Legal Education in Japan, Germany, and the United States: Recent Developments and Future Perspectives

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I. Introduction

This paper describes and compares the paths of legal education in Japan, Germany, and the United States. Furthermore, the report discusses the possibilities for law students and young lawyers to enhance their chances in the legal job market. Whereas in Japan lawyers used to benefit from a rigid quota system that limited the number of lawyers, lawyers in Germany and the U.S.A. have been facing strong competition with peers of the same profession for many years. How ever, the Japanese quota for the admission of lawyers has increased in the last years and will further increase in the future. Therefore, young Japanese lawyers are also going to face a competitive environment. A view to overseas might help Japanese law students to find stimuli and ideas on how to improve their future legal careers.

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A comparison between Japan, the U.S.A., and Germany promises to be fruitful for several reasons. First, as described before, German and U.S. lawyers are used to competition. Although in Germany the Second State Exam and in the U.S.A. the State Bar Exam give the formal qualification to practice as a lawyer, neither promises an adequate occupation. Second, there are many interrelations among the legal education systems in Japan, Germany, and the U.S.A. Traditionally, Japanese legal education is geared toward the German system. The two-part legal education, composed of theoretical and practical instruction, finds its roots in Germany. However, this has changed in recent years. With the reform that came into force in 2004, the U.S. law school system strongly influenced legal education in Japan.

This paper will start with a description of legal education in Japan, Germany, and the U.S.A. (PART II). Interestingly, whereas the U.S. law school system has been constant since the 1970s, in Japan and Germany legal education is in the process of changing. In Japan the reform of 2004 brought about a radical change, and future reforms are easy to predict. In Germany recent reforms were relatively moderate. In another part, the legal profession in the three countries will be more closely examined (PART III). The increase in the number of Japanese lawyers will make the legal job market more competitive. Therefore, this article will describe how young lawyers in Germany try to enhance their possibilities to find an adequate position (PART IV). A summary will close the report (PART V).

II. THE PATHS OF LEGAL EDUCATION

1. Japan

In Japan the “bubble economy,” the new directions of the new economy, and the process of globalization have brought about a high demand for sophisticated legal services. This development was enhanced by an increase in litigation in the 1990s. The rate of litigation rose by 50%, but is still much lower than in other countries with comparable economic backgrounds. These circumstances induced the Japanese government to form the Judicial Reform Council. The Council proposed several changes to legal education and to access to the legal profession that were later realized by the Japanese government. The major changes are the extension of the quota of annually newly admitted young lawyers and the introduction of a law school system.

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3 W. ROHL, Legal Education and Legal Profession, in: Id. (ed.), History of Law in Japan since 1868 (Leiden 2005) 770, 775.
Whereas in the past only 500 new lawyers were admitted per year, today there is an influx of about 1,200 new lawyers.\(^6\) In the future about 3,000 law school graduates will become lawyers annually. Although the vast number of newly admitted lawyers seems to give all law school students a good chance of practicing in this profession, actually only an estimated 25-35% of the law school graduates will get into the national Legal Training and Research Institute (hereinafter “the Institute”) that is responsible for the practical legal training of aspiring lawyers.\(^7\) The reason for this poor ratio is that the present numbers of 74 law schools and over 5,000 law students are much higher than expected by the Judicial Reform Council.\(^8\)

Indeed, the government not only increased the passing rates at the Institute, it also saw the necessity to enhance the quality of legal education in Japan. Since most students focused during their studies on preparing for and passing the entrance exam of the Institute, a big part of legal studies consisted of simply memorizing the required subjects. Most students who seriously intended to become lawyers spent two years or longer at “cram” schools that might effectively teach fine technicalities, distinctions of law, and highly patterned ways of answering the exam questions. However, these commercial schools did not guarantee sufficient standards of legal education, either from an academic or from a practical point of view.\(^9\) The introduction of a new law school system and a new curriculum were regarded as a remedy for this unsatisfactory situation. The proposed higher rate of students getting into the Institute in combination with the new law school system was understood as a means to take the students’ minds off the entrance exam and to allow them to broaden and deepen their legal studies.\(^10\)

