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Why Do Students Take It Easy at the University?

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Japan has one of the highest literacy rates in the world. Its industrious and educated labor force accounts for the high volume, variety, and quality of its industrial products, and are the base of its postwar economic success. Yet most Japanese university students consider their colleges and universities merely as four-year playgrounds. Why?

Japan's Ministry of Education (Monbusho) oversees an egalitarian primary and lower secondary public education system by exercising its broad authority over school curriculum, teaching manuals, and school texts. Admission to coveted schools is determined almost entirely by once-a-year competitive entrance examinations at junior and senior high school levels (see chapter 3). All students must go through "examination hell" to enter the nation's prestigious and well-established hierarchy of public and private universities. About 40 percent of all high school graduates are admitted into some kind of higher education institution. Over 70 percent of the students pursuing postsecondary education are admitted into four-year colleges and universities.

Once admitted, science and engineering students have to study fairly hard to graduate. However, most Japanese university students, especially those enrolled in liberal arts programs, cruise for the next four years. High school students in Japan consider universities as playgrounds that offer them a four-year hiatus between the discipline and rigors of study in lower education and a lifetime of long hours toiling for paternalistic employers after college (see chapters 12 and 13).

Class Attendance

Most Japanese university students do not attend class regularly. In liberal arts and social science classes, daily attendance averages below 20 percent of the class roster. Those who do attend are often more interested in socializing with their classmates than in listening to their instructors. After roll-call, many students sleep in class while others chatter away, oblivious to the lecture. What do students do when not in class? Extracurricular club activities on campus, part-time jobs, travel, volunteer work,

and other nonacademic activities take up most of the students' time. A 1995 survey of undergraduate students at Kobe University, a national (public) university, reveals that 59 percent of the students do not study at home, and another 30 percent study no more than an hour per day. Only 31 percent of the students said that they attend classes most of the time; another 37 percent indicated that they attend fairly frequently. In a multiple-response portion of the survey, nonattendance of classes was attributed to boring lectures (65 percent), club activities (26 percent), no intention to study (20 percent), no particular reason (20 percent), and part-time work (12 percent). Ninety-four percent of Kobe University undergraduates hold part-time jobs. In the United States, less than two-thirds of college students hold part-time jobs.

Not surprisingly, university administrators routinely assign classes with large rosters to small classrooms, knowing full well that only a small percentage of the students enrolled are likely to attend. If all registered students showed up, many classrooms would not even have standing room. Although universities rarely limit course enrollment, they are obliged to schedule exams in rooms large enough to accommodate all enrolled students.

The curriculum of Japanese universities is typically divided into two semesters of year-long, lightweight courses, each course usually having one final examination at the end of the year. It is rare for a student to fail these exams. Professors frequently put little effort into their lectures and most give no homework assignments. Easy exams and soft grading curves allow most students to sail through without learning much. In social science and humanities courses, a night of cramming before the examination is usually sufficient to earn a passing grade. Even that is unnecessary if the exam is open book. Seventy-nine percent of all Japanese university students graduate within four years of entering college. It is hardly a demanding or stressful environment for students.

Incentive Structures

The weakness of the Japanese university system can be traced to the incentives of students, professors, and potential employers of graduates (see chapter 12).

From elementary to university level, Japan's educational system screens and selects students for advancement through competition. The annual "entrance examination hell" identifies the best and brightest high school students for admission to the most prestigious universities, such as Tokyo University and Kyoto University. Japanese companies rely on this rigorous screening system to divide the entrants into ability pools. Some companies only hire graduates from specific universities. Admission to select universities virtually guarantees plum jobs. Grades are unimportant to Japanese employers and, therefore, to students. As a spokesman for Sumitomo Bank stated:

> In Japanese colleges, many students spend four years without doing much of anything, so it is a plus for a student if he can say he did something with devotion. . . . We don't require them to submit grades. Even if the grades are bad, it does not necessarily mean that we don't want a student. We stress personal characteristics.

Why, then, do employers not directly hire those who do well on university entrance examinations? Why wait for the students to spend four years in college?

In Japanese organizations, job assignments are often given to groups rather than to individuals. Japanese employers are interested in group and interpersonal skills in their employees, skills that may help raise the productivity of the organization as a whole. From the employer's point of view, the student's participation in extracurricular activities that develop interpersonal skills and build personal relationships among classmates is more important than high grades. But this sounds like a weak rationalization for missing four years of classes and acquiring little

substantive knowledge. After all, learning group skills is not incompatible with learning the subject matter.

Japanese companies typically provide new recruits with extensive and intensive in-house training, followed by a succession of job assignments for further on-the-job training. While U.S. firms recruit for specific jobs, Japanese firms discover through successive on-the-job training assignments those jobs that are best suited to the abilities of individual employees. Additionally, lower labor market employee mobility allows the larger Japanese companies to recoup their investment in training new employees. Again, it is unclear why more attention to learning in college will not benefit these companies.

