Talent**

Both America and Japan have long experience with international exchanges. In the Meiji era, for example, many of Japan's top leaders studied abroad during their student years, often under arduous conditions, to equip themselves with the knowledge and experience that building a nation required. In the post-World War II era, the pace of exchanges and the opportunities for study abroad have grown exponentially.

But despite these gains, the need to nurture "global talent" (*gurobaru jinzai*) has never been more urgent. Nations today need citizens who have the mindsets, competencies, and communication skills that position them to succeed and prosper in the 21<sup>st</sup> Century. In particular, as partners with shared values, it is necessary for the United States and Japan to jointly address the global challenges and to nurture the global talents who can work for that purpose. To achieve this, internationalizing higher education and bringing students from abroad fully into the educational experience at home is essential. But creating more study abroad opportunities is pivotal. Increasingly, study abroad is becoming an indispensable part of a person's formal education. Overseas study offers students the opportunity to develop their critical thinking skills, exposes them to new ideas and approaches to problem-solving, and gives them the tools to communicate with, and work side-by-side with, people of diverse talents and backgrounds. Gaining these skills positions young people to contribute to the workplace of tomorrow, and to enrich their societies with the knowledge and experience they have gained.

These benefits of study abroad for individuals translate into enhanced global competitiveness at the national level. In practical terms, in a global economy defined by rapid and constant change, both the United States and Japan will lag behind in competitiveness if their national workforces lack the requisite mindsets and skills to operate globally. Both Japanese and American firms and other organizations need employees with cross-cultural competency who can adapt to changing conditions and develop and implement new strategies. The internationalization of universities has become an important competitiveness issue as academic leaders on both sides of the Pacific increasingly realize that study abroad is a *sine qua non* of an educated individual in this century.

## **C. CULCON Education Task Force**

Around the globe, the importance of international experience is widely recognized, and record numbers of students from leading countries such as China, India, and South Korea are now studying abroad. In light of these trends, the pace of exchanges between Japan and the United States gives cause for serious concern. Over the past 15 years, there has been a 57 percent drop in the number of Japanese students studying in the United States, from over 47,000 students in 1997-1998 to fewer than 20,000 in 2011-2012. During the same period, Japan fell from being the number-one country of origin for foreign students on U.S. campuses to seventh place. While the number of U.S. citizens studying in Japan tripled during the same period, reaching 6,000, the absolute number is still quite small, and there is a major need to expand exchange opportunities.

Concern over these issues led CULCON in 2012 to convene a binational Education Task Force (ETF) made up of government, private sector (nonprofit and for profit), and academic leaders from each country to examine trends in bilateral student exchanges, and to make recommendations to leaders in both nations on ways to revitalize and invigorate U.S.-Japan educational exchanges.

The present Report and Recommendations are the results of intensive deliberations by the ETF. CULCON offers these Recommendations with the hope that they will inform and support the efforts at the highest levels of both governments, especially Prime Minister Abe and President Obama, to create policies to advance the internationalization of education and increase the number of Japanese young people studying in the United States, and the number of Americans studying in Japan.

More generally, the Recommendations are aimed at the government, the private sector and academia in both nations. It is essential to engage the broadest possible number of stakeholders in bringing about

change. To succeed, the two nations will need to work together to advance the shared goal of improving the quantity and quality of student exchanges.

## II. Goal and Recommendations

At its January 2013 meeting in Honolulu, Hawai'i, the binational CULCON Education Task Force established an overarching goal of doubling the number of study abroad students in each country by 2020. The Task Force members also made Recommendations for Japan, the U.S. and the two countries jointly, to achieve this goal.

GOAL: DOUBLE THE NUMBER OF JAPANESE AND AMERICANS STUDYING IN EACH OTHER'S COUNTRY BY 2020

### A. ACTION FOR JAPAN

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- 1) Recognizing the government's important role in exchanges, issue a strong statement endorsing the importance of international experience for nurturing global citizens.
- 2) Recognizing that English language instruction in Japanese schools is in need of reform, adopt major steps to improve it:
  - a) Increase the emphasis on communication skills in English language training.
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  - c) Expand the JET Programme to include experts in English-language teaching and other specialists.
  - d) Develop a role for JET alumni in English-language instruction and other subjects.
- 3) Advance the process of internationalizing universities in Japan:
  - a) Change the academic calendar to facilitate a wide variety of exchanges to make it more possible for Japanese students to study abroad in the summer and then re-enroll in their home institution in the fall and for American students to study in Japan.
  - b) Encourage a liberal arts education for better training of global citizens.
  - c) Expand the number of courses/programs in English at Japanese universities.
- 4) Seek a business-wide agreement through the good offices of major business groups in Japan to reform the hiring process of new graduates:
  - a) Encourage companies to postpone active recruitment of students until later in their undergraduate careers, allowing time for study abroad.
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## B. ACTION FOR THE U.S.:

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- 1) Recognizing the government's important role in exchanges, take steps to facilitate study abroad by Japanese students:
  - a) Demystify the student visa process.
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- 2) Encourage U.S. universities to develop and promote non-degree programs featuring English-language, practical business, and other training along with degree/exchange programs, and make students more aware of how to gain provisional acceptance to degree programs (e.g., Bridge and/or Pathway programs).
- 3) Recognizing that Japanese subsidiaries of U.S. firms have a role to play in promoting study abroad by Japanese students, seek their cooperation in efforts to reform the process of recruiting new graduates from Japanese universities.
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- 5) Enhance efforts to promote the hiring and training of global talent in the United States.
- 6) Encourage the continuation and enhancement of a "reverse JET" program organized by the U.S. side that would invite Japanese youth to contribute to Japanese language education in the U.S.

## C. ACTION FOR THE UNITED STATES AND JAPAN JOINTLY

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- 1) Encourage government-to-government strategic dialogue on educational exchange and include the issue in the agenda of a future bilateral summit.
- 2) Expand study abroad opportunities for high school and university students.
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- 6) Promote regional studies and intellectual exchanges to deepen mutual understanding and encourage study abroad.
- 7) Assign merit to high school experience abroad in the Japanese and American university admissions process.
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- 12) Encourage the relevant professional groups to improve transfer of credit for U.S.-Japan study abroad students (such as CHEA, JUAA and NIAD-EU).
- 13) Support and raise the visibility of the alumni activities of Japanese and Americans who studied abroad and encourage alumni groups to actively recruit students for the institution they attended.
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- 15) Promote active and mutually beneficial partnerships between American universities and Japanese universities, and extend the range of institutions included.
- 16) Encourage key exchange organizations such as the Institute of International Education (IIE) and Japan Student Services Organization (JASSO) to expand cooperation in research, data collection and sharing of best practices, including in methods of data collection to capture non-credit/short-term service learning.
- 17) Establish metrics and measures to assess progress toward reaching the goal of increasing U.S.-Japan student exchanges and annually share information on both sides.

### III. A Summary and Analysis of the Current State of U.S.-Japan Educational Exchange

#### A. Introduction: Overview of Higher Education Systems in Both Countries

The Education Task Force recognizes that the higher education systems in Japan and the United States differ from one another, as does the relationship between higher education and the national government. These differences may have direct bearing on the ways that bilateral agreements and goals are communicated and implemented.

For a detailed description of the U.S. and Japanese educational systems and the role of the national governments in higher education, please see Appendix 1.

#### B. Status of Exchanges

##### 1. U.S. students to Japan

###### a) Number of U.S. students studying in Japan since mid-1990s

In the mid-1990s approximately 1,800 U.S. students per year received academic credit at their home institution for study in Japan. That number rose steadily to a peak of just over 6,000 in the 2009-10 U.S. academic year. This compares to almost 14,000 Americans studying in China and receiving academic credit back home in 2009-10, out of a global total of 270,000. In 2010-11, the number of Americans receiving credit for study in Japan dropped by 33% to 4,134, largely due to program cancellations in spring and summer 2011 following the 3/11 natural disaster. As programs reopened, numbers started rebounding.

###### b) U.S. students pursuing full degrees in Japan, fields of study

In 2010-11, only 505 U.S. students were enrolled directly in Japanese universities in pursuit of full academic degrees. This compares to 2,184 U.S. students pursuing degrees in China that same year. Of American undergraduates in Japan, 62 were pursuing degrees in the humanities; 47 in social sciences; 8 in fine arts; 7 in engineering; and 98 in “other.” By far the highest number of master’s candidates studied in the social sciences, followed by engineering, humanities and fine arts. The highest number of doctoral candidates pursued engineering degrees, followed by those in the humanities, the social sciences and fine arts.

