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Entrepreneurship Education in Japanese Universities – How Do We Train for Risk Taking in a Culture of Risk Adverseness?

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Entrepreneurship education in Japanese universities – how do we train for risk taking in a culture of risk averseness?

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Abstract: In this paper, we focus on entrepreneurship education at universities in Japan. In this country, entrepreneurship in terms of willingness to take the risk of setting up a business is at the lowest level in international comparison surveys such as the Global Entrepreneurship Monitor. This tendency to have a lack of entrepreneurship among Japanese people is based on the traditional cultural climate which is not necessarily favourable for entrepreneurs. The era of economic expansion needs another period of vitality after overcoming the crisis and stagnation since the beginning of the 1990s after the collapse of a so-called bubble economy. Under these circumstances, the necessary entrepreneurship education has been enhanced and developed at Japanese universities. Firstly, we overview the background behind the lack of entrepreneurship in Japan and explain how the necessity of entrepreneurship education is treated. Secondly, we analyse the development of entrepreneurship education at universities in Japan and sum up the supporting policies and also the general state of entrepreneurship courses. Thirdly, we present the status-quo of some universities advanced in entrepreneurship education. Lastly, we describe entrepreneurship education in the NBS (Graduate School of Business) course at Nihon University, one of the leading universities in Japan in this domain.
Keywords: Japan; entrepreneurship; entrepreneurship education; Japanese universities.


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Katsuyuki Kamei is a Professor at Faculty of Safety Science, Kansai University, Osaka, Japan. He is Vice President of Japan Risk Management Society (JARMS). He researches and teaches about strategy and risk management. He has a DEA degree in Management from IAE at University of Aix-Marseille III and PhD in Commerce from Osaka City University. He is an author of various books in Japanese on general theory and case about risk management.

Léo-Paul Dana earned his BA and MBA degrees at McGill University, and his PhD degree from the Ecole des Hautes Etudes Commerciales HEC-Montreal. He holds the titles of Professor of International Entrepreneurship at Open Universiteit Nederland, Adjunct Professor of Entrepreneurship at GSCM-Montpellier Business School, and Adjunct Professor at the University of Regina, in Canada. He served at the University of Canterbury and prior to that as a Visiting Professor of Entrepreneurship at INSEAD and the Deputy Director of the International Business MBA Programme at Nanyang Business School, in Singapore.

1 Introduction

Entrepreneurs are affected by the nation in which they operate and also by the region in which they are situated. In this chapter, we focus on entrepreneurship education at universities in Japan. In this country, entrepreneurship in terms of willingness to take the risk of setting up a business is at the lowest level in international comparison surveys such as the Global Entrepreneurship Monitor (GEM). This tendency to have a lack of entrepreneurship among Japanese people is based on the traditional cultural climate which is not necessarily favourable for entrepreneurs. The era of economic expansion has passed and this country needs another period of vitality after overcoming the crisis and stagnation since the beginning of the 1990s after the collapse of a so-called bubble economy. Under these circumstances, the necessary entrepreneurship education has been enhanced and developed at Japanese Universities.
Eto and Suzuki (2006) as well as Eto (2007) pointed out the following 8 points in the report by the Daiwa Institute of Research on entrepreneurship education in Japanese universities.

1. There is a lack of entrepreneurship in general, and entrepreneurship education in higher education facilities is a necessity.

2. Entrepreneurship education is expanding at Japanese universities. Around 45% of Japanese universities introduced into the curriculum lectures on ‘venture business’ and ‘entrepreneurship education’.

3. Three types of entrepreneurship education courses exist at Japanese universities.
   - Type A: Master of Business Administration (MBA) course
   - Type B: Management of Technology (MOT) course
   - Type C: Career education course for undergraduate students.

4. The methods of education are:
   - lectures
   - case studies + group discussions
   - business plan making + presentations.

   Business plan making is useful for the students who have no intention to set up a company, because the process of thinking about business opportunities and future forecasting helps to foster logical thinking.

5. Among Japanese universities, the following four universities are leading in entrepreneurship education: Waseda University, Keio University (Shonan Fujisawa Campus), Ritsumeikan University and Nihon University NBS (Graduate School of Business).

6. With the expansion of entrepreneurship education, students are expected to study on compliance and governance as well.

7. Lectures on entrepreneurship are in the state of scrap and build: many courses are born while as many of them are abolished. Universities are engaged in trial and error to try to offer better entrepreneurship education that effectively assists students to form the carriers they want.

8. Differences are obvious between the universities willing to promote entrepreneurship education and those unwilling to.

In this paper, we try to confirm these points through the following analysis:

- Firstly, we overview the background behind the lack in entrepreneurship in Japan and explain how the necessity of entrepreneurship education is treated.
- Secondly, we analyse the development of entrepreneurship education at universities in Japan and sum up the supporting policies and also the general state of entrepreneurship courses.
- Thirdly, we present the status-quo of some universities advanced in entrepreneurship education.
Lastly, we describe entrepreneurship education at the NBS (Graduate School of Business) of Nihon University, one of the leading universities in Japan in this domain.