2. Germany

Legal educational in Germany is similar to the traditional education system in Japan before the reform of 2004. In the same way as in Japan, German legal education consists of a theoretical education at the universities and a practical instruction (Rechtsreferendariat). The content and the course of education are the object of strict and

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\(^8\) M. Omura / S. Osanai / M. Smith, Japan’s New Legal Education System, in: Journal of Japanese Law 20 (2005) 39, 47. According to Japan Times, May 20, 2006, 2, 100 law school graduates took the new national bar exam in May 2006, and up to 52% of this first generation were expected to pass the four-day exam.


\(^10\) See, Omura / Osanai / Smith, supra note 8, 46-47, on introducing the new curriculum.
detailed legislation at the federal level and by the federal states. The university studies take about five years on average, the practical training two more years. The objective of legal education is to produce well-educated, uniform jurists (“Einheitsjuristen”). That means that all who pass the First and the Second State Exam are qualified for all legal professions, e.g., lawyer, judge, and prosecutor.¹¹

The legal education system was changed in several respects in the last years. In 2003, the statutory provisions on legal education were amended with the goal of preparing students better for practicing as young lawyers. Now they can choose a number of subjects offered by their universities in addition to the traditional final exam. Furthermore, universities have to offer courses on general studies, such as mediation, legal debate, or negotiation. Nevertheless, the possibilities for specialization during the university studies are rather minor. To graduate, all students need to pass the same exam. This exam is administered mainly by the courts (Oberlandesgerichte); only a part of the examination is designated to the universities.¹² The First State Exam is regarded as extremely difficult. Regularly, around 25% of the candidates do not pass the first exam. And the most frequent grade received is “sufficient.”¹³

The preparatory service that follows the university education is organized by the states and consists of lectures on selected aspects and on-the-job training in different legal professions. The trainees spend at least nine months out of the two years at a lawyer’s office. Other stages that follow are usually civil court, criminal court, or prosecutor’s office; public administration; and three months of almost free choice among the existing legal professions.¹⁴

The second phase of legal education in Germany closes with the final exams that are more or less uniform for all participants. That means that all trainees need to study the same subjects for the exam. Since the result of the First and Second State Exam is extremely important for the future career, German students concentrate mainly on the obligatory subjects of study.¹⁵

Although the professional perspectives of lawyers have gotten worse, law is still one of the favorite subjects at the university level. In recent years, annually about 20,000 students were newly enrolled at the law faculties. Ten thousand students, i.e., half of them, later passed the First State Exam; the same number passed the Second Exam.¹⁶


¹⁴ KEILMANN, supra note 11, 299.


3. United States

Legal education in the U.S.A. is narrower than in Germany or in Japan. The concentration on special fields of law in legal education has a long tradition in the U.S.A. It was implemented at Harvard Law School by Justice J. Story and completed by Dean C.C. Langdell, and it functioned as a model for other schools.\(^\text{17}\) Still, the narrow and concentrated education delivered by U.S. legal education is regarded to be appropriate for the requirements of a modern society. Only a small, decreasing portion of lawyers are engaged in general practice. Therefore, legal education is designed to be structured around the lawyer who enters a firm and who needs a specialized training.\(^\text{18}\)

Langdell also developed at Harvard Law School the case method of teaching law. This method is known as the Socratic Method and is based on an interaction between teacher and students. It requires the students to prepare the cases in depth for classes and to discuss those cases using case method techniques.\(^\text{19}\) Nowadays, the case method is mainly used in the first-year courses (e.g., property, contracts, and torts). However, although this method seems to teach law in application, its defect is that it focuses exclusively on appellate court judgments and overlooks the practical skills of lawyers. For the purpose of reducing or eliminating this defect, clinical legal education is offered at almost all law schools in the U.S.A. Furthermore, many students get in touch with legal practice during internships, and most of them work as interns at law firms during their summer breaks.

