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**JAPANESE HIGHER EDUCATION AND ACADEMIC  
CAPITALISM: A FRAMEWORK FOR ANALYSIS**

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*Abstract*

The 2004 structural reform law that corporatized national and public universities in Japan, endowing them with broad administrative autonomy from the Ministry of Education, placed Japanese higher education under the microscope of scholars versed in the academic capitalism theory. Contrary to what this theory would suggest however, this shift in the governance of Japanese state universities, besides being inexorable, was in retrospect neither “a great deal of change”, nor a sudden one. Moreover, what is largely overlooked is its relation with other recent and compelling initiatives such as offering more English, entrepreneurial and technical courses in the university curriculum, as well as training students in global business and industry practices, whereby capitalism is served. To alternatively argue that Japanese universities are suddenly following global trends is also trivial to the understanding of this disposition, intended not to retire universities from their legitimate role as centers of scientific scholarship and humane critique, but to gradually increase their efficiency for the capitalist surrounding order. By merging the theory of academic capitalism with the model of incrementalism in policy, this article outlines a theoretical framework for addressing such small and gradual changes, arguing that they are all incremental stages in the augmentation process of a capitalist higher education.

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## 1. Introduction

Scholarly efforts concentrated on recent reforms, attitudes and trends in the Japanese higher education (JHE) tend to asunder and then analyze changes, without proving or disproving the existence of a correlation between them. Entire books have been dedicated to in-depth studies concerning the internationalization process of JHE (Breaden, 2013; Mock, Kawamura, & Naganuma, 2016; Stigger, Wang, Laurence, & Bordilovskaya, 2018), the ever-increasing emphasis that Japanese universities have been placing on the English language (Toh, 2016; Bradford & Brown, 2017), and the 2004 law that transformed Japanese state universities into corporations (Eades, Goodman, & Hada, 2005). The conclusions often drawn from considerations along these frontlines of change give little or no explanation on how they collectively change the JHE.

The lion's share of descriptive theories needed to underpin each of these instances of change could neatly be developed or verified, and the general traits of the subject matter are well known. Any such approach however fails to account for a possible relation between these lines of change, and whether or not they have a common point. A relational theory is needed to reveal how these changes relate, combine and work together towards the success of JHE, which might have not otherwise existed.

Academic capital is essentially a relational concept because it exists in relation with other forms of capital: economic capital (for universities to exist in the first place), cultural capital (Bourdieu, 1986), human capital (Abel & Deitz, 2009) and social capital (Bourdieu 1986). The same is true of academic capitalism, a theory that unfolded from an analysis of the relations between institutions of higher education and the knowledge society (Slaughter & Rhoades, 2004). Although this theory is particularly necessary for the purpose of the study presented here, as it explains the transformation of higher education from a public good into a commodity, it is not sufficient. The theory of academic capitalism was conceived with the academia of the United States of America in mind, and to some extent can be applied in Japan too. While this change in the USA has been rational, in Japan it has been incremental. Lindblom's theoretical policy of rationality (1959) provides that missing feature in the academic capitalist framework, one that can be extremely useful in making sense of the trajectory of change in JHE.

## 2. Problem Statement

Several common problems have been identified by and large in academic works dedicated to the analysis of JHE and published in the past two decades. Despite Japan's broad distinctiveness from other countries, an increasing number of non-Japanese scholars have ventured into studying it, and often building their arguments on theories formulated to serve analysis concerned with another country. While their efforts are nevertheless admirable, the results may often be unconvincing, in particular to the Japanese themselves. A captivating theory such as that of "academic capitalism", for instance, was imported from the USA and brought to serve its purpose in Japan. The result of this sort of analysis, such as the one published by Chan-Tiberghien (2010) seems to lead to the conclusion that JHE has somewhat gone wrong.