###### c) Challenges facing U.S. students seeking to study abroad in Japan

In the mid-1990s, CULCON's primary concern was the small numbers of U.S. students going to Japan (1,800 U.S. students studying in Japan, compared with more than 45,000 Japanese students in the U.S.). CULCON focused its resources on this disparity, aiming to increase the number of Americans studying in Japan. Mirroring the current CULCON campaign, the concern in the 1990s was that an in-depth exposure to Japan would allow the future generation of policy makers, educators, researchers and business people of the United States to make better-informed choices, but the challenges were somewhat different. Based on extensive research, CULCON developed a comprehensive approach, which included: 1) creating programs in Japan suited to the needs of U.S. undergraduates; 2) developing faculty and curriculum in the U.S. home campuses that would allow students to form a solid base for study both before and after a study abroad experience in Japan; 3) gathering and disseminating the information necessary to inform students of opportunities for study abroad in Japan and actively recruit them to do so; and 4) providing incentive scholarships to cover the high cost of travel and the cost of living in Japan.

The dramatic increase in the number of Americans studying abroad for credit back home since CULCON implemented programs to address each of the challenges above is a highly successful outcome. However, the following challenges to recruiting Americans remain: 1) the

lack of programs conducted in English and American students' lack of proficiency in the Japanese language; 2) trans-Pacific airfare costs and the high cost of living in Japan; 3) the difference in the academic calendar; and 4) receiving credit back home for coursework taken in Japan, especially in majors which have tightly sequenced or highly specific course requirements. The hurdles are even more substantial for American students seeking to pursue full degrees in Japanese universities, as indicated by the very low enrollment figures above, compared to degree study in other countries where growing numbers of courses are available in English, especially at the graduate level.

## 2. Japanese students to the U.S.

### a) Number of Japanese students in the U.S. over the past 20 years

The number of students from Japan going to the United States for study increased from 1993 until 1997, when it reached a peak of over 47,000 students. But the number since then has declined dramatically, by 57%, to fewer than 20,000 students in 2011-12.

### b) Japanese enrollment trends in top host countries

The top overseas study destination countries for Japanese students in 2010 were the U.S. (21,290), China (16,808), U.K. (3,851), and Australia (2,413). The number of students studying in China, Taiwan, South Korea, and Canada has been increasing recently, reflecting a diversification of destination countries.

### c) Challenges to study abroad facing Japanese students

Japanese students face barriers to study in the U.S. Among these are: 1) institutional constraints at the university level: the difference in academic calendar, the lack of sufficient infrastructure for supporting and promoting study abroad, and the difficulty in transferring credit from U.S. institutions to Japanese one; 2) inadequate English-language proficiency, which may discourage students from applying and/or may decrease their chances of admission to programs abroad; 3) hiring practices on the part of Japanese firms and their preferences, which do not advantage, and sometimes disadvantage, significant overseas experience<sup>1</sup>; and 4) economic challenges, such as the high cost of tuition in the U.S., which may be a deterrent, especially for high school students considering the pursuit of a degree abroad, as opposed to a semester, summer, or shorter program.

#### 1) Japanese University Institutional Challenges

##### i. International programs and faculty members

Japanese universities have a limited number of programs (eight undergraduate and eighty-one graduate as of 2009) offering courses in English. In addition, the ratio of international teachers to the total number of faculty members is about five percent in Japan, which is below the level in other industrialized nations. (In the United States, the ratio of foreign citizens on faculties at Yale and Harvard Universities is 31 and 29.5 percent, respectively.) Since 2009, when the “Global 30 Project” was established, there

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<sup>1</sup> Fitting in with the group is an important priority for corporate human resources offices – and thus the new hires themselves. A survey by the Tokyo Metropolitan Office (<http://www.metro.tokyo.jp/INET/CHOUSA/2011/09/DATA/6019m202.pdf>) (1) showed that the qualities Japanese companies most value when hiring new graduates are “common sense,” “passion,” and the “ability to get along with others.” Foreign experience or language skill was valued by only 3.2 percent of respondents. In the same vein, a 2010 Japan Association of Corporate Executives (Keizai Doyukai) survey (<http://www.doyukai.or.jp/policyproposals/articles/2010/101222a.html>) (2) showed that only 30.3 percent of companies saw study abroad as a “plus” for a job candidate; 60.7 percent of companies responded that a delay in graduation of “less than 2 years” was acceptable in a job candidate, but almost 30 percent said that less than one year was the limit. In this context, not pursuing foreign study becomes a rational decision for many Japanese students. The return on investment (ROI) is simply too low.)

has been a significant increase in the number of courses offered in English in Japanese universities. As of 2012, 143 courses were offered in the 13 universities who participate in the Project, however, there is still a lack of opportunity for Japanese students who wish to take classes in English.

ii. Academic calendar

Moreover, the difference of the academic calendar in Japan and the U.S. (i.e., April enrollment in Japan and August or September enrollment in the U.S. and most other major industrialized countries) is another structural factor preventing more Japanese and American students from studying in each other's universities.

iii. Transfer of academic credit

Some Japanese universities still do not smoothly accept credit transfer. Japanese students from such institutions who spend a year abroad may need to study for an additional year to qualify for their degree.

vi. Double tuition

Double tuition, or the practice of many Japanese universities of charging students "placeholder" tuition in order to continue their enrollment at their home institution while they study abroad, is another deterrent.

2) U.S. University Institutional Challenges

In order to provide optimal study abroad experience for incoming students, institutional internationalization should be campus-wide; it is important to ensure U.S. university staff provides necessary support for the Japanese exchange students. A better understanding by U.S. university staff of the objectives of Japanese students in choosing study abroad, as well as clarifying the student visa process would facilitate the application process and encourage more students to study abroad.

Other factors considered to be disincentives for students from studying in the U.S. are: 1) the regulation that students cannot work off campus during the first year of matriculation, and 2) the regulations that restrict international students from engaging in paid internships, except for "Optional Practical Training." If the internship experience were to be integrated in the university curriculum, it would expand options for overseas experiences.

Before sending students overseas, Japanese universities should confirm that student goals will be met (e.g. internships) based on terms of the MOU with U.S. higher education institution partners. Both partners should also understand and clarify differences in visa requirements for different programs (degree/non-degree).

3) Lack of English-Language Proficiency

The Test of English as a Foreign Language (TOEFL) is considered the global standard among tests to measure English skills for foreign students seeking to study in the United States. However, the average TOEFL scores of Japanese students were lower in all segments of the test (reading, listening, speaking and writing) than the average scores of Chinese and Korean students in 2011.

Japan has been making efforts to employ native speakers to assist in English teaching and introduced English classes from the fifth grade of elementary school.

The adoption by universities of a standardized international English test such as TOEFL for their entrance exams would be a major leap forward for improving English-language proficiency in Japan. The result would be a series of ripple effects. Students would have

important new incentives to develop their skills, including oral skills, and seek study abroad opportunities to do so.

#### 4) Employer Institutional Challenges

##### i. Fostering global human resources

Given Japanese demographic trends and the shrinkage of domestic market, large companies are increasingly turning their focus to cultivating “*gurobaru jinza*” (“global human resources”), or employees with skills to succeed in a globalizing marketplace. The *Yomiuri Shimbun* noted (November 2, 2011) that while many major companies seek to recruit “global human resources,” too few Japanese students meet that standard. Some companies are taking steps themselves to nurture “global human resources.” Some have improved internal training programs and provided junior employees more opportunities to work abroad. But some internationally-oriented employers are simply hiring highly educated foreigners. Thanks to this “domestic outsourcing,” in some cases, young Japanese lack the global skills to compete for jobs even within their own country.<sup>2</sup>

While many Japanese companies advocate fostering global human resources to promote globalization, 60 to 70 percent of such companies do not have a mechanism to take into account, and assign value to, study abroad experience in their recruitment process, nor take any special measures to ensure them sufficient hiring opportunities.