2 The necessity of entrepreneurship education

2.1 Entrepreneurs in Japan

Japan is reported to have an entrepreneurship ‘problem’. It is near the bottom of GEM surveys. A White Paper on SMEs in 2005 pointed out that, “the decline in risk-takers not only creates the prospect that risks may not be taken at the enterprise level, but also creates the risk for society as a whole that the maintenance of growth potential and improvement of the industrial structure may be imperiled by the decline in self-employment and decrease in the entry rate”. In order to resolve this entrepreneurship problem, Japanese policy-makers have introduced a series of reforms as we explain later. One example is the drastic change in commercial law with the creation of the new Corporation Law in 2006 aimed at facilitating the founding of an enterprise.

Based on Dana (2007), Japanese entrepreneurs can be described as follows:

“Japan is a country in which a big size is desirable. An old proverb teaches, “When seeking a shelter, look for a big tree” (Yoraba Taizyu no Kage). Rather than compete with large firms, entrepreneurs in Japan co-operate with them, serving as suppliers and assemblers, in an intricate relationship revolving around cultural beliefs. Japan has an ancient and intricate cultural tradition, founded on legends, myths and rituals. Central to the Japanese belief system are the concepts of mutual obligation, indebtedness, hard work, self-sacrifice and loyalty, all of which reinforce the very important notion of harmony for the common good. Additionally, in Japan, the individual is always conscious of belonging to a group. Therefore, enterprises also tend to form associations. The concepts of obligation, indebtedness and loyalty contribute to the unity and success within each partnership, and to the harmony among groups.

Although entrepreneurship in Japan may have acquired Western knowledge, it has retained Japanese spirit, including cultural and traditional values such as the sense of obligation, indebtedness and loyalty within business alliances. Public policies help perpetuate this pattern, and across industries, small businesses in Japan are usually linked to a network of one kind or another.

Since World War II, a few small-scale engineering firms in Japan grew into multinationals. These include Honda and Sony. However, these very large firms were exceptions the majority of Japanese enterprises specialised in niche activities. For many, the niche was to serve as subcontractor for major enterprises. This complementarity between small and large firms, coupled with a cultural system of harmony, enhanced the efficiency of the Japanese economy. Small-scale entrepreneurs helped large corporations to prosper, while the latter gave entrepreneurs a raison-d’être as well as a livelihood. Cultural values helped propagate the inter-firm linkages. These include: the keiretsu (a diversified enterprise group) and the shita-uke gyosha (subcontractors).”

2.2 The lack of entrepreneurship in Japan

The lack of entrepreneurship among Japanese people is shown in various concrete aspects.
2.2.1 Study by Hofstede (1991)

According to an intercultural survey by Hofstede (1991), Japan showed one of the highest levels of uncertainty avoidance which can explain the unwillingness to take risk among Japanese.

2.2.2 GEM results

In the first version of this survey in 2000, Japan showed one of the lowest rates of entrepreneurial activity among the 21 countries (1.3%); the percentage of the people an acquaintance who has found an enterprise was low (17.6%, G7 average 38.9%), the percentage of the people who respect entrepreneurs was low (31.3%, G7 average 80.7%), the percentage of the people who thought themselves capable of finding a business chance in the coming five months was low (4.6%, G7 average 39.0%), and finally the percentage of the people who were unwilling to found an enterprise due to a fear of failure was high (60.0%, G7 average 35.7%). These tendencies did not change with the recent version. According to GEM 2007, among the Japanese people who answered the questionnaire, only 15.2% think they have “the skills needed to start a new business”. Japan’s percentage score is the second lowest level after Russia among 42 countries.

Yahagi and Isobe (2000), the Japanese coordinators for GEM summarised the following unique national features and key issues, at the end of the 2000 version. Entrepreneurship in Japan can be described as follows.

a The cultural climate in Japan is unfavourable for entrepreneurs. Little respect is accorded to them. In comparison with the predominant preference for employment in large corporations, entrepreneurs are seen as rather eccentric.

b Entrepreneurs do not have many of the requisite skills to found a business and at the same time public policy does not always meet their needs.

c Japanese education emphasises preparation for entering large corporations and does little to encourage students’ creativity or individualism.

d The personal costs of entrepreneurial finance are high and banks usually require loans to be secured by personal guarantees.

2.2.3 White paper on SMEs on entry and exit rates

According to the White Paper on SME (2006), since 1991 exit rates have continued to exceed entry rates in terms of the number of the enterprises. As a result, the number of enterprises has been decreasing.