An even more captivating approach is that of the Japanese scholars who tend to itemize and then analyze each instance of change in JHE. K. Yamamoto (2004) is a very good example along with his work on national university corporations. His analysis focuses strictly on the real versus expected outcome of the 2004 law that transformed Japanese national universities into corporations. He found that students and

academics have not yet overpowered the ministry officials, that the control over academic produce is more flexible, and that almost all universities recorded a surplus at operational level. It is plain to see that a lot can be said to counterargue the claim that Japan is going the wrong way with its higher education. Although Yamamoto suggests that university corporatization in Japan may result in increasing performance and decreasing equity, in the light of historical evidence, JHE has never truly been about equity.

In Japan, higher education was founded and developed as an elitist enterprise, with rather high tuition fees and, a constant far greater private involvement than a public one. It was with the emergence of student loans that access to the less wealthy has become possible, fact that obviously means that in the absence of loan systems, universities would only have students from affluent families. It is difficult for Japan to claim fairness in its higher education-oriented policies, when compared with the efforts of countries such as Norway, Iceland, Denmark, Sweden, Finland, Croatia and even Romania, where undergraduate education is entirely or largely free of charge. With this fact in mind it is easy to observe that the tendency towards a capitalist mode of academic production can be traced back to the very beginnings of JHE, and one need look no further than Japan's rank in the world's global powers, its industry and infrastructure to see that, whatever the nature of its economic system, JHE cannot have gone that wrong.

Another similar problem appears in reflections on the internationalization of JHE. Breaden (2013) has developed a fascinating account of the organizational changes that have internationalization at its core. It is difficult to triumph over the arguments presented in his work, and many other works concerned with the internationalization of JHE. There is however one question on what such focus of study is aimed at, when so little can be said about the identity of the JHE. Foreign influences: Dutch, German, British, North American etc., have always stood at the heart of JHE, and no one ever proved that it did not contribute to the country's undeniable economic success.

The view here is that, although there is truth in each of the conclusions drawn from such studies, they all fail short at establishing a relational framework of analysis between changes in JHE. Academic capitalism comes closest to explaining the trajectory of this multitude of changes, however not unaltered.

### **3. Research Questions**

The academic capitalism framework may serve well as a theoretical base for explaining "great deals of change" that higher education in the USA has undergone in its transition from university education to university capitalism, changes that could have otherwise been resisted (Slaughter & Leslie, 1999). If academic capitalist behaviour is broadly described as organizational/individual strategy, how can it be studied in contexts of state policy? How can academic capitalism explain the universities' economic integration process that is neither a model of rational choice, nor one of bounded rationality? And finally, what variant of academic capitalism could explain the relation between inexorable processes that are enacted gradually and over time?

### **4. Purpose of the Study**

The main aim of this article is to attempt the achievement of a more multi-faceted understanding of the institutional and individual behaviours unfolding in the process of higher education marketization in Japan. This paper addresses academic capitalism, conceived as a phenomenon characterized by major

changes that can be avoided, to argue that this perspective can be altered to offer different interpretations, and, for this propose, to complement it with the idea of *incrementalism*. This concept is used in political science to denote a method of sensible change in public policy, and was borrowed here to introduce a relational variant of academic capitalism, one that does not account for flexible strategy alone, but for rigid policy too.

By jointly employing two theories whereby a case is examined, either one of those theories, or both evolve, or something entirely new is created. In hope for the latter it shall prematurely be given a name: incremental academic capitalism (IAC). Many respectful scholars have flirted with the idea of academic capitalism in Japan, and some regard it as a change urged to ensure that universities in Japan will not be left behind in global academic schemes (Chan-Tiberghien, 2009). Incrementalism is richly documented as an important component of a variety of policy areas in Japan, such as the security policy (Hosoya, 2016), defense policy (Delamotte, 2011), budget policies (Campbell, 1977) etc. Such studies seem to assert that, in Japan, the focus is on making things better without fixing what is not broken, and that the Japanese are not very keen on making radical changes. Anyone well acquainted with Japan would most likely agree that the policy prospects for the Japanese academia should be no different. A question may arise as what could “making things better” really mean in this context? Just as in terms of a product it may mean better quality or better way to turn an even bigger profit, in education policy too, it may mean higher educational standards or higher earnings. These considerations, however, generate questions for future consideration, as this paper is not concerned with the praise or criticism of any general or particular change, but with a more suitable theoretical conceptualization of the relationships between the most highlighted of these changes: corporatization of Japanese national universities, internationalization of Japanese higher education, introduction of entrepreneurial subjects in the university curricula, and the increasing importance given to the English language.

