

## A Study of People-Run Tertiary Education in South and West China

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*Chinese People-Run tertiary education institutions have grown dramatically in recent years. This paper aims to discuss the government deregulation policy and its impact on private tertiary education in China since the 1980s, particularly on south and west China, Gui Zhou province. Three colleges have been selected respectively from economically developed area, Guangdong province, and comparative undeveloped province, Gui Zhou. Three hundred and eight questionnaires have been examined in order to portrait the status quo of private tertiary education in south and west China.*

Tertiary Education, Privatisation, China, Higher Education, People-Run

### INTRODUCTION

The privatisation of public provision has been a phenomenon around the world. The notion of education as one of the public services has changed considerably with the process of worldwide education privatisation. Many empirical studies reveal that the private sector of education is playing a more important role (Mok, 1999; The World Bank, 1996; Yee, 1995).

The privatisation of tertiary education in Australia and China is the result of the deficiency of government funding. It also primarily aims at increasing education's social and economic efficiency, by permitting and encouraging the growth of private higher education and by introducing such private sector, market-oriented practices as tuition fees, sale of goods and services, and the encouragement of individual and corporate philanthropy (Urton, 1992). As stated by (Smolicz, 1999):

The shifting of responsibility for the funding of higher education to students and their families, as well as other outside government sources, can be regarded as a form of "privatisation". This may have resulted in the creation of "private", "independent", "church" or other non-government institutions (which can be considered independent privatisation), or take the form of directly imposing fees upon students when they attend formally state-funded colleges and universities (which may be labelled public privatisation).

In Australia, privatisation of higher education is more the case of public privatisation, while in China, education privatisation takes the form of independent privatisation.

Tertiary education institutions are classified according to their property rights. People-Run education in China refers to those educational institutions, which are owned by non-state organizations or individuals. Chinese private tertiary education can be generally classified into two categories. One is called 'People-Run' (People-managed), which is the private educational

institution and truly funded by industries or sponsors. The other is 'People-Run Gong Zhu' (People-run/managed with state support) which usually were formerly state-owned colleges. The boundary between People-Run and People-Run with state support colleges is usually ambiguous owing to China's particular social economic heritage.

Since the 1980's when the Chinese central government implemented the deregulation policy to multiply the education-funding channel, the number of People-Run tertiary educational institutions has grown gradually from 370 in 1986 (China Education and Research Network, 2001) to 1,240 in 2000 (Yang, 2001). Marginson (1997) states that the boundary between private and public institutions has been blurry. The writer would argue that the private sector still can not compete with its counterpart private universities, not only in terms of its enrolment and quality, but also the social perception. There are also differences between the economically developed area and the relatively advanced provinces in China. The empirical research conducted in the remote mountainous province of Gui Zhou, will be examined.

### **OVERVIEW OF EDUCATION DEREGULATION POLICY IN CHINA**

The social economic context and government policy has practically stimulated the emergence and growth of Chinese non-state tertiary education. The deregulation of China's tertiary education policy started in 1978 with the introduction of economic reform.

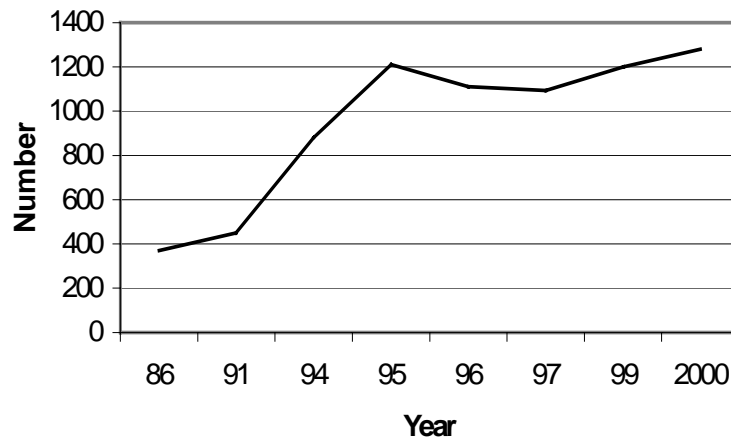
In 1978, Mr. Deng came to power and led the nation to a new economic system. China's social economic and cultural system began to recover from then on to address the unprecedented damage of 10 years Culture Revolution. Economic reform has not only fostered the growth of a market economy but has also caused an education reform. The establishment of the People-Run education system in China is a consequence of such reform.

