Public Good, Commodification and Higher Education Reform: Some Trends in Japan and California

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The Situation:[1]

Higher education (hereafter HE) transformation is increasingly driven by increasing demand, HEI expansion, conservative resistance to change, and variations in quality, issues of equity, access and governance. This is true in Asia as it is in the United States (hereafter US), Europe and elsewhere. To further complicate matters, the private sector has launched withering critiques of the adequacy of the "school to work transition" arguing that HEIs are not preparing young people for the rapidly changing globalized economy and that there is a general lack of alignment between capacity, need and relevance.

In Asia, these tensions can be felt throughout the region. In India, China and Indonesia, for example, HEIs with great prestige and continuity are being asked to undergo dramatic change and in Japan and Korea, the previously powerful transformative role of the State is being undermined by incorporation reforms. In the US, Asia, Europe and elsewhere, redefinitions of what constitutes public and private HE is occurring.

Lodged somewhere within this distinction of public and private has been the notion of education (including higher education) as a public good—the idea that the State, through its institutions (whatever their shape and form), has both the need and obligation to create and support higher education for the benefit of larger public purposes. This notion itself, taking many specific forms, is derived from a variety of meanings that have been assigned historically to conceptions of what constitutes the public good. It is proposed that the dynamics of increased global interdependence are working through societies in ways that problematize the prevailing distinctions between "public" and "private" in higher education, the "goods" associated with public and private sectors, what these distinctions mean in concept and practice, and how these ideas are being worked through in the policy processes of various countries. In this paper I want to briefly look at some trends in higher education reform in Japan and California, within the context of the notion of HE as a public good (and the converse of HE as a commodity).

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[1] The discussion of education and the public good is adapted from an unpublished paper entitled: *The Tensions Between Education as a Public Good and Education as a Private Commodity--Concept Paper for Proposed Senior Seminar, September 2006.* John N. Hawkins and Deane Neubauer; Honolulu: East West Center, 2006.

Education as a public good.

The specific notion of *education as a public good* has long standing in Western liberal democracies, where education was viewed as an essential component of economic and social development and where many universities were treated as classic public goods. Importantly, in some societies (e.g. the U.S. and Britain), private universities were included in national government initiatives designed to promote higher education and its contribution to the public good. Increased global interdependence has changed prevailing ideas about the state's responsibilities for providing education and the lines between public and private education are blurring.[2]

In many Asian countries, providing higher education[3] was inseparably linked to the promotion of "the public good." It was not that long ago that virtually all of higher education in the Asian region was heavily subsidized by the state. In some societies (i.e. China), once chosen for admission students attended without cost.

In the United States, as a federalist country, the energy of post-war economic expansion was realized in the realm of education through a combination of federal funding and decentralized responsibility to the states for providing higher education. Existing systems of providing education were infused with new purposes and funds (most notably through national security initiatives). Particular types of American public good investments were pursued through federalist and decentralized solutions such as the GI Bill, which provided a categorical benefit to veterans that allowed them to make use of higher education almost irrespective of its source. Subsequent national government support for student access, e.g. those of the National Defense Education Act and student loan programs, provided federal dollars within a context of individualized choice. The Civil Rights Act and other kinds of anti-discrimination legislation have promoted norms of egalitarian admission that enlarged the effective education environment for students, staff and faculty.

Experiences in Asia were different where the prevailing idea was that education as a public good should be realized almost exclusively in highly centralized, state-led systems (including Japan despite US occupation efforts to decentralize the system). In East Asian countries such as Japan and Korea, this approach seemed to be an apt and sustainable response as it provided measurable outcomes of apparent success. Test takers in those nations began to out-perform those in the more decentralized systems. A variety of multinational studies of science and math achievement had East Asian nations

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[2] Considerable attention has been addressed in recent years to the question of education *for* the public good. The Kellogg Foundation has supported the National Forum on Higher Education for the Pubic Good, established in 2000. See: www.thenationalforum.org

[3] Throughout this paper I use the term "higher education" (HE) to refer to a complex system composed of diverse elements—students, faculty, curricula, administration, research, recruitment and examination policies, etc.—that interacts with and impinges on other sub-systems, primary and secondary education, governmental budget activities, etc.

(excluding China) at the top, the US, Canada, at the bottom, and most of Europe—with some exceptions—in the middle range.[4]

These spectacular successes generated a literature on the "Asian miracle" in education that complemented literature emerging on Asian state-led industrial policy. Scholars wrote about the role of the state in skill formation (Korea, Singapore, Taiwan), the link between education and industrialization strategies (Korea), a "four tigers model of development", and so on. [5] Emerging Asian nations quickly adopted the policy that investment in education contributes as much to development as investment in physical capital. Japan of course was the first to most successfully implement this strategy. A belief that investment in education also contributes to reducing poverty and improving income distribution quickly led to an enormous expansion of primary and secondary education in the early years of the mid-twentieth century followed more recently by an expansion in higher education. All of this, followed by high levels of achievement and stunning rates of economic growth, convinced many that the role of the State was central to achieving development.

The flip side of this belief has been that in Asia, despite superior test taking scores, and the (in many cases) spectacular development of national economies, educators and other social commentators have begun to critique their own systems for being uncreative, hide-bound, stressful, and overly centralized. The dilemma besetting such societies is that both the apparent evidence of their success and their essentially conservative nature are driven by national exams tied to entrance to higher education. This linkage has made it virtually impossible to enact real education reforms, and the rigidities that result from exam-centric systems are criticized for producing graduates ill-equipped to deal with rapidly changing societies.[6]

The confusion of terms that accompanies these policy debates affects virtually all sides to it. For example, not only are the meaning of "public" and "private" quite different in countries with different cultures and historical experiences, the referents to public and private within American higher education have also "slipped" in recent years. Public universities, by which is usually meant those whose governing charters arise from state governments and whose governing boards are appointed by elected leaders, receive increasingly smaller proportions of their funding from the governments of states whose names they bear. To some observers, their increasing reliance on private sources of

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[4] See, for example, *Trends in International Mathematics and Science Study* (TIMSS); *Programme for International Student Assessment* of the OECD (PISA); among others.

[5] Francis Green, et. al. (1999) "The role of the state in skill formation: evidence from the Republic of Korea, Singapore, and Taiwan," *Oxford Review of Economic Policy*, Vol. 1`5, no. 1; Kim Young-hwa (2000), " Concurrent development of education policy and industrialization strategies in Korea (1945-95): a historical perspective," *Journal of Education and Work*. Vol. 13, no. 1; David Ashton, et. al. (1999), "Is there a four tiger's model of skill formation? *Education and Training for Development in East Asia*. London: Routledge Press.