Findings from a Keizai Doyukai survey point to the lack of receptiveness of companies to Japanese students who study abroad. Specifically, 66.3 percent of responding companies reported that they “recruited but did not hire,” or “did not recruit” Japanese students with overseas experience. By comparison, foreign graduates of Japanese schools fared 12 percentage points better.

Supporting the development of “*gurobaru jinza*” will require retooling the hiring process to assign high value to international experience, and similarly, developing mechanisms to take this into account when employees are considered for promotion.

##### ii. Hiring practices

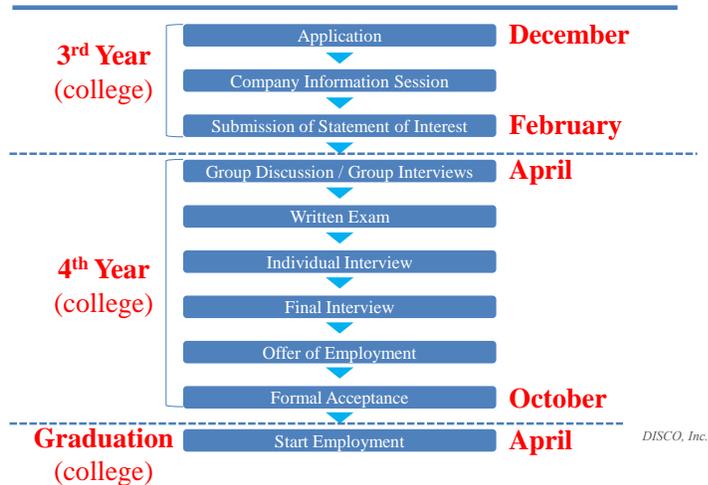
Recent changes in Japan’s hiring practices have operated as a constraint on study abroad.

Japan’s hiring practice served the country well during the post-war period of rapid economic growth. Through the 1980s, “lifetime employment” dominated the labor market and companies invested significant time and resources to recruit the right people with the expectation that these people would be with the company from graduation to retirement. Accordingly, in the context of lifetime employment over time, a lengthy and protracted hiring process evolved to ensure that the match was right between the company and the recruit as illustrated in the following chart.

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<sup>2</sup> Universities are starting to take notice of the change on the demand side. According to the *Nihon Keizai Shimbun* (May 8, 2012), Tokyo University and 11 other major universities have set up a discussion group for education reform. They plan to hold a comprehensive discussion about reforming curricula and entrance examination systems, as well as ways to “internationalize” their own campuses, in order to nurture “global human resources” competitive in the global marketplace. One of the key items on the agenda is to introduce *akinyugaku* or school admission in the fall as an alternative to the traditional April 1 start. This would enable the Japanese university calendar to mesh more easily with higher education calendars in most other major countries, facilitating increased flows of both students and scholars.

**The typical new graduate hiring process is lengthy and involved**



As evident from the chart above, the hiring process for top tier companies requires university students to begin the job search during their third (junior) year and continuing into the fourth (senior) year of college, at a time when students in other countries often study abroad. Japanese students who fail to enter the hiring process in a timely manner, i.e. in the second half of their junior years, run the risk of not being able to secure a job offer by graduation, which would require the student to wait for the next hiring cycle to begin.

This situation is complicated by the fact that most Japanese companies only allow graduates to be considered “new graduates” for up to three years after graduation. In actual practice, a new graduate who is unable to secure a job at the time of his or her graduation will experience increasing difficulties after graduation unless there is a valid explanation for taking time off after graduation and for not accepting a job offer during his or her senior year. Anything longer than three years places the candidate in a different hiring category, making it increasingly unlikely that regular fulltime employment can be achieved.

Since 1997, Keizai Doyukai has been surveying company activities as they pertain to students with overseas experience.<sup>3</sup> The 2012 survey results underscore the rigidity of Japan’s hiring system with 59.1 percent of responding companies hiring “Japanese students with overseas experience” only once a year – during the traditional spring hiring cycle, increasing the cost of missing a hiring cycle. Given that graduates only have a three-year window before they lose their “new graduate” status, there is strong incentive for students to begin their entry into the hiring process during their junior years, rather than seeking to study abroad.

Studying abroad may not necessarily enhance a Japanese student’s job prospects, but may in fact have a negative impact – particularly for those who are abroad during their junior or senior years of university. The results also indicate that more needs to be done to reform the new graduate hiring process with an eye towards globalizing Japan’s workforce and encouraging Japan’s youth to study abroad. However, there are indications employers may be changing the return on investment (ROI) calculation in a positive direction. *Toyo Keizai* Magazine reported (October 2012) that a survey by DISCO (a human resources company focused on recruiting Japanese recent graduates)

<sup>3</sup> For a sampling of survey results, please see Appendix 2.

showed that the percentage of Japanese companies that would like to hire students with foreign study experience has increased from 18.4 percent in 2011 to 28.7 percent in 2013. In the case of larger companies with over 1,000 employees, the rate rises to 44 percent.

The Federation of Economic Organizations (Keidanren) has taken concrete steps to address the “new graduate hiring problem.”<sup>4</sup> In 1997, Keidanren first issued guidelines for companies regarding the hiring process. These guidelines are updated regularly and serve as an informal agreement among companies. In 2011, Keidanren called for companies to refrain from:

- Beginning recruiting activities such as information sessions and student outreach before December (of a student’s 3<sup>rd</sup> year);
- Starting the formal application and screening process before April 1 (the beginning of a student’s 4<sup>th</sup> year), and;
- Issuing job offers before October 1 (six months before the official employment date).

Keidanren’s hiring guidelines have been widely followed but are not enforceable.

Also, Keidanren has been a major sponsor of job fairs, information sessions, and promoter of internships through which companies provide students with real world experience.

Further review is currently being undertaken by Keidanren of these guidelines.

In addition, increased supply of global talent in small and regional companies is an important element of regional economic revival.

In summary, Japanese companies should embrace the goal of developing global talent by reviewing and changing their incentives and recruitment schedules and valuing overseas experience.

## 5) Economic challenges

For students seeking to study abroad in semester, summer or other programs of shorter duration, economic considerations may not be paramount. However, for high school students or others considering the pursuit of a degree abroad, the high cost of tuition in the U.S. can be a major constraint. Increasing tuition costs in the U.S. and declining family budgets in Japan, due to the economic recession, create financial impediments for Japanese interested in pursuing degrees in the United States. Tuition costs vary widely in the U.S., depending on the type of institution, and many American institutions offer financial aid;

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<sup>4</sup> The Japan Association of Corporate Executives (Keizai Doyukai) also established a Project Team (PT) in February 2012 to address new graduate hiring problem, including: the earlier new graduate hiring cycle; low job offer rate; and the imbalance between the number of applicants to large companies versus small and medium sized companies, which struggle to get recruits. The PT has worked closely with higher education, the government, and media to develop and issue policy recommendations. Among its recommendations, the PT has called for the business community to push back the start of the new graduate hiring process, to adopt a fall hiring cycle in addition to the current spring cycle and ultimately to establish a year-round hiring process. As first steps towards achieving those objectives, the PT calls for companies to: Refrain from holding recruiting activities such as information sessions and student outreach until March (of a student’s 3<sup>rd</sup> year); Push back the actual application and screening process to August (of a student’s 4<sup>th</sup> year); and Implement the new recruiting schedule with the 2014 graduating class. In addition to the efforts of the PT, Keizai Doyukai has also taken steps to facilitate the globalization and diversification of Japanese human resources through the creation of committees such as the “Committee on Development and Utilization of Human Resources,” which has urged Japanese companies to, among other things: Embrace a global corporate vision; Cultivate globally competitive professionals; and Promote diversity in leadership and management.

however, overall, tuition in the U.S. is generally higher than tuition in Japan. In FY2011, the annual average tuition for U.S. universities was 2,346,405 Japanese Yen (JPY) for private universities, and 1,709,994 JPY for state universities. In Japan, average tuition in Japanese institutions, is 1,315,666 JPY for private universities, 935,017 JPY for municipal universities, and 817,800 JPY for national universities.<sup>5</sup>

In the past decade the average, tuition at U.S. private universities has drastically increased (a 424,743 JPY increase from 2002 to 2011). From 2001 to 2012, the average income of Japanese households with children under 18 years old decreased by 691,000 JPY from 7,272,000 JPY to 6,581,000 JPY. For the limited number of students enrolled in degree programs abroad, Japanese parents face increasing challenges to paying tuition for American universities.