The "Commons" Problem

Basically, Japanese higher education seems to suffer from a "commons" problem in the labor market for students. Merit-based admission to universities results in stratification of universities by the natural abilities of the students they attract. College admission is a highly informative, though imperfect, signal of individual student talent, and this information is available to all employers free of charge. The information content of this signal in Japan is so high that in making their hiring decisions, employers don't consider it worthwhile to make an effort to learn more about the talents of individual job applicants. When most employers find this approach an attractive hiring strategy to follow—like grazing in the commons—the incentives for college students to learn is reduced. If grades are less important to their potential employers than networking, it is hardly surprising that most students care little about studying, class attendance, or grades.

Professors also have little incentive to teach well. If few students care about learning, professors lose interest in teaching. They pursue research or outside income. There is no penalty for teaching poorly. Japanese university professors receive tenure

on the date they are hired into a tenurable position, without having to serve the probation period common in American universities. There are no student evaluations of their teaching performance. Professors' salaries and promotions depend on age, length of service, and sometimes research, but not on how well they teach.

Individual employers cannot break out of this vicious cycle of collective indifference because one firm's additional effort to increase screening of students will provide little inducement to all students to learn more during their college years or for professors to improve their teaching. In countries where admission to college is not based on merit alone, college admission is less indicative of talent and merit, and employers find it worthwhile to invest their recruitment effort into investigating individual candidates. This effort provides enough incentive for individual students to strive to learn so they can distinguish themselves in the eyes of potential employers.

The Cost of Education

Tertiary education in Japan is expensive. Annual tuition at national universities averages 336,000 yen (3,360 U.S. dollars) per year. At private universities, the tuition is much higher, averaging about 912,000 yen (9,120 U.S. dollars) per year. In 1992, 6.3 trillion yen (63 billion U.S. dollars) was spent directly on higher education, of which 65 percent came from private funds, 30 percent from national funding, and 5 percent from local governments. To that must be added a large chunk of substantial but difficult-to-measure employee training costs, which could have been avoided if Japanese universities did their job better. The opportunity cost of lost wages while students attend college—estimated at about 2.6 million yen per year for males in 1995—must also be added to the cost of education. There is also the cost of attending cram schools *(juku)* and special prep schools *(yobikō)* to prepare for university entrance examinations

(see chapter 3). And those who fail the entrance examinations must spend more money on tutoring or attending *(yobikō)* while waiting to take the exams the following year.

Does It Pay?

Does it pay to go to college? The following table compares annual earnings (regular wages plus bonuses) in 1995 of male employees with different educational backgrounds at different ages.

Annual Earnings of Male Employees by Education: 1995 (in 1,000 yen)

Age	High School Graduate	College Graduate
20–24	3,307	3,207
25–29	4,049	4,545
30–34	4,733	5,767
35–39	5,331	6,834
40–44	5,990	7,916
45–49	6,553	9,224
50–54	7,026	10,251
55–59	6,284	9,915
60–64	4,451	7,702

For both groups, lifetime earnings rise with age, reach a peak in the mid-fifties, and decline thereafter. However, college graduates have steeper earning profiles than high school graduates. Between the ages of twenty and twenty-four, a college graduate just beginning a career earns less than a high school graduate with several years of work experience. By his late twenties, however, the college graduate has surpassed the high school graduate in earnings. The gap between their earnings widens rapidly, so that between the ages of fifty and fifty-four, the college graduate earns 46 percent more than the high school graduate. However, not all the observed differences in earnings between

the two groups can be attributed to graduation from college. University graduates earn higher incomes partly because, on average, they have more natural ability. There are also nonmonetary benefits to college graduation. As in the United States, Japanese university graduates have higher social status and prestige, get better jobs, have greater chances of promotion, are regarded as more desirable marriage partners, and so on.

Change Is Under Way

Japan's higher education system needs reform. Why don't employers, taxpayers, and students complain about the low-quality education and demand reform? In the post–World War II period, Japan's economy boomed, profits and incomes rose rapidly, resources were abundant, and people did not want to rock the boat. But Japan's economic growth has slowed. The strong yen has induced many Japanese corporations to move their manufacturing plants abroad. Labor shortage has turned into labor surplus, and more employees are being let go during a downturn. As Japan increasingly faces cost pressures from abroad, it will be difficult to continue to sink resources into a costly but low-quality higher education system. The Ministry of Education as well as the universities are under pressure to improve their performance.

Changes are coming to the universities, including (1) the abolition of the current Ministry of Education's "general education" *(kyōyōbu)* core requirements in favor of locally determined programs, (2) the closing of junior colleges, (3) the expansion of graduate programs, (4) the institution of "self-evaluation" by the faculty, (5) the encouragement of student evaluation of faculty, (6) increased emphasis on publication and other evidence of faculty development, (7) encouragement and funding for computerization and development of computer literacy, (8) the abolition of English as a requirement (universities

can offer other foreign languages and determine their own foreign language requirements), (9) increased emphasis on international exchange programs, and (10) a recommendation to hire faculty on a fixed-term contract basis.

If these changes are implemented, Japan may finally see meaningful higher education reform.