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Governance Reforms in Chinese Higher Education: A Finnish Perspective

This article is the English translation of Seppo Hölttä and Yuzhuo Cai's chapter in the book "Chinese Education in the Eyes of Foreigners" (in Chinese) published by the Higher Education Publisher in Beijing, China. The editors of the book are Prof. **Yuan Guiren**, Minister of Education; Ms. **Xiuqin Zhang**, Director of the Department of International Cooperation and Exchange, Ministry of Education.

Introduction

China has the world's largest higher education system with more than twenty million college students. The past three decades have witnessed continuous reforms in Chinese higher education. To govern such a huge, complex, and changing higher education system is no doubt a great challenge. In spite of the differences between the Chinese and Finnish higher education systems in terms of historical tradition, scale, and educational philosophy, the two countries have characteristics in common as regards the governance model in higher education. All higher education institutions have been public and funded exclusively by government allocation, and the funding of each institution was based on its student enrolment, which was decided according to the forecasts of future labor market needs. Since the 1980s, both countries have embarked on higher education reforms, in which the change in governance is an important dimension (Cai, Kivistö, & Zhang, 2011). The Chinese higher education reforms started in 1985, but the major reforms took place after 1993. These major reforms include relaxation of government's direct control over higher education, running schools by law, increasing institutional autonomy and the introduction of market mechanisms, etc. In 2010, the Chinese State Council promulgated the Outline of China's National Plan for Medium and Long-term Education Reform and Development (2010-2020), which further emphasizes changing government's functions, simplifying government administrative procedures, delegating power to lower levels, enhancing institutional autonomy, and developing a modern university system. Since the 1980s Finland has experienced a transition from a centrally controlled system towards the one in which higher

education institutions are governed by law and through the allocation of performance based funds as well as monitoring (evaluation). The launch of the new Universities Act in 2010 is further pushing Finnish higher education into a process of marketization, aiming to provide universities with more autonomy, increase social participation, diversify funding resources, and improve the efficiency of higher education institutions (Cai, 2012). The commonalities between the two countries' higher education reforms have become one of the reasons for more Finnish researchers to pay a special attention to the development of Chinese higher education. For the same reason Finnish higher education is becoming a new focus of higher education studies in China.

With such a such background, an increasing number of scholars have engaged in comparative research on Chinese and Finnish higher education. This is seen in the birth of the Sino-Finland Forum on Higher Education. In 2010 and 2011, the forum was successively held in Beijing and Tampere, co-organized by the University of Tampere, the University of Helsinki, Peking University and Beijing University of Technology. Each forum attracted around one hundred participants from China, Finland, and even other countries, including both higher education researchers and administrators. We, as the main founders of the Chinese Education Research and Exchange Centre (CEREC) at the University of Tampere, will discuss here how the reforms of Chinese higher education governance (including both system and institutional levels) are seen from a Finnish perspective in light of our experience in Chinese and Finnish higher education research and our practices of working on Chinese and Finnish higher education cooperation and exchange. As a whole, the

Chinese higher education development is impressive although there is stillroom for improvement.

The China Miracle and Chinese Experiences

Since the beginning its economic reforms and open door policy 30 years ago, China's rapid economic growth has created a "China Miracle", which attracts worldwide attention. The development of Chinese higher education is miraculous, too. Over the past 20 years, the annual intake of undergraduate students increased from 620,000 in 1991 to 6.62 million in 2010; the total enrolment of undergraduate students increased from 2.04 million in 1991 to 22.32 million in 2010; the gross enrolment rate increased from 3.5% in 1991 to 26.5% in 2010; the number of doctoral graduates increased from 2,600 in 1991 to 49,000 in 2010; the number of faculty increased from nearly 400,000 to over 1.3 million in 2010; the number of ordinary higher education institutions increased from 1,075 in 1991 to 2,358 in 2010; the average enrolment per institution increased from around 2,000 in 1991 to nearly 10,000 in 2910; meanwhile the governmental expenditure on higher education increased from 11.6 billion *yuan* in 1991 to 464.5 billion *yuan* in 2010 (Chinese Ministry of Education, 2011; Finance Department of the Ministry of Education & Society and Science & Technology Department of National Statistics Bureau, 2011; Hua, 2003; Wang & Liu, 2009).