The educational reform started in 1985 when "The Decision of Reform of Educational System" was issued. It encouraged non-government forces to contribute to the development of education by investing or sponsoring. As cited by Mok (1998), by "reshuffling the monopolistic role of the state in educational provision, the reforms in educational structure, which was started in the mid-1980s, have resulted in a mix of private and public consumption". In order to stimulate, examine, and lead the People-Run education, a series of decentralized education policies have been released since then, "*Provisional Regulations of Establishment of Schools by Social Forces*" in 1987, "*Provisional Regulations for the Establishment of People-Run Schools of Higher Education*" in 1993. The most significant one is the *Min Ban Jiao Yu Chu Jing Fa* (Promotion Law of People-Run Education) promulgated in the early 2003, which permits the reasonable distribution of profit outside the educational institution.

Under this favourable policy, People-Run educational institutions have become popular in China's big cities ((Mok and Chan, 1996) and the number of different types of private education has increased rapidly. By 1986, there were 370 non-state higher educational institutions (China Education Statistics Yearbook, 94-98). According to statistics by the Department of Development Planning of the Ministry of Education, the number of private higher education institutions was 1,240 with an enrolment of 1.184 million students in 2001 (Yang, 2001). The growth of People-Run higher education from 1986 to 2000 is presented in Figure 1.

With the recurrence of private higher education, the requirements for more academic staff have increased dramatically. Thus as (Smolicz, 1999) stated, these private colleges cannot satisfy the demand on their own, so private colleges have employed academic staff from public institutions. It is a prevailing situation that, the academic staff of state universities have usually looked for additional appointment in a private college where the payment is higher than state university. Smolicz has described the phenomena in Poland as follows:

Academics themselves, because of the low pay at State universities, almost invariably have been anxious to secure additional employment, frequently holding two ‘full time’ appointments, one of which is held to be ‘primary’. The ‘primary’ place of appointment is normally held at an established state institution, which provides the prestige, while the non-government position secures additional pay, at a higher rate than the state. (Smolicz, 1999, p.213)



Source: China Education Statistics Yearbook, 1984-2000

**Figure 1. The Number of People-Run Higher Education Institutions in China**

This is also the case in China. The popular title for this is “jian zhi,” which means “pluralism”. In some of the provinces where the non-government higher institutions have prospered, academics tend to pay more attention to the “part time” work in private college and ignore their work at the public university. Thus, complaints have arisen from the administrators of public universities. Some public universities don’t allow “jian zhi”, however, this cannot cease in some cases. Some public universities have asked for a formal agreement from the lecturers to promise completing the academic tasks primarily in the public university, otherwise “jian zhi” is not permitted. Others have arranged an agreement with private higher institutions, which obliges the private university to pay fees to the public university for the use of their academic staff.

### **PRIVATE HIGHER EDUCATION INSTITUTIONS IN CHINA**

Three private colleges in China will be examined in this paper. Two of them (Nan Hua Industry and Business College, and Bai Yun Technical College) are located in Guang Dong province, which is a comparatively well-developed area in China. The remaining college (Hong Yuan Management and Engineering Vocational College) is in a relatively undeveloped province, Gui Zhou province, located in southwestern China. They all have idiosyncratic characteristics, affected by their local economic and social context. They also have some common features that indicate the dilemmas currently confronting all private educational institutions have confronted at present. The information in sector 3.1 and 3.2 are based on the investigation of the Chinese Ministry of Education conducted in 2002 and the sector of 3.3 are based on the survey of the writer.