Potential remedies would include expanded privately-funded scholarships and government action in both nations to expand financial aid for Japanese students seeking to pursue study abroad in degree programs.

#### **IV. Promoting Interactive Exchange between Japan and the United States**

Developing and promoting student exchange between Japan and the United States is facilitated by university-to-university agreements. These agreements can have many advantages in streamlining procedures, facilitating transfer of credit and even alleviating the financial burden. The data given in Appendix 1 shows the increase in the number of Japanese students studying in the U.S. through inter-university agreements.

International experience can be acquired and be promoted in a wide variety of ways, and at all stages of life. Exchange opportunities offered at an early age can be incentives for studying abroad. In this regard, the Task Force welcomes the initiatives taken by a various groups of the people engaged in the U.S.-Japan relationship, such as the Kizuna Project, KAKEHASHI Project, JET program, JUSTE, Japanese Language education programs, intellectual exchanges, Japan-U.S. Cherry Blossom Centennial, and so on. It recommends further strengthening of these efforts. Institutions such as the Japan Foundation play a vital role in promoting these activities.

#### **V. Conclusion**

CULCON was established in 1961, based on a recognition of the paramount importance of the bilateral relationship between the United States and Japan. From the outset it was understood that the relationship requires regular review, and must be nurtured to preserve and to fortify its strength.

Consistent with these objectives, CULCON at its plenary meeting last year held on the occasion of its 50th Anniversary, noted with deep concern the decline over the past decade of Japanese participation in U.S.-Japan student exchange and the need to increase the number of American students in Japan. Recognizing that education is fundamental to the bilateral relationship and that exchanges through which we build and deepen our relationships with one another are essential, we committed ourselves to studying the problem and seeking solutions to it. We recognized in doing so that this would require a review of both countries' educational structures and the importance of developing global talent.

To this end, CULCON established an Education Task Force (ETF) under the leadership of former Prime Minister Fukuda and former Secretary Norman Mineta as honorary chairs to explore ways and means of

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<sup>5</sup> The Japanese Yen-equivalent cost of tuition in the U.S. has been calculated based on the Official Exchange Rate of the Japanese Government in 2002 and 2011: 1.00 USD = 123.00 JPY in 2002 and 1.00 USD = 82.00 JPY in 2011.

revitalizing the exchange relationship. The Education Task Force set an ambitious goal: Doubling the Number of U.S. and Japanese Students Studying in Each Other's Country by 2020.

To advance this goal, the Education Task Force offers the recommendations set out in this report, which have been developed in consultation with a broad range of officials and experts, public and private, who play key roles in setting policy directions in education and related fields and in the exchange relationship between our two countries. We are very gratified that implementation has already started to take place.

With this report now completed, CULCON will continue to pursue its mission of advancing intellectual and cultural exchanges between the U.S. and Japan, and will monitor progress with respect to the ETF's recommendations. This Final Report we submit to our respective political leaders, pledging to continue our efforts to contribute towards building a strong and lasting bilateral relationship.

### Glossary of Acronyms

Acronym	
AASCU	American Association of State Colleges and Universities
ACE	American Council on Education
AIEA	Association of International Education Administrators
CHEA	Council for Higher Education Accreditation
CULCON	U.S.-Japan Conference on Cultural and Educational Interchange
IELTS	International English Language Testing System
IIE	Institute of International Education
ISEP	International Student Exchange Programs
JAFSA	Japan Network for International Education
JASSO	Japan Student Services Organization
JET Programme	Japan Exchange and Teaching Programme
JUAA	Japan University Accreditation Association
JUSTE	Japan-U.S. Training and Exchange Program
NAFSA	Association of International Educators
NIAD-EU	National Institution for Academic Degrees and University Evaluation
TOEFL	Test of English as a Foreign Language

## Appendix 1 Higher Education Systems

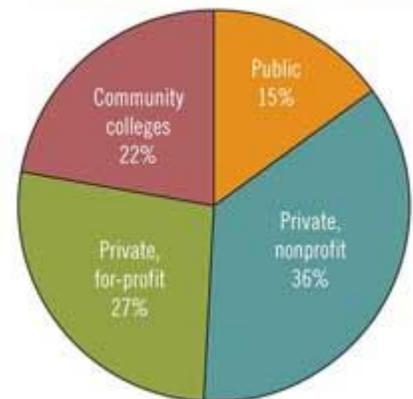
The higher education systems in Japan and the United States are significantly different, as is the relationship of higher education to the national government in each country. These differences may have direct bearing on the ways bilateral agreements and goals are communicated and implemented. Below is a brief comparison of the structure of higher education in both countries.

### Higher Education in the United States

Although higher education in the U.S. is often referred to as a “system,” the term is a misnomer. Instead, postsecondary education in the U.S. is decentralized; comprised of a diverse array of institutions that provide education beyond the high school level. Major sectors of American higher education are:

- private, nonprofit (also called independent) colleges and universities;
- public, or state, colleges and universities, typically funded to varying degrees by their state, and administered most often through a state system of higher education;
- community colleges, funded largely by their local and state jurisdiction, and offering career training, two-year associate’s degree programs, and the first two years of bachelor's degree programs; and
- proprietary, or for-profit, schools, that often specialize in career and job-related training and generate profits for their owners.

Postsecondary education defined



Postsecondary education in the United States includes non-degree programs that lead to certificates and diplomas plus six degree levels: associate, bachelor, first professional, master, advanced intermediate, and research doctorate. The U.S. system does not offer a second or higher doctorate, but does offer postdoctorate research programs. Adult and continuing education, plus special education, cut across all educational levels.

## Number of U.S. Institutions of Postsecondary Education from 1974 to Present <sup>6</sup>

Year	All institutions			Public			Private								
	Total	4-year	2-year	Total	4-year	2-year	Total	4-year, total	2-year, total	Nonprofit			For-profit		
										Total	4-year	2-year	Total	4-year	2-year
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1974-75	3,004	1,866	1,138	1,433	537	896	1,571	1,329	242	---	---	---	---	---	---
1981-82	3,253	1,979	1,274	1,498	558	940	1,755	1,421	334	---	---	---	---	---	---
1991-92	3,601	2,157	1,444	1,598	599	999	2,003	1,558	445	1,662	1,486	176	341	72	269
2001-02	4,197	2,487	1,710	1,713	628	1,085	2,484	1,859	625	1,676	1,541	135	808	318	490
2011-12	4,706	2,968	1,738	1,649	682	967	3,057	2,286	771	1,653	1,553	100	1,404	733	671

The role of the Department is extensive and significant as it carries out its congressional mandate to ensure access to equal educational opportunity for U.S. students and to support, as well as complement, the work of the 50 states and the District of Columbia of the United States, local school systems, public and private educational institutions, public and private non-profit educational research institutions, the private sector, community-based organizations, parents, and students in improving the quality of education.

The broad mission of the U.S. Department of Education is that the mission of the Department is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. The Department fulfills this mission by advancing programs, activities, and services for all levels of education: pre-kindergarten, elementary, secondary, and postsecondary. In fall 2009, the most recent year for which it has data, the Department served 13,629 school districts and approximately 55 million students attending 98,817 public schools and 33,366 private schools. The Department's programs also provide grants, loans and work-study assistance to about 16 million postsecondary students out of a total of approximately 22 million students engaged in postsecondary education.

The Department is headed by a secretary of education, who is responsible for the overall direction, supervision, and coordination of all agency activities and is the principal adviser to the president on federal policies, programs and activities related to education. Two other key positions include the deputy secretary, who oversees and manages the development and implementation of policies, programs and activities relating to elementary and secondary education, and the undersecretary, who oversees policies, programs and activities related to postsecondary education, vocational and adult education, and federal student aid. The assistant secretary for Office of Postsecondary Education (OPE) reports directly to the undersecretary.

### The Office of Postsecondary Education (OPE)

For more than 50 years, programs, administered through legislation congressionally authorized under Title VI and Title VII of the Higher Education Act of 1965, as amended, and the Fulbright-Hays Act of 1961,

<sup>6</sup> NOTE: Data through 1995-96 are for institutions of higher education, while later data are for degree-granting institutions. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Changes in counts of institutions over time are partly affected by increasing or decreasing numbers of institutions submitting separate data for branch campuses.