Reform policy and implementation efficiency

The catchwords of Chinese higher education reforms are massive scale and rapid change. For instance, since China started to restructure it higher education system in

1992, nearly 500 ordinary? higher education institutions and more than 200 adult higher education institutions have participated in mergers, resulting in over 300 post-merger institutions. In 2001 alone there were 91 cases of mergers. To implement institutional mergers on such a large scale in such a short a period of time, is absolutely unique in the world's history of higher education development. Another example is that when the Chinese government decided to greatly expand the higher education enrolment in 1999, in the same year the intake of new students increased 47.4% from the previous year. Furthermore, on 4 May 1998, the then President, Jiang Zeming, raised the objective that "China must have a number of world-class universities" in his speech at the 100th anniversary of Peking University. In the following year, the Ministry of Education already invested 1.8 billion *yuan* in Peking University and Tsinghua University. This also signified the beginning of the implementation of the "985" project (Cai, 2011). To explore the standard of the world-class university, Shanghai Jiaotong University even developed the Academic Ranking of World Universities, which has become one of the most influential university rankings in the world.

Although the population of Finland is only 5.3 million population, with 41 higher education institutions, reforms in higher education normally take at least two or three years or even longer from conception to implementation. This is not comparable to the Chinese practices. From the experiences of Chinese higher education reforms we can certainly see the strongly influential role of the government and state policy. This possibly reflects the key characteristics of socialist China: the state can do "big" things by concentrating the national resources. The centralization of power in the government can cut short complicated processes of

lobbying and voting in policy-making. Hence the government can fully control the decision-making power on key issues and therefore matters of national priority can be carried through quickly and efficiently. Of course, in such a system one potential problem is that the government decision may not always be in line with the needs of social and economic development. For instance, it is still an open question whether rapid enrolment expansion and nationwide university mergers are appropriate to Chinese higher education development.

Introduction of market mechanisms

As a socialist nation, China used have much in common with the Nordic welfare states' many political ideologies, such as legitimizing and developing social welfare systems, in which free education was an important element. Introducing market mechanisms into higher education had long been a taboo in Finland. Although the recent reforms demonstrate many market characteristics, such as charging international students tuition fees (under certain conditions) and endowing universities with the legal status of a legal person under public law, there are also considerable challenges and resistance. However, it is very impressive that similar reforms took place in China many years earlier and their implementation was surprisingly fast and smooth.

In Finland there is heated debate on tuition fees, and until now the government has no considered charging domestic students tuition fees in higher education. The only change is that since 2010 a small number of pilot Master's programs approved by the Ministry of Education and Culture can charge tuition fees from students from outside the European Union (EU) and the European Economic Area (EEA) in a five-

years trial period. Just such a small step has already caused students to protest an has also given rise to disputes in society. According to our understanding, the reform for charging tuition fees in China has not encountered much social resistance. Since the establishment of the People's Republic of China and until the middle of the 1980s, Chinese higher education was not only free of charge, but students also received government grants to cover some of their living expenses during their studies, which was quite similar to the Finnish policy. From 1985, some Chinese universities as pilot institutions started to recruit a small numbers of self-funding students outside of the national enrolment plan. After 1992, both the proportion of self-paying students and the level of tuition fees were increased. By 1997, all university students had to pay tuition fees. The Higher Education Law passed in 1998 stipulates that "Students of higher education institutions should pay a tuition fee in accordance with state provisions". The implementation of the tuition fee policy did not arouse much controversy. It was relatively easy for Chinese students and their parents to accept the idea that there is a cost for pursuing studies in higher education. Later there were often stories in the media about some students from poor families could not afford to pay for higher education. However, society's attention is on how to ensure equality in education and make study loans available instead of attacking the tuition fee policy *per se*.