[6] The very different historical and developmental trajectories that have been followed in Asia, Europe and the United States nevertheless converge in the present in differentially experienced, but commonly triggered, educational crises associated with the tensions between public and private roles in education, entrance requirements, and globalization.

support has resulted in the "commodification" of their previous public mission. Similarly, private universities are supported, in large measure, by research and contracts derived from government and benefit from government grants, tax and giving policies promoted by national and state legislation, and as well as government supported loan and scholarship programs for students. Sorting out the extent to which education as a public good is supported within and funded by public or private sectors requires careful attention and good accountants.

Some general features of the contrast between HE values for the public good and those for commodification can be seen in Table 1.

Table 1: Tensions Between Public Good and Commodification

Values	Public Good	Commodification
Purpose of Education	HE prepare students for public life, not just a career	HE increasingly vocational, focused on training, rather than higher order intellectual skills
Management Style	Some form of faculty governance, shared governance	Corporate management style
Finance	Public commitment, protection of funding for socially relevant fields of study, low fees	Shift to entrepreneurial finance method, diversified funding with emphasis on private, non-governmental sources
Knowledge Priorities	Educating citizens for democracy, support local communities, preserve knowledge, partnerships with social institutions, individual development	Educating citizens for economic goals, links with corporate sector, state led industrialization policies, education and knowledge for the state/industry

In what follows I will briefly discuss recent higher education reform strategies in both Japan and in California (principally the ten campus University of California system). There is really no suggestion here that the nation of Japan and the state of California are comparable, but the HE reforms that both have undertaken are interesting to discuss for both their similarities and differences. If nothing else the exercise may provoke some discussion.

Some current trends in higher education reform in Japan

It has often been said that there have only been three major reform periods in Japanese higher education: the Meiji Restoration in 1868, the U.S. Occupation period 1945-1951, and the current

period of reform beginning roughly in the early 1990's.[7] The motivations for the 1990's reforms were several: a belief that the 21st century would present problems of a different order than the previous century, a recognition that the current educational system, both precollegiate and collegiate, exemplify some critical problems that need to be addressed, a sensitivity to foreign criticism, especially that from the West, shifts in ideas about the purpose of education, and the effect of growing globalization. Former Prime Minister Nakasone can be credited with proposing reforms in the 1980's. His leadership has been compared by some to the Thatcher government in Britain and the Reagan administration in the U.S.[8] Both neo-liberal and neo-conservative reforms emerged during this period and were reflected in HE reform policies. Several factors prompted this third major HE reform effort. By 1983 an unusual mix of demographic factors emerged including a decline in the number of 18 year olds, along with an increase in the number of applicants to HE, an increase in the number of HEIs overall, a decline in the quality of HE in general and with respect to the smaller private HEIs in particular, and a concern expressed by the business sector that the current system was not producing the kind of skilled labor force that was needed.[9] Industry wanted graduates who possessed characteristics of "autonomy, persuasiveness, creativity and a spirit of challenge much different from the obedient, servile workforce that Japan's educational system has been acknowledged to produce".[10]

The Nakasone proposed reforms covered such areas as the improvement of quality of undergraduate education, expansion of graduate education, the introduction of evaluation systems, the reduction of state support, the introduction of business practices in the management of HE, the reform of the general examination system, and more control over the private educational sector[11]

By the 1990's, Nakasone's proposed reforms lagged, and the business community in particular began to question the overall mission of HE in Japan. It was characterized as being increasingly inefficient, unchallenging to those who attended, unrelated to national needs, unaccountable, characterized by poor teaching, and unmotivated students, and generally out of touch with the new

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[7] Gregg B. Jackson, "Japanese Education Reforms of the 1990s," Office of Technology Assessment, Congress of the United States. Washington D.C.: U.S. Government Printing Office, 2001; J.S. Eades, Roger Goodman, Yumiko Hada, The 'Big Bang' in Japanese Higher Education. Melbourne: TransPacific Press, 2005.

[8] A. Okada, "A history of the Japanese University," chapter in, J.S. Eades, et. al. (eds.), The Big Bang *op. cit.*

[9] B. McVeigh, "Higher education and the ministry: the capitalist developmental state, strategic schooling and national renovationism, chapter in J.S. Eades, et. al. (eds). *op. cit.*; P. Doyon, "A review of higher education reform in modern Japan," Higher Education, Vol. 41, 2001.

[10] It has been argued that the "third reform" movement actually had its origins in the late 1960's when then Minister of Education, Sakata Michita, called for eliminating the uniformity of the system and promoting diversity in higher education (P.Doyon, "A review of higher education reform in Japan," *Higher Education*, Vol. 41, 2001, p. 453),

[11] Y. Ogawa, "Challenging the traditional organization of Japanese universities," *Higher Education*, Vol. 43, 2002.

economic needs of Japanese society.[12] During the next decade a series of significant policy initiatives for HE reform were issued which can be seen in Table 2 and will be referred to throughout this section.

Table 2: Key Events in HE Reform (Tsuruta 2003)

1984-1987	Nakasone Ad Hoc Council on Educational Reform—*Rinkyoshin*
1987-2000	University Council formed (*Daigakushin*): issued more than 25 reports on HE reform
1991	Relaxation of University Establishment Standards—widespread deregulation, accountability measures, flexibility and freedom for curriculum, reform of undergraduate education, and postgraduate education, strengthen graduate school work of major national universities
1998-1999	University Council Comprehensive Report: more flexible credit transfer system; more independent and central management of national universities, more evaluation; more access to HE (varied and flexible); more liberal arts education; more diverse and independent graduate schools and curricular; plan to "corporatize" all national universities
2001	MOE merged with former Science and Technology agency to be called MEXT (Ministry of Education, Culture, Sports, Science and Technology
2001	Central Council of Education (*Chukyoshin*) formed to absorb many other councils; Subdivision on Universities outlines three directions for HE reform: i. Advancement of teaching and research; ii. Individualization of HE; iii. Activation of organization management
2001	Became known as the "first year of HE reform"
2001	MEXT drew up the "education reform plan for 21st century; priorities: i. establishment of world class universities; ii. Integration of academic affairs; iii. Promotion of science and technology; iv. Business-academic sector cooperation especially in R&D; v. MEXT establishes Technology Licensing Organization (TLO).
2001	The Toyoma Plan: mergers, private sector management strategies; corporatization; competitive funding strategies
2003	Koizumi Program: Restructuring of Intelligence Initiative