#### **Bai Yun Vocation Technical College (Guang Zhou Province)**

Guang Dong is not only geographically close to Hong Kong, Macao and Taiwan, but also has close economic and cultural relationships with these economically developed neighbours. Its close proximity to these centres has contributed to its economic development. Guang Dong is one of the earliest provinces that implemented open economic policy in China. Guang Dong modernised its traditional economy earlier than other inland areas such as Gui Zhou. The favourable culture and

economic environment has contributed to the development of private higher education. As far as Bai Yun Vocation Technical College (BYVTC) is concerned a strong local economy, market oriented curriculum, good community relationships, favourable policy development from provincial government and efficient administration, has contributed to its growth.

The college started in 1989 with three departments, Garment Design, Air Conditioning, and Catering. By 2001, BYVTC had 60 specialities with 9000 enrolments and had become the biggest comprehensive private technical college in China, in terms of its size and the range of subjects. BYVTC has a 54-acre campus, with 500 full time academic staff and 800 part-time academic and administrative staff. The net capital assets of BYVTC are worth RMB 400 million (about AU\$ 80 million) (Ximei Xie, 2002a).

Guang Dong government has allowed BYVTC to have autonomy in setting its fund allocation policies. This greatly encouraged private investment, which helped solved the funding problem of BYVTC. In addition, the Guang Dong government not only granted BYVTC RMB 2 million (about AU\$400,000) directly to help building construction and to create additional training programs, but also awarded RMB 1.5 million (about AU\$ 300,000) worth of tax exemptions (Ximei Xie, 2002a).

Moreover, a market oriented curriculum lead to BYVTC's success. Originally, there were three subjects when BYVTC was established. As BYVTC developed, additional majors were added in order to encourage new enrolments. For example, Computer Science, Machine and Electricity, Electronic Information, Art Design, Computer Application and Repair, Tourism and Restaurant Management, Mechanical Engineering and Marketing were adopted as new fields of study offered at BYVTC. These subjects are designed to train graduates to meet the demand of the labour market in the local Zhu Jiang Delta, an area with a rapidly growing economy.

Cooperation with local industries has also lead to the prosperity of BYVTC. There are 1000 industries in the Zhu Jiang Delta that provide work experience and employment opportunities to BYVTC's students (Ximei Xie, 2002a). BYVTC has also invited leaders of industry to set up a Professional Instruction and Cooperation Committee to take part in the curriculum construction and development process. This ensures that BYVTC provides skilled graduates for the local employment market. The employment rate of BYVTC graduates is 98 per cent annually (Ximei Xie, 2002a). This unusually high employment rate attracts extra enrolments to BYVTC.

### **Nan Hua Industry and Business College (Guang Dong Province)**

Although the social economic condition in Guang Zhou province is favourable for the private higher education, Nan Hua Industry and Business College (NHIBC) is a typical struggling private college mainly owing to its management problems.

NHIBC was established in 1993 through accreditation from the Guang Dong provincial government. As indicated in the report of the(Ximei Xie, 2002a), it was a small-scale college with a campus of 8.2 acres when it was set up. For its first academic year, there were only 81 students enrolled in two departments, Hotel Management and Law.

The development of NHIBC was very slow until 2002, when the college started to recruit students from all over China under approval of the government. The enrolment grew to 4000 in 2002, compared to 1682 in 1998, an increase of 138 per cent. The number of departments in NHIBC expanded from 2 to 8 in 2002, to include International Trade, Business and Administration, Finance, Foreign Language, Environmental Art Design, Computer Science, in addition to the original departments. There are 15 specialities currently (Ximei Xie, 2002b).

