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**What is “Science for Policy”? : Interview series #2:
Dr. Takayuki Hayashi, Professor, GRIPS**

This is a brief summary translation of the article on the interview to Dr. Takayuki Hayashi, Professor, National Graduate Institute for Policy Studies (GRIPS) that appeared on the online journal “Academist Journal.” The original is here (<https://academist-cf.com/journal/?p=10294>) in Japanese. This is the second of a series of 4 interviews on “What is ‘Policy for Science’?”

Ever since the change of status of the Japanese national universities to national university corporations in 2004, the non-competitive government funds (provided by a formula set by the Ministry of Education, Culture, Sports, Science and Technology: MEXT) to the corporations have been decreased by 1% every year. The academic members insist that the non-competitive funds should not be decreased to avoid the basic functions of education and research at universities from becoming vulnerable. The Ministry of Finance (MOF) opposes that idea by saying that national university corporations should survive without relying on the taxpayers’ money. This discussion has been going on and on for a long time without an end. The idea common to both parties is to have the national university corporations to develop. Why is the gap not closed?

Q: To think about the appropriateness and future strategies for the Japanese government’s decreasing 1% (ca. Yen 10 billion) /year the non-competitive funds to national university corporations, we would like to know how things are going on in other countries. Would you tell me how is the government’s non-competitive funds to universities in other countries?

A: After the Lehman Shock in 2008, the non-competitive funds from the government to the universities have drastically decreased in Europe and the U.S. In Europe, although it depends on the country, most of them decreased the funds in 2012 rather than 2008. However, they have been returning back to the original level of funding.

Q: Theirs have been decreasing since the Lehman Shock. Are there any countries that increased such non-competitive funds?

A: Germany, for example, has increased 20% of the funds since 2008. The government has been promoting an education policy to increase the number of university students. However,

the universities could not bear the financial burden to catch up with the increasing number of students. Taking this opportunity, the universities managed by the local governments began to be supported by both the central and local governments, which ultimately increased the funds.

Q: Is there any example that the government funds to the universities have drastically decreased in other countries?

A: The funds in the UK have been decreased by 20% when the UK government stopped providing funds to the universities' education costs and increased the tuition cost from £3,000 to £9,000. Then, the government introduced a student loan system that makes the students return the loaned money after having jobs. This means that the government did not provide its funds to the universities, but through the students so that the popular universities could receive the government funds indirectly.

Q: So, it means that the government left the funds with the students' market and made the funds "competitive."

A: And, to enhance a healthy competition between the universities, the government provided the information the students need in selecting their universities. The government evaluated the universities from public standpoint and informed the students which university is excellent in what points. This may have been possible because of the unique UK culture that the students are very proactive in forming universities. The students' representatives are participating in the university management meetings in the UK, which would not be seen in Japan.

Q: The culture plays an important role in making policy decisions. How about the U.S.?

A: Like the cases in Europe, the United States has been recovering the funds after the Lehman Shock when they were decreased. However, the funds have not returned to the level before the Lehman Shock days. Every country would have difficulties in managing universities, if it is relying only on the funds from the central and local governments. The diversity of funds for university management would be a common issue for all countries.

Q: Did the Lehman Shock affect Japan in the same way as it did for the U.S and Europe?

A: It was minimum for the Japanese government's non-competitive funds to the universities, although the cooperative research funds that include industrial investment may have had. The non-competitive funds to the national university corporations have been decreasing 1% every year, but the total government funds to the universities have been increasing when they are combined with the competitive research funds.

Q: You mean that the government funds to universities have not recovered to the level before the Lehman Shock in other countries, but they have been increasing in Japan?

A: That is correct. It has been taken as an issue in Japan that the government's non-competitive funds to national university corporations have been decreasing, but it is not only for Japan. As the government's total research funds to universities have been increasing, the voices complaining about the decrease of non-competitive funds may sound weak.

Q: You mean that the total amount of non-competitive funds may not be an issue. Then, what do you think is an issue in Japan?

A: I think that the issue is not the total amount of non-competitive funds, but the distribution method of the funds. The amount of the non-competitive funds was decided depending on the number of students and faculty members before 2004. However, after 2004 the funds have been decreasing by 1% every year based on the amount before 2004.

Q: If the funds are decreased by 1% every year for all the universities, it is likely there is no problem for distribution.

