**SYSTEM STRUCTURE AND INSTITUTIONAL GOVERNANCE**

- A legal and administrative framework for the exercise of institutional autonomy has been put in place, not just for national universities, but also for incorporated public universities and public research institutes. This has had repercussions right through the entire tertiary sector, including the nation’s private universities.

- The momentum of the 2004 reforms should not be lost and it should continue to support, rather than undermine, the traditional strengths of the Japanese higher education sector of diversity, participation, accessibility and research quality. This could be achieved by a formal evaluation of the reforms.

- The educational authorities should continue to focus on strategic planning, rather than detailed operational plans, which should be the responsibility of the institutions.

- A clearer distinction is needed at the policy level between regulation and planning. The goals of strategic planning need to be stated more explicitly and the educational authorities should use these to evaluate the institutions’ medium-term plans.

- Staff training and development is urgently needed in both the universities and within educational authorities to provide a skills mix which is fit-for-purpose under the new system and strengthen professional capacity to carry through the continuing implementation of the reforms.

- Tertiary institutions should take better advantage of their new autonomy, for example through new approaches to academic career tracks and internal resource allocation.

**FUNDING**

- Building on past experience, a broadly consultative process should be organised to review the possibility of achieving voluntary consolidation among public sector institutions, both national and public.

- Funding of national and prefectural universities should continue to shift resource allocation from inputs to performance. Funding formulae for national universities need to support the diversity of their missions, such as excellence in teaching and professional education and engagement with regional employers and governments. Educational authorities need to diversify the performance-based funding instruments now available to them.

- University institutions should be permitted substantially greater flexibility in setting tuition fees. Further, tuition fees for undergraduate courses of study should be permitted to vary much more widely than at present to reflect differences across institutional missions, prestige, programme costs or students’ ability to pay, so efficiency and equity gains are achieved.

- Incentives should be developed to accelerate diversification of institutional revenues and to widen institutional-level management practices that are conducive to efficiency.

**QUALITY ASSURANCE**

- As higher education institutions come to develop internal assessment abilities, responsibility for the organisation and implementation of quality assessment should shift to the higher education institutions themselves.

- Certified evaluation agencies could remain responsible for accreditation of new institutions and professional graduate programmes and gradually become responsible for the audit or meta-evaluation of institutional quality assessment.

- The system of quality assurance should encourage institutions to learn from one another. An independent national centre for higher education quality could be established to support the universities and colleges in their own internal quality activities.
EQUITY

- Educational authorities should modify the student lending system, which currently sets a fixed repayments schedule, to allow student borrowers to repay their loans after graduation with loan repayments varying with income.
- Educational authorities should undertake systematic data collection and analysis to permit a clear understanding of enrolment rates in higher education in Japan by family characteristics, including income and parental education.
- Educational authorities should continue their recent attention to the question of gender equity in tertiary education.

LINKS WITH THE LABOUR MARKET

- Educational authorities should create an environment within which prospective students and employers have information about teaching practices and learning experiences to help students choose and promote institutional competition.
- Educational authorities should develop information about longer-term labour market outcomes of tertiary students, and make this information available to prospective students.
- Educational authorities should encourage the development of career and benefit policies so that academics can move more easily between academic and external posts -- in firms, public research institutes, or other external settings.

RESEARCH AND INNOVATION

- Further development of the nation’s capacities to undertake and apply scientific research depends on the structure of scientific training and careers, and will require their reform in the ways proposed in the Third Basic Plan. These include:
  - increased transparency in the recruitment and evaluation of researchers
  - diversification of research community, with increasing support for female, foreign, young, and elderly researchers
  - enhancing researcher mobility
  - expanding the use of competitive funding
  - increasing the proportion of private sector research carried out in universities
  - extending permissible lengths of stay and easing permanent residence requirements for international researchers
  - establishing long-term internship programmes between university and industry

INTERNATIONALISATION

- A large, mature and dynamic higher education system like Japan’s needs a flexible and dynamic internationalisation policy, including policies and instruments to stimulate an appropriate internationalisation strategy in all institutions.
- Japan should take the initiative to deepen and widen the existing framework of regional cooperation, building upon University Mobility in Asia and the Pacific (UMAP) and the UMAP credit transfer system.
- Japan should continue to strengthen the attractiveness of its graduate programmes for international students. This requires improvement in the basic facilities for foreign graduate students coming to Japan.
- The National Institution for Academic Degrees and University Evaluation along with other evaluation bodies should develop guidelines and a suitable methodology for evaluating educational services provided by Japanese universities operating in other countries.

FURTHER READING

These pointers for policy development are drawn from OECD Reviews of Tertiary Education, Japan published in 2009.