However, the management of NHIBC is not satisfied. The college has had a negative cash flow since 1998. One of the main problems is that NHIBC's small campus has become a handicap for the development of the college. There is not enough space to service an adequate number of students. According to the evaluation conducted by the Education Office of Guang Dong government in 2002, NHIBC has not met the requirements in terms of its campus facilities, such as library and stadium. The investment for purchasing land to construct new buildings will cost AU\$10 million (Ximei Xie, 2002a), which is definitely out of the economic capacity of the college. If NHIBC cannot acquire extra funds, the long-term survival of the college is in doubt.

In addition, its graduates are not as well regarded in the labour market as graduates from public universities ((Ximei Xie, 2002b). This is another obstacle to NHIBC's development. Among eight departments, only the graduates from the department of Environmental Art Design and Hotel Management have optimistic job prospects.

### **Hong Yuan Management and Engineering Vocational College (Gui Zhou Province)**

Gui Zhou is a relatively undeveloped province in China, mainly owing to its mountainous topography, which makes it extremely difficult to build roads. For centuries, lack of adequate transportation infrastructure has hindered the economic growth of Gui Zhou province. Since the economic reform of the 1980's experienced by China, Gui Zhou has started to attract investment to extract its abundant natural resources. However, economic development has not occurred as rapidly as expected. The underdeveloped economy hinders the growth of the private and public education systems.

To the present, there is only one private tertiary institution in Gui Zhou province, which is the Hong Yuan Management and Engineering Vocational College (HYMEVC), with under 300 enrolments. This contrasts with other provinces in China such as He Nan, Jiang Xi, Shan Xi and Zhe Jiang, where the enrolments in private colleges account for 55.8 per cent, 50.3 per cent, 43.9 per cent, and 25 per cent respectively among total provincial tertiary education system (Feng, Dai, Lu, and Shi, 2003).

A merchant, Mr. Hong Jing Zhou, who originally managed an information company in Sheng Zhen, founded HYMEVC. Mr. Zhou initially applied to set up a private college in 1998. HYMEVC was approved to recruit students in 2001. However, its educational facilities did not meet government minimum requirements, so local government demanded RMB 1 million (about AU\$ 200,000) deposit (Zhou 2003, pers. Comm., 26 Feb). Zhou decided to rent the almost abandoned military consolidation college site as a campus for HYMEVC. He also purchased education facilities like computers, books, and studying desks and refurbished buildings for students' dormitories (Zhou 2003, pers. Comm., 26 Jan).

Owing to its small size of campus and its limited facilities, the provincial education department allowed only 60 enrolments for the first academic year of HYMEVC. However, there were over 300 students applying during its first academic year. As indicated by Mr. Zhou in an interview, the majority of the 300 applicants had failed in the National Graduate Entrance Exam (NGEE) with a very low score. Most of them were not interested in studying. They came to college because they wanted a degree to get a decent job, or their parents pushed them to enrol. Some of them are troublemakers. Therefore, *supervising students becomes the primary task of the colleges' daily work* (Zhou 2003, pers. Comm., 26 Jan).

Sixty-seven administrators are full time employees in HYMEVC. They are also lecturers. This introduces a savings in the expenditure of staff salary, and manages the students more efficiently. The other part time lecturers also work as lecturers at public universities full time. The basic wage

for a part time lecturer at HYMEVC is RMB 30 (about AU\$ 6) per hour (Zhou 2003, pers. Comm., 26 Feb). There are no permanent contracts for part time lecturers. If the students do not feel satisfied with their teaching, they may appeal to the college who may ask the lecturer to resign. At least one lecturer has been sacked as part of this process at HYMEVC. This particular lecturer was unable to speak Mandarin although he was teaching Chinese language and literature. Students appealed to the Vice Chancellor of HYMEVC that they could not understand the lecturer because of his thick accent.