Under these circumstances, entrepreneurship education has been enhanced. The expansion of entrepreneurship education at universities and graduate schools is highlighted in Table 1, along with other challenges and the actions taken to cope with the problem of lack in entrepreneurship in Japan.
Table 1 Start-ups in Japan: six challenges and actions

<table>
<thead>
<tr>
<th>Challenge 1</th>
<th>Action 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of skills for business start-up</td>
<td>1  Expansion of entrepreneurship education at universities and graduate schools</td>
</tr>
<tr>
<td></td>
<td>2  Enhancement of support for business start-up with focus placed on venture start-up</td>
</tr>
<tr>
<td>Challenge 2</td>
<td>Action 2</td>
</tr>
<tr>
<td>Lack of global-scale venture companies</td>
<td>1  Change in awareness of start-ups</td>
</tr>
<tr>
<td></td>
<td>2  Strong support by the government for start-ups in going overseas</td>
</tr>
<tr>
<td></td>
<td>3  Effective use of foreign talent</td>
</tr>
<tr>
<td>Challenge 3</td>
<td>Action 3</td>
</tr>
<tr>
<td>Lack of culture to train entrepreneurs</td>
<td>1  Radical enhancement of angel taxation and promotion of use of the system</td>
</tr>
<tr>
<td></td>
<td>2  Organising and stimulating of angel networks</td>
</tr>
<tr>
<td></td>
<td>3  Formation of angel investor funds</td>
</tr>
<tr>
<td>Challenge 4</td>
<td>Action 4</td>
</tr>
<tr>
<td>Insufficient financial resources of venture capitals</td>
<td>1  Expansion of investments by pension funds</td>
</tr>
<tr>
<td></td>
<td>2  Provision of information on venture capital investment</td>
</tr>
<tr>
<td>Challenge 5</td>
<td>Action 5</td>
</tr>
<tr>
<td>Absence of institutional investors in emerging equity exchanges</td>
<td>1  Development of exchanges for professionals</td>
</tr>
<tr>
<td></td>
<td>2  Development of analyst introduction system benchmarks, etc.</td>
</tr>
<tr>
<td>Challenge 6</td>
<td>Action 6</td>
</tr>
<tr>
<td>Breakaway from absolute obsession with IPOs</td>
<td>1  Promotion of corporate venturing</td>
</tr>
<tr>
<td></td>
<td>2  Improvement of investment contracts between venture capital and start-ups</td>
</tr>
</tbody>
</table>


3 The development of entrepreneurship education in Japan

3.1 Public policy that enhances entrepreneurship—legislation and reform in favour of entrepreneurship

To enhance entrepreneurship and support venture business, a series of public policies and deregulations have been introduced since the 1990s. The policies shown in Table 2 for example the Technology Licensing Organization (TLO) law in 1998, the Hiranuma plan in 2000, and the reform of national universities in 2002 strongly promoted the creation of university-start-ups. As a result, the number of university-originated ventures increased to 1590 in March 2007 from 151 in 1997. That means the number increased by ten times in
ten years. The development of ITC strengthened this tendency, and had brought much more access to set up a business.

With the enforcement of the National University Reformation Law, national universities were incorporated as independent agencies in April 2004. Before this reform, national universities had no legal status. They could not be a patent owner: intellectual property belonged to inventors. Thus TLOs contracted with inventors. After this reform, national universities could get legal status, could be patent owners. Intellectual property belongs to the university. Now, TLOs contract with universities.

Together with these evolutions, the entrepreneurship education has been supported by policies such as the METI promotion project in 2002 or the launch of the professional graduate school system in 2003.

Table 2 Support policies for entrepreneurs: structural change in Japanese society and entrepreneur policies

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>Law on Temporary Measures to Facilitate Specific New Businesses (New Business Law)</td>
</tr>
<tr>
<td>1995</td>
<td>Basic Law for Science and Technology policy</td>
</tr>
<tr>
<td></td>
<td>Law on Facilitating the Creative Business Activities of the SMEs (Creation Law)</td>
</tr>
<tr>
<td>1996–2000</td>
<td>The first five year Science and Technology Plan</td>
</tr>
<tr>
<td>1997</td>
<td>Angel Tax System</td>
</tr>
<tr>
<td></td>
<td>Law for Promoting Technology Transfer from Universities (TLO Law)</td>
</tr>
<tr>
<td></td>
<td>• TLO: Technology Licensing Organization</td>
</tr>
<tr>
<td>1999</td>
<td>Law for Special Measures for Industrial Revitalization (Revitalization Law)</td>
</tr>
<tr>
<td></td>
<td>• Japanese Bayh-Dole Act</td>
</tr>
<tr>
<td></td>
<td>• Reduction of patent fees for approved TLOs</td>
</tr>
<tr>
<td></td>
<td>Creation of a new market for venture companies, ‘Mothers’ within Tokyo Stock Exchange</td>
</tr>
<tr>
<td>2000</td>
<td>Law to Strengthen Industrial Technology</td>
</tr>
<tr>
<td></td>
<td>• Allowing TLOs to use national university facilities free of charge</td>
</tr>
<tr>
<td>2001</td>
<td>1,000 University-start-ups in three years (Hiranuma Plan)</td>
</tr>
<tr>
<td>2002</td>
<td>Enforcement of National University Reformation Law</td>
</tr>
<tr>
<td></td>
<td>METI “Promotion of the Introduction of Entrepreneur Training Program at Universities” project</td>
</tr>
<tr>
<td>2003</td>
<td>Professional Graduate School system launched</td>
</tr>
<tr>
<td>2005</td>
<td>SME New Business Activities Promotion Law (New Business Law, Creation Law and Revitalization Law merged into this law.)</td>
</tr>
<tr>
<td>2005</td>
<td>Corporation Law</td>
</tr>
<tr>
<td></td>
<td>• Facilitation of foundation of an enterprise</td>
</tr>
<tr>
<td></td>
<td>Law on Limited Liability Partnership (LLP)</td>
</tr>
</tbody>
</table>

