

## Abstracts

### International Comparison of Higher Education Cost Sharing and Japanese Challenges

**Masayuki Kobayashi** (The University of Tokyo)

This paper examines the present situations and the problems of the burden of Japanese higher educational expenses and tries to show future prospects, displaying models of the three views on education and the principle of the burden of educational expenses from the viewpoint of an international comparison, considering the current trend of the “free-education argument.” The analysis clearly shows the heavy family burden of higher educational expenses, as well as strongly supporting the view that education is a responsibility of the family in Japan, which is revealed by the international comparison and our survey results. However, higher educational expenses depending on such a heavy family burden seem to have come to a limit, and in 2017 two measures to reduce the family educational expenses burden were established. One is a grant for undergraduate students, and the other is the new income-contingent student loan program. Furthermore, the New Economic Policy Package issued by the Cabinet in December 2017 advocates an enormous annual sum of approximately 800 billion yen to be spent for the reduction of the heavy burden on lower-income class families. I will examine the background, characteristics, and problems of these initiatives, and suggest the perspectives of a higher educational expenses burden in the future.

### The Significance of New Grant Type Student Scholarship from the Historical Viewpoint of the Japanese National Scholarship System

**Yuji Shirakawa** (Chiba University)

This paper examines the meaning from the historical point of view of Japan's scholarship the grant type scholarship system newly established in 2017. The new system has a groundbreaking meaning for the scholarship system in Japan, which was made with only the loan system. Historically, interest-free lending and exemption from refunds were institutional characteristics of Japanese scholarship. When this was lost due to the system change up to 2004, the way of the scholarship system was criticized. Under such circumstances, a new system will be created in 2017 with political leaders behind the 18-year old voting rights. There is also a problem to be improved in the new system. But currently, the grant type scholarship system will be an important institutional foundation while the cost burden of higher education is being rebuilt.

### A Review of Research on the Returns of Higher Education in Japan

**Masakazu Hojo** (Komazawa University)

This article briefly reviews the domestic literature on the returns of higher education. Previous research shows that the average returns from four-year university education have been stable at 6-7 percent for the past three decades. However, several studies find that the returns of university education are heterogeneous across individuals. The returns are lower among those who have a poor learning experience at university or fail to find jobs compatible with their education. However, it is difficult to estimate the returns to one's education accurately before entering university. In addition, it is well known in the field of education economics that overestimation of the risk for low returns to education at the individual level may result in underinvestment in education at the social level. Currently the Japanese government aims for the expansion of student aid and scholarships, mainly targeting the low-income households. These policy changes should increase the potential demand for higher education. Mismatches in education, i.e., a situation where a person who is not worth investing more in higher education goes on to college, are unavoidable, so we must explore ways to reduce this.

### Dispensing with Fees for Higher Education and the Possibility of the Sector's Reorganization

**Kiyoshi Yamamoto** (The University of Tokyo)

The Government has decided to introduce a policy of dispensing fees for higher

education whose target will be limited to students of low income households. The policy change was a little bit surprising owing to the Japanese higher education system where the share of private money is larger than public money in its finance. Its character has been distinguished compared to other developed countries. Of course, dispensing fees will lead to enhanced enrollment to higher education, especially universities, in low income families, and as a result will affect the finance for higher education institutions, because the total population and younger generation in Japan have been shrinking. It is noteworthy that in Japan new entrants and enrolled students are young people under 25 years old. From this perspective, the figures of higher education in 2030 to 2040 are forecasted by a scenario analysis based on the population projection by the government. The fiscal sustainability is estimated using a cash flow analysis for education activities in universities. The results show that approximately 40 percentage of private universities will be placed at marginal conditions, although the free charge for higher education will increase the enrollments of the young generation into universities. On the other hand, the financial situation of the university sector as a whole might be kept in the present condition, if the new demands for recurrent education will emerge accompanying the coming the age of 'one hundred human lives'. As such, the fee policy for higher education shall be explored not only from the reorganization of the university sector but also from social, economic, and labor policies. Also, in case of universities in rural areas, the relations with national and public universities and local development policies have to be discussed in addition to the above.

#### National University Corporations' Changes in Revenue Structure and Their Missions

**Kensuke Mizuta** (Taisho University)

All Japanese national universities were separated as National University Corporations (NUCs) from the Ministry of Education at the beginning of FY2004. Since then, their revenue sources have been less dependent on the operating grants provided by the Ministry under the government's austerity measures imposed on its arm's length bodies, and have been more diversified by their efforts to get donations, contracted research, and other contestable and project-based money. On the surface, their efforts have looked to be plugging their revenue shortfalls so far; however, we have to look at the characteristics of their new sources, which have been one-off, volatile, fixed-term expendable, and unpredictable. This paper hypothesizes that the past changes in their revenue structure are high likely to have damaged their core business of education and research; especially, the characteristics of the new sources have made NUCs hesitate to invest in their human resources because their cost is fixed over the medium term and needs predictable sources. Firstly, this paper confirms how much the NUCs' revenue structure has been changed over more than a decade, then investigates its effects on their core business empirically. The results tentatively prove that the volatility of government expenditure and the institutional intention to increase fixed-term contracted faculty members have possibly caused negative effects on educational outcomes, and that the increase in contracted research and other projects have possibly hindered the stable employment status of researchers. Further comprehensive study will be needed in order to clarify those tendencies and to make certain policy advice on this issue.