As can be seen from the table above, during a ten-year period it was proposed that HE in Japan begin a process of deregulation and accountability. By 2001, considered by some to be the first real year of reform, HE in Japan began to implement one of the key features of reform, namely, incorporation. Proposed by the MOE in 1999, the initial idea was for all national universities to become "independent administrative corporations", basically public corporations, to work closely with the national government. An external quality assessment system was also proposed (in 2000) to monitor their performance. The financial allocation system was also changed to a "lump sum" method of budgeting along with performance based contractual funding in relation to the assessment procedures (strong government controls continue to exist, however, as funds are not able to be carried forward and were not owned nor managed by the

[12] C.P. Hood. *Japanese Education Reform: Nakasone's Legacy.* London: Routledge, 2001.

universities).[13] Yonezawa also argues that this process involved a complex political struggle for control involving the Parliament, the MOE, the Prime Minister's office, and the Association of National Universities. He equates the "corporatization" movement with Clark's "entrepreneurial university" and other privatization movements in other countries.[14] Although the national university sector is relatively small in the context of Japan's HE system, it is disproportionately large and influential in government and business. Seventy per cent of all doctoral students are in national universities and most researchers are produced there.

Opposition to incorporation was immediate but in the end it was thought that if it could be accomplished without total privatization, and loss of civil servant jobs (national universities employed over 100,000 public servants) it could be done. The problem of the missing "hybrids" (that is to say, administrators recruited from among the academic community knowledgeable both about academic life and administrative matters) was still evident and some scholars have projected that the policy will be difficult to implement without this type of administrator.[15] By 2003 the basic outlines of incorporation began to emerge and consisted of the following features:

- Institutionalized management under the President
- The National Institution for Academic Degrees was formed in 2000 and later renamed the National Institution for Academic Degrees and University Evaluation (NIADUE); charged with evaluating the quality of all National University education and research
- Faculty and administrator's status changed from government employees to non-governmental employees
- Top-down, centralized strategic management (based on private sector models) was implemented
- HEIs have greater autonomy and flexibility (within limits) in planning and management of budget, personnel, and organization
- Strong emphasis on HEI collaboration with the private sector and industry
- Presidents of National Universities to be appointed by the Ministry, which will set the term, approve mid-term plans, and oversee the evaluation of their performance by NIADUE.[16]

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[13] A. Yonezawa, "Changing higher education policies for Japanese universities," *Journal of the Programme on Institutional Management in Higher Education,* Vol. 12(3), 2000.

[14] B. Clark , "The Entrepreneurial University: New Foundations for Collegiality, Autonomy, and Achievement," *Higher Education Management*, 13(2), 2001.

[15] S. Hatakenaka, "The incorporation of national universities: the role of missing hybrids," in Eades, J.S. et. al (eds.) *The Big Bang in Japanese Higher Education*, Melbourne: Trans Pacific Press, 2005.

[16] Y. Tsuruta , "On-going changes to higher education in Japan and some key issues," *Inside the Higher Education Institution in Japan: Responding to Change and Reforms*. 26 November. Tokyo: Daiwa Anglo Japanese Foundation, 2003.

If the goal of all of this was to increase autonomy of the National Universities this at least, remained a topic of debate. Some argued that all of the assessment and monitoring procedures and especially the role played by NIADUE meant in fact that the National Universities were under even more government control than before. [17] Others noted that the new incorporation left out key elements that would make them work, first and foremost of which was a Board of Trustees or of Governors to whom the newly empowered president would report. The new body, called a Board of Directors (*yakuinkai*), was composed of appointees who were all internal to the university and mimicked private sector management practices. The Management Councils (*keiei kyogikai*) resemble a Board of Trustees but play only an advisory role. The whole structure appears to be a compromise between politicians who wanted to introduce private sector methods and academics that resisted this. Lacking is any form of coordination between policy, administrative and academic levels. The presidency has been strengthened and this will work as long as the president is capable but even then there is no protection by a Board of Trustees from meddling by the Ministry or other political bodies. It is reported that Management Councils, which could play a coordinating role between the presidents and the Ministry are staffed by old MOE bureaucrats, and are not significantly engaged. [18] Incorporation has represented a significant move in the direction of commodifying the national university system in Japan while at the same time, retaining significant features of state-led change and bureaucratic interference. It did however, form the basis for other more detailed changes in the fabric of higher education in Japan.

HE Governance and Management

There is a strong relationship between education, personal and national power in Japan and this has historically empowered the bureaucrats at the Ministry level with the mission of defining how education relates to the public good. The current pressures on Japan to reform HE so that it more efficiently fulfills its economic mission has also impacted the way in which the Ministry carries out its mission. Both Nakasone and the previous Prime Minister Koizumi's combination of neo-liberal and neo-conservative approaches to reform, seems to have simultaneously weakened the bureaucrats in the ministries, and in the case of education, strengthened them. Koizumi's pledge to restore fiscal discipline by slashing traditional public works' budgets (and the ranks of the bureaucracy) forms the cornerstone of his "reform with no sacred cows" (*seiiki naki kaikau*) agenda. The neo-liberal aspect of his reform package was to further the incorporation of the national universities which in turn weakened the traditional role of the Ministry. The neo-conservative aspect focused on reviving

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[17] Tsuruta, *op. cit.*

[18] S. Hatakenaka,, "The incorporation of national universities: the role of missing hybrids," in Eades, J.S. et. al (eds.) *The Big Bang in Japanese Higher Education*, Melbourne: Trans Pacific Press, 2005.