Source: Compiled by the authors
3.2 The developing state of entrepreneurship education at Japanese Universities

3.2.1 The development of entrepreneurship education courses at Japanese Universities

In Japan there exist 87 national universities, 89 other public universities (municipal or prefectural) and 580 private universities accounting for 756 universities in total at the end of 2007.

In a survey by the Ministry of Education in 2002 of the total of 687 universities at that time, 205 universities (about 30%) held lectures on entrepreneur training. A survey of 527 universities by Tsukuba University in 2003 counted 44 universities which had established entrepreneurship education courses and 236 which had introduced lectures on entrepreneurship.

Lectures on entrepreneurship are in the state of scrap and build: many courses are born while as many of them are abolished. Universities are engaged in trial and error to try to offer better entrepreneurship education that effectively assists students from the carries they want.

We see obvious differences between the universities willing to promote entrepreneurship education and those unwilling to. Among universities that are willing, we see leading in entrepreneurship education as Waseda University, Keio University (Shonan Fujisawa Campus), Ritsumeikan University and Nihon University NBS (Graduate School of Business).

3.2.2 Type of the courses

Eto and Suzuki (2006) focused on 22 Japanese universities leading in entrepreneurship educations. Their survey counted 71 courses (70% private and 30% public universities) within these 22 universities and classified three types of entrepreneurship education course.

- Type A: MBA course (52%) whose aims are to train students in management and foster skills necessary for founding a business.
- Type B: MOT course (20%) whose aim is to provide students of technology with management skills.
- Type C: career education courses for undergraduate students (28%), which are provided for the reason that entrepreneurship education is useful even for students who have no intention to set up an enterprise.

A survey published in May 2002 by METI focused on graduate schools offering entrepreneurship education. This survey found that among 448 graduate schools investigated, 64 (14.3%) had established entrepreneurship education courses. Forty-six of them (63.9%) are night and weekend courses for business people, while 26 (36.1%) are daytime courses. Most of them (69; 94.5%) are two-year courses.

Based on these surveys, we can classify entrepreneurship education at Japanese universities in the way shown in Table 3.
Table 3  Type of entrepreneurship education at Japanese universities

| a | Type focusing on entrepreneurship education |
| b | Type based on the territorial networks: collaboration with enterprises and incubation facility in the region |
| c | Type focusing on global manager training: collaboration with partnerships abroad |
| d | Type making use of resources and technological seeds at natural science faculties |
| e | Type of consortium with several universities |
| f | Type training Japanese style managers: education conscious of the specificity of Japanese corporations and the Japanese industrial system |
| g | Type specialising in specific fields |

Source: Compiled by the authors

3.2.3 Teaching method
The methods of teaching are:

1. lectures
2. case studies + group discussions
3. business plan making + presentations.

Lectures treat the such subjects as

a. finance and accounting
b. marketing
c. intellectual property strategy
d. legal work.

Business plan making is useful for students who have no intention to set up a company, because the process of thinking about business chances and future forecasting help to foster logical thinking.

According to the survey by METI in 2002 mentioned above, 36 courses (64.3%) adopt case study method and 28 (52.8%) included business plan making.

4 The status quo of entrepreneurship courses at the major graduate and undergraduate university courses in Japan

4.1 Some major entrepreneurship education courses

We will explain how entrepreneurship courses at the major graduate and undergraduate university courses in Japan are currently being carried out, citing some important cases of prominent universities within entrepreneurship education.

Before attempting to go that far, we will have a look at Table 4, which shows a rough picture of entrepreneurship courses at the major graduate and undergraduate university courses in Japan.
Table 4  The no. of entrepreneurship courses

<table>
<thead>
<tr>
<th>Availability of online syllabus from the outside</th>
<th>(2007)</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of courses for the undergraduates</td>
<td>No. of courses for MBA</td>
<td>No. of courses for MOT</td>
</tr>
<tr>
<td>Ritsumeikan Univ. available</td>
<td>23</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Waseda Univ. available</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Keio Univ. available (SFC)</td>
<td>6</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Nihon Univ. partly available</td>
<td>7</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Doushisha Univ. available</td>
<td>2</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Chuo Univ. available</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Kyoto Univ. partly available</td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Meiji Univ. available</td>
<td>6</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Hosei Univ. not available</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Ritsukyo Univ. available</td>
<td>2</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Tohoku Univ. available</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tokyo Univ. of Science available</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Kyushu Univ. available</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Eto (2007, p.3), translated from Japanese and partly amended by the authors
Table 4  The no. of entrepreneurship courses (continued)

