Governance reforms in higher education: A study of China

Mei Li and Rui Yang
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Preface

The means by which higher educational institutions in China are organized and managed have undergone a process of reorientation in line with significant socio-political transformations on the mainland. Within universities the structure and processes of authoritative decision-making have altered significantly impacting both external and internal stakeholders. This publication examines the changes to substantive and procedural autonomy wrought by university governance reforms in China since the late 1990s, focusing in particular on changes at the institutional and system level. It also links the international context of intensified globalization to transformations at the national, local, institutional, and individual level. Lastly, it draws on the authors’ longstanding professional experiences within the Chinese higher education system to present new findings from a case study of one of the country’s top-tier higher education institutions, East China Normal University in Shanghai. The analysis is based on rich empirical data collected through questionnaires and semi-structured interviews.

Chinese public colleges and universities have long been associated with different levels of political administration. The system has been characterized in particular by high levels of centralization. With increasing calls for delinking between governments and higher education institutions, most recently in the Outline of China’s National Plan for Medium and Long-term Education Reform and Development 2010–2020, the situation has started to change. Institutional autonomy has increased over recent decades, accompanied by greater accountability. This has led to the paradox of centralized decentralization. The extent, procedure, and pace of decentralization of governance continue to be controlled and determined by the central government, while provincial governments and higher education institutions are granted more freedom and rights.

This publication finds that China’s university governance pattern has gradually become less centralized, with an increase in joint governance between the central and provincial governments. More autonomy has been granted to the institutional level on financial and academic matters, including the appointment of academic staff and administrators, recruitment of students, curriculum, and course development. Meanwhile, the government retains control of ideo-political education and the appointment of university presidents and party secretaries.

The publication also finds that governance in China has its own nature and dynamics and a concept of autonomy different from that of the West. The Western tradition implies a distinct separation between the university and the state and emphasizes institutional independence. In the pre-reform age, Chinese universities were controlled by the state and lacked independence from national politics. Recent reforms, however, have led to greater self-determination. Indeed, ‘semi-independence’ is an appropriate description of the Chinese situation. Chinese universities are neither distinctively separated from the government, nor squarely under its complete control. They are partially integrated with the government while maintaining relative independence in other areas.
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<td>Chinese Communist Party</td>
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<tr>
<td>CPCCC</td>
<td>Central Committee of Chinese Communist Party</td>
</tr>
<tr>
<td>DH</td>
<td>department head</td>
</tr>
<tr>
<td>ECNU</td>
<td>East China Normal University</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
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<tr>
<td>GPM</td>
<td>government policy-maker</td>
</tr>
<tr>
<td>HEEC</td>
<td>Higher Education Evaluation Centre</td>
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<tr>
<td>HEI</td>
<td>higher education institution</td>
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<td>MoE</td>
<td>Ministry of Education</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>RMB</td>
<td><em>renminbi</em>, the official currency in China</td>
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<tr>
<td>SD</td>
<td>school dean</td>
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<tr>
<td>UA</td>
<td>university administrator</td>
</tr>
<tr>
<td>UPM</td>
<td>university policy-maker</td>
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1 Introduction

1.1 A brief history of higher education in China

By the close of the 18th century, China had perfected one of the world’s most durable political systems and had developed a unique civilization that, over 2,000 years of imperial history, had deeply influenced the culture of its neighbouring countries. Despite this long historical process Chinese tradition had not given birth to any institutions that could be termed universities. Instead, the key elements of ancient Chinese higher learning were the imperial examination system and the academies or shuyuan (书院) (Hayhoe, 1996: 15).

The 19th century saw the diffusion of the European university model throughout much of the world under conditions of imperialism and colonialism. Although Western higher education models had demonstrated their value, communication between China and the West was intentionally hindered. Chinese higher education during this period laid stress solely on training scholars in an encyclopaedic system of knowledge based on Confucian values, which in practice served only the aristocracy.

As China became more deeply involved in global negotiations with the West, officials realized that China would need to acquire Western science and technology to maintain its position and independence. Reformers thus suggested that Western instructors be invited into Chinese institutions (Zheng, 1994: 19). Starting from the 1860s, Western-style professional schools were founded to train technicians. Among these were many language schools which trained professionals to translate works in Western languages into Chinese. One professional school, Beiyang gongxue, was established in 1895 and later became the first modern Chinese university (Chen, 1986). Reforms of traditional higher learning institutions began thereafter, and a number of modern institutions were also established, including girls’ schools, normal schools, and vocational schools. In 1905, the traditional examination was finally abolished. More students were sent abroad for training, mainly to Europe, Japan, and the United States.

In 1912, there was one university, 10 preparatory schools, 94 professional training colleges, 12 normal colleges, and five ‘others’ (Pan and Liu, 1993: 803). Foreign missionaries played a significant role in higher education at this time. The period from 1911 to 1927 saw the first real efforts to establish universities with the defining values of autonomy and academic freedom. A tremendous range of new higher education institutions developed and flourished. Evolving Chinese traditions were combined with a variety of foreign educational practices, as the United States replaced Japan as the most favoured source of influence (Hayhoe, 1996: 43). By the 1922/1923 academic year, there were 35 university-level institutions of higher education, 68 provincial training colleges, eight normal colleges, and 14 ‘others’ (Zhou, 1934: 225).

The eight-year conflict between China and Japan (1937–1945) inflicted heavy losses on higher education in China. However, the National Southwestern Associated University (西南联合大学) became famous nationwide during this period for having and producing many, if not most, of China’s most prominent academics, scholars, scientists, and intellectuals. In addition to
struggling for physical survival, its staff and students spent the war years striving to uphold a model of higher education in which modern universities, based in large part on the American model, sought to preserve liberal education, political autonomy, and academic freedom.

From 1949, when the Chinese Communist Party (CCP) came into power, the university underwent and struggled with a process of adaptation and indigenization. The First Five-Year Plan (1953–1957), based on Russian experience and advice, focused on the development of heavy industry. Plans to reform institutions of higher education to emphasize technical education were finalized in 1951. Unified sets of plans for student enrolment, job assignment, and curriculum content were introduced to ensure that the restructured system performed the intended function. From 1952, the Chinese higher education system simulated Soviet administration, teaching methods, textbooks, and even classroom design. The experience of other countries, especially those of the West, was rejected, especially during the Great Proletarian Cultural Revolution (1966–1976).

In late 1976, when Deng Xiaoping and the ‘pragmatist’ faction reversed Maoist policies and set China on a more rational, economic-oriented path towards modernization, one of the first tasks undertaken was the restoration of the educational system (Reed, 1988). Although Deng’s reform agenda was officially inaugurated at the Third Plenum of the Eleventh Central Committee, held in December 1978, changes in the education sector had already begun. Almost all the decisions necessary to recreate the education system in its pre-1966 state had been announced, and implementation was well underway (Pepper, 1990). Entrance examinations to colleges and universities were reintroduced, and professional standards and expertise were once more held in regard. These post-Maoist changes in educational policy saw the re-emergence of the old ‘regular’ system with the residue of foreign models (Hayhoe, 1984).

1.2 Recent reform efforts in higher education

China’s recent higher education reforms are closely aligned with reforms in the economic sector. Since 1978, efforts have been undertaken to promote close links between education and the market at all levels, together with decentralization in finance and management. During the pre-reform years, strict human resource planning eliminated market elements from the labour structure, and provided graduates from all levels of the education system with guaranteed job allocation. China’s profound social economic reforms in recent decades have required education to make corresponding moves to meet the needs of new socio-economic environments. In particular, great efforts have been made to introduce market functions into education.

The initial breakthrough occurred in 1980 when for the first time vocational schools emerged to cater for employment opportunities in the tertiary sector of the economy. Schools whose graduates needed to find jobs in the labour market by themselves became more common afterwards. The impact of the market was most evident in higher education, where universities and colleges offered contract training in exchange for fees. This market-oriented experiment was endorsed by the Decision on the Reform of the Educational Structure, issued by the CCP Central Committee in 1985, and became part of the reform. As the market gained more significance in China, especially in the more developed coastal and urban areas, more substantial reform policies were introduced to make structural changes in education. The Programme for Education Reform and Development in China, jointly issued by the CCP Central Committee and
the State Council in 1993, reaffirmed the 1985 Decision. The central government would refrain from direct control over education. Instead, government was to act as a facilitator.

With the phasing out of the planned economy and the diminishing role of the state, the government became increasingly reluctant to continue subsidizing students. Fees started to become a reality. Before long Chinese educational institutions were facing the market on all fronts with potential employers becoming clients. Meanwhile, China’s paltry educational spending (in proportion to its GDP) was distributed very unevenly especially between rural and urban areas, resulting in loss of educational opportunities among disadvantaged groups. The new market-oriented measures allowed only the fittest to excel and further widened regional disparities, leaving the poor in difficulties, especially those in inland and remote rural regions (Yang, 2003a; Yang and Li, 2010).

Within this context the ‘industrialization of education’ is an aspect of China’s market-oriented reforms, reflecting radicalism in a far-from-sophisticated market. China’s education policies are produced by economists to ‘meet the needs of a socialist economy’. In 1992, the Decision on the Development of the Tertiary Industry, issued by the CCP Central Committee, stated clearly that education was part of the tertiary industry and those who invested in it would own and benefit from it. The CCP Central Committee and the State Council raised the idea of education as a stimulus for economic growth in the Decision on Further Educational Reform to Promote Quality Education in 1999. Private investment in education was encouraged and the first auction of a public school took place in Zhejiang. The Decision on Reform and Development of Basic Education in 2001 and the Decision on Further Reform of Basic Education in Rural Areas in 2002 provided the basis for the transfer of ownership from public to private. By December 2002 the ‘industrialization of education’ had been fully legitimized in China.