Since the new Universities Act came into effect in 2010 in Finland, the universities are no longer affiliates of the government, but independent legal entities with more institutional autonomy. The issue of universities as legal entities was raised in China as early as in the 1990s. The "Outline for Education Reform and Development in China" promulgated by the Central Commission of the Chinese Communist Party in

1993 states that "as regards the government and school relationship, we shall insist on the principle of separating the functions of government from those of institutions, define the rights and obligations of higher education institutions through legislation, and turn higher education institutions into legal entities that are able to receive donations from society". The 1998 "Higher Education Law" clearly points out: "An institution of higher learning obtains the qualification of a legal entity as of the date of approval for its establishment. The president of the institution of higher learning shall be the legal representative of the institution of higher learning. An institution of higher learning has civil rights in accordance with law in civil activities and bears civil liability." Being independent legal entities is a basic condition for higher education institutions to operate in a market environment.

Although there is still room for improvement in terms of the universities fulfilling all their obligations as independent legal entities, the Chinese reform was about 20 years ahead of Finland's endeavor. After the Finnish universities became legal entities, they were pushed towards the market. Although the major funding resources of universities are still the Ministry of Education and Culture, the governmental financial input will be in the form of financial allowances instead of appropriations. Meanwhile, the government encourages universities to seek for new funding resources from any possible channels, such as attracting private donations, cooperating with domestic and international enterprises, providing education services, charging tuition fees and taking loans from the bank, etc. All these ways of expanding funding resources have already been practised in China for more two decades. The Chinese experiences and lessons can be good references for Finland to learn from. For instance, many Finnish universities are keen to earn more money

through education services, but under their current regulations some universities are not allowed to set up and run companies. This has largely limited the universities' ability to generate income. The studies on university run enterprises in China can possibly offer useful advice for Finnish reforms.

Flexible administration

The practices of the University of Tampere's cooperation with Chinese partner institutions show that many Chinese universities can fully utilize their institutional autonomy with a high degree of flexibility to actively advance their international cooperation. For instance, at the beginning 2011, a consortium led by the Danube University of Krems, Austria and including other members, among them the University of Tampere, University of Applied Sciences Osnabrueck and Beijing Normal University (as the only full partner outside the EU) decided to apply to the European Commission for an Erasmus Mundus Master's program. According to the application plan, the four universities will jointly recruit students, cooperatively offer courses and issue joint or dual degrees. Before the application, not a single Chinese university had joined the Erasmus Mundus Master's program as a degree granting partner. As regards joint admission and granting of degrees, Beijing Normal University indeed faced crucial policy barriers. In the Erasmus Mundus program, applicants will not take part in the Chinese postgraduate enrolment examination. According to the Chinese degree decree, one necessary condition for a student to be awarded a master's degree at a Chinese university (such as Beijing Normal University) is that he or she has passed the national examination and hence been included in the national enrolment plan. At the time of preparing the application, the

Chinese policy did not allow a Chinese university to offer joint degrees with foreign partner institutions. If a Finnish university was in such a position as that faced by Beijing Normal University, it would likely withdraw from the application due to the policy limitation and operational complexity. However, the attitude of the Beijing Normal University was positive. After receiving the invitation to join the consortium, the relevant leaders of Beijing Normal University, as well as the departments concerned within the University, immediately started to analyze relevant policies on both the EU and China sides, paying particular attention to the inconsistencies between them. What impressed all the other European partners was not only that Beijing Normal University quickly confirmed their participation, but also provided concrete plans on how to resolve the problems. Their proposal was indeed creative, tending to avoid the conflicts between the Chinese and European policies. Following the suggestions by Beijing Normal University, the consortium further improved the proposal and submitted it to the European Commission. A few months later the application was approved and the first cohort students were recruited in the autumn 2012. Although a decision from the Chinese Ministry of Education is still needed on whether or not Beijing Normal University can grant joint degrees with other partner universities in the Erasmus Mundus program, the European Commission has already authorized Beijing Normal University the qualification to offer joint degrees with other European partner institutions. This case reflects the efficiency and flexibility in Chinese university administration.

Cultural differences or reform gaps?