<table>
<thead>
<tr>
<th>Availability of online syllabus from the outside</th>
<th>No. of courses for the undergraduates</th>
<th>No. of courses for MBA</th>
<th>No. of courses for MOT</th>
<th>No. of courses for other graduate schools</th>
<th>Total no. of courses (double courses excluded)</th>
<th>Total no. of courses (double courses excluded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitotsubashi Univ. party available</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Tokyo Univ. partly available</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Osaka Univ. partly available</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Tokyo Inst. of Technology partly available</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Nagoya Univ. partly available</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Tsukuba Univ. partly available</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Kobe Univ. partly available</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Aoyama Gakuin Univ. not available</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Hokkaido Univ. available</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
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<td>Total (double count allowed)</td>
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<td></td>
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</tr>
</tbody>
</table>

Source:  Eto (2007, p.3), translated from Japanese and partly amended by the authors

As you may understand from Table 4, there exit some leading graduate and undergraduate universities such as Waseda University, Keio University, Ritsumeikan University, Nihon University (all these universities are privately-funded), and Kyoto University (which is publicly-funded and is well-known as one of the top 2 national universities, together with Tokyo University).

From this point, we will explain each case one by one in the form of a brief summary.
In the next chapter, we will devote ourselves to Nihon University, the largest university in terms of the number of graduates who have become CEOs.

4.2 Waseda University (http://www.waseda.jp/wbs/)

Waseda started studies of entrepreneurship as early as 1993 after Prof. Matsuda set up WERU (Waseda Entrepreneurial Research Unit) as a pioneer of entrepreneurship education. This unit formed a core of academic staff from Waseda University and the Graduate School of Asia-Pacific Studies, in which Entrepreneurship Education was carried out up to last year. In 2007, Waseda regrouped four graduate schools into three, one of which is now called Waseda Business School (WBS). Its MBA/MOT programme is dedicated to entrepreneurship management.

**Figure 1** Waseda’s programme structure (see online version for colours)

![Program structure](http://www.waseda.jp/wbs/01degree/01field_en.html)

Within the WBS Programme, there are opportunities to specialise in areas such as strategic management, entrepreneurship, and technology management. In particular, by offering a unique technology-centred track (MOT Programme) in addition to the traditional MBA coursework, WBS brings a special focus to the training of management professionals who are adept at integrating the latest technologies into an overall management strategy in order to respond to the rapidly changing needs of society.
Table 5  

<table>
<thead>
<tr>
<th>Programme</th>
<th>Course Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBA Programme</td>
<td>in Strategic Management</td>
</tr>
<tr>
<td></td>
<td>in Entrepreneurship Management</td>
</tr>
<tr>
<td>MOT Programme</td>
<td>Management of Technology</td>
</tr>
</tbody>
</table>

Source: Adopted from the Waseda University homepage (http://www.waseda.jp/wbs/01degree/01field_en.html)

This course is designed to educate future leaders to attain mastery of entrepreneurship and in support, marketing, and financing for start-up businesses. Waseda has also set up Waseda Incubation Center at the undergraduate level. In this centre, activities for assisting start-ups are as follows: provision of infrastructure by the university, management assistance, fund-raising assistance and liaison assistance among the companies, related companies, government and local authorities.

Figure 2  

Start-ups originating from Waseda University (single year basis) (see online version for colours)


Now, after having their future potential closely examined, 16 entrepreneurs are placing their offices in this centre as of October 2008.


Keio Business School (KBS) is a centre of entrepreneurship education at the graduate school level, while SFC (Keio University Shonan Fujisawa Campus) offers a sizable programme of entrepreneurship at the undergraduate level. The first offers entrepreneurial courses such as Issues in Entrepreneurship, Entrepreneurial Strategy and Venture Enterprise Management Strategy. The latter is known for its Business Idea Contest, one of its incubation activities. It offers the SFC Entrepreneur Award to outstanding entrepreneurs who graduated from SFC. Some pre-stages are also programmed, such as the SIV (SFC Incubation Village) Tutorial, SIV Executive Seminar, SIV Workshop, SIV Mentors and SIV Discussion Forum.
Keio University jointly developed a venture incubation facility called the Keio Fujisawa Innovation Village (SFC-IV) in March 2006. The facility was developed in collaboration with the Organisation for Small and Medium Enterprises and Regional Innovation, Kanagawa Prefecture and Fujisawa City to support venture entrepreneurs. SFC-IV not only rents out office space to collaborative entrepreneurs but also allows them to use Keio SFC’s resources in information technology, biotechnology, environmental technology, nursing and medical care, health management, urban space design and social system planning. Incubation Managers are assigned to support tenants with manpower, goods, money and information necessary for developing their businesses.

4.3.1 Best location for close collaboration with Keio University

SFC-IV is located just next to Keio University Shonan-Fujisawa Campus across the street. SFC-IV is very convenient for local entrepreneurs as well as the students and researchers of Keio University. SFC-IV provides a place and opportunities for new business creation activities based upon University business seeds or joint research/development results between the University and the private sector.

4.3.2 Full support for new businesses

Three incubation managers are resident to provide a full range of business support for tenant entrepreneurs.