SOURCE: U.S. Department of Education, National Center for Education Statistics, *Education Directory, Colleges and Universities*, 1949-50 through 1965-66; Higher Education General Information Survey (HEGIS), "Institutional Characteristics of Colleges and Universities" surveys, 1966-67 through 1985-86; Integrated Postsecondary Education Data System (IPEDS), "Institutional Characteristics Survey"(IPEDS-IC:86-99); and IPEDS Fall 2000 through Fall 2011, Institutional Characteristics component. (This table was prepared July 2012.)

have fostered opportunities for students to travel to and learn about cultures and specific curricula in other countries. This legislation has allowed OPE, with congressionally appropriated funds, to award grants to colleges and universities to develop curricula, to foster study abroad for U.S. students, and to assist students in gaining proficiency in languages spoken by other peoples around the globe.

Grant-making programs help faculty and students develop cross-border curricula and public-private partnerships, as well as dual and joint degree programs.<sup>7</sup>

There are two salient points in discussing a commitment to academic mobility and information:

- (1) Unlike countries such as Japan or Russia, the United States has a decentralized education system, which limits the authority of the U.S. federal government to determine curricula, programs of instructions, administration, or personnel for colleges and universities, schools, or school systems. The U.S. Department of Education does not establish schools or colleges; develop curricula; set requirements for enrollment and graduation; determine state education standards; or develop or implement testing to measure whether states are meeting their education standards.
- (2) Within the United States, the quality assurance standards established by U.S. accreditation bodies, as well as varying regulatory practices across the 50 states, the District of Columbia, Puerto Rico and the outlying areas, help determine the nature, extent and success of academic mobility programs and the sharing of resources across international borders. There are six regional accrediting bodies in the U.S. that determine quality assurance standards and practices at U.S. colleges and universities. These six regional bodies are independent, private, non-profit organizations.<sup>8</sup>

Within this decentralized context, OPE has had success in supporting academic mobility and information sharing across international borders. These successes may inform the efforts of CULCON to assist student exchanges between U.S. and Japanese institutions of higher education. Through its funded program work, OPE has found that foundational components of successful mobility programs include the following:

- (1) Consortia comprised of two or more institutions from each country (e.g., 2 institutions from the U.S. and 2 institutions from Brazil have served as a consortium in the U.S.-Brazil Program)<sup>9</sup>
- (2) MOUs between and among institutions (i.e., colleges and universities)<sup>10</sup>

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<sup>7</sup> Two of the most visible programs administered under OPE's Title VI legislation are the National Resource Centers Program and the Foreign Language and Area Studies Fellowship Program, which have allowed numerous colleges and universities to become national resources for providing educational opportunities for faculty, students and secondary school teachers in the area of less commonly taught languages and their associated world regions. U.S. colleges and universities participating in these programs have focused their energies and resources on the teaching of languages such as Arabic, Chinese, Hindi, Japanese, Korean and Urdu, to name a few. From these programs, the Department has learned how valuable it is for Americans to become well-versed in the cultures and languages of the places where they choose to study, live and work at different times in their lives. Annually, OPE programs provide more than 2,000 undergraduate and graduate students with the opportunity to enhance their foreign language skills and to learn more about other parts of the world.

<sup>8</sup> There also are numerous specialized accrediting bodies for different curricular areas. For example, an undergraduate engineering degree program to gain accreditation, it must pass a thorough evaluation by the Accreditation Board for Engineering and Technology, Inc. (ABET). ABET is the organization responsible for monitoring, evaluating, and certifying the quality of engineering, engineering technology, and engineering-related education in the United States not the U.S. Department of Education.

<sup>9</sup> A hallmark of OPE's mobility grants is to engage institutions as consortia. This enables a broadening of geographical access for students across the United States from a variety of types of public and private nonprofit postsecondary institutions, spanning community colleges, four-year colleges and research institutions. Working as a consortium enables institutions in the United States, as well as international partnering institutions, to diminish the fiscal and time constraints of recruiting students for student exchange and provide a broader base of student and faculty participation. It also builds networks of professional and collegial engagements for future endeavors across institutions.

- (3) Committed faculty from all institutions
- (4) Support from top institutional leadership
- (5) Agreement by faculty on a common curricular issue or topic<sup>11</sup>
- (6) Regularized, face-to-face communication involving all partners<sup>12</sup>

Typically, mobility projects center on a common curricular issue that transcends international borders and provides an opportunity for applying multicultural approaches to reach innovative solutions, expanding curriculum in various disciplines with multicultural perspectives, or broadening language and cultural learning. These issues are articulated in written agreements, with prescribed responsibilities, and activities and schedules for carrying them out. The agreements add structure and clarity to consortia arrangements and become the crux for curricula that faculty develop. In fact, it is the role of faculty to develop curricula that serves as the basis for a cross-country collaborative proposal, submitted to the respective governmental agencies for funding.

Although much can be achieved virtually these days, face-to-face communication has proven to be critical to the success of bilateral and multilateral mobility programs and provides an opportunity for technical assistance and brainstorming about solutions to possible inhibitors of continuous student exchange.

Through national resource and academic mobility programs, OPE has learned that research, program development and student exchanges designed to further economic growth and collaboration across nations are essential for building effective partnerships. This knowledge has helped to inform the Department's International Strategy, which was established in November 2012.<sup>13</sup>

The strategy was developed under the coordination of the International Affairs Office with input from principal offices across the Department, and with advice and recommendations from many external stakeholders, including those in the higher education sector. It is the first fully articulated international agenda to put into place a more systematic way of looking at international education from pre-K through grade 16 and beyond. It also provides a framework for domestic and international collaboration. The strategy came about due to the increased realization that students at all levels of education must be able to compete and cooperate in a globalized world. Global competency for all students is important in order to ensure economic competitiveness, promote national security and diplomacy, enhance collaboration with other nations to address global challenges, and work effectively with others within a diverse U.S. society.

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<sup>10</sup> Historically, the MOUs across institutions in the partnering countries have been formalized arrangements that elaborate guiding principles, including tuition reciprocity agreements, fee requirements (i.e., costs to cover books, health plans and the like), student recruitment strategies, numbers of students or faculty to study abroad, required curriculum, language training requirements, lodging arrangements, and so forth. These agreements also provide clarity of purpose and a joint commitment of good faith to participate in a common endeavor aimed at increasing student mobility and faculty collaborations. The first year of all funding has typically been dedicated to the establishment of an MOU between or among participating institutions. This serves to concretize and refine activities, objectives, timelines, and scheduling of mobility assignments for students and faculty.

<sup>11</sup> Typically, mobility projects centered on a common curricular issue which transcended international borders and provided an opportunity for applying multicultural approaches to reach innovative solutions, expanding disciplinary curriculum with multicultural perspectives, or broadening language and cultural learning. These issues were articulated in written agreements, with prescribed responsibilities, activities and schedules for carrying out responsibilities. They added structure and clarity to consortial arrangements and became the crux for curricula that faculty developed. In fact, it was the role of faculty to develop curricula which served as the basis for a cross-country collaborative proposal, submitted to the respective governmental agencies for funding.

<sup>12</sup> Although much can be achieved virtually these days, face-to-face communication was critical to the success of bilateral and multilateral mobility programs and provided an opportunity for technical assistance and brainstorming about solutions to possible inhibitors of continuous student exchange.

<sup>13</sup> The strategy is available on the Department's website at <http://www2.ed.gov/about/inits/ed/international/international-strategy-2012-16.pdf>

Intentionally broad in format and scope, the strategy's two overarching goals are to (1) strengthen U.S. education, and (2) advance U.S. international priorities. In order to work toward these two goals, the strategy is organized by three key objectives:

- Objective 1: Increasing students' global competencies
- Objective 2: Learning from other countries
- Objective 3: Engaging in education diplomacy

In part, the Department hopes to achieve these major objectives over the next several years by refining existing successful programs and by launching other new initiatives that stress the importance of a world-class education for all students. These aims or goals would appear to resonate with those of CULCON to increase U.S.-Japan exchange and build global competencies for citizenries in both the U.S. and Japan. A free flow of ideas—as well as academic mobility opportunities that are sufficiently flexible to spawn innovation and to overcome language barriers and challenges of student recruitment—are essential to making those aims a reality.