Japanese national pride and culture through education reform.[19] It appears that Prime Minister Abe will continue these policies

But the net effect of these HE reforms seems to have been to strengthen rather than weaken the Ministry and the bureaucrats, and by extension, the State. Yamamoto makes a convincing case that the Ministry has been able to "guide" much of the reform process even in an atmosphere of privatization and commodification of the national universities.[20] In this context, and considering the output of over 20 *White Papers* on HE reform issued since 1980, at least three trends have been observed:

1. HEIs are more docile and have mounted little opposition to the various reforms
2. By introducing more competitiveness in the budgeting process (through the Centers of Excellence program among others) the national universities have become less confrontational and more cooperative
3. Through increased accountability and assessment procedures, also controlled by the Ministry, faculty and staff workloads have increased

The reforms that have most contributed to a strengthening of the Ministry are those that focus on increased accountability, privatization, entrance exam reforms (more flexible), emphasis on practical research rather than academic research, faculty development programs to improve teaching, developing partnerships between industry and the national universities, offering funding for individual researchers rather than through the universities and so on. Although in theory, the juridical status of national universities has improved under the new incorporation legislation, in terms of practical matters affecting academic freedom and institutional autonomy, the reforms remain problematic.[21] There is little talk of real HE autonomy leading Yamamoto to conclude: " . . . . bureaucrats are behaving more like ministers, and universities are behaving more like high schools".[22]

Higher Education Finance Reforms

Perhaps the most widely known outcome of the commodification of higher education worldwide is the drawdown of financial support by the State. In the case of Japan, the financial corporatization or privatization of the national university sector is thought to be one of the most compelling strategies leading to a more entrepreneurial public HE system. The Ministry had been moving in the direction of

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[19] In the *Ashai Shinbun* April 27, 2001 issue Koizumi stated: "This cabinet is striving to create education reform that cultivates awareness and pride in Japan's traditions and culture, as well as an appreciation of the meaning of being Japanese. On the other hand, such reform should also facilitate deeper understanding of international society. Both education and judicial system reform remain priorities for this cabinet." See also, A. Okada, "A history of the Japanese university," in Eades J.S. , et. al. (eds.), *The 'Big Bang' in Japanese Higher Education*, Melbourne: Trans Pacific Press, 2005.

[20] S. Yamamoto. "Government and the national universities: ministerial bureaucrats and dependent universities,", in Eades, J.S. et. al. (eds.) *op.cit.* 2005.

[21] S. Hirowatari, "Japan's national universities and dokuritsu gyosei hojin-ka."
Social Science Japan. Vol. 19, 2000.

[22] Yamamoto, *op. cit.*, p. 103.

reforming the financial allocation method prior to incorporation, and it is likely there was no direct link between the two reforms, but they came together nicely once incorporation got underway. Up to that point, the basic funding model had been based on faculty and student FTE formulas, which resulted in specific amounts being allocated to particular academic fields.[23] This is being replaced by a system of lump sum funding based on a more competitive climate among the national universities. Under this system, university presidents have more control over the funds that are transferred but find they must now develop new strategies to increase funding in general and for specific fields.[24]

The Ministry still wields strong influence over the impact that government funding can have on national universities as well as private universities through such new initiatives as the "Center of Excellence" program (COE). The intent of this program was to identify the top thirty HEIs (including most of the national universities), have them compete for augmentations to their budget, and expect that the outcome would be the creation of world-class HEIs and world-class leaders. Presidents apply for these funds and this has created a climate of competitiveness (although there is criticism that the same prestigious institutions dominate this program).[25] Another new program for increasing national university budgets is called the Distinctive University Education Assistance Program, which focuses on improving higher education in general and with respect to social issues in particular. This might be one area were the public good could better be served.

In general, national universities are becoming more creative in funding their mission, seeking external funds, and engaging in more private sector partnerships. The much more numerous private universities are also seeking additional ways to increase funding as their government subsidies are being reduced and they find themselves competing with the national universities for the limited funding that is available. There has been a call that more thought be given to the respective roles and functions that different universities play in Japan, public or private. It remains to be seen if these privatization efforts have in fact, increased the autonomy of the public universities or simply created a more competitive environment between and among the different public and private sector HEIs to the determinant of the private sector, and through special enhancement programs, to the advantage of the national universities.[26]

The Changing Research Mission

As we have seen, at least part of the impetus for HE reform came from the corporate sector. Over ten years ago in one of the many "white papers' that were issued ("Remaking Universities: Continuing Reform of Higher Education") it was noted that Japan's business community felt that the

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[23] Yonezawa, *op. cit.*

[24] A. Asonuma, "Finance reform in Japanese higher education." *Higher Education,* Vol. 43(1), 2002.

[25] Tsuruta, *op. cit.*

[26] Tsuruta, *op. cit.*

changing landscape of the global economy required that Japan's HE system produce a new type of graduate and engage in more relevant research. The research mission was singled out as being especially deficient and the Ministry was urged to launch reforms that would link HE research more closely with the corporate sector.[27] The national pattern of research and development (R&D) in Japan had historically been dominated by industry with universities playing a distant second as a percentage of funded research.[28] A study conducted in the 1990's revealed that of the total number of research institutes in Japan, 14,761 were owned and operated by private businesses or corporations, 1,396 were free-standing, without company or university affiliations, and 2,146 were associated with the HE sector.[29] Within the HE system in Japan, the national universities dominated the role of producing researchers. Out of 99 national universities, approximately 10 (including the 7 former imperial universities) are regarded as "research universities".[30] Under the new incorporation reforms the relatively small number of research universities continue to dominate the production of researchers and are being encouraged to link up with the private sector to produce R&D.[31]

In order for the HE sector to move more aggressively on the research front and compete in the global marketplace, universities have been encouraged to:

1. Decentralize the research decision-making and implementation process as well as personnel and financial systems
2. Seek long-term continuance of their educational and research activities and link them to industry
3. Increase the initiative and involvement of regular-line faculty members
4. Submit to evaluation by non-governmental agencies
5. Raise the standards for research to reach global levels.[32]

The Minister of Education, Toyama, was quite direct:

> . . .the university's conventional functions of education and research contribute over the long run to the development of the nation and society. In recent years, however, expectations have been placed on universities to contribute to society in a more direct manner. This includes the commercialization of their research results, the transfer of technology, and their holding of public lectures.[33]

However, to achieve these goals the HE system will have to overcome some formidable structural obstacles. In Japan, cultural issues have had a powerful effect on what is accepted as knowledge and

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[27] Doyon, *op. cit.*

[28] M. Miyoshi, "The university and global economy: the cases of the United States and Japan." *The South Atlantic Quarterly.* Vol. 99(4), 2000.

[29] K. Kempner & M. Makino, "Cultural Influences on the Construction of Knowledge in Japanese Higher Education." *Comparative Education*, Vol. 29(2), 1993.

[30] Although there are several prestigious private universities involved in significant research, most of the accomplished works have been produced in the national universities (Yonezawa, *op. cit.*).