The support includes the following:

- business plan brush-up, finance planning support
- public subsidy programme application support
- intellectual property right strategy planning support
- business ideas and market needs evaluation support
- company establishment procedure support.

4.3.3 Network environment

SFC-IV is located in an optical fibre network service area. Each tenant can set up a high speed network via optical fibre and subscribe an ISP service based on its business needs. One information outlet is equipped in each shared office. Two information outlets are equipped in each office/small office/workshop office. Related fees are charged to tenants.

Also, connection to the SFC Campus Network System (SFC-CNS) network may be permitted if collaboration with Keio University requires it (the use of the network is restricted to scientific research purpose only).

4.3.4 Target tenants are:

1. venture companies, researchers, and students that plan to start new businesses based on the university business seeds

2. individuals, venture companies and SMEs that plan new businesses based on joint R&D with the university and/or its technology transfer.
4.4 Ritsumeikan University
(http://www.ritsumei.jp/ba/pdf/curriculum_keiei.pdf; http://online-kaikou.ritsumei.ac.jp/2008/syp/list.php?code=ba&c1=1&c2=5&c3=8)

4.4.1 The case of Ritsumeikan University

Ritsumeikan University is unique in setting up a sizable programme of entrepreneurship at the undergraduate level. Especially, since 2006, it has established by far the largest number of courses for the undergraduate students at BKC (Biwako Kusatsu Campus) among Japanese universities. Those students at BKC, majoring in Business Administration, Economics, Science and Engineering and Information Science and Engineering are provided with 20–30 credits of Entrepreneurship, together with their main courses. Entrepreneurship courses may look as if they were their second major courses, thanks to the sheer volume of entrepreneurship courses. Indeed, those students of senior high schools who are aiming to be future entrepreneurs, are allowed to submit their business plans instead of taking the entrance examination of the university.

Additionally, the university educational-industrial complex entrepreneur education programme has made extremely useful links with groups such as BKC Incubator, the Venture Business Community and with 132 entre-internship companies, where would-be entrepreneur students go for an internship. At the graduate school, entrepreneurship classes are taught during evening sessions in a satellite campus called Ritsumeikan Academia in Osaka City, a convenient place for business people.

4.4.2 The Kyoto Way

Kyoto, which was the capital about 1,200 years ago, is the cultural heart of Japan. The beautiful surroundings and the cultural heritage attract people from all over the world. Kyoto is also a centre of entrepreneurial and technological prowess. The ‘Kyoto method’ of entrepreneurship has given birth to world-class ventures such as Horiba, Omron, Kyocera and Nintendo. It is not a coincidence that Ritsumeikan University and Kyoto University were founded in Kyoto, which is only the 7th largest city and 13th largest prefecture in Japan.

Numerous Japanese books have been written on the ‘Kyoto model’ of entrepreneurship or management. It is true that researchers have discussed whether such a particular Kyoto model exists. From previous studies, we can summarise the following characteristics of the ‘Kyoto model’ as an entrepreneurial background.

1. The coexistence of tradition and high-tech

In addition to being the location of most traditional Japanese industries, Kyoto has a higher share of manufacturers than the national average. Within manufacturing, high-tech and electronics-related industries have become prominent. This coexistence of tradition and high-tech is a rare particularity of this city.

2. Traditional industries as a source of high-tech

The existence of traditional industries in this ancient capital of Japan has given birth to several technological revolutions. The Kimono industry has been the source of numerous evolutions in technology. The traditional pottery and porcelain industry, Kyo yaki or Kiyomizu yaki, has been the root of ceramic businesses such as Kyocera
or Murata. Technology in the production of sake has led to innovation in biotechnology.

3 Respect for Honmamon (something with real value)

Manufacturers in Kyoto are said to be honmamon-oriented. They esteem the quality of their products. They scorn imitating others and prefer differentiation to low pricing.

4 The spirit of Shinise (traditional families of merchants and craftsmen)

Within traditional families of merchants and craftsmen – or Shinise, which literally means ‘old shop’ – we can note the following tendencies: survival rather than profit, quality rather than quantity, respect for relationships with customers, sound business practices, anti-conservatism, a spirit of entrepreneurship, management without debt, cash flow-based management and horizontal networks with other firms. Kyoto does not have any big capitalists. Thus, enterprises in Kyoto are independent of large-scale capitalists (zaibatsu), and therefore, are unlikely to become subcontractors (shita-uke).

5 Small market

Kyoto itself is a small market compared with Tokyo. New enterprises with little legitimacy have difficulty in cultivating the domestic market outside Kyoto. They often look to overseas markets. Thus, Kyoto ventures such as Horiba, Kyocera and Murata went to the US market first and then returned to exploit the domestic market.

6 An academic town much like a Juku embracing the whole city

The city of Kyoto has the highest percentage of academics per capita in Japan, with more than 40 universities and 50 research organisations. Seven out of 12 Japanese Nobel Prizes have been awarded to researchers from Kyoto University. The cooperative atmosphere between industry and academia in this city can be considered as a big Juku (private school) embracing the entire city. Many student entrepreneurs started their enterprises from this academic centre. The first student venture was by Mr. Masao Horiba, who founded the enterprise named after him in 1945.

