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Segregated Competition and Procrustes' Bed
Two Traps that Intimidate Grants-in-Aid System
Designers

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Most of my research career had been spent at two national research institutes, viz., Kyoto Institute for Economic Research at Kyoto University, and the Institute for Economic Research at Hitotsubashi University. Last spring, however, I retired from Hitotsubashi University and moved to Waseda University. Ever since, I have been making novel discoveries and fresh experiences almost every day including my first teaching experience of more than 400 undergraduate students on no other subject than Public Philosophy. Despite having devoted myself to conduct research at University Institutes over 38 years, I have not had that many experiences of pursuing my research under the auspices of the Grants-in-Aid for Scientific Research Program. Indeed, I have received Grants-in-Aid for no more than five projects as a principal investigator, not counting a project conducted under the Center of Excellence (COE) Program, which I pursued at Hitotsubashi University as Representative Investigator. If we include projects in which I served only as a Collaborating Researcher, I have participated in 13 Grant-in-Aid Projects altogether. The keywords characterizing these research projects include the following: *Welfare Economics and Social Choice Theory, Rational Choice and Collective Decision-Making, Intergenerational Equity and Normative Economics of Global Warming, Procedural Fairness, Consequentialism and Non-Consequentialism, Oligopolistic Competition and Economic Welfare, Industrial and Competition Policies, Conflict between Individual Rights and Public Welfare, Informational Efficiency of Social Choice Mechanisms, Competition and Regulation in the Presence of Network Externalities, and Economic Institutions and Social Norms.* As a matter of fact, these keywords almost exhaust the core concepts of my research activities. In this sense, my whole research has been heavily supported by the Grants-in-Aid Program, to which I am most grateful.

It may not be out of place to point out that there are specific reasons why not much of my research activities, particularly in early phase of my career, have been covered by Grants-in-Aid. To begin with, it is rare that basic research in welfare economics and social choice theory requires a large amount of research fund, large facilities and/or equipments, or teams with many research collaborators and assistants. Quite to the contrary, the conditions of crucial importance for this class of basic research are, firstly, opportunities to communicate with world-caliber researchers and, secondly, tranquil time and place for concentrating on one's own thought. I was lucky enough to enjoy the excellent environment of Kyoto Institute for Economic Research at Kyoto University, which did not leave me with much incentive to spend time and energy on the pursuit of competitive acquisition of Grants-in-Aid. In the second place, I had the good fortune of being invited to concentrate on my own research at Universities in the US and in the UK. This often made me miss the timing to apply for a research grant in Japan. This situation was simply a result of my own decisions. However, it seems to me that there are reasons to question a system if it deprives researchers of a chance to apply for a project grant just because they are working partly at overseas institutions within the duration of the project. This is particularly so when such projects would accrue to the advancement of Japan's national research agenda.

Besides my own research funding, I have been involved in the Grants-in-Aid Program on another plane. That is, I have had an opportunity to participate in the selection process of Specially Promoted Research Projects and that of the Global COE Program. Although I should reserve my views regarding these experiences for later opportunities if any, I may still point out that the exhaustion experienced by both reviewers and applicants of these projects/programs seems to be begetting an increasingly cynical reaction to the system for disbursing competitive research funding. With derisive comments heard here and there about the peer-review processes, some growing apprehension about the sustainability of system may well be felt. However, to modify the famous wording of Churchill's aphorism about democracy, I would like to say that "Peer review may be the worst kind of evaluation system, but yet it is better than any other feasible system."

The third plane of my involvement with the Grants-in-Aid Program has been my experience of participating in the public deliberation committees to review its operations and examine possible ways of reforming them. Based on my experience in this process, I believe that there lurk two traps that seem to warrant caution in attempting to reform the Grants-in-Aid system. Both traps are set in the wide gap that exists between researchers in the humanities and social sciences, on the one hand, and those in the natural sciences and engineering, on the other.

The first trap is the risk invited by minutely subdividing research categories within the Grants-in-Aid Program by emphasizing dissimilarities that make it difficult to reconcile science in the two realms, viz., Humanities and Social Sciences, on the one hand, and Natural Sciences and Engineering, on the other. A grant in an amount sufficient to cover full annual support for researchers conducting a basic research project in the Humanities and Social Sciences may be claimed not to cover the payment for one experiment conducted by researchers in some Natural Science projects. The idea that it is difficult to accommodate both these researchers within the same system may lure system designers into this trap. Regarding the second trap, by overemphasizing the inefficiency of segregated competition within subdivided research fields, there is a temptation to maintain a uniform system of grant disbursement — one that forces burden shifting within each field by lacking mechanisms to differentiate among the various fields. This is what I call *Procrustes' Bed* (upon which legs that don't fit are cut off — that is, different lengths and sizes are subjected to one arbitrary standard). If the upper grant limits are uniformly set that is high for some fields and low for others, inefficient distortions are bound to occur in the disbursement of competitive funds.

For the advancement of research in Japan to be both steadfast and sustainable, it is my firm belief that appropriate ways should be devised to avoid falling into these traps by taking seriously the views and wisdom of researchers in the process of redesigning the Grants-in-Aid system.