There are three specialities in HYMEVC currently, Computer Science Management, Construction/Interior Design and Business Management. Mr. Zhou said,

We have mainly humanities subjects because we do not have enough funding to develop labs and other facilities that are needed for science subjects. (Zhou 2003, pers. Comm., 26 Jan).

Mr. Zhou mentioned that the central government has already given private education enough support and autonomy. The main problem that private colleges face at present is the perception of society (Zhou 2003, pers. Comm., 26 Feb). It is common for parents to assume that private colleges are of a lower quality than public universities, and that the students in private colleges are academic underachievers. High school graduates and their parents will only consider a private college if they cannot pass the NGEE with a sufficient score to be admitted into a public college. This was confirmed in the survey of students and parents conducted by the writer.

## **VIEWS OF STUDENTS AND PARENTS**

### **Views of Students**

According to the survey conducted at the local junior higher schools in Gui Zhou province, there were 163 seventeen-year-old students, who were going to take the NGEE in 2003. Among them, 24 per cent were rated as distinction students, 43 per cent had satisfactory scores while 35 per cent were classed as low-grade students.

Ninety-eight out of 163, which is about 60 per cent, indicated that they would not consider a private institution after graduating from high school. Only 28 students out of 163 said they were not sure about their choice, which infers that maybe they may or may not consider enrolling in a private college, or it depends on their parents' decision. The remaining 37 students intended on enrolling in a private college.

### **Views of Parents**

#### ***Background information of Respondents***

Eighty questionnaires were collected from the parents of the same students mentioned above, 45 male and 35 female. The majority of them were between 30 to 50 years old. Three of them were over 50. None were younger than 30. More than half of them (53%) had no tertiary education background. Forty-three per cent of them had graduate or postgraduate degrees. Twenty-one respondents did not answer the question about their annual income. The respondents with annual income of below AU\$ 4,000 were slightly more than the respondents with annual income of over AU\$ 4,000. This amount is about the average annual income of most employees in Gui Zhou province currently.

### ***The Intention of Enrolment***

The answer to the question of whether they would enrol their children in a private college, and the reason for parents' choice, are stated as follow. About 42.5 per cent of them indicated that they would not enrol their children in a private institution, while 53.8 per cent said it would "depend". Only three parents would enrol their children in a private education institution, one because he is too busy to look after his child. The others claimed that the private colleges paid more attention to the overall development of children. A third person stated that private colleges met a different demand, without indicating the potential of MGEEEd.

There are several reasons mentioned by parents for the decision of "will not enrol in a private college." Firstly, there is a perception that teaching in the private institutions is of an inferior standard, and there is a high turnover of lecturers. Generally, there are no prestigious professors at private colleges. Concerns about the quality of academic staff in private institutions were the major reason why surveyed parents stated that they would "not send children to private college". Furthermore, parents thought that the majority of students in private colleges were failures, because they were filtered out by the NGEE, and that they would be a bad influence on their children. In addition, six parents stated that the comparatively higher tuition fees stopped them from enrolling their children in a private college. Some parents also mentioned elements such as prestige, profit earning, trust, and inadequate facilities.

### ***Parents' Opinion about Tuition Fees***

There were 74 per cent of parents who regarded the tuition fees of private tertiary institutions as too high. Just 4 out of 80 thought it was not high. As many as forty-six per cent of parents indicated that they did not know about the tuition fees of private institution and whether they were reasonable.