Two policy developments contributed directly to the industrialization of education in China. The first is the establishment of a higher education tuition fee policy. Commodification started as China embraced the human capital theory, which promotes an economic value of education. Education was increasingly recognized as a private rather than a public good, obtainable on the basis of a buyer’s perceived need and financial capacity. Following this shift in perception, China initiated the higher education tuition fee policy. Institutions of higher learning were first allowed to collect 100 RMB for accommodation and 20 RMB for tuition fees from students in 1989. In 1993, the cost-sharing policy for higher education was written into the Programme for Education Reform and Development in China. Tuition fees then increased dramatically, from 4.34 per cent of the cost of a course in 1992 (around 600 RMB) to 12.12 per cent (around 3,000 RMB) in 1993 and 25 per cent in 1998 (Zhang, 1998: 246). The rapid expansion of higher education after 1999 further accelerated this trend. Public universities’ fees were set at 4,000 RMB in 1999, reached 5,000 RMB in 2001, and stabilized at 6,000 RMB in 2005. Meanwhile, some private institutions and for-profit campuses affiliated to public universities charged well above 10,000 RMB. By now, China’s higher education had become the most expensive in the world, when considered against average resident income. However, the targeted diversification of education funding mentioned in China’s policy discourse never materialized. Instead, tuition fees became one of the two major revenue sources for publicly funded universities. In 2003, education fees reached

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1. For example, in 1999 the average incomes of peasant and urban residents in the eastern region were, respectively, 3,344.6 RMB and 9,125.92 RMB, while in the western region they were 1,604.1 RMB and 4,472.91 RMB, respectively.
110 billion RMB nationwide, 40 billion of which was charged by higher education. In contrast, national expenditure on higher education totalled only 70 billion RMB.

The second policy development in terms of the ‘industrialization of education’ refers to **organizational changes in educational production**. The shift in perception of education led to the growing exchange of education commodities. This had a direct impact on the organization of educational production. Since the 1980s, there have been four distinct types of organizational change in Chinese educational institutions.

The first, **derivation**, refers to the emergence of a new institutional branch committed to market operation. During the early days of reform this meant school/university-run companies. Nowadays, so-called *erji xueyuan* (second-level colleges), *duli xueyuan* (independent colleges), or *fenxiao* (branch campuses) constitute the profit-making branches of public institutions. These are supported by government funding yet operate as private businesses.

The second, **function differentiation**, means that the existing institution allows itself or part of itself to adopt additional functions without changing the overall structure. The part that operates on the basis of the state framework coexists with the part that operates on market principles. Such differentiation has been practised in public educational institutions for years; for example, the university admission policy to accept privately sponsored students with higher tuition fees and lower academic standards while maintaining national quotas. After 1997, function differentiation became normal practice in secondary and primary schools, which charge substantial fees in the form of *zanzu fei* (sponsorship fees) and *zhexiao fei* (school choice fees).

The third, **change of ownership**, indicates a shift towards private operation and even ownership of public educational institutions. School organizational culture changes dramatically after such transfers: schools and teachers become employers and employees; schools and students turn into service providers and customers. Meanwhile, school decision-making and management also change fundamentally with most schools governed by a board of trustees.

The last, **new organization**, describes the education industry sector that operates as a business and aims to make a profit. Chain schools that belong to large education companies are a typical example.

The *Higher Education Law* stipulates the framework for decentralization in the Chinese higher education system, stating that while ‘the State Council shall provide unified guidance and administration for higher education throughout the country’, the local governments at the provincial level ‘shall undertake overall coordination of higher education in their own administrative regions, administer the higher education institutions that mainly train local people, and the higher education institutions that they are authorized by the State Council to administer’ (*Higher Education Law* Article 13, Chapter I).

**1.3 New developments in higher education**

The Chinese higher education system consists of two major components: regular higher education and adult higher education. Regular higher education institutions offer full-time programmes for a degree or a diploma. They include universities, independent specialized
colleges, short-cycle (two or three-year) specialized colleges, and vocational colleges. Adult higher education institutions offer programmes to people already holding a job. They include broadcasting and television universities and in-service teacher training colleges. In 2007, China had 2,321 higher learning institutions, of which 1,908 were regular institutions (740 degree-offering and 1,168 higher vocational) and 413 were for adults (MoE, 2008).

In terms of the levels of degree they confer, Chinese higher education institutions can be categorized as *benke* and *zhuanke* institutions. The former offer programmes at bachelor’s, master’s, and doctoral levels, while the latter provide programmes that confer associate degrees and certificates. *Figure 1.1* shows growth trends at both *benke* and *zhuanke* institutions during the period 1998–2008.

![Figure 1.1 Numbers of regular higher education institutions (HEIs), by *benke* and *zhuanke*](image_url)

**Source:** MoE, 1998–2009.

**Note:** *Benke* institutions confer bachelor’s degrees and above, *zhuanke* confer associate degrees and certificates.

In recent decades, private institutions began to emerge and develop after an absence of 30 years (1952–1982), their numbers increasing from 133 in 2002 to 1,506 in 2008 (see *Table 1.1*). In 2007, among the regular higher education institutions, 297 were private (MoE, 2008). However, the quality and reputation of such private institutions were relatively low and poor. In 2008, 640 of regular higher institutions were private, with an enrolment of 4.03 million students. The corresponding numbers of adult higher institutions were 866 and 0.92 million respectively. Students in private higher education institutions constituted almost 20 per cent of the entire enrolment in China’s formal higher education sector.
Introduction

Table 1.1  Numbers of higher education institutions by ownership, 2002–2008

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td>Number of public HEIs</td>
<td>2,190</td>
<td>2,248</td>
<td>2,323</td>
<td>2,337</td>
<td>2,350</td>
<td>2,340</td>
<td>2,340</td>
</tr>
<tr>
<td>Number of private HEIs</td>
<td>133</td>
<td>1,279</td>
<td>1,415</td>
<td>1,329</td>
<td>1,272</td>
<td>1,203</td>
<td>1,506</td>
</tr>
<tr>
<td>Total</td>
<td>2,323</td>
<td>3,527</td>
<td>3,738</td>
<td>3,666</td>
<td>3,622</td>
<td>3,543</td>
<td>3,846</td>
</tr>
</tbody>
</table>

Note: The numbers of public and private higher education institutions (HEIs) include all forms of regular HEIs and adult HEIs.

Until the late 1990s, higher education in China was considered education for the elite. In 1999, however, China began to dramatically expand its higher education system to meet rapid economic and social development. With the gross enrolment rate reaching 15 per cent in 2002, China entered the stage of mass higher education (see Figure 1.2). In 2008, over 29 million students enrolled in regular higher education institutions. The gross enrolment rate increased dramatically, from 1.4 per cent in 1978 to 3.4 per cent in 1990, 9.8 per cent in 1998, and 23.3 per cent in 2008 (MoE, 1984, 1999, 2009). China aims to achieve a gross enrolment of 40 per cent by 2020 (MoE, 2010).

Figure 1.2  Growth of gross enrolment ratio and enrolment by year, 1978–2008

Notes: 1. Enrolment in regular higher education institutions includes postgraduate students. 2. The gross participation rate for the 18–22 age group includes all forms of higher education.

1.4  Objectives of this study

This study aimed to answer the following three research questions:

- What reform measures were used in the steering policies and governance of higher education over the past two decades in China?
- How effective were those reform measures in improving the governance and management of higher education at the national level?
Introduction

• What effects have those reform measures had on institutional governance and management?

The research examined the effectiveness of China’s reform measures in steering policies, governance, and structural changes, and their impacts on higher education administration and university management at both national and institutional levels. More specifically, the objectives of this study focus on the following three domains:

• changes in steering policies and new governance structures at the system level;
• the implications of steering policies and new governance structures for administering higher education at the national level;
• the implications of steering policies and governance structures for institutional effectiveness.

1.5 Methodology

The case of ECNU

The East China Normal University (ECNU) was the first socialist teacher-training university in China, established in 1951 out of two private universities. In 1959, it was one of the 16 national key universities in China. The university established its graduate school in 1986, together with 33 other institutions permitted by the State Council (Yuan and Wang, 2001). It joined ‘Project 211’ in 1996 and ‘Project 985’ in 2006. Both projects were initiated by the central government to strengthen key Chinese institutions of higher education to achieve world-class status. Among prominent Chinese comprehensive universities, ECNU has been particularly noted for its foremost position in educational research and teacher-training.

Located in Shanghai, ECNU enjoys a favourable environment of economic prosperity and cultural vibrancy, which attracts quality staff and students. It has 55 departments spread across 19 faculties covering humanities and social sciences, social development, foreign languages, arts, resources and environmental sciences, life sciences, sciences and engineering, education, public management, cognitive and psychology, preschool and special education, physical education and health, finance and statistics, business, information science and technology, design, software engineering, communication, and Chinese for foreigners. It offers 67 undergraduate,
178 master’s, and 122 doctoral programmes, with 18 postdoctoral centres, 23 national and 12 municipal key disciplines, two national key laboratories, six national specialized laboratories, and six nationally designated research bases for social sciences and the humanities. It also functions as a base for the Ministry of Education to provide training for primary and secondary school principals. There are 17 primary and secondary schools affiliated to the university as a result of its strengths in educational research and teacher education.