A: Actually, in addition to the 1% decrease every year, the system has changed since 2016 in that each university is required to pull out a part of the non-competitive funds which will then be re-distributed as competitive funds. The total re-distribution amount was Yen 100 million in 2016, Yen 200 million in 2017 and Yen 300 million in 2018. The re-distribution amount has thus been increasing.

Q: What is the criteria for the re-distribution?

A: Each university submits its university reform plan to the Ministry of Education, Culture, Sports, Science and Technology (MEXT). Depending on the Key Performance Indicator (KPI), the re-distribution amount is decided. There are two major problems here. As a matter of fact, university reform requires funds. A university can pursue the reform plan, if they are given with the additional funds for reform, and cannot, if their funds are decreased. The re-distributed funds are sorted as "function-strengthening expenses" whose use is limited compared with the "core expenses." This is making the university management difficult.

Q: It is said that the re-distribution funds will reach 10% (ca. Yen 100 billion).

A: It means that the core expenses are decreased by 10%, which makes it more difficult to hire the staff. The criteria for re-distribution is an issue after 2019. The original intent was to re-distribute the budget for education and research, but the criteria for re-distribution is placed on whether the annual salary system has been introduced and a new accounting system has

been introduced, which are irrelevant to the education and research. No other countries have placed government amount to universities based on the previous year's amount or any other index that are irrelevant to the education and research.

Q: Would you show some examples in other countries?

A: The distribution methods can be categorized as follows: 1: Negotiation: the ministry in charge of higher education and universities negotiate the amount without making it public; 2. Historically determined: just like the Japanese non-competitive funds; 3. Funding formula: it depends on the formula like the number of degrees earned, but not the number of students; 4. Performance contract: the government and the universities make contracts on, for example, the number of foreign students to be accepted. When we take a look at the world, more and more countries are taking "Performance-based funding."

Q: If the distribution depends on the performance like education and research, the amount of non-competitive funds would change every year?

A: Some may say that it is a problem to have different amount of non-competitive funds every year, but the amount in other countries is based on the index for number of degrees earned or the number of papers. These numbers may not be stable, but do not change drastically. Thus, it is important to have a system to distribute competitively and stably.

Q: So, it would be important to decide what index is taken?

A: It is very difficult to make balance between quantitative index and stability index. Every field cannot be evaluated only by the number of papers. When we think about the research performance in human literature, it cannot be evaluated only by the number of papers and publications, but requires to review the translation of academic papers, compilation of historical materials, overseeing of museum exhibitions, all of which cannot be included in the quantitative index. If these non-quantitative factors are neglected, the field may be waned. It is thus important to make decisions not only by the quantitative index, but the stability index by the people who have sufficient knowledge about the field.

Q: Is there any country that takes the stability index?

A: The United Kingdom has been evaluating the research results not only by the academic quality, but also the social, economic and cultural impact since 2014. For example, the politics study is evaluated based on "the research result is reflected on this policy", or medical study is evaluated based on "the application of the research result contributed to lowering the number of occurrence of certain diseases". This means that the evaluation was made based on impact

and evidence. This does not mean that all the research results should be based on these criteria, but 1 out of 10 research results is required to show the social impact. As a result, the researchers pursue not only the academic performance, but the value of their research in society.

Q: That is wonderful. On the other hand, there must be some areas that are difficult to impact the society?

A: Indeed. The UK has a system that the research communities discuss and decide how the academic field impact the society. For example they share with Japan in that it is difficult to measure the impact the human literature and social sciences give on society. So, the university researchers make it clear their academic research value as well as the social value, and incorporate them into the evaluation criteria, based on which the evaluation is made and the research results are reflected on society, which gains the understanding of the society.

Q: It is new that the researchers themselves discuss the value of their research and obtain understanding of the society.

A: The UK's case would be a good example of reference for Japan. The human literature and social science fields do not have clear border between academy and society, which would be an advantage for the fields to show the societal contributions than other fields. The public reads the publications written by the researchers in these fields. The researchers in these fields deal with societal issues. So, there would not be a discussion on 'no use of human literature and social sciences', if the researchers continue discussions and establish the evaluation criteria. To be noteworthy is that such discussions are not seen in Japan, which would be an issue. To have appropriate distribution of the non-competitive government funds in the future, it would be important for the academic communities to make their values clear and enhance their communications with the society.

END of Interview