[31] Yonezawa, *op. cit.*; Miyoshi, *op. cit.*

[32] Yonezawa, *op. cit.*; Ogawa, *op. cit.*

[33] *JSPS Quarterly*, No. 9, 2004, p. 1.

on how the scientific community thinks about knowledge production. The actions of three inter-related cultural groups are central to understanding this construction process in Japan: the State, the corporatist culture (Japan Inc.); and the university research community. In the past, the State has provided little incentive to the HE community to engage in research that does not satisfy some state perceived need and the business community, as has been mentioned above, typically has funded its own research. The researchers themselves have found that their avenues of inquiry have been mostly limited to utilitarian concepts of knowledge. The structure of HE itself has greatly limited the professor's ability to pursue knowledge in areas not deemed useful by the State or corporatist interests.[34] This matrix of research has had important implications for the idea of HE serving a broader public good as opposed to more limited nationalistic and corporate (private) goods.

The new research template that Japan seems to be attempting to implement is familiar to the region and to HE in the U.S. and much of Europe. Namely that the HE sector is under pressure to utilize profit-making activities to cover part of their funding requirements and as a consequence there is increased competition between institutions and more involvement on the part of companies and private investors in the research mission.[35] Market-framed and market-driven research has resulted in new funding structures based on competition, a new definition of the "research university" as a partnership between the university and the corporate sector, Ministry level intervention through third parties for assessment and evaluation, and general corporate models of governance. It remains to be seen whether this new model will gain traction as it confronts the traditional distinction between teaching and research.

Faculty, Students and Higher Education Reform

It has long been argued that Japan's HE system is first and foremost, a holding area for students prior to employment, and a place for faculty to cluster around dominant chairs or aspire to occupy a chair themselves.[36] For most students, even in high prestige universities, their goal is to gain the best possible position in the work-force upon graduation rather than to engage in active learning or participate in research or the production of knowledge for the public good.[37] It has been suggested that student attitudes toward the public good and HE as one institution that can be mobilized toward the public good has been changing. Some suggest that the Kobe earthquake and the social response

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[34] Kempner & Makino, *op. cit.*

[35] As in Clark's entrepreneurial university, *op. cit.*; T. Kim, "Neoliberalism, WTO, and new approaches to university governance; from reform to transformation." *Organizational Reforms and University Governance: Autonomy and Accountability,* Hiroshima University: Research Institute for Higher Education, 2004.

[36] B.J. McVeigh, "Higher education and the ministry: the capitalist developmental state, strategic schooling, and national renovationism," in Eades, J.S. et. al. (eds.) *The Big Bang in Japanese Higher Education*, Melbourne: Trans Pacific Press, 2005.

[37] Kempner & Makino, 1993, *op. cit.*

that emanated from it engendered a more positive view of civic action and volunteerism. This might be an area of interest for further research.

With respect to the faculty, the chair has been the basic unit of research and teaching. Unlike the department system in the U.S., departments in Japan have typically been composed of bundles of chairs, which have fragmented and Balkanized disciplines as well as faculties and the universities themselves.[38] As the system has expanded, so have the responsibilities of the chairs, many of which have become overburdened, responsible for too many programs, assistants and students. Some suggest that teaching has suffered as a result and the whole effect is one of dysfunction and undemocratic relationships.[39]

Although there has been a drop in the number of 18 year olds, the percentage of students moving on to higher education after finishing upper-secondary school has been steadily increasing. In a society that is demanding an ever-increasing complexity of skills in its workforce, this number is expected to increase even further. Thus the teaching load, the quality of teaching and the engagement of the students in active learning have become part of the clarion call for HE reform. Critics of the system (the Ministry, the government, and the business sector) have all proposed reforms that would restructure the chair system so that it more closely resembles the departmental structure familiar to academics in the U.S. In addition, proposals to strengthen a promotion and tenure system that is more rigorous, based on peer review, and assesses both teaching and research have been developed and are in the process of implementation.[40]

How much of this will actually take hold is unknown. The Ministry's goal has been to raise the quality of both the students and the faculty in terms of learning and teaching so that it is on a par with the best HE systems in the world. But as one University Council report stated about ten years ago: "Japanese universities must elevate the level of education and research and develop side by side with highly ranked universities of the world in the 21st century".[41]

Some Current Trends in Higher Education in California

Since the mid-1980's, the University of California has been in a state of transition as the overall budgetary picture in the State of California has been less than positive. A series of events including the end of the cold war, the decline of aerospace in California, the bursting of the tech bubble, and a consequent decline in State revenues have all contributed to a re-thinking of the role of the State in supporting public higher education. Neo-liberal thinking on the part of various governors beginning with Ronald Reagan as well as members of the business community and the Board of Regents has led to a new approach to governing, financing, and staffing public higher education. In

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[38] Ogawa, *op. cit.*
[39] Ogawa, *op. cit.*
[40] Miyoshi, *op. cit.*
[41] University Council Report, No. 12, *Ministry of Education*. Tokyo: 1998, p. 3.

this section, only a few examples will be given of the changes that have and are taking place in the University of California in this new era characterized by both globalization and localization, and a redefinition of the public good mission of the UC system.

HE Governance and Management

At the central State government level, namely, the Governor's office, a major new initiative has further proposed centralizing the overall coordination of the UC system. Specifically, the Governor's office has proposed the dismantling of the state's independent planning and coordination agency, the California Post-Secondary Education Commission (CPEC), creating a new position of Secretary of Higher Education, and placing the responsibilities in the Governor's office. In February of 2004 the Governor established the California Performance Review Commission to investigate ways to increasing efficiencies throughout state government, including the higher education sector. In addition to the CPEC proposal, other suggested reforms focused on further blurring the distinctions between the different higher education sectors as outlined in the Master Plan (extending the authority to grant four year degrees to some Community Colleges, increasing non-resident tuition, extending the awarding of doctorates to the CSU sector, and so on).

The CEPC change is the most significant, however, for central level management and coordination. Most states have some form of a coordinating board, independent from the legislature and the Governor's office. When CPEC was created under Governor Reagan, it was specifically designed to be independent and further both the advocacy mission of the Commission as well as the regulatory mission, free from political interference. In short, it was specifically designed to advance the public good regarding higher education. The proposed change, ironically, comes at a time when the campuses are asked to be more independent, more entrepreneurial and, more autonomous. The new proposal also would add responsibility for student financial aid as well as oversight of private proprietary schools.