In 2009, the university had a total enrolment of 29,600 students, of whom 14,000 were undergraduates, 12,000 were reading for their master’s and doctoral degrees, and 3,600 were international students. Among its 2,000 full-time academic members, 1,100 were professors and associate professors, 14 were academicians of the Chinese Academy of Sciences and three of the Chinese Academy of Engineering. There were 2,000 administrators and support staff. The university has two campuses, located in the city and in a suburb of the city, with a total area of 3,100 mu.5

ECNU was chosen as a case for this empirical study for several reasons. First, it is a national university affiliated to the Ministry of Education with a history of over 60 years. As a prominent public university, its internal management reforms and changes are determined and influenced by steering policies and governance reforms at the national level. Second, it is a comprehensive, research-intensive university with liberal academic programmes across social and natural sciences, playing an increasingly significant role in both domestic and international development. Third, it has experienced substantial changes in its management reforms and external relations with national and municipal governments during the past two decades. Fourth, one of the researchers of this study is a current faculty member, with access to relevant documents and research respondents for interviews and a survey questionnaire. She is thus well placed to make first-hand professional observations of the institutional changes that have occurred during this period.

**Documentation at national and institutional levels**

The first types of documents to be collected and analysed were those issued by the governments. These included laws, regulations, yearbooks, statistics, speeches, policies, strategic plans (the 11th and 12th Five-Year Plans and the national outline on middle to long-term educational reforms and development), and consultation reports of the central government. Most of these documents were available on the official website of the Ministry of Education (www.moe.edu.cn). During the past two decades, the Chinese central government has issued a series of policy documents to improve higher education governance and management. These include:


---

4. Postdoctoral centres began to emerge within Chinese campuses by discipline or research area in 1985 to make best use of talented doctorate holders. Requirements for the establishment of post-doctoral centres are accredited doctoral programmes, with a well-recognized nationally leading research level, plus even stronger research resources and personnel than those required for doctoral programmes. For an account of the work of the post-doctoral centres, see Hayhoe (1989: 55) and Gu (1991: 71–72). A post-doctoral centre is, therefore, viewed as a sign of the highest academic level in the concerned field in China, whose establishment needs to be approved by the Ministry of Education.

5. A mu is equivalent to 0.1647 of an acre.
Introduction

- Programme for Education Reform and Development in China, the CPCCC and the State Council, 1993;

The researchers collected ECNU’s institutional documents including its constitution, presidents’ speeches, annual reports, administrative reports, regulations and policies, organizational charts, the 12th Five-Year Plan, and the Mid- and Long-Term Development Plan of ECNU. These documents and materials provide both contextual and procedural evidence of structural changes in governance at ECNU.

Interviews

The researchers conducted 15 interviews during October and December in 2010 (see Table 1.2). The interviewees include three policy-makers at the national level, two policy-makers from the Shanghai Municipal Government, three presidents/vice-presidents of ECNU, three administrators at administrative department level, and four deans of faculty/schools/college level. There was only one female interviewee, reflecting male dominance of administrative positions in both government and universities. The interviews were all semi-structured, lasting from half an hour to two hours, and were tape-recorded. They were then transcribed and translated into English.

Table 1.2  List of interviewees

<table>
<thead>
<tr>
<th>Code</th>
<th>Time (DD-MM-YY)</th>
<th>Gender</th>
<th>Discipline</th>
<th>Position</th>
</tr>
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<tr>
<td>No. 1: GPM 1</td>
<td>09-10-2010</td>
<td>Male</td>
<td>Management</td>
<td>Vice-Director, Education Commission, Shanghai Municipal Government</td>
</tr>
<tr>
<td>No. 2: GPM 2</td>
<td>15-10-2010</td>
<td>Male</td>
<td>Education</td>
<td>Vice-Director, District Government, Shanghai</td>
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<tr>
<td>No. 3: GPM 3</td>
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<td>Female</td>
<td>Education</td>
<td>Deputy Secretary, Higher Education Society, MoE</td>
</tr>
<tr>
<td>No. 4: GPM 4</td>
<td>14-12-2010</td>
<td>Male</td>
<td>Education</td>
<td>Vice-Director, Research Centre for Education Development, MoE</td>
</tr>
<tr>
<td>No. 5: GPM 5</td>
<td>14-12-2010</td>
<td>Male</td>
<td>Engineering</td>
<td>Director, Office of Higher Education in Research Centre for Education Development, MoE</td>
</tr>
<tr>
<td>No. 6: UPM 1</td>
<td>02-10-2010</td>
<td>Male</td>
<td>Geography</td>
<td>President, ECNU</td>
</tr>
<tr>
<td>No. 7: UPM 2</td>
<td>02-10-2010</td>
<td>Male</td>
<td>History</td>
<td>Vice-President (Teaching), ECNU</td>
</tr>
<tr>
<td>No. 8: UPM 3</td>
<td>12-10-2010</td>
<td>Male</td>
<td>Technology</td>
<td>Vice-President (Finance), ECNU</td>
</tr>
<tr>
<td>No. 9: UA 1</td>
<td>27-12-2010</td>
<td>Male</td>
<td>Chinese</td>
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<td>No. 10: UA 2</td>
<td>13-10-2010</td>
<td>Male</td>
<td>Education</td>
<td>Vice-Director, Teaching Affairs Office, ECNU</td>
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</tbody>
</table>
Introduction

<table>
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<th>Position</th>
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<tbody>
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<td>Vice-Director, Graduate School, ECNU</td>
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<td>20-10-2010</td>
<td>Male</td>
<td>Maths</td>
<td>School Dean, ECNU</td>
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<td>No. 13: SD 2 School Dean 2</td>
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<td>Education</td>
<td>School Dean, ECNU</td>
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<td>Engineering</td>
<td>Department Head, ECNU</td>
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<td>No. 15: DH 2 Department Head 2</td>
<td>23-10-2010</td>
<td>Male</td>
<td>Sociology</td>
<td>Department Head, ECNU</td>
</tr>
</tbody>
</table>

Observation

The researchers took full advantage of observations in this case study. As a full-time academic staff of ECNU, one of the researchers observed and directly experienced the changes of governance within ECNU over a period of five years from an insider perspective. The other researcher worked at another Chinese university for nearly a decade before moving overseas. The central focus of both researchers is Chinese higher education. This makes them well positioned to interpret and analyse China's reforms of higher education governance at the national and institutional levels.

Survey questionnaire

The large number of faculties limited the ability of the researchers to survey all academic units at ECNU. Instead, the researchers selected three faculties from the humanities and social sciences, namely the School of Education Science, the School of Public Administration, and the School of Social Sciences; and two faculties from sciences and engineering, namely the School of Computer Sciences and Engineering, and the School of Finance and Statistics.
2 A review of the governance reform and its implementation

2.1 Rationale behind introducing governance reform

Globalization, with its characteristic compression of time and space, is seen as a historical challenge to higher education (Scott, 2000). In response, higher education systems have undergone significant restructuring (Currie and Newson, 1998). The changes reflect a fundamental transformation in the relationship between the university, the state, and the market. In this context, neoliberal policies advocating a paradoxical mixture of deregulation and regulation of higher education have raised the question of autonomy for universities and academics in many countries across the globe (Ordorika, 2003). In China, greater engagement with the world and the adoption of market principles has made the development of ‘world-class’ universities a key policy position. This goal has significant potential to allow greater autonomy for a number of Chinese universities.

Autonomy is at the heart of the concept of a ‘university’. Derived from the Greek words for ‘self’ and ‘law or customary usage’, the word describes the practice of self-government that is considered a right and responsibility of colleges and universities (Snyder, 2002). Levy (1980) provided a working definition of autonomy in higher education as the location of authority ‘somewhere within the university’ (1980: 4), or ‘as university control over components (of self-government)’ (1980: 7). This characterization is compatible with Berdahl, Graham, and Piper’s (1971) classical definition where autonomy is seen as the power of a university to govern itself without outside control. They further suggested a distinction between substantive and procedural autonomy where the former refers to the ‘goals, policies, and programmes that an institution has chosen to pursue’ and the latter refers to the ‘techniques selected to achieve the chosen goals’ (Berdahl, Graham, and Piper, 1971: 10).

More recently, Ordorika (2003) adopted a pluralist perspective assessing the extent of autonomy in three broad areas of institutional self-government: appointive, academic, and financial. According to Ordorika, appointive autonomy includes the hiring, promotion, and dismissal of professors, deans, rectors, and administrative personnel; academic autonomy includes career choice policies, curriculum and course selection, establishment of degree requirements, and academic freedom; and financial autonomy focuses on university budgets and financial accountability.

An alternative way to understand autonomy in higher education has focused on the relationship between state governing/coordinating boards and universities within an interest-articulation framework. More recent approaches (Slaughter and Leslie, 1997) have focused on the political economy and the notion of academic capitalism. For example, researchers have looked at the impact of academic capitalism on university autonomy and found that one of the obvious results is the diversification of funding sources. A key argument has been that university autonomy can be enhanced and protected by diversifying university funding bases (Goedegebuurre, 1994). While independence from a single source of funding may potentially increase autonomy, there is every possibility that it may also introduce different types of
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constraints when institutions accept private funding. It may be necessary for public universities to break away completely from government funding to form private institutions (as several UK universities such as Oxford and Cambridge, and US universities such as the University of Virginia and the University of Michigan have threatened to do) to gain greater autonomy.

Another change that traditionally allowed considerable autonomy was a shift from unstipulated or block grant funding to targeted funding which tends to increase higher education dependence on central governments and place additional constraints on institutional autonomy (Slaughter and Leslie, 1997). Ironically, one of the side effects of neoliberal policies that aim to make universities more autonomous and independent of government resources is the tendency of governments to introduce more accountability measures, thereby reducing autonomy. These policies have led to wider trends towards an ‘audit society’ or ‘performative society’ (Amit, 2000).