Although in the last 30 years the enrollment at law schools has increased from about 90,000 students to 148,000, admission to prestigious U.S. schools is still highly selective. Aspects of the selection are the marks in college and on a standardized test (the Law School Admissions Test, LSAT). For example, Yale Law School has 5,000 applicants for 170 places in its entering J.D. class. Expenses are a high barrier as well. Students at private law schools must pay about U.S.$30,000 a year in tuition and fees. Even at public schools they must pay U.S.$15-20,000 per year. Thus many graduate with debts of U.S.$100,000 or more.\(^\text{20}\) Since law schools in the U.S. are post-baccalaureate professional schools, many students enter them later in life, after having substantial work experience or professional education.

\(^\text{19}\) See, Clark, supra note 1, 15, 24-25.
III. THE LEGAL PROFESSION IN JAPAN, GERMANY, AND THE UNITED STATES

After completing legal education, most law students in Japan, Germany, and the U.S.A. intend to work as lawyers (“at the bar”). Accordingly, for the bigger part of U.S. law students, the admission to the bar is the goal of legal education. In most states of the U.S.A., admission to the bar requires the State Bar Exam, and in many states the Bar Exam is difficult. For example, in the state of New York in July 2005, only 67% of the candidates examined passed. In the last years about 125,000 students were newly enrolled in J.D. programs; during the same time every year about 55,000 lawyers were newly admitted to the bar. But there is a variety of jobs for lawyers in the U.S.A. There are trial lawyers who appear in court before judges and juries, and many more lawyers who never see a courtroom; partners in huge big-city law firms; lawyers who work inside company management; lawyers who practice alone or in small firms who help families and small business with their legal problems; governmental lawyers, prosecutors, and judges. Law is also the favored career for entry into politics. However, the personal economic situation is difficult for many lawyers. There is a strong competition between law firms and freelancers which claims a number of victims. The “ambulance chasers” who try to earn their living in an ethically questionable way are proverbial.

The fields of work for fully qualified lawyers in Germany are similar to those in the U.S.A. After passing the Second State Exam, many try to secure an appointment as a judge, as a notary, as a public prosecutor, or as an advisor in a legal department of a firm. However, in Germany, becoming a lawyer is still the most common path after passing the exams. The reason for this development is not only that Rechtsanwalt is a prestigious profession in Germany. But everyone who passes the Second State Exam automatically acquires the right to be admitted to the bar and start a law practice. For that reason, many of those who pass the exams but do not find an adequate occupation try their luck as a freelancer. For example, in 2003 only 57% of the newly admitted lawyers described their profession as their dream job, while 43% stated that this job was only their second choice. These factors led to a remarkable increase in the number of lawyers (Rechtsanwälte). While in 1970 about 23,000 lawyers were admitted to the bar, in 2000 the landmark of 100,000 was reached. At the beginning of 2006, a total of more than 138,000 lawyers were admitted. Not surprisingly, many of them do not earn enough to make their living from their legal business. One-third of German lawyers

23 CLARK, supra note 1, 28-29; GORDON, supra note 20, 6.
have a gross monthly income of about EUR 2,000 (US$2,500) and many of them have a “side job” such as letter-carrier, cab driver, or waiter.26

In Japan those passing the legal examinations choose from the professions of judge, prosecutor, and lawyer at the bar.27 The situation for graduates leaving the Legal Training and Research Institute was more comfortable in the past. Because the quota system ensured that only a small number of lawyers would practice, lawyers were in a privileged position.28 However, the current number and the announced raise in the number of lawyers makes the situation more difficult. Although there is an undeniable necessity for an extension in the number of lawyers in Japan, it is difficult to predict if the proposed increase is appropriate. Legal practice in Japan is still different from that in other industrial nations.29 The amount of litigation is comparatively low and it is foreseeable that the competition among lawyers will increase.