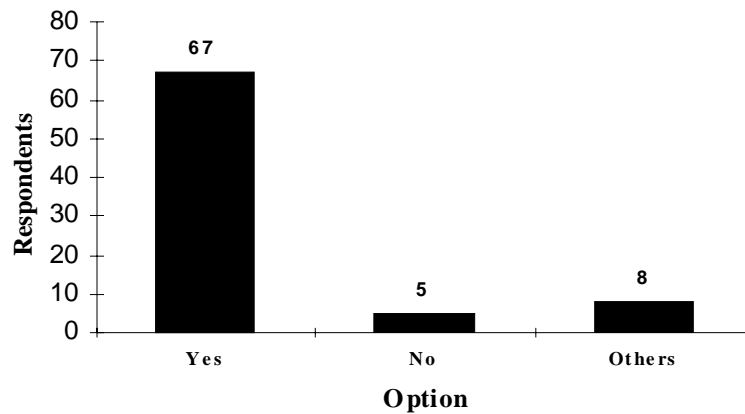
A substantial number of parents have no idea about the advantages and disadvantages of private institutions (20% and 15% respectively). Besides, parents cited seven advantages and eight disadvantages. High tuition fees account for the main disadvantage, while more autonomy represents the major advantage of a private college in the view of parents. Secondly, "no guarantees for academic quality" and "not stable" were also concerns of the parents as disadvantages of private colleges. In contrast, "it fosters the independence of student" was cited as one of the advantages. Two parents talked about the social status of a private college as one of the disadvantages. Another two parents mentioned the problem of recognition from society; while two worried that some degrees were not accepted by industries. In addition, funding and facilities, ease of enrolment, environment, more attention to students and rapid development were also stated by parents as advantages of private higher education institution.

### ***The Existence of Private Education***

Although parents mentioned a number of disadvantages of private colleges, 83.8 per cent of parents believed that private education should exist. As it is indicated in Figure 2, just 5 parents did not think so. Eight parents were unsure. Fifty-three parents thought that private colleges should exist, with 19 giving reasons for their choice. Stimulating competition and helping to satisfy the need for tertiary education were the two main reasons. Among the five parents who thought private colleges should not exist, 4 mentioned the reason that education is so important for the future of the country, that it should be funded and scrutinised by government.

Generally, a minority of parents did not complete high school. Most of them had an annual income over AU\$ 4,000. A majority of parents gave a neutral response in their evaluation of private institutions. Most parents would not intend to enrol their children in a private institution.

Similarly, most of the students would not plan to attend a private college in the future. Concerns about the quality of private colleges were the main factor for this trend. The majority of parents regarded tuition fees for private college as excessive. Parents identified this as the main disadvantage of private colleges. Although parents were aware of the demerits of private colleges, most of them believed private colleges should remain in existence. Promoting competition and satisfying the demand of tertiary education were the main arguments supporting the retention of private higher education. To summarise, although private colleges were perceived by parents as inferior than public universities, private colleges were regarded as a necessary component of higher education. The main issue inferred from the responses of parents and students is that private colleges need to improve to better satisfy social demands for higher education.



**Figure 2. The Response of the Existence of Private Education**

## CONCLUSION

Even though the number of private higher institutions has continued to increase in recent years, they still cannot compete with the public universities' quality and reputation. In addition, the overall standard of private colleges varies significantly in different regions. The common phenomenon is that, in the relatively developed provinces, private higher institutions, in general, are in better condition, such as Bai Yun Vocation Technical College in Guang Dong province. In Gui Zhou, for example, a relatively under developed province, there is just one private college with minimal enrolment. The enrolment levels are less in private colleges than in public universities. Usually private higher institutions have a lower proportion of academic staff with higher qualifications, such as professors. Private universities rely heavily on the resources of public universities.

In terms of the social acceptance, private higher institutions in China today have comparatively lower social status, according to high school graduates, as was mentioned in the results of the survey. This perception is felt even more strongly by the students' parents.

Although the development of private education in China in recent years has increased dramatically, the quality of the Chinese private higher education and perception of the reputation of Chinese private higher education is not at a level where enrolment numbers are sufficient for the universities to be economically self-sufficient. This makes government support critical for the development of Chinese private higher education. In addition, government supervision is highly necessary to maintain the quality and the development of private higher institutions. Madeleine (1997) stated that with the expansion of enrolments, quality and efficiency would have to be more proficiently monitored. A better legal system and accreditation system for the university should be set up.



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