It has been suggested, as an alternative, that a Commission that is empowered by being placed within the Governor's office but retains autonomy and independence to avoid being politicized would better serve the California system. Specifically, several areas need to be strengthened if the Commission is to fulfill its duties of overall planning and coordination:

- Assign a stronger role in the state budget
- Preserve independence over a cabinet position so CPEC can continue to be an honest broker
- Strengthen the Commissions role as a data clearinghouse
- Assign responsibility for accountability measures
- Clearly delegate responsibility for a statewide plan
- Call for coordination, integrate planning, including that for student aid

As the Master Plan is reviewed, a new, empowered Commission could provide the kind of accountability that the public is demanding and the Governor's office seeks.[42]

In addition to overall governance issues such as the reform of CPEC, the University of California has entered into a different kind of relationship with the State of California and more specifically the Governor's office. For four decades, the California Master Plan has guided the UC system and assured access, quality and affordability for the citizens of California, in addition to welcoming students from across the nation and the world. The basic structure remains fundamentally unchanged, that is, semi-autonomous campuses, reporting to the President's office, which in turn reports to the Board of Regents and is accountable to the State in a variety of ways. But what has changed is the nature of the relationship between the President's office and by extension the individual campuses and the Governor's office. This has been expressed with the term, the Higher Education Compact.

In the context of persistent budget cuts (to be discussed below), the Governor's office proposed entering into a Compact with the UC system whereby the State commits to a long-term resource plan for the UC system so that predictable financial planning can be available to the President's office and the Chancellor's of the various campuses, and in exchange for this long-term stability, UC (and CSU) commit to focusing their resources to address long-term accountability goals for enrollment, student fees, financial aid and program quality as well as serving certain specific human resource needs of the State. From the Governor's perspective, there would be a commitment of:

- Basic budget support and increases for the core budget and salaries
- Core academic support needs critical to maintaining the quality of the academic program
- Funding for enrollment growth
- Implementation of a more stable student fee policy for undergraduates with any increases based on the rise in California per capita personal income
- An increase of graduate student fees by 20 percent and in the future aligning graduate fees on such variables as average cost of instruction, average fees at other public comparison institutions, total cost of attendance, market factors, State's need in particular disciplines
- The alignment of professional school fees to similar factors, and any revenue from such increases will remain with the University and not be used to offset reductions in State support.
- Capital outlay: State will provide funding for debt service to support general obligation bonds for each campus
- One time funds: State will permit one time funding of high priority infrastructure needs
- A joint agreement between the State and the UC system, whereby specific initiatives may be funded

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[42] Warren H. Fox, "How best to coordinate California's higher education: comments on the Governor's proposed reforms," *Center for Studies in Higher Education*, Paper no. 4'05; 2005.

For its part, the UC system will meet various productivity measures and accountability measures in such areas as:

- Enrollment levels should match the resources provided and maintain the commitment to enroll the top 12.5% of graduating high school students
- UC will ensure that appropriate services and courses are provided and course articulation possible for qualifying community college students
- UC will maintain progress toward "time to degree"
- UC will contribute to the State's need for K-12 teachers in science and mathematics and help improve the quality of K-12 instruction
- UC will help to increase public service to meet community needs and educate students and citizens to perform community service that is of a high priority for the State.
- UC will maintain and improve the quality of instruction to serve the needs of the State's economic recovery while at the same time limiting administrative growth within UC
- Student and institutional outcomes will be improved and measured by various accountability measures through timely and reliable data collection; UC will provide a comprehensive single report to the Governor, the Secretary of Education, the fiscal committees of the Legislative Analysts Office and the Department of Finance on an annual basis in such areas as: efficiency in graduating students, utilization of system wide resources, student-level information, and capital outlay among others.[43]

At the individual campus level, each campus is required to develop strategic plans from the Deans on up. The plans go into a campus-wide planning document that is used by the President's office to provide the data required by the Compact. The effect of the Compact on the individual campuses varies but in general it can be said that campuses have lost some autonomy as they restructure programs (such as graduate schools of education now being required to do more in teacher preparation, long a domain of the California State University system, and in focusing the curriculum on mathematics and science teaching) to meet newly defined State needs. The overall effect has been one of increased centralization in the service of State economic needs, power shifting to the Governor's office, and increased accountability for each campus. On the other hand, the Governor's office is requiring increased public service to the community on the part of the UC system, thus promoting commodification and public good interests at the same time.

Higher Education Finance Reforms

[43] *Higher Education Compact*, Agreement between Governor Schwarzenegger, the University of California, and the California State University, 2005-06 through 2010-11. UC Internal Memo, 2006.

Fiscal problems affecting HE in California are not unlike those facing other states and are rooted in two structural factors: an eroding tax base and an explosion in health care costs. For the past four decades, the percentage of the State budget going to higher education has been declining. In California, the budget crisis was particularly severe due to the decline of the aerospace industry in the 1990's, the bursting of the internet bubble in the spring of 2000, and various problems associated with energy provision. The result has led to reductions in State appropriations of 15% over the past four years while enrollments increased by 19%. This is on top of previous cuts in the 1980's and 1990's. Data have consistently shown a direct positive correlation between years of schooling, employment and income in California, all factors reinforcing the public good; yet public investment in HE has been falling.[44]

Although the effects of the current drawdown of state support for HE are severe, there has been a long-term decline in the University of California's share of the State General Fund, from 7% to 3.5% over the past thirty-five years. Taxes have been cut and spending priorities have favored prisons and health care over education. Once support has been withdrawn, it has not been recovered even in times of economic recovery. There is a general belief that such losses to the UC system can be made up with fee/tuition increases and in fact, these tools have been used to offset cuts to the general fund. Yet, the increases in fees have not been sufficient to cover the increasing costs of educating a student in the UC system. It cost about $9,000 to educate a UC student in 1985-86 and nearly twice as much (after adjusting for inflation) in 2004-05. The State covered roughly 80% of those costs in the 1980's and only 60% in 2004. There is now a funding gap of about $2,500 per student and this has resulted in larger class sizes, less time with faculty outside the classroom, limited library resources, and more obsolete equipment. Students pay more for their education and get less for it.

When the cuts came, the UC Board of Regents and the President's office focused first on cutting administration, State-supported research, and public service programs. The public good mission of the university was clearly affected by the last two categories of reductions. Innovative methods were used to cope with the scope of the reductions, namely, utilizing technology and economies of scale within the large UC system in such areas as library access and support (i.e. the California Digital Library). Streamlining business operations also occurred through such programs as the Strategic Procurement Initiative, Information Technology Procurement, and Debt Restructuring. Individual campuses engaged in various forms of privatization, commercialization, and cost-center restructuring (called Resource Center Management at UCLA—RCM).