IV. Legal Specialization as a Means to Enhance Future Possibilities: The German Model

Since it is foreseeable that the situation for practicing lawyers will become more competitive in the future, a brief inquiry into ways of enhancing one’s legal career shall close this report. A closer look at the German practice of legal education promises assistance in developing strategies for legal careers, because in Germany severe competition among lawyers has already been standard for a long time.30 In Germany many jurists try to gain a clearer profile by focusing on rather restricted legal fields. This specialization enhances their future chances. It is common sense that the needs of modern society require lawyers with deeper expertise in their work. Many legal questions are too complex to be answered by a legal generalist. For example, a generalist will hardly be able to advise multinational corporations; only a specialized lawyer can provide them with reliable legal services. Furthermore, experts who work in large law firms have a significantly higher income than those who work as freelancers or in small firms.31

27 See, Rokumoto, supra note 5, 9.
28 At the end of the 1990s, the annual income of a Japanese lawyer was at the beginning of the career 5-7 million Yen (US$44,000 to 62,000), at the end of the career about 12 million Yen (US$106,000); see, L.W. Schonbrun, Gebührenpraxis japanischer Anwälte – ein internationaler Ausblick, in: Journal of Japanese Law 8 (1999) 53, 61-62.
30 Romermann, supra note 1, 197.
31 According to B. Stuer, 65. Deutscher Juristentag, in: Deutsches Verwaltungsblatt 120 (2005) 90, 92, freelancers and lawyers in small firms annually earn EUR 37,000 (US$47,000)
Germany’s legal education relies on an obligatory, broad fundament of legal knowledge. But to some degree specialization is possible during all phases of legal education, sometimes mandatory, sometimes on the student’s own initiative. Nevertheless, many students misjudge the necessity of gaining skills and knowledge additional to their wide obligatory studies. Furthermore, the marks in the two exams are of the highest importance for finding a job after completing the legal education. Often they predestine the whole future legal career. Therefore, many students and legal trainees try to do their best in the obligatorily required subjects and postpone specialization until after having passed the Second Exam.\(^{32}\)

1. Specialization during University Studies

Possibilities for gaining expertise outside the common curriculum do already exist at the universities. For example, internships at legal offices can give deeper insight into legal practice. In Germany, legal education at universities faces the criticism that it fails to prepare students adequately for practice. The recently introduced courses in general skills (\textit{Schlüsselqualifikationen}) can hardly remedy this defect, because in many cases they are taught by professors who have themselves never practiced law. Some years ago already, the criticism of the gap between legal theoretical education and practice led to the introduction of mandatory or voluntary practical study periods (internships) during the semester break.\(^{33}\) However, since students pass the internships at a level of legal education that hardly enables them to solve a legal problem, such internships cannot offer more than a slight insight into legal practice.

Another possibility for gaining additional expertise during university education is a focus on foreign law. Because of the globalization and the internationalization of the legal profession, insight into foreign jurisdiction is gaining importance steadily. After the reform of 2003, all law students are required to attend one obligatory course on a foreign jurisdiction in a foreign language. But these are rather minor lectures that can give only a very sketchy impression of the foreign jurisdiction. Nevertheless, in the last years a tendency has grown for good law students to spend at least one semester in another country voluntarily.\(^{34}\) For example, the Erasmus Program of the European

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\(^{32}\) See, on the usual course of study at German universities, E.-W. Böckenhörde, in: Juristenzeitung 52 (1997) 317, 319-320.

\(^{33}\) Ostertag, supra note 17, 333.

Union organizes exchange programs between universities. The German Academic Exchange Service (Deutscher Akademischer Austauschdienst) offers exchange programs and scholarships. Furthermore, many German universities cooperate with foreign universities and offer exchange programs.

2. Post-graduate Studies

After completing university education there are several possibilities for post-graduate studies abroad or within Germany. Attending master (LL.M.) programs in foreign countries has some tradition in Germany, but this has become even more common within the last ten years. Most of these students prefer to study in Anglo-Saxon jurisdictions, in particular in England or the U.S.A. The reason for this choice is, on the one hand, that the Anglo-Saxon law, especially U.S. law, has gained and is still gaining in importance for international legal transactions. On the other hand, German university graduates have usually studied English at the high school level (Gymnasium) for about eight years and, in general, their English knowledge can easily be brushed up. However, since studying in the U.S.A. and England is very expensive, many students currently are choosing other English-speaking countries such as Canada or Australia.