## Higher Education in Japan

### A) Trajectory of the Japanese higher education system

#### 1) Establishment of Japanese institutions of higher education in the modern era

The establishment of institutions of higher education as part of a modern educational system formally began with the promulgation of the Education System Order in 1872. Universities and professional training colleges (medical schools, law schools, foreign language schools, agricultural schools, etc.) were defined as institutions of higher education that could grant credits for study. The government recognized each university or professional training college as a national public or private institution.

With the promulgation of the Imperial University Order in 1886, the Imperial Universities were established. (Tokyo University, the first Imperial University, was founded the same year.) Under this Order, only Imperial Universities were authorized to grant credits. The University Order of 1918 allowed the establishment of private universities, paving the way for local governments to establish prefectural universities, private schools, and professional colleges. These institutions were allowed to grant credits.

Thus Japan's system of higher education developed under the guidance of the national government.

#### 2) Establishment of institutions of higher education after the Second World War

During the Occupation period, the basic policies for post-war educational reforms were established by directives issued by the United States occupation authorities (General Headquarters, Supreme Commander for the Allied Powers, or GHQ/SCAP) and the basic guidelines of the Ministry of Education.

These policies were based on the Ministry of Education's "Educational Guidelines for Building a New Japan," issued just after the war's end in September 1945, the four directives issued from October to December 1945 under the GHQ's "Administration of the Educational System in Japan," the "First Report of the U.S. Education Mission to Japan" issued in April 1946, and the "New Educational Guidelines" issued by the Ministry of Education in May of the same year. The Education Renewal Committee was established under the cabinet in August 1946 (later renamed the Education Renewal Council), and after that, important laws such as the Fundamental Law of Education and the School Education Law, which formed the basis for the new educational system, were successively formulated, based on the deliberations and proposals by the Committee, and enacted and executed.

Among the postwar educational reforms, the reform that attracted the most attention and raised the greatest expectations for its implementation and results was the introduction of the "single-track 6-3-3-4" school system which was aimed to realize a school system based on the spirit of equal opportunity. The Ministry of Education initiated reforms of the school system in accordance with this policy. This school system reform was a reform of the entire educational system, from elementary school to university.

Institutions of higher education were also greatly reformed on the basis of the concepts of the new school system. Under the previous system, institutions of higher education included universities (three-year system), university preparatory schools, high schools, professional training colleges, higher normal schools to train teachers, girls' higher normal schools, and boys' normal schools. After the war, these various institutions of higher learning were remade into the current four-year universities.

#### 3) Incorporation and decentralization of national universities

In 2004, the government decided to change the status of national universities from government institutions to national university corporations in order to enable these national universities, which provide excellent education to their students and conduct their own unique research, to better utilize their own ingenuity to become more attractive and distinctive institutions of higher education.

Through this change, various areas of authority, such as authority for the revamping of their organization and the execution of budgets, were transferred from the government to the national universities.

Moreover, in regards to private universities, which have long been carrying out their distinctive educational and research activities based on the principles of each school's founding, the government has limited its involvement in the approval of the establishment of private universities, their corporate management in accordance with relevant laws and regulations, the securing of higher education-related budgets, the evaluation of these universities, and so on.

### B) Current situation of institutions of higher education

The present situation of currently registered institutions of higher education is described below. In particular, the number of two-year junior colleges is decreasing due to their closing or transition to four-year colleges. Since fiscal 2001, the combined number of four-year universities and junior colleges has also been decreasing.

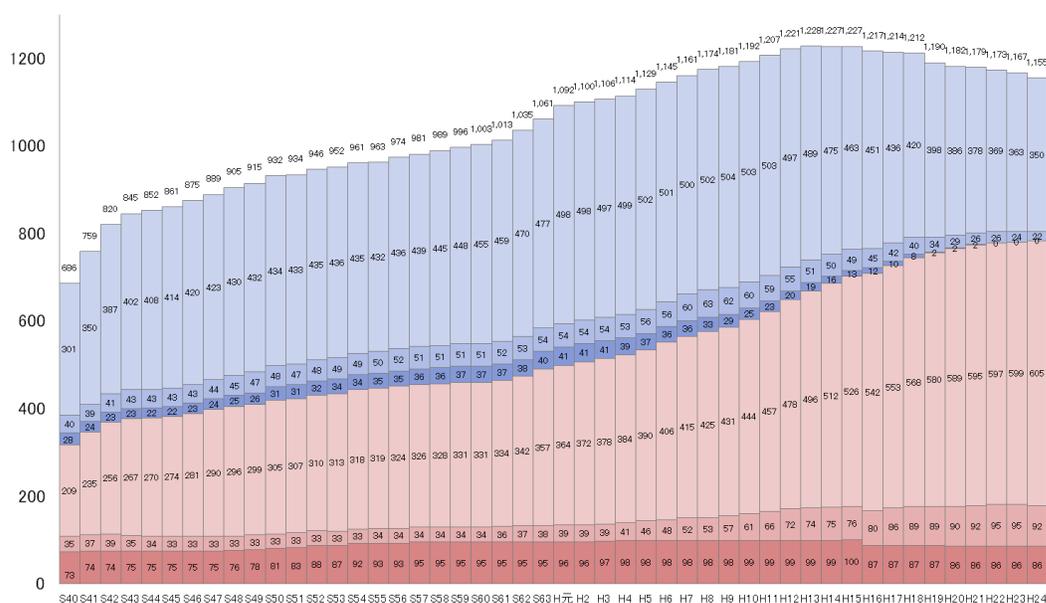
### Number of Universities

(As of May 1, 2009)

Category	Total	University	Of those on the left,:	Junior colleges	Colleges of technology	Specialized training colleges (with specialized courses)
			Universities with graduate schools			
Total	1,243	773	613	406	64	2,927
National	143	86	85	2	55	11
Public	124	92	81	26	6	200
Private	976	595	447	378	3	2,716