It is in such a global policy context that higher education became a tool for achieving an integrated global knowledge system along market lines (Ball, 1998). The change in governance ideology in higher education towards market principles has altered the ways in which universities are managed (Currie and Vidovich, 1998; Marginson and Considine, 2000; Slaughter and Leslie, 1997). Arguably, while there may be some level of enhanced administrative autonomy, increasing financial and accountability pressures continue to limit the power of universities and academics to self-govern. This is arguably the case for China’s higher education as its nation-centric policies are no longer sufficient and cannot adequately engage with the new global realities of transnational economic, political, and cultural interconnectivities. Educational ideologies and experience now circulate around the world at a rapid rate, resulting in global educational policy networks that are often more influential than local political actors. Similar pressures, procedures, and organizational patterns increasingly govern educational systems, leading to ‘universalizing tendencies in educational reform’ (Halpin, 1994: 204).

2.2 Chinese national policy on autonomy and accountability

According to Neave and van Vught (1994), there are two models of government steerage in higher education: the state-supervised model and the state-controlled model. The Chinese higher education system has traditionally employed the latter. In the 1950s, the central government assumed the responsibility for formulating higher education policies, allocating resources, exercising administrative controls, employing teaching and research staff, developing a curriculum, choosing textbooks, recruiting students, and assigning jobs to university graduates. The government-university relationship was one-way and top-down, with universities enjoying little autonomy. In the 1960s, university operation was placed under the direct jurisdiction of the Ministry of Education (MoE), as specified in the Provisional Regulations of Higher Education Institutions:

The establishment, change, and cancellation of programmes in all these universities must be approved by the MoE ... University teaching should be according to the syllabi designed or approved by the Ministry ... No programmes, syllabi and textbooks should be changed freely. Any substantial changes must be approved by the Ministry (Shanghai Higher Education Bureau, no date, cited in Hu, 2003: 4).
The 1980s saw a turning point in government-university relationships in China. The transformation from a planned economy (imported from the former Soviet Union) to a market economy, under the open-door policy, led to profound changes in all aspects of Chinese society. The higher education sector was no exception, and attention was turned to reforming governance in a context of rapid expansion of the sector. Governance reforms began in 1985 with the *Decision on the Reform of the Educational System*, passed by the CCP Central Committee at the National Education Conference. The Decision indicated that university autonomy was a priority:

The core part of the current higher education reforms is to change the Central Government’s tight control over institutions, to improve institutional autonomy under the national principles and plans, so that institutions can build up their closer links to industry and other sectors, and foster their initiatives and capacity to meet economic and social needs. (Guo, 1995: 69)

In 1993, the *Programme for Education Reform and Development in China* was promulgated to reaffirm the 1985 Decision: the central government would refrain from direct control of education and, instead, act as a facilitator, thereby granting all universities more autonomy (Mok, 1999).

*The Higher Education Law* also states that ‘the State, in accordance with law, ensures the freedom of scientific research, literary and artistic creation, and other cultural activities conducted in the higher education institutions’ in Article 10, Chapter I, and stipulates the legal person status of a higher education institution in Article 30, Chapter IV. Articles 32 through 38 of Chapter IV, ‘Organization and activities of higher education institutions,’ detail the seven domains in which Chinese higher education institutions are granted autonomy (student admission, specialized establishment, teaching affairs, research and service, international exchange and cooperation, internal structure and personnel management, and financial and property management) (Zha, 2006: 163–164):

**Article 30:** A higher education institution shall acquire the status of a legal person from the date on which its establishment is approved. The president of the higher education institution shall be the legal representative of the institution. A higher education institution shall, in accordance with law, enjoy civil rights and bear civil liabilities in civil affairs.

**Article 32:** Higher education institutions shall propose enrolment plans in light of social needs, the conditions of the institutions, and size of the student body verified by the state, and readjust on their own the proportion of enrolment for different faculties and subjects.

**Article 33:** Higher education institutions shall, in accordance with law, act on their own offering and readjusting the branches of learning and specialized subjects.

**Article 34:** Higher education institutions shall, on the basis of the needs of teaching, act on their own in drawing up their teaching programmes, compiling teaching materials and making arrangements for their teaching activities.

**Article 35:** Higher education institutions shall, on the basis of their own conditions, act on their own in conducting research, developing technology and providing services for the society. The state encourages higher education institutions to collaborate in various ways with enterprises, institutions, public organizations or groups in research and in development and extensive use of technologies. The state supports qualified higher education institutions to become research bases of the state.
Article 36: Higher education institutions shall, in accordance with the relevant regulations of the state, act on their own in conducting exchange and cooperation with higher education institutions outside of the territory of China in the field of science, technology, and culture.

Article 37: Higher education institutions shall, in light of actual needs and on the principle of simple and efficient administration, act on their own in deciding on the internal structure of the departments for teaching, research and executive function and on the number of staff for different departments. They shall, in accordance with relevant state regulations, assess the performance of teachers and other professional workers and technicians, make appointment to such posts, and readjust the payment of subsidies and salaries.

Article 38: Higher education institutions shall, in accordance with law, act on their own in managing and using the property provided by sponsors, the fiscal funds allocated by the state and the contributions and donations received.

University autonomy was further protected by China’s Higher Education Law (Sun, 1999), which legitimized the ‘president responsibility’ system (校长负责制). According to this law, university presidents would become responsible for the formulation of their own institutional policies and long-term development plans. For example, according to Article 34 of the Higher Education Law (1998), ‘based on their own teaching needs, higher education institutions take the initiative in designing their own teaching plans, selecting textbooks and organizing teaching activities’ (Sun, 1999: 62). Likewise, within a university, faculties and/or departments are also meant to enjoy much greater autonomy in matters relating to teaching, research, personnel, and resource allocation.

In theory, a strong push towards the decentralization of higher education (Bray, 1999), a strengthened role for provincial governments, and the marketization of the higher education sector should have led to increased university autonomy across the domains of teaching, research, and administration. However, as reported by Wang (2000), based on a survey questionnaire of full and associate professors from more than 200 universities, academic staff recruitment was the only item where more than half of respondents (55 per cent) considered their institutions had relatively more autonomy than in the past. Autonomy was considered to be lacking in the other six areas identified in the survey. Specifically, the majority of respondents believed that autonomy was lacking in student recruitment (70 per cent), academic programmes (66 per cent), organizational structure (65 per cent), allocation of funds (57 per cent), promotion (55 per cent), income allocation (53 per cent), and recruitment of senior administrators and departmental heads (52 per cent).

By the early 2000s, tuition fees were becoming widespread in Chinese higher education as a direct result of reduced government funding and marketization policies. The proportion of investment from the central government had steadily decreased. From 1993 to 1996, the government’s appropriation rose from 13.88 billion to 21.07 billion RMB due to student expansion, but the proportion of annual higher education expenditure decreased from 83 per cent to 70 per cent. The percentage in 2001 was dramatically lower at 53 per cent, demonstrating a significant proportional decline in government resources devoted to higher education. In 2002, the MoE set limits to higher education tuition fees with different caps for different majors and higher learning institutions with different statuses.

Since the 1980s, the market has become the third member of the university-government relationship, forming a ‘trinity’ (Dong, 2003). The central government has become a ‘market
manager’ and its role is shifting from that of state control to state supervision. How has this affected the autonomy of institutions and individual academics in Chinese higher education?

In terms of accountability, the MoE has established buffer agencies to ensure the quality assurance of higher education institutions. However, these buffer agencies lack financial and personnel independence, being affiliated to the MoE (Figure 2.1). Box 2.1 shows the development of quality evaluation of HEIs in China.

**Figure 2.1 Structure of evaluation system in China**

![Diagram of evaluation system in China](image)

*Source: This figure is based on the authors’ professional observations.*
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2.3 Altered relationships between government, institutions, and individuals

University autonomy is never an absolute concept, but is limited by the historical context in which universities develop. As China moves from a planned to a market-based economy, Chinese universities are taking steps to open themselves to greater freedom. Compared with the past, the Chinese central government has given considerable autonomy to universities. By so doing it has shifted from a state-controlled model to a state-supervised model. The Chinese system now opens to overseas students and international academic recruitment. Such opening, however, is highly limited at the national level, and even more so at the provincial level. The lack of mobility of students and staff, in comparison with the situation in the United States, for example, has continued. In addition, the central government remains in control over key aspects of China’s higher education.

Based on empirical work at two major Chinese universities, Yang, Vidovich, and Currie (2007) point out some significant, contradictory trends in Chinese higher education. One is the paradox of increasing autonomy and greater accountability for universities. They argue that this mixture of enhanced autonomy concurrent with increased accountability limits the autonomy granted by the government. However, they further point out that China’s tendency to preserve social harmony may mean that apparently contradictory patterns from the Western perspective may not be viewed as such by the Chinese. In other words, concepts from the West are often redefined and reconstituted in Asian societies. They have reported a significant increase in

Box 2.1 Development of higher education evaluation in China

- In 1990, the Draft Regulation of Higher Education Institution Evaluation was issued by the State Education Commission. This was the first on higher education evaluation.
- In 1995, separate types of the University Evaluation Standards Project were issued for the evaluation of six different categories of institutions: comprehensive universities, industrial colleges, agricultural and forestry colleges, medical colleges, finance and economics colleges, and foreign languages colleges. All new baccalaureate degree-granting colleges were required to undergo the evaluation, with three evaluation outcomes: ‘Acceptable’, ‘Acceptable with Conditions’, and ‘Not Acceptable’. By the end of 2002, around 192 institutions had completed the evaluation.
- From end-1995 to 2001, 16 universities and colleges voluntarily applied to undergo the Exemplary Evaluation, which had three results categories: ‘Excellent’, ‘Conditional Pass’, and ‘Not Up to Excellence’.
- In 2002, the above two types of evaluation were combined into one: Evaluation of University Baccalaureate Programmes Project, with four results categories: ‘Excellent’, ‘Good’, ‘Acceptable’, and ‘Not Acceptable’. By the end of 2004, 116 universities and colleges had completed their evaluation.
- In 2003, the Action Plan of Education Innovation 2003–2007 made it clear that all higher education institutions would undergo quality evaluation every five years.
- From 2003, the Ministry of Education drafted an evaluation plan for higher professional and vocational institutions. The evaluation is implemented by each provincial education department, and the Ministry periodically checked the implementation work. By the end of 2004, about 107 universities and colleges had completed the evaluation.
- The establishment of the Higher Education Evaluation Centre (HEEC) by the Ministry of Education in August 2004 marked a new stage of the development of a systematic and professional evaluation system of higher education in China.
- From 2003 to 2007, 592 higher learning institutions were evaluated by HEEC.

