The evolution of the balance between private and public funding in Higher Education and trends for the future: the case of Japan

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Main points

(1) University subsidies from the Japanese government have decreased in the last 10 years
  • Decrease in 18-year-olds population
  • Increase in the other field of the budget

(2) Private funding has increased
  • Strengthen universities’ budget
  • Enhance innovation

(3) National strategies about universities
Administrative subsidies from the government to national universities

MEXT, “Grants from the government to national university”
18-Year-Olds Population

(Thousand people)
Trend of the national budget

Billion dollar

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Joint research projects between universities and companies

Number of joint research projects

Revenue from joint research projects

MEXT Annual Survey on University-Industry Collaboration
Licensing patents from universities to companies

Number of licensed patents

Revenue from licensing

MEXT Annual Survey on University-Industry Collaboration
Universities’ income ratio from industries

Japan: 2.6%
USA: 5.0%
Germany: 13.9%
UK: 4.6%
South Korea: 11.3%
China: 35.3%

National Institute of Science and Technology Policy. 2016. “Digest of Japanese Science and Technology Indicators 2016”
National strategies about universities

National University Management Strategy (MEXT, 2015)

In order to strengthen universities’ financial budget, universities need to increase profitable business, donation, and joint research with private companies.

Japan Growth Strategy (Cabinet Decision, 2016)

- Strengthen university-industry collaboration to promote innovation
- Triple investment from companies to universities by 2025
Discussion questions

• What is your countries’ situation about the balance between private and public funding in Higher Education and its trend?
• What is the effective way to increase income from private companies?
University’s income structure
University of Tokyo and UC Berkeley (2013)

![Bar chart showing the income structure of University of Tokyo and UC Berkeley.](chart.png)

- **University of Tokyo ($15.4 Billion):**
  - Research funding: 22
  - Investment: 3
  - Tuition: 8
  - Donation: 4
  - Administrative subsidy: 45
  - Others: 18

- **UC Berkeley ($17.5 Billion):**
  - Research funding: 16
  - Investment: 6
  - Tuition: 37
  - Donation: 26
  - Administrative subsidy: 14

※Excluding revenue from university hospital

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