Nevertheless, the system overall has suffered in such areas as faculty recruitment and retention, the substitution of non tenure-track faculty for ladder rank positions, higher student/faculty ratios and larger class sizes, a general reduction in the quality of the educational experience for students, and increased lack of opportunities for lower-income students. While the system has been creative and

[44] Gerald R. Kissler and Ellen Switkes, "The effects of a changing financial context on the University of California," Center for Studies in Higher Education, No. 16.05, 2005.

innovative in avoiding the worst-case scenario of the reduction in State support, the longer-term effects of continued budget shortfalls would clearly reduce the degree to which the UC system can continue to promote the public good of the State of California, and remain competitive worldwide.

The Changing Research Mission

Certainly, the research mission of the American university is still held in high regard and not in danger anytime soon of being unduly affected by neoliberal or privatization policies. However, that does not mean that there are not some serious challenges to the research mission of large public universities such as those in the University of California. Some are arguing that the leadership position held by the University of California and other large public universities is beginning to falter. Especially in the so-called STEM (science, technology, engineering and mathematics) fields, fewer students are entering these fields and therefore, the future generations of researchers and scientists being produced are threatened. For example, in China, six times the number of graduates in engineering was produced in 2004. If you combine India and China, approximately one million engineering students graduate in a given year compared with 170,000 in Europe and the US combined. China represents the most competitive challenge for US STEM research as they have carved out creative limited partnerships with foreign providers while at the same time building first-rate native institutions. Their stated goal is to create 20 MITs, a daunting task but one they are diligently pursuing. Finally, technology-based corporations such as IBM and Nokia have developed new research and development centers in major Chinese cities and in selected locations in India. All of this presents challenges to the research mission of the University of California, which has acknowledged being behind in this regard. [45]

As Douglas of the University of California Center for the Study of Higher Education reports:

> There is increasing evidence that the quality of these (China and India's) academic programs, and the clusters of research expertise that entices international companies, is growing and becoming increasingly competitive with the US institutions and research centers. This has lead critics of shrinking state and federal funding for higher education in the US to argue that the nation is on the bring of losing its long dominance in basic science. For example, of the articles in the world's top physics journal published in 1983, scholars in American universities; in 2003 authored 61%, that proportion dropped to 29%. [46]

Budget cuts, increased competition for resources, pressure to do more applied research as opposed to the research of discovery, the rise of new high technology industries and research clusters outside the university, all have shifted the research terrain at least with respect to the STEM fields.

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[45] John A. Douglas, "The waning of America's higher education advantage: international competitors are no longer number two and have big plans in the global economy," Center for Studies in Higher Education, No. 9.06, 2006.

[46] Douglas, op. cit. 2006, p. 7.

In the social sciences, humanities and other professions, research efforts that traditionally have been focused on furthering the public good are also in decline. It has been noted that community-based research is the term most often used to describe research that intentionally and directly supports the public good.[47] When cost-cutting resulted in various forms of university restructuring, professional schools associated with these missions were the first to go. Schools of public health, library science, social welfare, urban planning and so on were either eliminated or merged in several instances at the University of California.

The research mission of the University of California remains strong and viable. But subtle shifts have occurred in how it is supported, its capacity to remain competitive in the world market (thus affecting its ability to serve the public good of the state and the nation), and the reward structure to conduct community-based research.

Faculty and Students and Higher Education Reform

Students have felt the affects of the withdrawal of the State from promoting higher education as a public good more than most actors in the system. "State support for public higher education on a per-student basis has dropped steadily, . . . as a result, the United States has witnessed an unraveling of the successful higher-education financing partnership among government, institutions, and families that has served our nation so well over the last century" reports David Ward, president of the American Council for Education.[48] It has already been noted that fees and tuition at the University of California have witnessed a period of several increases in the space of just a few years. About two-thirds of the students graduating now have student loans with an average debt of close to $20,000, an increase of 60% in seven years. In terms of access and equity issues this means that the large public universities, like UC, are finding it increasingly difficult to recruit and retain the best students from low SES groups and from minority populations.

And for faculty, several years of no pay increases has meant that UC faculty now lag behind their counterparts in several important respects. The UC system now has a much more difficult time in the same areas of recruiting and retaining the best faculty, and they are faced with an erosion of the faculty they have as they are heavily recruited by competing institutions, often private ones. Efforts to recruit and retain faculty have been mixed. When department chairs were asked to identify the impediments and strengths to UC recruitment and retention several key issues were mentioned:

- Location: this is both an asset and a deficit; California remains a desired location because of climate, industry, professional networks among others but the high cost of housing and living in general counteracts this to some degree.

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[47] Kelly Ward, "Rethinking faculty roles and rewards for the public good," chapter in, Kezar, et. al., eds. Higher Education for the Public Good, San Francisco: Jossey-Bass, 2005.

[48] David Ward, "That old familiar feeling—with an important difference," The Presidency (Winter, 2004), p. 1.

- Academic support: high academic national rankings remains a primary strength in recruitment, as does the impression of collegial faculty and graduate and undergraduate students. However, there is concern that the persistent funding problems of the UC system may limit the university's ability to attract quality graduate students.
- Salaries, financial support, and campus facilities: competing with our peer institutions and industry for salary is the most frequently cited reason for difficulty recruiting and retaining high quality faculty. The official salary "scale" is non-competitive and thus faculty are increasingly hired "off-scale" which creates budget shortfalls in other areas as well as morale problems with faculty who were not hired in that manner. For the STEM fields deteriorating campus facilities and laboratories are another frequently mentioned impediment to recruitment and retention.
- Family issues, spousal/domestic partner problems: The second most frequently mentioned set of problems with recruitment and retention involves spousal/domestic partner employment and quality of family life.[49]

The history of funding cuts in the UC system continues to plague faculty welfare and threats to the pension plan by the current governor only add to the decline in morale. The university is attempting to reinvent itself and address these student and faculty issues but the distance to be traveled remains great. Private interests seem to have subordinated those of the public good and it remains to be seen if the new Compact will have the desired effect of being a stabilizing influence.