Source: Available at: www.pgzx.edu.cn/modules/zhongxingaikuang.jsp?type=0 (accessed 30 November 2012).
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autonomy (both institutional and individual) in the last two decades, while also identifying distinctions between the rhetoric of government policy, suggesting a ‘freeing up’ of centralized government controls, and ‘the reality’ of constraints that universities continue to experience. According to them, the CCP still has considerable influence in certain areas of higher education.

The issue of autonomy for universities and academics inevitably raises questions about the purposes of universities themselves. Institutions of higher learning have always served their societies; they have never been the isolated ivory towers of popular imagination. Since their inception, they have engaged with the issues of their day, discovered and distributed whatever was at the time deemed useful knowledge, and established various, often idiosyncratic, financial relationships with patrons, donors, and governments. Over the last two decades, as the Chinese Government decided to expand the sector towards mass higher education, it began to relinquish its monopolistic role in higher education and allow room for non-state forces to become more involved. Policies of decentralization and marketization in the Chinese context have been highly instrumental in mobilizing more educational resources and thereby creating more learning opportunities for Chinese citizens.

At the same time, China, like many other countries, began opening up its universities to more public scrutiny. Greater accountability to external constituencies means that some of the traditional values of universities are often challenged (Kennedy, 2003). When this happens, as Kennedy suggests, the task of universities is to develop strategies that will retain the best of what universities have traditionally stood for while responding to new pressures and priorities. China has maintained a strong role for the state even though it is being reconstituted. The state now works via increased accountability and steers at a distance. Considering China’s social, cultural, and historical realities, the government’s role is likely to remain significant. It will continue to act as a regulator, a facilitator, and a negotiator, even though it has gained greater faith in the market to fulfil some of these roles.

The Chinese are passionately engaging with globalization, and market competition and market ideologies may be an even stronger influence in Chinese higher education than in many OECD countries. But markets can also be deaf and blind (Yang, 2003b) and, thus, there may be a role for the state in ensuring equity. Within universities, the challenge is to identify decision-making structures that allow academics, managers, and governing authorities to work in partnership (Kennedy, 2003). Partnerships can also extend beyond the university to include external constituencies. This is a path that China has taken. However, as Derek Bok (2003), former President of Harvard, has warned, it may be wise to be cautious in this endeavour. While diversifying funding sources might potentially increase autonomy for universities and academics, the experience from Western universities suggests that hidden constraints often emerge, especially with corporate or private funding. Balancing different requirements from the state and the market is a difficulty faced by Chinese universities.

Autonomy is associated with relationships of power and authority. Clark’s (1983) distinction between state regulation and market control as policy mechanisms is still useful in this regard. Market-based interventions incorporate financial incentives to change the behaviours of market participants. The incentives can subsidize the cost of production or change price incentives faced by market participants. Regulatory interventions use non-market or non-price strategies, changing regulations or legislation to facilitate, prohibit, or regulate certain
behaviours. They can also introduce funding pools that do not grant autonomy to market participants, but require special submissions or applications to access the available funds. China is trying to utilize both state and market control mechanisms. This is in line with the Australian context, where bureaucrats emphasize strategies for regulation and conservative politicians want greater reliance on market practices (Coaldrake, 2000). In Clark’s (1983) terms, the effect is to strengthen both the market and the state, often at the expense of academic autonomy or academic control. The challenge is to get the mix right among the trinity of the state, the market, and the university sector.

In relation to general patterns of control in higher education across the globe, Ordorika (2003) identified three types of domains in which universities could have autonomy. Chinese universities now have greater freedom in the appointive domain for academics and in the academic domain of self-government over curricular decisions. They also have some additional financial independence from the government in the form of private funds, as neoliberal policies come to dominate. But this latter freedom is a mixed blessing owing to increased regulation of performance-related pay and tuition caps. Olssen, Codd, and O’Neil (2004), writing about educational restructuring in England, point to the dangers of neoliberal policy options that tend to de-professionalize academics by replacing autonomy and trust with new forms of accountability and control. They argue that ‘the essence of contractual models involves a specification of tasks and duties, which is fundamentally at odds with the notion of delegated responsibility’ (2004: 186). It may be too early to raise alarm bells about the influence of neoliberal policies that may change the relationship between the state and universities and individual academics in China. Nevertheless, one can discern a shift in the nature of autonomy, resulting in some greater procedural autonomy but, arguably, a narrowing of substantive autonomy (Berdahl, Graham, and Piper, 1971), while the central government steers higher education to increase its competitiveness in a context of globalization. This has resulted in a form of regulated autonomy, recalling the comment of a respondent in the study by Yang, Vidovich, and Currie (2007), who noted that, even though their shackles had been removed, they were still ‘dancing in a cage’.
3 Autonomy and accountability in practice: Institutional level

3.1 Changes in academic areas

Modification of curriculum structure and departments

According to the Higher Education Law, the East China Normal University (ECNU) has the power and autonomy to modify the structure of its curriculum and its departments and schools. On the one hand, new curricula and departments are established according to the needs of social and economic developments. On the other, some existing departments merge or change into new faculties. Table 3.1 shows the changes in disciplines of undergraduate programmes, departments, and schools since 1992. From the 1980s, schools and colleges have been established to regroup departments, as shown in Table 3.2.

Table 3.1 Changes of schools, departments, and disciplines at ECNU, 1992–2009

<table>
<thead>
<tr>
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Source: The table is based on data collected by the authors from the Office of the President of ECNU.

Table 3.2 Academic units of East China Normal University

<table>
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<th>Names</th>
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<tbody>
<tr>
<td>School of Humanities and Social Science</td>
<td>1994</td>
</tr>
<tr>
<td>School of Social Development</td>
<td>2009</td>
</tr>
<tr>
<td>School of Foreign Languages</td>
<td>1993</td>
</tr>
<tr>
<td>International College of Chinese Studies</td>
<td>2002</td>
</tr>
<tr>
<td>School of Education Science</td>
<td>1980</td>
</tr>
<tr>
<td>School of Psychology and Cognitive Sciences</td>
<td>2008</td>
</tr>
<tr>
<td>Preschool and Special Education School</td>
<td>1997</td>
</tr>
<tr>
<td>School of Physical Education and Health</td>
<td>2001</td>
</tr>
<tr>
<td>School of Public Administration</td>
<td>2006</td>
</tr>
<tr>
<td>Business School</td>
<td>1995</td>
</tr>
<tr>
<td>School of Finance and Statistics</td>
<td>2007</td>
</tr>
<tr>
<td>School of Communication</td>
<td>2004</td>
</tr>
<tr>
<td>School of Arts</td>
<td>2004</td>
</tr>
</tbody>
</table>
Table 3.2 (Cont’d)

<table>
<thead>
<tr>
<th>Names</th>
<th>Year of establishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>School of Design</td>
<td>2004</td>
</tr>
<tr>
<td>School of Science and Engineering</td>
<td>1994</td>
</tr>
<tr>
<td>School of Resources and Environmental Science</td>
<td>1993</td>
</tr>
<tr>
<td>School of Life Science</td>
<td>2001</td>
</tr>
<tr>
<td>School of Information Science and Technology</td>
<td>2001</td>
</tr>
<tr>
<td>School of Software Engineering</td>
<td>2004</td>
</tr>
<tr>
<td>Academy of Advanced International Relations and Area Studies</td>
<td>2004</td>
</tr>
</tbody>
</table>

Source: Data retrieved from the ECNU website.

Expansion of student enrolments

There has been rapid growth in student enrolment at ECNU, from a total of 7,233 students in 1995 to 12,328 in 2000, 19,424 in 2005, and 25,548 in 2011. The number of postgraduate students has grown faster than those of undergraduates since 2000 (see Figure 3.1).