4.5 Kyoto University (http://www.gsm.kyoto-u.ac.jp/index.php/lecture-program.html)

4.5.1 The case of Kyoto University

Kyoto University started entrepreneurship education at the Faculty of Engineering in 1996. It has spread into other Faculties and Graduate Schools. In 2006, Kyoto Univ. has opened its Graduate School of Management, which is now a centre for Entrepreneurship Education. One of its 3 courses specialises in entrepreneurship.

Its characteristics are as follows:

1 Students are provided with a wide range of elective courses, and are not restricted to obligatory courses, although they are required to pass some credits among basic, professional and business courses instead. These courses are large in number, vary in contents and students are free to choose courses related to their future career plan.
Supervisors are placed to give students some advice on being entrepreneurship. Instructors are assigned to students as educational supervisors. These instructors give students some advice, based on an educational schedule in accordance with their future course of action.

Semester programmes are adopted, and classes are held on Saturdays. Classes are held in the daytime and courses last for two years. Every subject is composed on a semester basis and all classes are conducted at Yoshida Campus of Kyoto University. The curriculum is arranged, so that students can move up through the basic, professional and business courses every semester.

The course has a close liaison with other Graduate Schools for example, the nanotechnology entrepreneurship course in Graduate School of Engineering can be attended by students of the Graduate School of Management. Likewise, the entrepreneurship course can also be taken by the students of Graduate School of Management.

4.5.2 Example of a student entrepreneur, a graduate of Kyoto University

Junya Kondo was born in Mie Prefecture in 1975. He graduated from the Faculty of Physics at Kyoto University in 1998. He was a member of the cycling club at Kyoto University (in Japan, sports are practised within schools and universities). He travelled a lot by bicycle. When he was in the third year at university, he travelled across the USA by bicycle in 45 days. During this tour, he met many people from various walks of life. This experience influenced him greatly and inspired his sense of entrepreneurship.

He attended Graduate School at Kyoto University in 1999. He worked as a part-time photographer at a publishing company (in Japan, most students have a part-time job, even during the semester). At the same time, he was looking for a chance to start a company.

He saw his parents struggle to find anything on the internet using either a robot engine such as Google or a directory-type engine such as Yahoo. One day, he hit upon an idea to offer a service for information search service on the internet using manpower. He discussed this with a consultant from KRP at the Kyoto University Incubation Centre. He explained his plan enthusiastically. Eventually, KRP encouraged him to set up a company.

In July 2001, the ‘Hatena manpowered search engine’ was established as a limited liability company. Hatena is one of the several IT start-ups within KRP. Kondo made full use of the internet infrastructure offered by KRP. He met and engaged with Mr. Koichi Ohkawa, founder of Mag Mag, one of the biggest mail magazine providers in Japan, and another IT start-ups created within KRP.

The manpower search engine works as follows. When a person wants to know something, he or she asks a question by writing ‘I would like to know about A’, and then, the others gather the information and answer the question online. This is available for members of the service. This service is called ‘Hatena’, which means ‘question mark’ in Japanese. In place of money, Hatena members use Hatena points, a kind of virtual means of exchange.

In 2003, Hatena started a blog service called the ‘Hatena diary’, which was very successful. This has grown to be one of the five biggest blog services in Japan. In 2004, Hatena became a joint-stock corporation and moved to Shibuya district in Tokyo. The
number of Hatena members has risen to 180,000 and the users of the Hatena diary number 100,000. The philosophy of Mr. Kondo is ‘never do as others do (do what others do not do)’.

5 **The case study: Nihon University** ([http://www.gsb.nihon-u.ac.jp/jp/index.htm](http://www.gsb.nihon-u.ac.jp/jp/index.htm))

5.1 **The characteristics of NBS, Nihon University**

We will explain in detail the case of Nihon University. Its name ‘Nihon’ means Japan in Japanese. It is the largest university in Japan, in terms of the number of graduates who have become CEOs.

1 One of the characteristics of Nihon University is that its Entrepreneurship course is centred in its Graduate School of Business (called NBS). NBS was established in 1999, and it will celebrate its 10 years’ existence next year. It offers 6 courses in entrepreneurship, such as Venture Start-up & Strategy, Venture Management, Venture Capital, Venture Industrial Finance, Bio Venture and Entrepreneurship (each course will be examined later).

2 Another characteristics is that as Nihon University has produced the biggest number of CEOs in Japan on the whole, its Graduate School also aims at producing the biggest number of entrepreneurial CEOs. As a matter of fact, many of its graduates have become CEOs. Out of 350 people (the accumulated number of students + graduates as of 2006), some 70 people made themselves CEOs, about a 20% success rate. It is a very high rate.

3 The third characteristics is that its course tuition is lower than that of other comparable graduate schools, making it easy for financially disadvantaged but studious would-be entrepreneurs to become academics. Students from Asia are proportionally bigger in number in its course.