While appreciating the achievement of Chinese higher education governance reforms and paying attention to the Chinese experiences, we also find that some aspects of Chinese practices, such as the roles of the party in university administration, the student management system and the "society" within university campus, can hardly be understood by ordinary Finns, mainly due to cultural differences. However, some other aspects of Chinese reforms may be a matter of reform gaps instead of cultural differences. As follows we will highlight three issues.

Myths of Admiring American experiences

When working and communicating with Chinese higher education scholars and officials, we find that the Chinese admire American higher education very much. The American research universities, owing to their high academic standards, do indeed become examples to emulate for many Chinese universities. For instance, Peking University and Tsinghua University used to have slogans like "being the Chinese Harvard University" or "Being the Chinese Massachusetts Institute of Technology". The post 1980 higher education reforms in China, especially concerning marketization, have to a large extent been copies of the American model. China may admire the diversified funding resources for higher education institutions in the US, such as private donations and investments, research funding from industrial partners, revenue from the university's education and research services, and loans from banks. American higher education has attracted the greatest amount of private funding in the world, remaining at the same level as the US public expenditure on higher education. The Chinese reform on the diversification of funding sources in

higher education has achieved some remarkable feats. In 1990, the public funding accounted for 83.4% of the total revenue of Chinese higher education institutions (Zha, 2009), while the figure has diminished to 48.8% in 2010 (Finance Department of the Ministry of Education & Society and Science & Technology Department of National Statistics Bureau, 2011).

The higher education in the US is indeed most successful in the world and many countries have been learning from the American experience. The recent Finnish higher education governance reform, e.g. turning universities into legal entities, also shows a shift towards the American model, such as the establishment of university boards and the encouragement to universities to seek for funding from society etc. Nevertheless, Finns are aware that the two countries have different national contexts, and a complete copy of American experience will not be successful in Finland. In terms of the governance of higher education, the greatest advantage of American higher education lies in its high institutional autonomy and intense competition in the market, which are worth learning from. The original intention of the Finnish reform was to introduce market mechanisms into university management, with more flexibility and efficiency through the devolution of power to universities (Cai, 2012). However, understanding institutional autonomy cannot be done without linking it to a country's political system and cultural tradition. For instance, the loose relationship between university and government as a unique characteristic in the US is something that cannot be easily imitated in Finland. Therefore, Finland's learning from the American experience is highly selective. As the reforms in Chinese and Finnish higher education governance both display a transformation from a centralized planning system to a decentralized and market

oriented system, some practices of the welfare state of Finland may be more relevant to the Chinese reforms.

Since the 1990s, the emphasis of governance reform in Finnish higher education has been on establishing a new framework of the government and university relationship based on its own national context. In the new framework, on the one hand the universities are expected to enjoy maximal institutional autonomy and hence to be more proactive, and on the other hand the government is able to guide the development of higher education in the desired direction through legislation and policymaking. In the new model of governance, the role of Ministry of Education and Culture still remains important, but its control over universities has changed from the means of direct administrative intervention to legislative means, funding negotiations, and evaluation. The relationship between the government and the universities is more characterized by dialogue and negotiation than by administrative mandate. For instance, according to the new funding model, every three years the Ministry of Education and Culture will negotiate with each individual university and reach agreement about output such as expected number of degrees and research performance. Based on the agreement, the Ministry of Education and Culture allocates a three-year budget to the university and evaluates its performance at the end of the three-year period. Through such a funding model, the government can keep the orientation of universities in line with national priorities, while the universities have freedom to decide how to use the governmental funding for development (Hölttä, 1998).

Isomorphism of higher education institutions

Since the 1990s, China has launched the "Project 211", "Project 985" and recent "Project 2011", aiming to build first class Chinese universities. To achieve this, the Chinese government has poured huge amounts of money into developing a small number of higher education institutions, research institutes, and laboratories. Meanwhile, the Chinese universities pay more and more attention to world university rankings. Our impression is that the tendency in China is that all higher education institutions want to be bigger and more prestigious. However, only a small number of Chinese universities can be selected in the "Project 211" and "Project 985", and they are mainly research universities. Among over 2,000 Chinese higher education institutions, research universities are a distinct minority. The research, teaching, and service of higher education institutions must meet different demands from society. If all higher education institutions are only keen to upgrade their levels following a single standard, we believe the result would not be the one that the Chinese higher education institutions and society want to see. The phenomenon of the tendency that non-research universities or lower level universities want to change to become elite and research universities is called "academic drift" in higher education research. When it comes to resolving the problem of "academic drift", the Finnish reform experience may deserve attention from Chinese policymakers and researchers.