Conclusion

The discussion of the relationship between higher education and the public good versus commodification at least in the U.S. have led to questions of whether historic conceptions of the "public good" can be sustained within the policy frame it has created. Neo-liberalism privileges economic values and relationships, focused on the market at the expense of other social values. Concern over this reductionism is exemplified by the National Forum on Education for the Public Good, organized and supported by the W.K. Kellogg Foundation, and designed to counterbalance pressures to transform higher education's social role to make it function as an industry. As Kezar has noted:

> Traditionally, higher education's public role has included educating citizens for democratic engagement, supporting local and regional communities, preserving knowledge and making it available to the community, working in concert with other social institutions such as government or health care in order to foster their missions, advancing knowledge through research, developing the arts and humanities, broadening access to ensure a diverse democracy, developing the intellectual talents of students, and creating leaders for various areas of the

[49] John N. Hawkins, "Remaining competitive: faculty recruitment and retention in the University of California," Quality, Relevance, and Governance in the Changing Academy: International Perspectives, Hiroshima: COE Publication Series 20, Research Institute for Higher Education, 2006.

public sector. The values under-girding this social mission include equality, service, truth, justice, community, academic freedom, and autonomy.[50]

Japan appears to be an interesting case of a HE system that is in the midst of privatization/commodification but which is also discovering the notion of HE for the public good. Neo-liberalism has taken hold in terms of HE financing, assessment, evaluation, accountability, links to the private sector and business, use of management tools and business models for internal governance, while at the same time, the institutions themselves have been decentralized, faculty participation has been encouraged, student involvement fostered, flexibility across institutions advanced, and the idea of engaging in voluntary civic activities (such as the Kobe earthquake assistance) increasingly acted upon—all elements of education for the public good. Overall, however, the trend seems to be toward further commodification and privatization. What are some of the reasons for this?

It is fairly clear that after the war and during the U.S. Occupation, public good ideas of democratization and liberal economic development did not prevent the new capitalist-development state from promoting a more indirect, less transparent, form of administrative intervention, what McVeigh calls "the educatio-socializing paradigm" that discourages learning for the sake of learning and pushes HE toward serving the state-industrial complex.[51] Increasingly, educational activities and teaching became understood as being framed by market competition and were linked into the market transaction system.[52] Higher education increasingly was judged on its ability to support corporatist interests, not on its ability to educate the individual for civic life, or to distribute expertise throughout society for the public good. Higher education began to function as a filter to certify students for entry into the corporate world and "education" became a secondary function.[53]

As the Third Major Reform began to develop under Nakasone and was furthered under Koizumi, several challenges faced Japan's continued development and the role of HE in Japanese society. Pressure for reform came at least from three sides: the Ministry and the bureaucrats associated with it, industry, and the universities themselves. Several challenges converged to create financial and other pressures on the system as a whole: faculty resources, tuition burdens for students, campus facilities to name just a few. The government and the Ministry, already suffering from yearly deficits, could not be expected to finance all of these new demands. Japan's spending on HE was already low by world standards. The LDP's answer was not to find ways to increase government support for HE (and thereby foster its public good value) but rather to privatize and commodify it, merge and downsize it.

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[50] A. Kezar, "Challenges for higher education in serving the public good," in A Kezar, T. Chambers, and J.C. Burkhart (eds.), *Higher Education for the Public Good: Emerging Voices from a National Movement*, San Francisco: Josey-Bass, 2005; p. 23.
[51] McVeigh, *op. cit.*
[52] Kim, 2004, *op. cit.*
[53] Kempner & Mackino, *op. cit.*

Administratively the national universities became "independent administrative corporations" (*dokuritsu gyosei houjin*). The model that the government seems to see as the future for HE in Japan is that of a partnership between HE and industry so that industry provides the corporate model of privatization for the universities, and the universities, now further unregulated in this regard, will facilitate industry needs through providing skilled human resources, exchange of research and development, and technology transfer. State intervention, however, continues as much greater accountability and assessment is required, overseen by the Ministry. Under this model, commodification seems to be the trend of the day.

Opposition and obstacles to this trend exists and can be found among faculty who are reluctant to engage in corporate partnerships and to commercialize their research. The "missing hybrid" (scholar/administrator) has made the corporatization management of the university a difficult task. Students are more aware of social problems, the environment, civic issues, and are more aware of the shortcomings of the traditional HE system. If the new goal of HE is to provide better, more competent employees to help Japan reinvigorate its business sector, and standards are raised within the university, will students and perhaps faculty resist unless social issues are also addressed? These are all issues that are unresolved and will face Japan's educational policy-makers in the years ahead. Ironically, the current surge in commodifying HE in Japan may also result in a rise of a consciousness focused on the public good.

As for California and the University of California, decades of reduction in State financial support have indeed taken a toll on both the teaching and research mission of the University. The system remains a substantial force in higher education but there has been a discernable shift in its public good mission, as the system has privatized in subtle and not so subtle ways. Proposals to further centralize the system under the Governor's office represent a genuine setback to the tradition of faculty governance and independent coordination. Counter proposals have been put forth which would strengthen the independent coordinating body of CPEC while at the same time linking it closer to the Governor's office. It remains to be seen how this particular reform will implemented.

The new Compact brings financial stability to the UC system while at the same time demanding more accountability and specifying in ways not seen before, how the UC will contribute to State needs as defined by the Governor's office. This represents a new direction for the UC system and one that further centralizes the mission at the same time that the system is being asked to be more entrepreneurial and risk-taking. New campus management strategies have been experimented with (i.e. RCM at the UCLA campus), and in general, daily operations have been more privatized and commercialized.

The research mission remains strong but targeted weaknesses exist in the science and technology areas. The pipeline issue is critical as fewer American students study in these areas or have the abilities and motivation to move forward to the university level where they can become the next generation of researchers. Thus, the State and nation as a whole is diminished in this regard. Other

fields have also been commercialized as the ability to obtain extramural funding increasingly drives the disciplines.

Finally, the effects on faculty and students have been obvious. For the former, difficulty in recruiting and retaining has been the most prevalent and though a number of innovative measures have been taken, this remains a difficult area for the future. For students, the biggest challenge is financial, as "fees" have been raised consecutively for the past several years. This has affected the public good aspect of public universities by making them more elitist than was envisioned in the original charters. The new Compact also addresses this issue and proposes some short-term solutions.

Both Japan and California have moved more in the direction of privatizing public higher education and away from the notion of higher education for the public good. This can be seen in the draw-down of public funds, accountability measures that require more university-business linkages, the idea of HE existing to promote the interests of the State, and the continued influence and intervention of the state in public higher education governance and management. As can be seen from the discussion above, there are also differences, historical, cultural, structural and so on. Yet one is tempted to conclude that the forces of globalization and commodification have become to some degree ubiquitous and are likely here for the long term. What kind of resistance will be mounted against these forces will be an interesting research project for the future.