While in the past only few universities offered programs to German law graduates, in recent years many law faculties have introduced this kind of additional qualification. In many cases these are LL.M. programs that offer specialization, for example, in Tax Law (University of Münster), European Business Law (University of Frankfurt am Main), or European and International Law (University of Bremen). Other universities have created other programs, e.g., in Business Law (Wirtschaftsjurist, University of Bayreuth) or European Studies (Master of European Studies, University of Tübingen).

In addition to the LL.M. programs, German law faculties traditionally offer the doctoral degree to selected young academics who passed their First State Exam with high honors and who wish to devote several years to intensive research. Although the doctorate is an academic qualification and usually does not prepare students for law practice, this degree is still highly prestigious. However, in recent years employers are said to prefer an international master degree to a doctoral degree. The reason is that the international degree indicates not only basic knowledge of a foreign jurisdiction and culture, but proves good skills in a foreign language.


3. **Specialization during the Period of Practical Training** (Rechtsreferendariat)

While the period of practical training at the Japanese Legal Training and Research Institute follows a rather rigid curriculum, during the two years of German Rechtsreferendariat there are good opportunities for specialization. The period of training consists of several phases of internships, and traditionally the trainee can choose some of them individually according to his or her interests and needs. Most of the time is devoted to a curriculum that is fixed by statute, but for at least a period of three months the trainee can almost freely choose among the legal professions.

In these months the trainee not only has the chance of learning more about an area of practice at will. There are also several special programs offered by universities to provide deeper insight into special legal issues during this period. For example, the University of Bielefeld (Anwaltsinstitut) gives instruction in the practical work of a lawyer. The German University of Administrative Sciences (Deutsche Hochschule für Verwaltungswissenschaften) in Speyer offers a three-month course in administrative sciences for those who are interested in public law.

During the practical training, trainees also have the possibility to attend the theoretical part of courses that prepare for a later special qualification as a lawyer. After passing the Second State Exam and proving practical expertise in the chosen field of specialization, these can gain a special diploma (Fachanwalt) to manifest their expertise to their clients.38

V. **Summary**

A characteristic of the new legal education in Japan is its general focus. Because of the increasing number of lawyers in Japan, prospective graduates will face a stronger competition with their peers. In this situation, additional expertise can help to enhance later chances of getting into an adequate position. However, the rigid entrance exam of the Legal Training and Research Institute, which only a minority of today’s law students will pass, induces students to focus mainly on the subjects that are required for the exam preparation.39 Nowadays, this tendency is already recognizable at Japanese law schools.40 But even after passing the entrance and final exam at the Japanese Legal Training and Research Institute, there are important possibilities to improve the future perspectives. Since the lack of internationalization in the curriculum of law schools is a deficiency of today’s legal education in Japan, overseas studies in particular can be a

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38 According to evaluations quoted by M.W. HUFF, Von Traumverdiensten und geringen Einkünften, Juristische Schulung-Magazin 2 (2005) 9, a Fachanwalt’s annual earnings are at least 25% higher than those of a lawyer without this qualification.

39 KASHIWAGI, supra note 5, 65-66.

40 OMURA / OSANAI / SMITH, supra note 8, 47.
means to getting expertise at a later stage of the legal education. In the past, such studies were reserved to a rather small group of elite graduates only. Considering the globalization of economy and law, it is desirable that this will change. Therefore, developing one’s own initiative in gaining knowledge of another jurisdiction and improving one’s foreign language abilities can be very helpful in finding an adequate and challenging occupation in the future.

ZUSAMMENFASSUNG


Der Beitrag untersucht weiterhin die anwaltliche Tätigkeit in den drei Ländern. Da mit einem stärkeren Wettbewerb unter den Absolventen der japanischen Law Schools zu rechnen ist, wird abschließend erörtert, wie junge deutsche Juristen versuchen, durch das Setzen von Ausbildungsschwerpunkten ihre beruflichen Perspektiven zu verbessern.