The academic draft phenomenon also took place in Finland in the 1960s and 1970s, when a number of teachers' training colleges and social science colleges began to upgrade to universities. By the beginning of the 1990s, all 20 higher education institutions had turned to be research universities. At that time the responsibilities

for educating technicians and practically oriented professionals for industry were taken by some 200 vocational schools throughout Finland. By the end of the 1980s, such an education system could no longer meet the requirements arising from the development of industrial society, particularly the human resources demand for high-level professionals. As a response, one important dimension of the 1990s reforms in Finland was to establish 29 polytechnics (or universities of applied sciences), which not only offered opportunities for vocational school graduates to advance their studies in higher education, but also to guarantee the different demands of the labor market could be met. These institutions soon became a particular sector of Finnish higher education, supplementing the sector of (research) universities: Thus, a dual higher education system was formed in Finland (Cai, 2009). The two sectors are geared to different needs in society, rather than being superior or inferior to each other.. According to the Finnish legislation, the two types of institutions are not allowed to change their roles; polytechnics may not upgrade to universities.

Official-oriented university administrators

Along with the intensifying cooperation and exchange between Chinese and Finnish higher education institutions, more and more delegations from Chinese universities visit Finland. When arranging Chinese university leaders' visits to Finland, sometimes the Chinese sides may have some special demands. For instance, for some Chinese university presidents or other special guests, the Finnish side needed to issue letters of invitation well in advance. Sometimes, the Finnish inviting organizations even received queries from the Chinese Embassy in Finland to confirm the authenticity of

the invitation. In the face of the Finns' confusion, the Chinese side explained that some special procedures were needed because the Chinese presidents are vice-minister level officials. This was a surprise to many Finns but after a while they got used to it.

Actually, not only university presidents have official government ranks, but so also do other administrative staff in China. The Chinese university administrators also perform their roles as officials. In our academic cooperation with some Chinese universities, we found that our cooperation was not simply between academics. Rather, some administrative staff may have influence there, which from a Finnish perspective is not necessary. Certainly, we know that there are differences in internal administration between Chinese and European higher education institutions, and Chinese academics are not as independent in international cooperation activities as their counterparts in Europe. However, the real problem is that many Chinese administrative people are too officialdom-oriented in their belief systems. They think they have more power than academics and are eager to lead academic activities. Conversely, the university administrators in Finland basically serve academics and their activities, and of course they have no official governmental rank. The recent Chinese higher education reform emphasizes de-administration, but the reform is unlikely to be easy. As the officialdom orientation has been deeply ingrained in the administrators' value systems, they may safeguard their authority and in turn inhibit the implementation of the reform.

Conclusion

Although the Chinese and Finnish higher education systems are different in scale, there are many similarities and aspects to be learned from each other. Due to considerations of space , we cannot include all our observations on governance reforms in Chinese higher education. The examples we described above are the most impressive and hopefully also the most representative. Behind the remarkable achievement of the rapid development of Chinese higher education there are also associated problems and challenges. From our perspectives, some aspects of the Finnish reform experience are quite likely to offer some sort of references to resolve the problems in Chinese higher education. Therefore, we hope that more Chinese higher education policymakers, managers, and researchers might acquire a deeper understanding of the practices of Finnish higher education system and reforms, and use a China-Finland comparative perspective to re-examine the historical development of Chinese higher education as well as the on-going reforms. We are happy to see the promulgation of the "National Outline for Medium and Long-term Educational Reform and Development (2010-2020)" in 2010 and the "Special Plan for Higher Education reforms (2012-2020)" in 2012, both of which have from different perspectives reflected the aforementioned problems and suggested reform directions. We look forward to the success of Chinese higher education reform and the progress of Chinese and Finnish higher education cooperation.

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