Figure 3.1 Growth of enrolments at ECNU, 1990–2011

3.2 Changes in finance: Diversifying financial sources

The most significant changes to have come about in the move to mass higher education relate to ECNU’s funding sources. In 1990, nearly 100 per cent of the university’s funding came from the central government. In contrast, funding sources now are much diversified. Government funding accounts for about half of regular operating costs (about 1,520 million RMB) with central government and municipal government funding accounting for 32.1 per cent and 18.6 per cent, respectively, in 2008. Table 3.3 shows the increase in funding from the central and Shanghai Municipal governments over an eight-year period.
Table 3.3  Funding sources of ECNU, 2000–2008 (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total amount in million RMB</th>
<th>Central Government funds*</th>
<th>Shanghai Municipal Government funds</th>
<th>Tuition fees and training programmes income</th>
<th>Research funds from governments and society</th>
<th>Revenue generated</th>
<th>Interest, donation, others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>242.11</td>
<td>45.9</td>
<td>19.3</td>
<td>16.4</td>
<td>18.4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2005</td>
<td>1 005.08</td>
<td>24.0</td>
<td>13.4</td>
<td>32.8</td>
<td>16.2</td>
<td>4.1</td>
<td>9.5</td>
</tr>
<tr>
<td>2006</td>
<td>1 138.82</td>
<td>21.1</td>
<td>14.9</td>
<td>31.5</td>
<td>16.8</td>
<td>2.7</td>
<td>13.0</td>
</tr>
<tr>
<td>2007</td>
<td>1 655.71</td>
<td>25.3</td>
<td>25.4</td>
<td>23.9</td>
<td>13.4</td>
<td>3.0</td>
<td>9.0</td>
</tr>
<tr>
<td>2008</td>
<td>1 520.627</td>
<td>32.1</td>
<td>18.6</td>
<td>22.7</td>
<td>18.3</td>
<td>1.9</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Source: This table is based on data collected by the authors from the Office of the President of ECNU.

Note: * Central government funds include infrastructures funds, block funds, and special projects funds of Projects 985 and 211.

Other funds came from a variety of sources. Tuition fees, training, and consultancy projects brought in about 345 million RMB. Research contracts amounted to about 279 million RMB. Student fees and the income generated from training programmes made up about 34 per cent of total funding, with all students paying annual fees of about 5,000 RMB.6 A culture of fundraising and donations has been established in 2008 to stimulate greater contributions from alumni and society. However, the present tax system does not provide a favourable environment for such contributions. Since 2009, the Ministry has advocated donations to state-owned higher education institutions through matched grants, in line with the Provincial Management Methods of Matched Grants for Donations to MoE Affiliated Higher Education Institutions. With the establishment of this foundation at ECNU, donations increased from 4 million RMB in 2008 to 40 million RMB in 2009 and 80 million RMB in 2010.

The most significant growth of revenues is allocated by the central and municipal governments for earmarked funds, namely the ‘Project 985’ and ‘Project 211’ grants. The governments have signed a joint management agreement investing 0.8 billion RMB (1:1) in ‘Project 985’ of ECNU for the period 2010–2013.

3.3 Changes in human resources

Academic staff development

Growth in academic staff numbers has been slow compared to that of students, continuing the extremely low faculty-student ratios that existed prior to the move to mass higher education. The percentage of professors among academic staff has changed significantly, however, increasing from 14.5 per cent in 1995 to 26.2 per cent in 2011. Likewise, associate professors grew as a proportion of academic staff from 24.7 per cent in 1995 to 35.6 per cent in 2011 (see Table 3.4).

6. Students have been charged tuition fees since 1994. As of Autumn 2007, teacher-education students are exempt from such charges, with the Ministry of Education making up the shortfall.
Table 3.4  Changes to academic staff structure at ECNU, 1990–2011

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Professors</td>
<td>148</td>
<td>5.2</td>
<td>271</td>
<td>14.5</td>
<td>326</td>
</tr>
<tr>
<td>Associate professors</td>
<td>600</td>
<td>20.9</td>
<td>462</td>
<td>24.7</td>
<td>786</td>
</tr>
<tr>
<td>Lecturers</td>
<td>1023</td>
<td>35.7</td>
<td>710</td>
<td>37.8</td>
<td>1327</td>
</tr>
<tr>
<td>Assistant lecturers</td>
<td>1093</td>
<td>38.2</td>
<td>431</td>
<td>23.0</td>
<td>587</td>
</tr>
<tr>
<td>Total</td>
<td>2864</td>
<td>100</td>
<td>1874</td>
<td>100</td>
<td>3026</td>
</tr>
</tbody>
</table>

Source: Li (2010: 523). The data for 2011 are drawn from the Office of the President at ECNU.

Shift of personnel management: From permanent to fixed-term contracts

From 1990 onwards, the transformation from a socialist planned economy to a socialist market economy, and the subsequent personnel reforms in Chinese higher education institutions, resulted in a gradual loss of permanent job stability for academic staff members. During the pre-reform years, teachers in higher education institutions enjoyed social welfare and the social status of civil servants. Nowadays, all academic staff members are on fixed-term contracts, which they are required to renew every five years. It is, however, important to note that dismissal of an academic staff member remains extremely rare in China.

3.4 Changes in governance and management

Change from central government governance to joint management between the central and municipal governments

From 1951 to 2005, ECNU was affiliated to the Ministry of Education (MoE) and governed by the central government. In 2006, sole jurisdiction by the central government was replaced by a joint management agreement between the central and Shanghai Municipal governments. As a result of the agreement, the Shanghai government shoulders part of the financial responsibility for ECNU. In return, the university is required to play a more substantial role in serving the social and economic development of Shanghai.

Internal governance of ECNU

The ECNU charter prescribes the governance structure of the university. The President has independent responsibility, but under the supervision of the Party Committee of the Chinese Communist Party (CCP). There are 11 university leaders, including the President, the Party Secretary of the CCP, three Vice-Secretaries of the CCP, and six Vice-Presidents. The President and the Party Secretary of the CCP are appointed by the MoE. The six Vice-Presidents and three Vice-Secretaries of the CCP are also appointed by the Ministry, but in consultation with the President and the Party Secretary. Figure 3.2 presents the organizational and governance structure.
The governance mechanism in China for all public universities is ‘Presidential Responsibility under the Leadership of the Party Committee of the CCP’ (党委领导下的校长负责制). The Party Committee of the CCP is the governing board of the public university. The President takes full responsibility for the administration, functioning as its chief executive official. As shown in Figure 3.2, different committees and offices fall under the Party Secretary and the President, respectively. A number of mechanisms ensure communication and collaboration between the two systems, although there have been reported cases of conflicts between them.

Subsequent to the 1998 Higher Education Law, which granted public universities the right to change their management structure, and in line with the marketization and decentralization of governance reforms, ECNU changed its organizational structure to enable it to mobilize resources from both governments and the market. In 2002, the Office of Disciplinary Development and Projects 211 and 985 were set up to elaborate strategic plans for the restructuring of disciplines, departments, and schools, and to allocate project funding granted by the Ministry of Education and the Shanghai Municipal Government.

The same year saw the establishment of the Association of ECNU Alumni, in recognition of the increasing importance of non-state resources, including donations from alumni and society.
In 2008, the Office of International Education was set up to coordinate the education of an increasing number of international students and to strengthen international exchanges and cooperation. The Office of Public Relations and Planning and a foundation for the university's development were also created to strengthen links with alumni, industry, and the business sector.
4 Reform effects on governance and management

4.1 Academic and administrative decision-making processes

The governance structure at the university level was transformed by the 1998 Higher Education Law, which facilitated the establishment and improvement of governing agencies. As one government policy-maker commented:

[After the promulgation of the Higher Education Law], during the period, universities have established specific agencies: the University Council, Academic and Degree Committees, and the Staff Union. As you have mentioned, they are interest-related. The University Council takes charge of the university's external liaison at the level of administrative affairs. There are even representatives from outside the university in the Council. The Academic Committee deals with academic affairs, while the Degree Committee regulates degree awarding and decides whether the teacher is qualified to be a doctoral or Master's student supervisor. We can find that none of these existed in the past. The establishment of agencies was completed by 2005. (GPM1)

One of the core policy-making agencies in China's universities is the standing committee of the CCP at the university. The committee has authority over the appointment of deans and senior administrators. Regarding its membership and the process of policy-making, one vice-president remarked:

The Standing Committee of the Chinese Communist Party of the East China Normal University is formed by the party members among presidents and party secretaries. If the President is not a party member, he (or she) can attend the committee and declare his (or her) opinions, but he (or she) does not vote in the end. Because theoretically, he (or she) has no right to vote for he (or she) is not our party member. (UPM3)

In terms of academic and administrative affairs, the main decision-making agencies at the university level are the University Council, the Staff Promotion and Evaluation Committee, and the Senate (Academic Committee). As one vice-president elaborated:

Nowadays, the most important agencies are the University Council, the Staff Promotion and Evaluation Committee, and the Academic Committee. However, the members in the three agencies overlap. We are endeavouring to clarify the functions of the three committees. What the committees discuss is, to some extent, strategic decision-making rather than trivial things. We hope that the three committees can function independently, but within one system. There should be specific institutions to regulate the operation, such as the time – this committee should hold meetings every semester and should hold an annual meeting, as well as the content – what kind of things should be reported to this committee, and what kind of things should be reported to another committee.

As to the University Council, I think it mainly deals with strategic affairs of the university, such as medium and long-term development planning, campus construction planning, discipline development planning, and other planning like that. (UPM3)

In China, we also have staff unions which hold meetings annually. During the meetings, the President reports on what the university has done this year and how. The Staff Union needs to handle things that really concern the interests of our staff members, such as the system of special housing several years ago. The Union needs to unveil relevant policies for these things. (UPM3)
Decision-making processes at the university level, taking the ECNU's 11th Five-Year-Plan (2006–2010) as an example, combine top-down and bottom-up modes and include consultation with different stakeholders in the community. The process to develop short, mid and long-term visions and missions for ECNU took over a year from early 2005 to May 2006. Seminars were held to gather views from students and academic staff members. The committee was chaired by a vice-president, who gradually developed the vision, and involved former leaders and retired professors.