4 Every week, every student has to participate in a course called special study. A would-be entrepreneur student can undergo a feasibility study of his or her business plan, involving discussion with his or her professors and colleagues. A graduating student can choose to write either a normal-style graduation thesis or his or her business plan as the final paper of the master course.

5 Since its inception, NBS has made its efforts to let its students know the outer real world outside its inner curriculum, by making them pay several visits to US silicon valley, US route 128, India’ Bangalore, China and other entrepreneurial places in the world.

6 Other external activities include Nihon University Venture Forum, inviting real CEOs of the Start-up companies almost every month. A business plan contest is also another external event, though it is needed to make this contest a regular one from now on.
5.2 About NBS

1 NBS educates 30 promising students in each semester (starting from April and September). These are in each semester accept students with diverse educational backgrounds, from commercial and economical to scientific and medical. Sixteen full-time lecturers, about 50 part-time lectures, and about 20 visiting professors are engaged in providing practical and up-to-date knowledge and skills in an almost one-on-one educational environment.

2 Day-time classes are held Monday through Saturday for full-time students, including company employees and International students. NBS offers two evening sessions, at 6:30 pm and 8:10 pm for those who work full-time. This scheduling allows for a wide range of subject selections.

3 Its semester system allows for a greater breadth and depth in learning in a shorter period of time. All subjects, excluding special study programmes, is based on two-credits per semester. Each semester is complete within itself, allowing students to focus on a variety of courses within that time frame.

4 NBS aims to produce active leaders with excellent management qualities to deal with global business issues. Unlike conventional, department-based graduate schools, NBS was established as a business school with an independent research course focusing on innovative spirit and practice, specialised in fostering highly skilled business people.

5 A series of special lectures by faculty as well as by academics and practitioners invited from throughout Japan and overseas are given as a means of offering a more practical education in our rapidly changing world. To strengthen the cooperative relationship with the business world, its full-time lecturers developed and offer rapidly effective business programmes for entrepreneurs and corporate managers. Seminars designed with characteristics of our five courses will be held periodically to provide practical business knowledge and skills.

5.3 NBS courses’ details

As discussed earlier, let us explain in details the following courses one by one.

1 Venture start-up and strategy

This is the flagship course of the entire curriculum for would-be entrepreneurs. It deals with every subject on entrepreneurship, ranging from the abc of entrepreneurship to IPOs. Its main task for participants will be to submit a business plan.

2 Venture management

The aim of this course is to explain each step of development of a newly-born company. It will deal with the challenges of each step, by giving students several case studies in order that students should find their own solutions to the problems in each case.

3 Venture capital
The aim of this course is to study the special area of finance associated with start-up companies. It is normally called Venture Capital. Its aim is twofold; one is to let students understand the mechanism of venture capital as a risk money, vital for entrepreneurial growth, another is to understand the ideal stance of venture capital.

4 Venture industrial finance

This course will deal with a growth and development strategy, desirable funding for this strategy and public assistance. It will examine advanced cases of what the US and European counterparts are doing in support of start-up companies. It will give students some case study materials.

5 Bio venture

This course will deal with a very special area of entrepreneurial biotechnology. A lot of literature on bio ventures after start-up has been published, however, almost no discussion has been made of bio venture start-ups. This course will encompass nearly all biotechnology topics.

6 Entrepreneurship

This course will deal with entrepreneurs themselves. As a matter of fact, its old title was ‘The Psychology of Entrepreneurs’. Entrepreneurs are the key to the success of start-ups. It will include some sessions involving self-checks, in order that students should realise their mental attitude, their mode of psychology and eventual behaviour.

5.4 NUBIC – (Nihon University’s Hub of Collaboration between Industry, Academia, and Government)

Nihon University has also a business, research and intellectual centre called NUBIC (which stands for Nihon University’s Hub of Collaboration between industry, academia, and government). NUBIC’s function is Venture Business Assistance. It is involved in the following activities to support entrepreneurs and the creation of new businesses:

1 advice and consultation in the areas of management, finance and legal matters by specialists
2 venture capital finance referral
3 provision of seminars by famous lecturers to entrepreneurs who plan to start a new businesses
4 investigation of research and development plans using public research grants.

6 Conclusions

With regards to entrepreneurship education at universities and graduate schools, we would like to conclude our paper as follows:

1 At present, opportunities at universities and graduate schools to learn entrepreneurship education subjects are limited to MBA or MOT courses, but the
current situation should be changed drastically to develop environments where a wider range of people, including undergraduates and business people, can learn such subjects.

2 Much more business people, especially those who have themselves set up a start-up, should be employed as lecturers to provide education that is more practical and more useful for the setting up of a start-up.

3 To improve the quality of entrepreneurship education, systems should be developed which enable information to be examined and teaching skills to be shared among people concerned all around the country.

4 Entrepreneurship education needs to contribute to a change of culture and consciousness towards entrepreneurs in Japan, meaning that it should contribute towards making a society where ‘entrepreneurs are respected’.

References


On TLO at Tokyo University [online]