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Towards a “Framework for the Future: Beyond 2020”

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The University of Tokyo is preparing to issue long-term bonds, as many of you will know and has been widely reported by the media. We are currently explaining the purpose and significance of this planned bond issue to our many stakeholders in society as a whole, and to prospective investors and those donors who have supported us all these years.

This information also needs to be shared with all members of the University as it will be deeply related to a new action plan “Framework for the Future: Beyond 2020” to be formulated. To that end, I will here explain my thoughts on the bond issue.

The new action plan “Framework for the Future: Beyond 2020” will be comprised of three key pillars: 1) expanding the role of the University in enriching the global commons; 2) serving as a platform for nurturing professionals to drive social change and fostering excellent research; 3) enhancing the overall capacity of the University as a platform for change. I plan to work on specific policies in cooperation with the incoming president, who will be selected soon, based on discussion with all members of the University.

I believe that this long-term university bond issue will provide new impetus to take not just the University of Tokyo but Japanese society as a whole to the future. In preparing to issue bonds, I would like to think again about what kind of future the University of Tokyo should be aiming for. The purpose of this proposal is start a discussion to think together about the desirable future direction of the University and society and draw up a new action plan to make use of the time we will secure through issuing bonds until their maturity in 2060.

Looking back, during the five years since I became the president we have been confronted with waves of massive, unexpected changes on many fronts. We often hear about ever more complicated international conflicts, worsening global resources and environmental problems, growing disparity and inequality and widening divides among peoples and between countries. All of these developments run counter to our

humanitarian ideals. Worse yet, the spread of COVID-19 is even forcing us to limit our personal contact and face-to-face communication with others. Universities have also been hit hard by the outbreak and have had no choice but to restrict many on- and off-campus activities. However, while this difficulty poses a threat to our existing social systems, at the same time it presents an opportunity for us to recognize their underlying problems, seek better ways to address them, and overcome this difficult period.

On becoming president, I laid out “The University of Tokyo: Vision 2020” as my action plan centered on the key concept of “the university as a platform for change.” To realize this vision, first and foremost the University of Tokyo must become autonomous and have the initiative to challenge society. We have thus pushed ahead with reforms and have worked to form a global base of knowledge collaboration and nurture knowledge professionals. Issuing these “University of Tokyo FSI bonds” is a means of further expanding these initiatives and a statement of the University’s resolve and commitment to the future.

As such, I feel the need to review and clearly define what “autonomy” and “operational management” truly mean for the University, both in relation to the university itself and to society. This is because, in my view, the meaning of autonomy and operational management are rather narrowly understood due to preconceptions of market mechanisms as they relate to existing for-profit or public-sector organizations. Consequently, people don’t adequately understand the full potential inherent in these words which thus fail to highlight issues that are unique to the University. On the basis of this understanding, we need to bring about a paradigm shift toward “Beyond 2020.”

“Framework for the Future: Beyond 2020” needs to reconfirm what meaning “autonomy” and “operational management” hold for the university. The University is a place of innovation that can produce something out of nothing, be it knowledge or technology, and is an organization that helps support such creation. That essence of the University remains unchanged. Having reconfirmed this basic principle, we must explore the future directions we should pursue.

First, we need new wisdom, unrecorded in our existing textbooks, to deal with upheavals in today’s society and the global environment. Nurturing “knowledge

professionals” who actively co-create such wisdom is the core role of the University as part of the common good, a role that is becoming ever more important.

Behind these upheavals are the shift from a capital-intensive to a knowledge-intensive society, coupled with the transition from an industrial society based on mass consumption of resources and energy to a new society conscious of the sustainable development goals (SDGs). In addition, we must escape, both domestically and globally, from the trend towards increased centralization overlooking regional disparities and isolation. It would be perilous to leave such changes to the invisible hand of market forces and the top-down authoritarianism of developmental dictatorships. Turning a blind eye to such risk would not constitute an act of autonomy by a University committed to “serving the global public” and “promoting bilateral links between the University and society,” as stated in our Charter. As physical space and cyberspace have become highly integrated, the University is called to act autonomously and present solutions to the difficult task of building a worldwide ecosystem to protect and develop the global commons and bring about a society that appreciates diversity and inclusiveness without any form of discrimination, including for nationality, ethnicity, origin, location, religion, occupation, gender, age, wealth, and handicap .

Second, the University, as a national university corporation, is required to perform “operational management,” but we must redefine and create a new meaning of management appropriate for the times. Conventional enterprises have also begun to discuss in earnest what management is really about in today’s knowledge-intensive society. The University, as a place of knowledge creation, is thus tasked to ensure a broad public good that transcends time and geographical borders. As such, the University of Tokyo needs to develop a voice commensurate with its social responsibility.

Needless to say, the University must wean itself off from its passive “operational mode” of simply using funds, such as management expenses grants given by the Japanese government every year. Rather, the ideal management the University should aim for is not about earning income from the commercialization of its knowledge and technology. Given that our short-term and long-term timeframes are becoming uncertain in this period of unpredictable changes, it is important to fully utilize diverse and plural timelines the University’s research has to offer. The ideal management should maximize such value,

even though this value defies measurement by our outdated economic systems. We need to create a new model for measuring social value such as the natural environment, life, human rights and intellectual property. There is also a need to assess future investments for creating the human capital of the next generation. As such, redefining the meaning of operational management itself will be a big change in the University's objective like we have never seen before. Meanwhile, the value that underpins such active operational management stems from the University's glorious tradition of intellectual curiosity and free thought.

At the same time, there is a need to fully leverage the University's highly diverse assets as we implement this new style of operational management. Our current system of resources allocation has simply been passed down from year to year. There are many areas we need to improve in order to expand the functions of the University. In this regard, the planned university bonds issue will help open up the possibility for future investment. Seizing this chance, we need to change what needs to be corrected and create a new vision and framework that will enable the University and its members to become the driving force to create a better future.

Third, as we prepare for the bond issue, we are seeing growing expectations regarding the University's capacity for driving change in society. Consequently, it is ever more important for us to share new value in the form of social impact bonds with increasingly diverse university stakeholders. This new flow of funds for the University will bring about a needed change in the current stalled economic system, which will in turn help build a system that can accommodate all institutions engaged in activities that contribute to the common good. Here, we also need to expand on what it means to be a stakeholder. Toward building a better future, this expansion will help put in place a system for generating a flow of funds centered on the University. At the same time, the expansion will help bolster the University's financial standing to support the increased functions and be an essential prerequisite to realize a flexible and strong operational management of the University.

The planned issue of university bonds is the first step in this undertaking. The kind of autonomy to be developed by the University is quite different from the "privatization" and "incorporation" policies of earlier administrations. Such autonomy should not be limited by rationalization measures developed from past and present perspectives. Rather, it should be measured from the standpoint of desirability -- what form the

University should ideally take. For this purpose, we first need to present a clear future vision of the University.

It is my hope that all the good discussions we have had about this framework, while illuminating the University's path toward becoming a truly autonomous operational entity, will give the University's academic organizations -- the actors that ensure diversity and excellence in research and education -- the freedom for taking on new activities and will serve as a guiding light leading us towards the future of the University.