



educating kansai

Osaka discovers that international schools are a necessary part of FDI infrastructure.

The national government in Tokyo, which sets policy for education as well as for incoming foreign direct investment (FDI), began sending out signals more than four years ago that support for international schools was an essential part of the FDI toolkit. In 2000, the Japan Investment Council, a cabinet-level committee chaired by the prime minister, made recommendations that included the use of a tax-exempt foundation to enable corporations to make deductible contributions to international schools. The council is advised by an Experts Committee that

includes several foreigners. One of these, Wilf Wakely, is a lawyer in Tokyo who previously lived in the Kansai area for many years. Until recently, both his children attended Canadian Academy in Kobe. According to Wakely, bureaucrats as well as the Japan Investment Council recognize the role of international schools in boosting FDI. "They understand the link completely and you'll find there is a lot happening now," he says.

As far as the international schools are concerned, one of the most important steps under deliberation concerns extending

the use of a tax-exempt foundation, to allow individuals as well as companies to pay for school fees out of their pre-tax income. This would significantly ease the burden for the many foreign parents whose overseas employment package does not include education benefits. It is a sign of how serious the government of Prime Minister Junichiro Koizumi is about FDI, in Wakely's view.

Foreign direct ideas

"You wouldn't get the tax people doing this in Canada or the UK," he says. "It's because Koizumi is red hot on FDI.

Left: Big smiles, but small numbers, at the German School. Right: Marist Brothers International School is proud to look like a mini-UN.

He wants it up from below 1% on a GDP basis into the teens. Not because of the money, which Japan doesn't need, but the brains. It needs new ideas."

The ACCJ Kansai Chapter has also been active in supporting international schools. Four years ago one of its members, Tom Reilly, chairman of Osaka-based International Ad Co., Ltd., played a prominent part in lobbying the Hyogo prefectural government to increase the subsidy per pupil for qualifying schools.

"Even so, the amount was not significant, bearing in mind the massive budget for local schools," Reilly says. The reason, he explains, is that the government did not want to subsidize the much more numerous and vociferous Korean and Chinese schools. (Cram schools, international schools and other non-national schools are lumped together under "miscellaneous.")

George Gibbens, who has worked in two schools in Kobe, including as headmaster of an elementary school, believes that tuition fees are too high.

"FDI into Kansai is obviously too low. High school fees are a factor, not just for Kansai, but for Japan. It is making it hard for international schools to do their job," he says. On average, tuition fees in the Kansai region exceed ¥1 million annually, and the total package can be as high as ¥1.5 million. Even so, these beat the option of boarding, at least at



lifestyle available in Kansai to attract more FDI. There is at least one shining example of how city planning and FDI can produce a winning formula: the development of Rokko Island in

Kobe. As the key part of its plan the city was able to first lure onto the island the top-rated school in Kobe, Canadian Academy, and then persuade Procter & Gamble Far East, Inc. (P&G) to move its Asia headquarters from Osaka to the island. Canadian Academy (called CA by those connected with it) moved in 1991 and P&G followed in March 1993. At that time P&G employed around 300 expatriates. The new, much larger CA building was designed for 800 students and had enough land to offer full sporting facilities, something which sets it apart from most schools in Kansai and (even more so) Tokyo.

Off the roll

The only part of Japan other than Tokyo with genuine choice is Kansai, which has 12 schools that can really be called international. The problem is that weak demand puts pressure on these schools to lower their standards. Demand took its biggest fall after the Great Hanshin-Awaji Earthquake of January 1995. According to Norman Solberg, president of the ACCJ Kansai Chapter and a well-established lawyer in Osaka, there were approximately 5,000 U.S. nationals resident in Kobe and 5,000 in Osaka before the quake, and just half that number shortly after.

"There seems to have been some new inflow since 2002 as far as ACCJ numbers are concerned, with some new companies opening up," he says, "but the fact is there is still a persistent exodus to Tokyo."

The question is how to make more use of the wonderful

lifestyle available in Kansai to attract more FDI. There is at least one shining example of how city planning and FDI can produce a winning formula: the development of Rokko Island in Kobe. As the key part of its plan the city was able to first lure onto the island the top-rated school in Kobe, Canadian Academy, and then persuade Procter & Gamble Far East, Inc. (P&G) to move its Asia headquarters from Osaka to the island. Canadian Academy (called CA by those connected with it) moved in 1991 and P&G followed in March 1993. At that time P&G employed around 300 expatriates. The new, much larger CA building was designed for 800 students and had enough land to offer full sporting facilities, something which sets it apart from most schools in Kansai and (even more so) Tokyo.