A secondary purpose of this paper is to rid IAC of the demonizing connotations given to academic capitalism, by identifying undeniable merits of efficiency in the JHE “enterprise”, at least partially as a result of changes towards academic capitalism that were made in incremental manner and over time.

## **5. Research Methods**

As this article is aimed at defining a new variant of an existing theory in order to model an understanding of the reality behind the marketization tendencies of Japanese higher education marketization, the social constructionist method was considered most appropriate, mainly for its strength in capturing the specific and the particular (Turnbull, 2002). The social constructionist method is dependent on high capacity of perception, whereby the researcher’s experience is affirmed through authentic insights. The role of this research method is consistent with the qualitative characteristics, inductive driven rationale, and the application research phase of this study.

## **6. Findings**

Empirical evidence and literature suggests that JHE is a more a business enterprise than a fountain of knowledge. Whether the diagnosis given is marketization, quasi-privatization, internationalization or globalization, the otherwise very useful theories leading to such conclusions take no account of scale, pace

or time. If a major change is indeed happening in the JHE it is unclear when it occurred, or how large were the jumps it took to make it happen. It cannot suffice to say that Japan was influenced by globalization forces, and suddenly began to fuel its education engine with more English, to attract more foreign students, to hire more non-Japanese academic staff, to increase the number of graduate students and whatever else would be necessary to improve its competitiveness on the global higher education market. The findings contradict such assumptions and the theory at the core of criticism against higher education in USA seems to work in defense of JHE.

The academic capitalism theory proved especially useful because of the clarity of concepts used to underpin the problems that higher education is facing in the USA. By limiting the focus on curriculum and instruction, Rhodes & Slaughter (2004) give a solid account on how universities take decisions that are most likely to generate revenue, such as from grants and patents. The authors made a brilliant point about the intellectual property policies whereby the institution comes to own the intellectual produce of a researcher who used the facilities and/or technology of the institution. Such policies have a pronounced character in JHE and they accompany the scientific endeavors of all students and researchers. The difference lies in a most remarkable aspect with respect to the fact that Japan's percentage of researchers who emigrate is lowest among all countries accounting for at least 10% of emigrants<sup>1</sup>. The same can hardly be said about scientists in USA, many of whom being immigrants themselves. This is considered relevant for two reasons: on the one hand, assuming that researchers are among the highest educated population of a country, their flight would amount to a significant loss for that country (Japanese researchers are not much tempted to leave Japan obviously because the jobs market proves capable of accommodating most of them), and on the other hand considering that researchers are not all teachers, the fact that their feet "vote" to carry out research in Japan proves that their government supports it to a satisfactory extent.

Despite fierce criticism such as that from the highly knowledgeable McVeigh (2002) who otherwise seems to have set out to strip JHE of all dignity, Japan does not seem to be deflected in its course. English is still not embraced in the colonial ways, together with culture, religion and whatever else would be needed to satisfy colonial goals. The ways in which Japanese teachers teach, and that in which Japanese students learn, the way they interact or speak, is altogether not quite as a foreigner would typically expect or like. However, what matters for higher education is that it serves its country well, and not that it is acclaimed by or appeals to those from outside. To some extent JHE has increasingly been considered by many a good destination to study abroad, as the enrolment of international students constantly rose since 1970. Needless to say that, with 11 Nobel Price winners in the past 10 years, all in the fields of Physics, Chemistry and Physiology/Medicine, it is wrong to deny that JHE might have been doing something right.