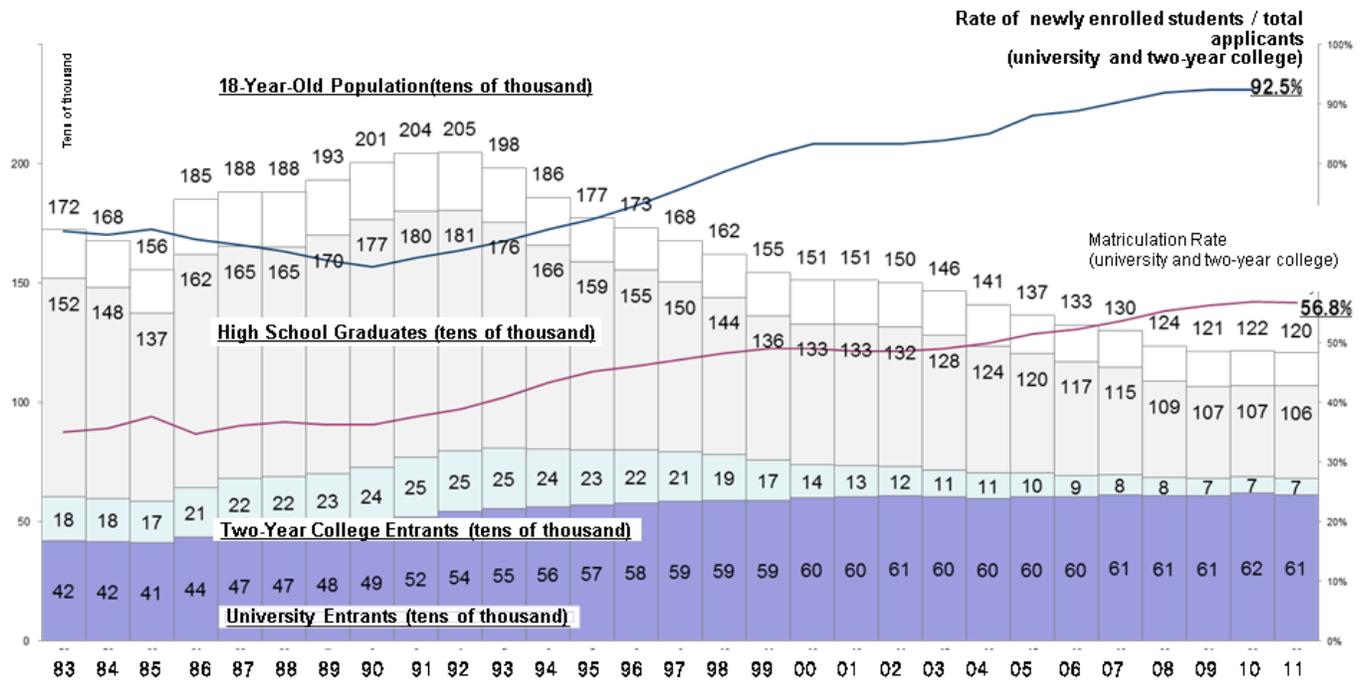
Source: MEXT, School Basic Survey

### Number of Japanese Institutions of Higher Education from 1965 to Present



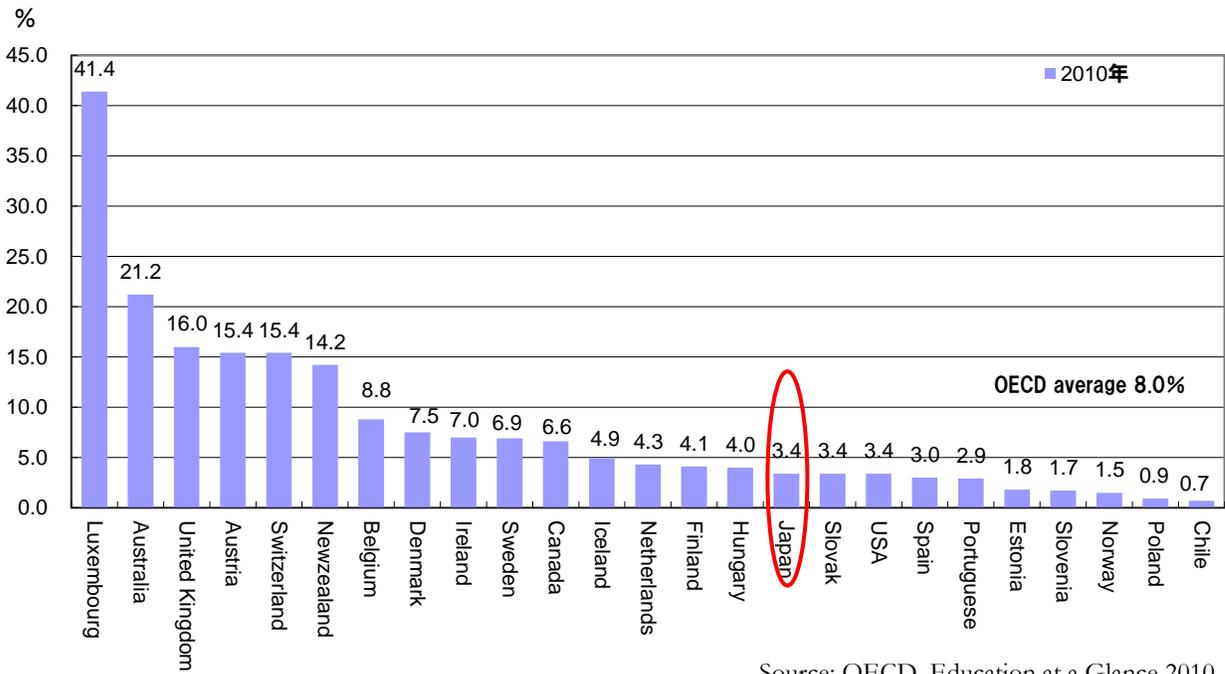
Source: MEXT, School Basic Survey

## Trend of 18-Year-Olds Population and Matriculation Rate Among 18-Year-Olds



Source: MEXT, School Basic Survey

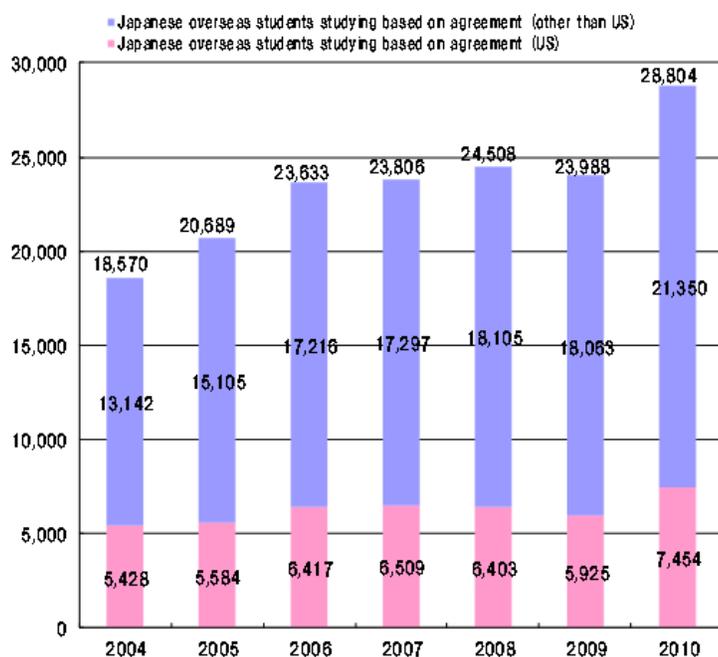
## Comparison of the Percentage of International Students Among OECD countries



Source: OECD, Education at a Glance 2010

## Trends of Japanese Students Studying Abroad on the Basis of Inter-university Agreements

**Numbers of Japanese students studying abroad based on inter-university agreements**



Source: "Report on Japanese Students Studying Abroad based on Agreements," JASSO

**Changes in number of agreements**

	National	Public	Private	Number
FY2007	5,407	519	6,914	12,840
No. with US universities	582	101	1,365	2,048
FY2008	6,335	600	7,932	14,867
No. with US universities	638	107	1,469	2,214
FY2009	7,463	729	8,979	17,171
No. with US universities	722	112	1,700	2,534

**Top 5 partner countries (FY2009)**

Rank	Country	Number of agreements
1	China	3,373
2	United States	2,534
3	South Korea	1,905
4	Britain	835
5	France	754

Source: MEXT

### C) Introduction of the 6-3-3-4 system and liberal arts education

The main features of the new postwar university system were: 1) a strong focus on general education, the primary purpose of university education is to develop human resources by providing them with a rich liberal arts education, ranging from the humanities to the social and natural sciences that fosters a broad insight; 2) an equally strong focus on academic research and specialist, career-oriented training, both of which aims should be pursued in a unified way. In other words, the universities that emerged under the new system were predicated on a concept that called for academic research and career development to be united upon a foundation of the liberal arts humanities. This new system was intended to rectify the practices of the former institutions of higher education pointed out in the report by the U.S. Education Mission to Japan of: "having too few opportunities for providing general education, having too narrowly focused specialization, and leaning too heavily on vocational education."

However, the following problems were encountered in pursuing these aims.

- 1) The preparation of a sufficient number of faculty members and relevant facilities in order to provide a well-rounded education through smaller classes and close contact between student and professor was not adequate. In many cases, the actual classes ended up being estranged from the concepts and goals of general liberal arts education.
- 2) The concepts and goals were not always fully permeated into the thinking of the organizations and faculty responsible for general education. For students, the contents of liberal arts education were just a rehash of high school education, while on the faculty side, the significance and aims of general education were not clearly understood; moreover, cooperation and collaboration with specialized academic departments was also not adequate.

3) The Standards for Establishing Universities, an ordinance issued by the Ministry of Education in effect from 1956 to 1991, decided a uniform classification for courses, such as courses in the humanities, social sciences, natural sciences, foreign languages, and health and physical education, the academic credits to be granted, and so on, but they did not conform with the situation of universities offering diversified curricula nor did they lead to a higher matriculation rate.

Because of these problems, liberal arts education could not be fully enhanced.

Due to this situation, the Standards for Establishing Universities were amended into a charter of general rules in 1991, and decisions about the definition of subject areas, the number of credits needed in each subject area for graduation, and so on were made more flexible. These matters were entrusted to the independent efforts of the universities in order to improve liberal arts education.

In concrete terms, the contents and goals of liberal arts education and specialist education were comprehensively reviewed and remade. A comprehensive model for liberal arts education, which combined major and minor courses of study centering on liberal arts education and specialist education (specialist education being completed in master's and doctoral courses and other professional degree program) and a professional training completion model (specialist education completed at the undergraduate stage depending on the characteristics of the discipline). It was an attempt to differentiate the particular special characteristics and strengths of the various universities.