Once a draft was ready, it went through three university-level committees: the University Council, the Academic Committee, and the Disciplinary Development Committee – all of them added their comments and suggestions. Then it finally came to the President and Party Committee for approval. There was a lot of interest, a lot of debates, and quite passionate feelings about the process and the document. It is important for the university community to also have shared ideals – not just the President. Once the document was approved, then a number of working groups were set up to plan and carry out actions that would make possible the realization of its goals. (UPM1)

One government policy-maker commented on the fact that the President and Party Secretary are directly appointed by the government:

The President of the university, directly under the Ministry of Education, is appointed by the Ministry. In contrast, the President of Shanghai Normal University is appointed by the Shanghai Municipal Government. But as an organization of the Party, the Ministry would consult the Organization Department of the Government about the personality of the person and whether it is appropriate to nominate him (or her). The Ministry and the Government would negotiate, but the Ministry nominates the President, for it is in charge of the nomination. (GPM1)

The university has the authority to appoint the deans and senior administrators.

Normally, at schools and the department level, the heads of division are nominated by the Standing Committee of the University Council. The leaders of departments and institutes are decided by the schools, and the university should usually be informed, for departments and institutes do not constitute an administrative level. (UPM3)

The university has the autonomy to make decisions on modification of specialization of schools and departments:

The structure of schools and departments can be adjusted. It is normal practice to set up an additional school when needed. For example, the psychology department is independent, and the finance department is combined with the statistics department to establish the School of Finance and Statistics. These were decided at the university level, usually by the University Council's Standing Committee or at their working meetings. But the category of discipline cannot be adjusted. This country has a complete set of institutions to manage disciplines with which we comply. As an example, education [at ECNU] is the key first-level discipline of this nation. We have greater autonomy in deciding the second-level discipline under the first-level discipline of education. We can make decisions on our own. (UPM3)

Regarding the enrolment of undergraduates and graduate students, the university has a degree of autonomy.

Universities adopt autonomous enrolment for admissions of teacher-education students, but preference must be given to those who are willing to become teachers. And in terms of postgraduate enrolment, especially doctoral enrolment, certain kinds of interviews and supervisors’ suggestions are stressed. The supervisors can decide who the first candidate is even if his (or her) total score is not the highest in the examination. (UPM3)
The devolution of greater autonomy to academics, schools, departments, and the university has strengthened academic quality. Both the central and municipal governments now have authority over and responsibility for quality assurance of the higher education institutions under their jurisdiction. Meanwhile, universities also have their own internal quality assurance systems and mechanisms.

It is the Ministry of Education who mainly carries out educational evaluation. In our country, power is hierarchical. The Shanghai Academy of Educational Evaluation is affiliated and subjected to the Shanghai Municipal Education Commission, but the higher education evaluation in the whole country is divided, with the Ministry taking charge of the evaluation of undergraduates and above, and the provincial education commissions taking charge of that offering associate degrees (sub-degree) and diplomas of vocational education. So, it is actually the Ministry of Education who mainly organizes the evaluation. As you know, there is a Centre of Higher Education Evaluation of the Ministry.7 (GPM1)

Concerning the question of whether or not universities can take measures to ensure quality internally, the answer is yes and it always has been! And to a certain degree the Ministry of Education has created a variety of nationwide initiatives, both wide in scale and long-lasting in length, such as the Excellent Undergraduate Courses Competition, Teaching Assessment, and Key Postgraduates Disciplines. These projects motivate universities to work by giving them some power to allocate the resources in hand. As everyone knows, over the past few years, the Undergraduate Teaching Assessment was in full swing. Everyone engaged in preparing for it. On the one hand, we criticize it for causing many problems. On the other hand, we have to be objective that universities might have never paid that much attention to their teaching quality for undergraduates without the assessment. After all, it straightens out everything in undergraduate education, and invests in it where it is necessary. (UPM3)

4.2 Financial matters

This section discusses the diversification of ECNU's financial sources, including funds from the central and local governments, tuition fees, income-generation activities, and research grants. The central government has increased its investment in higher education, particularly through specific projects such as Projects 985 and 211 and research grants.

Our financial sources have changed. Originally funds were 100 per cent from the central government. Now 50 per cent comes from governmental sources, including the Shanghai and national governments, 50 per cent from other sources, including donations, which is proving difficult. But about 10 million was collected last year, from alumni and society. And there are some other sources for income, including student fees, training classes in different areas, contract research for the industry sector, and so on. (UPM2)

From the 1990s to the present, the central government has been raising the educational investment step by step with ever-increasing intensity. But great differences lie in different local governments. Well-off local governments raised the investment to a great extent, while badly off local governments cannot make it that much.

Actually, as long as I can remember, it was not until the launch of the Project 985 after the 100th anniversary of Peking University in May, 1998, especially after Chen Zili implemented the Rejuvenating Action Plan, that the Ministry of Education gradually showed its intensity in investing in the universities directly under it. More 'mothers' bring more money under the circumstances. So,

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7. The establishment of the Higher Education Evaluation Centre (HEEC) of the Ministry of Education in August 2004 marks a new stage for the development of a systematic and professional evaluation system for higher education in China.
after ECNU entered the list of ’985’ universities in 2006, it was endowed with a good opportunity. Why? One of the very important reasons was that our ‘mother’ – the Ministry of Education – and our ‘stepmother’ – the Shanghai Municipal Government – are very rich, which made things much easier. We also got such strong support from the municipal government that during the past five to six years ECNU received unprecedented help from the Ministry of Education and Shanghai governments, especially on the event of becoming a ’985’ university.

In most Chinese universities, especially the national universities, the majority of funds come from the government. But it’s different from what we thought. Some things must rely on the allocated funds. Some other things can be approved and initiated as a scientific research fund of ’985’ or ’211’ projects, and you strive for it. In China, this kind of fund is mainly invested by the government.

In recent years, the university’s overall ability to raise funds has apparently improved. Almost all the nameable national universities have their own foundations. In the past, we didn’t have such an agency. However, we now have External Liaison and Foundations which can raise funds. Although we still lag behind when compared with the West, it matters that we have it now. These foundations appeared about five or so years ago. (UPM3)

With regard to whether or not autonomy improves the utilization of resources in universities, and if universities enjoy more flexibility and autonomy in the allocation of funds subsidized by the governments, one respondent made the following remarks:

Autonomy appears to come only gradually. But we are likely to have it. In the past, the government gave you [the university] a certain sum of money which was stipulated to buy tables or desks. Now, it starts to change. The governments give you [the university] the money, and leave you to decide how you should allocate it. (UA1)

4.3 University management

As an independent legal entity, the university has the autonomy to make decisions regarding its survival and development. This has significant effects on its management.

To some extent, the act of making a Chinese university into a legal entity has had an impact in Asia. After becoming an independent legal entity, Chinese universities have to take more things into account, for they have turned from an ‘arm’ of an organization of the government to an organization of its own. Each needs to consider not only how to implement the government’s command, but also problems like whether it can choose its own majors, teachers, and students, which are related to its autonomy. Once a university has its self-consciousness, it has inner drive. A university used to be the government’s arm, doing whatever the government commanded without its own thinking. Now it has become an independent entity, not only an arm of the government. It needs to develop itself. Why does a university want to be a ‘Project 985’ university, when it finds being a ‘Project 211’ university is not good enough? Because if it does not become a ’Project 985’ university, it will lose teachers. But in the past, it was not like that. Universities did whatever the government commanded. Now a university is not willing to do so, because it has its own development needs and requirements. That’s very important. (GPM1)

With the transformation of the university from a dependent entity to an independent legal entity, its managerial efficiency could be improved, as explained by a policy-maker from the Shanghai Municipal Government:

I find that once Chinese universities become their own legal body corporate, they strive for their own good to survive and develop. There is no need for the government to consider everything for them. They can do it themselves. In this way, the government becomes a small government
Reform effects on governance and management

by encouraging the presidents to manage their universities themselves, without the government acting beyond their authority. The efficiency is improved, isn’t it? (GPM1)

4.4 Staff performance and evaluation

Regarding the evaluation and promotion of academic staff members, professors in all faculties play an increasingly important role in many academic spheres, such as curriculum development and admission of postgraduate students. As one policy-maker noted:

For example, those administrators in the administrative units care much about advice from professors, but sometimes some professors might think that their advice is not respected. Maybe because we will listen to the advice of other professors as well, some other professors are against their advice. Professors might have different opinions. But according to the present situation, we can reach an agreement that academic affairs should be decided by professors, as long as the process of promotion of academic staff is democratic and fair, which is what we pursue. We respect the outcome of the process, no matter what it is.