In terms of number of students, Japanese state universities had 760,914 students in 2016 and private universities 2,112,710. In 2016 there were 132,267 academic staff employed full-time and part-time in national and public universities, and 248,257 in private universities<sup>2</sup>. It is almost evident that the fate of JHE rests on private shoulders, but this does not necessarily mean that the Japanese government has lost its grip on higher education. The establishment of a private university depends on the adoption of the Ministry of Education (MEXT), who retains the authority to approve the academic programs and assign student

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<sup>1</sup> OECD, 2012; Economist, 6 December 2012

<sup>2</sup> Statistics of Japanese higher education of the Research Institute for Higher Education, Hiroshima University. Available at <http://rihe.hiroshima-u.ac.jp/en/statistics/synthesis/>

quotas in all types of higher education institutions. In Japan, higher education can hardly be separated from research. Faculty members of a higher education institution (national, public or private), with a researcher number can apply for one (or more) Grant-In-Aid for Scientific Research (public funds). Around 30% of the grant awarded to the researcher goes to the institution of patronage (such as university) to supervise the proper use of these funds. The 2017 budget was 228,400,000,000 yen (approx. 2.09 billion USD), a far cry from what McVeigh called a “myth”.

Since there is not much difference in scope, many of the arguments used to build up the academic capitalism theory can be applied to the study of JHE with ease, and yet not as convincingly as in the case of the USA, at least because of a simple differences in scale, pace and time. Academic capitalism seems to have evolved in the USA as large-scale behavioural change, whereas in Japan it may be as old as JHE itself. Furthermore this change is structural and influenced with small steps taken towards a fuller scope, over time - what Lindblom (1959) called incremental changes in policy. Incrementalism is needed in consideration of ways in which public policies are altered, and it is the non-revolutionizing alternative to more radical changes. An incremental change is desirable because of its greater chances of acceptance and fewer risks.

In many ways Japan is considered difficult to change and this should not only be taken on a negative note. McVeigh observed how old policies would only see modifications instead of fundamental changes. It is however needless to revolutionize for the sake of revolutionizing. A downright privatization of state universities in Japan would have been a fundamental change, but it has neither happened, nor is it expected to happen. Turning state universities into corporations has resulted in a substantial decrease in capital expenses, from 322,647 million yen in the year before the law was passed to 203,508 million yen in 2015.

The increasing emphasis on changing the curriculum to include entrepreneurship education, practice-based and technical courses, marks another incremental change in JHE. Analyzing these changes in the light of global competitiveness may undermine its overall scope as an incremental change in the public policy of the academic capitalist sort. In 2001 the ministry adopted a “Policy for a Structural Reform of Universities” from which unfolded a series of reform and subsidy programs, such as the 21<sup>st</sup> Century Centers of Excellence, the Global Centers of Excellence, the International Priority Graduate Program, the Program for Leading Graduate Schools, the Exploration and Development of Global Entrepreneurship for Next Generation, and recently the Leading Initiative for Excellent Young Researchers, all reportedly aimed at raising the educational standards in Japanese universities. Since the debut of the Program for Leading Graduate Schools, graduate education received an imperative to relate to industry in a much more significant manner than ever before. In order to be selected for the execution of these reformative initiatives, universities compete with a multitude of proposals and, once adopted, embark on new educational ventures. Most such programs unify the Master’s and PhD educational cycles, and introduce modules that emulate processes common to industry and alter the curricula to add practice-based courses, overemphasizing the importance of natural sciences, of innovation, the English language and project management/entrepreneurial experience. Although programs like these do have the capability to augment academic capitalism, they do not revolutionize academia in Japan, for they are not intended to.

## 7. Conclusion

The theory of academic capitalism as defined by its proponents is inadequate in the case of JHE for the following reasons:

1. the strategy thesis that does not account for policy;
2. the resistance thesis that ignores inexorable change;
3. the grand change thesis renders small change insignificant;
4. the sudden change thesis neglects change affected over time.

If the academic capitalism theory is to accommodate an alteration of the four thesis above, incrementalism is the missing component its framework. The findings presented in this paper prove that when taking all incremental changes together, and analyzing their effects over time, efficiency leaps become more evident. Incremental steps foster encouragement and reduce the risk of disruption, and it was Japan who taught the world the word “kaizen”, a model that many organizations follow. Academic capitalism in Japan seems to unfold in a systematic manner, through incremental changes in education policy. Despite allegations of opponents, stakeholders in JHE seem to have been almost passive to the transition, either because it was not disruptive or because it was embraced, but certainly not because their rationality was bounded.

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