The CA/P&G combination is really the key to how Kobe/Hyogo can market itself to outside investors. The city was slow to realize it, but its most important marketing assets are the rave reviews that P&Gers invariably give of working on Rokko Island and the experiences of their children attending CA. The multicultural living and learning environment of CA is unattainable in the U.S., particularly in the public-school system. Many P&Gers therefore try to extend their time working in Kobe for as long as possible.

CA's reputation is high among international schools across Asia,

Canadian Academy, shown in this 1918 photograph, celebrated its 90th anniversary this year.

PHOTOS COURTESY (FROM LEFT): GERMAN SCHOOL / MARIST BROTHERS INTERNATIONAL SCHOOL

PHOTO COURTESY CANADIAN ACADEMY

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not just Japan. Its headmaster, Dr. David Ottaviano, arrived in 1998 after a stint as head of the international school in Milan, Italy. He lists the reasons that CA was on his top-10 list (of 650 schools around the world).

“It is small enough that every child is able to know the principal and the counselor; all students have equal access to sports facilities; there is an endowment fund available to help in emergencies; teacher turnover is relatively low and teachers are very competent; scores are high on external exams (the measure used by universities to assess applicants); and students go on to top universities,” he says.

A special feature of CA is its boarding facilities for 24 pupils (currently 20 enrolled), making it

the largest boarding school in Japan. Wakely's son was a boarder until last year. There he met a boarder from Italy whose parents did not live in Japan, and who consequently had to use a visitor's visa and leave Japan every three months to renew it. Through the efforts of Wakely this anomaly in the law will shortly be corrected.

Broadest choice

CA has been offering a fully developed International Baccalaureate (IB) program since 1980, long before most other schools. This is an attraction for parents who want the widest set of options for their children. Last year 46% of final-year students at CA took the IB. The IB designation

makes CA one of only six international schools in Japan listed by Japanese universities.

In terms of choice in the Kobe area, Marist Brothers is the only other school offering a full K-12 program. And St. Michael's is the one fully accredited elementary school. One parent who has experience of these two schools as well as CA is Kiran Sethi, an alumnus of CA (class of '83) and managing director of Jupiter International Corp., a specialized international trading company in Kobe. “Marist gives culture and values, St. Michael's has a great elementary school, and CA has a very strong focus on getting students through entrance exams.”

Location, location

CA is the largest international school in Kansai (and third largest in Japan) with a current enrolment of 730 (capacity 800), Marist Brothers has 265 (capacity 300) and St. Michael's is close to capacity at 160. CA's advantage is its location, because many foreigners like to live on Rokko Island or nearby, where most of the foreign housing is located.

The European schools, and notably the German School (Deutsche Schule), have given excellent service over the years, but now are struggling badly. The German School once had 100 pupils enrolled, but now has only 25. Fortunately, staffing is funded by the German government, otherwise the situation would not be viable. Even so, they have had to start a new teaching program in English, called the European



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School, to address “the increasing internationality of the families,” in the words of new headmaster Wolfgang Stoever.

The French community is served by a small school in Kyoto (35 pupils). The school developed on a self-help basis as a response largely to the needs of French people with Japanese spouses. However, comments French Consul-General Phillipe Chatignoux, “the school is not enough to draw FDI from French companies, so French companies have difficulty coming to the Kansai.” In this context, Chatignoux notes that though French supermarket group Carrefour is opening five stores in the Kansai region, he knows only of single employees being assigned to them from overseas.

Osaka had no international schools until 1991, and foreigners who worked there may not have minded as most preferred to live in Kobe. Hankyu Corp. responded first to the opportunity, erecting a state-of-the-art

building in the prefecture north of the city.

Osaka International School is not much smaller than CA. Two-thirds of its 660 pupils are Japanese returnees who study on the same campus and integrate part of their program with the international school.

Osaka's own

Osaka city started a school in September 2001 by teaming up with the YMCA. There was extensive consultation with educators about Osaka YMCA International School, though some wonder whether the city consulted sufficiently with the foreign population, who still cling to Kobe. But a new kind of expat from Asia is steadily emerging and perhaps the city will find it can serve this group more effectively. Many of them are used to, or would prefer, a downtown lifestyle, such as they can have in Hong Kong or Singapore. Currently, Asian consular families make up a large proportion of the school, according to

its principal, Michael Agopsowicz.

Most of the international schools are managing to keep their heads above water, but the lack of educational choices for the French and German communities shows how schooling choices impact FDI. If a larger school should fail, the effect would be equivalent to the Great Hanshin-Awaji Earthquake in terms of causing an outflow of foreign nationals. Osaka city, at least, seems to have woken up to the importance of Osaka YMCA International School. In a major advertorial about the city in the Nikkei Weekly, it gave most prominence in the advertising section to the school. Central government support for international schools is certainly very welcome, but it will be local initiatives that really make the difference.

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Left: Canadian Academy choristers turn on the charm. Right: Room to grow at Osaka International School.