In actuality, after the Standards for Establishing Universities were made more flexible, general education departments, particularly at national universities, which were responsible for basic and general education, were reorganized, and many were abolished. Many university faculty members, not limited to those in the former liberal arts departments, sought to be involved in basic and general education, but, as a practical matter, the problem remained that individual faculty members placed more importance on their research activities and specialist education, while having an undeniable tendency to think lightly of basic and general education.

As society has greatly changed, and the concept of cultural and general education has also changed, the enhancement of liberal arts education is a current issue, and the questions now being asked are: What kind of general education is society demanding? And what should specifically be taught in liberal arts education?

At present, when globalization is advancing in leaps and bounds, in order to foster Japanese citizens as truly international people, it is necessary to develop human resources who have acquired broad knowledge, understand Japan's position in the world, and can act on the international stage. The need to enhance liberal arts education is very clear, and further efforts for this are required.

#### D) New challenges for higher education in a global community

Since the end of the Second World War, various other efforts other than those described above have been carried out for the improvement of higher education. For example, in 1971, the Central Council for Education compiled a report (the "1971 Report") which recommended that the education and research then being carried out integrally by universities should be functionally differentiated and that universities should enhance their capability for university-wide self-management so that the running of universities can proceed more smoothly. These measures were carried out, with the establishment of the University of Tsukuba, which implemented these efforts, as a prime example.

In addition, from 1984 to 1987, the National Council for Educational Reform, which was directly attached to the cabinet, studied reform of the entire educational system. The Council's basic ideas about educational reform centered on three main goals: respect for individuality and diversity, establishment of a life-long learning system, and responsiveness to the coming new era. Reforms were carried out to enhance the training of professional specialists at the graduate-school level.

In 2000, the National Commission on Educational Reform issued its proposals for improving education, and in 2008, the new Basic Act on Education was enacted, paving the way for a fundamental revamping of the system of education in Japan.

Nevertheless, a number of problems remain.

One basic problem is that the educational functions of universities, particularly those of graduate schools, need to be improved. This stems from the fact that after the Second World War when the new educational system had been introduced, adequate financial measures could not be taken. When the new system was introduced, the most difficult problem was establishing new junior high schools. During the Second World War, the institutionalized advanced course of the National People's Schools, which had for many years been classified as primary education, and the part-time Youth Schools corresponded to the three years of middle school education, and after the war, they were organized into junior high schools. The establishment of these junior high schools required enormous financial resources, and adequate resources could not be allocated for higher education improvement.

In addition to these issues, another major problem that should be raised even now is the qualitative and quantitative provision of higher education and the university management methods for this.

Regarding the quantitative provision of higher education, in response to two baby booms starting from around 1965 and 1986 respectively, the Ministry of Education formulated plans regarding the capacity management of universities, but since 1993, these quantitative plans have not been formulated. Particularly with the advance of decentralization, the Ministry of Education's authority for approving the establishment of new universities has become very limited, and the systematic quantitative management of capacity and trying to keep a balance between urban and regional areas has become difficult.

However, since Japan's rate of university matriculation is lower than the OECD average, and with the emphasis on universal access to higher education, some quantitative targets should be set for matriculation to Japan's institutions of higher education and strong efforts made to achieve them.

In regards to the qualitative aspect of higher education, the Japanese government has made numerous proposals for improving the quality of higher education, beginning with the report by the Central Council for Education compiled in 2012, which called for increasing the number of classroom hours for students, and promoting faculty development for enhancing the quality of university education.

In our globalized society, it is imperative to ensure the quality of university education. One key will be to determine to what extent university credits and degrees can be mutually recognized among universities under the various standards being studied by the OECD and other international organizations.

Lastly, the management of universities is another important factor affecting the quality of education.

For example, important questions for the qualitative improvement of university education will be to what extent universities will be able to employ management methods based on market principles, with the diversification of parties involved in university management, how can the views of these divergent parties be coordinated and adjusted, and what kind of system should be made for accomplishing this.

## Appendix 2

### **Most companies utilize an annual spring hiring cycle**

*Percentage of companies that hire only once a year based on an annual spring cycle*

*(Broken down by recruit type)*

- Japanese new graduate (69.4%)
- Japanese student with study overseas experience (59.1%)
- International student in Japan (64%)
- International student studying overseas (44.9%)

*Source: Keizai Doyukai*

The survey results also indicate that a change to the hiring schedule remains distant with approximately half of the companies that hire only once a year, indicating “no plans” to implement fall or year-round hiring cycles.

### **Companies do not have plans to implement fall or year-round hiring cycles**

*Percentage of companies that do not have plans to add “fall” or*

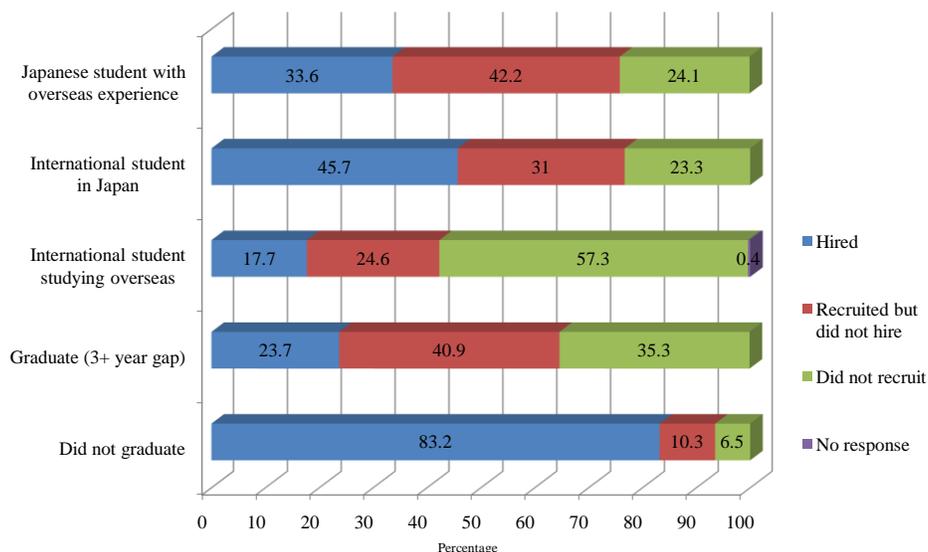
*“year-round” hiring cycles to the existing spring cycle*

*(Broken down by recruit type)*

- Japanese new graduate (54%)
- Japanese student with study overseas experience (49%)
- International student in Japan (49.1%)
- International student studying overseas (43.2%)

*Source: Keizai Doyukai*

## Hiring trends over the past year



Source: Keizai Doyukai

Other data points related to the hiring of new graduates are included in the text box below.

### ***Other Points from Keizai Doyukai Survey of Hiring and Education in Japan***

*255 company responses reflecting 24,500 new graduate hires (31.2% response rate)*

*(Sept. - Oct. 2012)*

- Over the past year, irrespective of industry, more companies hired non-Japanese who studied in Japan than Japanese who studied abroad.
- Irrespective of industry, Japanese students with overseas experience (JSOEs), international students in Japan (ISJs), and international students studying overseas (ISSOs) account for less than 5% of the total new graduates hired.
- More manufacturing companies hired JSOEs, ISJs, and ISSOs than did non-manufacturing companies.
- Reasons given by companies for targeting JSOEs include “linguistic ability,” “proactiveness,” and “expectations for presentation and other skills.”
- More than half of manufacturing and non-manufacturing companies did NOT recruit ISSOs. Those companies that did, sought to place the ISSOs in the Japan head office.
- Of those companies that hired JSOEs or ISJs, the following plan to increase their hiring of JSOEs or ISJs in the coming year.
  - JSOEs: manufacturing 34.3%; non-manufacturing 11.9%
  - ISJs: manufacturing 32.7%; non-manufacturing 15.1%
- Approximately half of those companies that did not hire exchange students plan to target exchange students in their recruiting in the coming year.
  - JSOEs: manufacturing 60.0%; non-manufacturing 55.3%
  - ISJs: manufacturing 57.6%; non-manufacturing 48.9%

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**日米文化教育交流会議**

**The United States - Japan Conference on Cultural and Educational Interchange (CULCON)**

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