When studying the promotion of teachers to higher professional ranks, we can find that the regulations on staff promotion are being improved year by year. Up to now, we should say – even our leaders have mentioned – that although some teachers might not be happy with their failure to get promoted, fewer come to leaders to complain about it directly, because everything is operated according to the equity of procedure and process which is very fair. (UPM3)

One administrator also noted:

Since 2009, we have devolved the power of evaluating junior staff and senior staff at the Associate Professor level to schools and departments. The university level only supervises the evaluation and promotion of senior staff to full professorship. In this way, the schools or departments get certain rights to operate on their own. Although the power of the evaluation and promotion of senior staff for professorship still remains in the university, to some extent, managerial power is devolved to lower levels, enabling bigger autonomy in schools and departments. (UA 1)
5 Perceived changes in governance and management

5.1 National and institutional levels

Based on interviews with two government policy-makers at the Shanghai municipality, the President, and two Vice-Presidents at East China Normal University (ECNU), it was found that over the past two decades ECNU has experienced rapid development and fast expansion of enrolment. Such changes have brought significant challenges to the university management, as one vice-president expressed below:

First are the problems caused by enrolment expansion. It has definite impacts on management. For the university, the management workload has significantly increased; for the Ministry or provincial-level administrative agency, one obvious problem is that they will be confronted by the complaints of discontented students more often [on issues such as unemployment]. The second challenge is the problems brought about by the university merger. It has led to complicated relations between provincial governments, the central government and universities. Many universities hesitate over which institution to be merged with. The third is probably that, from the 1990s to the present, the central government has gradually increased education investment, and the increase has been intensified. Local governments, however, differ largely, with wealthy local governments increasing their investments significantly and poorer ones investing much less. (UPM3)

The decentralization reforms have resulted in more authority and responsibilities devolving to the provincial governments to supervise the higher institutions under their jurisdiction. The relationship between the central government and local governments has also changed, with regard to the governance of universities originally affiliated to the Ministry of Education (MoE). As one government policy-maker noted:

Exactly speaking, with respect to universities jointly constructed by the Ministry and the province, we refer to the 70 MoE-affiliated universities. They still rely mainly on the MoE. (Interviewer: Are their finances dependent mainly on the MoE?) Yes! Plus daily expenses and daily budgets! (Interviewer: Local governments will provide more special funds?) That’s right. Actually, local governments also place expectations on MoE-affiliated universities. They hope that through such joint development, these MoE-affiliated universities will also devote some energy to serving the local economy and growth. But things haven’t worked very well. (GPM1)

The relationship between the government and universities has also changed, particularly in terms of university autonomy:

In China, the so-called autonomy is based on transforming all state-run universities into an independent legal entity, for the reason that if a university is not an independent legal entity, you cannot make it bear responsibility independently. A university was certainly the government’s arm, but since changing into a legal entity, it has its own rights. If once an arm, now it has become a self-dependent organization. (GPM1)

However, the autonomy enjoyed by universities is still very much limited owing to the nature of the Chinese system, which remains highly centralized. One vice-president specifically addressed this:
Actually, it should be said that China’s higher education has never been a system enjoying much autonomy. This, in fact, conforms to China’s government system, as China is a country with a relatively powerful, centralized authority. … In the 1990s, China’s private education had just started up and was in a weak stage. In addition, most universities were state-owned. Therefore, at that time, all [universities] should obey the boss – the government. In such a highly unified system, the autonomy of a university is very limited, which turns out to be a problem.

Personally speaking, actually this [higher education governance reform] is still not intensive enough. Given what I have mentioned, the whole political, economic, cultural, and management systems haven’t shown enough fundamental changes. Therefore, it is not strong enough to trigger truly profound higher education reforms. (UPM3)

According to the Higher Education Law, Chinese higher education institutions are independent legal entities and the President is an independent legal person.

[At present], the legal representative is the President, as the university is the legal entity. That is to say, an independent legal entity itself has economic rights, while the President is the legal representative. But it was not the same case before when universities were run by the government. You functioned as a small part of a huge machine, as is you were an ‘arm of the government’. But now, it is far from enough if you just work well as an ‘arm of the government’. Since you have become an independent legal entity, your own development should be based on some other social conditions. Why are you seeking autonomy? If you always work as an arm of the government, following what is required, then it is unnecessary to have autonomy. But now, as an independent legal entity, you should carry out continuous reforms for survival and development.

Thus, I hold that in China, it will be a huge revolution to transform universities, even public universities, into independent and legal entities with clear responsibilities. (GPM1)

With regard to the specific powers of governments and the limits to their intervention in the management of universities, a policy-maker from the Shanghai Municipal Government commented:

Regulations on a university as an independent legal entity have been decreed by the National People’s Congress. The governments should also implement them. Then they will not go beyond their power in decision-making and gradually distinguish between the governments’ power and those of universities.

As a result, as the government gradually carries out its overall plans more clearly, it needs development outlines and development programmes to lay out what it should do, such as funding, planning, quality supervision and inspection on whether the funds have been used properly. What’s more, whether the interests of students have been protected is also an issue of the government’s concern. (GPM1)

There is a trend of strengthening accountability by changing the mechanism of allocating central government funding to universities through the use of earmarked block funds. Such a financing mechanism constrains the flexibility of funding use and leads to duplicated investment in facilities and hardware, as a vice-president complained:

During the first and second rounds of the ‘985’ Project, there were a great number of special funds and activities. Consequently, nowadays, in addition to the education system, other science and technology systems are also troubled with the same problem. That is, if you want to obtain the funds from the central government, you first have to make up a story to satisfy some kinds of specific projects. Otherwise, you will get nothing. In most cases, this kind of financing mechanism aims to strengthen the management, which is its original purpose. A project has to come up with numbers of management systems. For instance, projects like ‘985’ and ‘211’ have been confronted
with the problem of funds which can be mainly spent on facilities. The original purpose was fine, but in real operation, differences among disciplines often don’t receive sufficient consideration. On the one hand, some disciplines indeed need a lot of money for equipment. On the other, certain disciplines also seek much money and use it up randomly although they have no need for it. Then, sometimes, it leads to waste and duplicate inputs of resources. On such occasions, we can say that, to some extent, investments from the central government into higher education are realized through projects. Nevertheless, such investments never mean the strengthening or weakening of autonomy. (UPM3)

The so-called ‘university autonomy’ refers to managerial responsibility for a university according to the policy framework determined by the central government. This form of autonomy is procedural autonomy rather than substantial autonomy, as a vice-president elaborated:

For example, to maintain the innovation and vigour of a university, the government should reduce administrative intervention in the university’s academic activities. Everyone knows the major principles. However, as a matter of fact, the development of autonomy in universities is actually very limited up to today. They only enjoy a little autonomy. Perhaps, only countries like China will set rigid regulations on the whole curriculum and departments of a university. In reality, for a university, where it must complete each year is in recruiting students according to enrolment quotas which are set by certain professional divisions (of the central government) and even specific student numbers for each department. Following what the divisions have ordered, you collect tuition fees from each student; following what the divisions have ordered, you set up buildings each year; following what the divisions have ordered, you apply for the loans which you can bear each year. You merely carry them out in accordance to these orders, as almost all administrative departments of universities have done. (UPM3)

5.2 Internal management: Perspectives of deans and departmental heads

With regard to the power relations between the university and schools, there is a tendency towards centralization within the university in terms of finance and personnel. Within schools, deans enjoy relative autonomy in academic, personnel, and financing domains, often in consultation with department heads.

The public universities adopt the governing system of president responsibility under the leadership of the Party Committee. Therefore, in terms of personnel and cadre appointment, the Party Committee has more rights. (DH1)

Departments and faculties make their plans for recruiting new staff, and submit their plans to the university’s personnel office and academic committee for approval. (DH2)

Schools and departments enjoy relatively more autonomy in their generation and allocation of financial income, as reported by some deans and heads below:

As for the income generated by departments, the heads have full authority over its use, after a certain percentage of administrative fees charged by the university. As for university funding, it is mainly decided by institutional leaders. For example, Project 985 funding is firstly allocated to the university, and then distributed to schools and departments by the university senior managers. (DH1)

Resources allocation is completely controlled by the university and schools have no voice at all: 60–70 per cent of funding is entirely decided by the university. The rest of the 20–30 per cent
allocated to schools is regular expenses based on student and staff numbers, with limited room to manoeuvre. (SD1)

However, schools and departments exercise almost complete freedom in decision-making over their academic affairs including curriculum development, teaching and learning, assessment, and quality assurance.

5.3 Internal management: Perspectives of academic, administrative, and support staff

The questionnaire survey, conducted in October–November 2010, had 69 respondents. Regarding composition of the sample, 87 per cent were aged 26–45; 67.6 per cent of respondents were academic staff members, and the rest were administrators and support staff. Half of respondents had worked for more than five years at ECNU. Concerning their academic ranks, 9.5 per cent were professors and 42.9 per cent were associate professors. Further details are provided in Table 5.1.

Table 5.1 Respondents’ information (N=69)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Categories</th>
<th>Percentage</th>
<th>Mean and mode</th>
<th>Valid sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional ranks</td>
<td>Professor</td>
<td>9.5</td>
<td>–</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Associate Professor</td>
<td>42.9</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Lecturer</td>
<td>44.4</td>
<td>–</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Teaching Assistant or Research Assistant</td>
<td>1.6</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>No professional title</td>
<td>1.6</td>
<td>–</td>
<td>63</td>
</tr>
<tr>
<td>Age</td>
<td>26–35</td>
<td>42.6</td>
<td>–</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>36–45</td>
<td>44.4</td>
<td>Mean=38</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>46–55</td>
<td>7.4</td>
<td>Mode=32</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>56 or older</td>
<td>5.6</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>54.4</td>
<td>–</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>45.6</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Years of experience at ECNU</td>
<td>1 year or less than 1 year</td>
<td>4.8</td>
<td>–</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>2–5 years</td>
<td>45.2</td>
<td>Mean=8</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>6–10 years</td>
<td>29</td>
<td>Mode=6</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>11–15 years</td>
<td>8.1</td>
<td>–</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>16–20 years</td>
<td>8.1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>21–25 years</td>
<td>3.2</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>More than 25 years</td>
<td>1.6</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Positions</td>
<td>Administrative and support staff</td>
<td>32.4</td>
<td>–</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>Faculty members</td>
<td>67.6</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Perception on increased autonomy

Responses to survey questions concerning the impact of major changes on increased autonomy covered six areas: academic programmes, staff management and evaluation, student admission and management, administrative procedures, decision-making structures, and financial
management and corporatization. The survey found that the sphere with the most reported changes after the introduction of increased autonomy in higher education was academic programmes, followed by staff management, and student admission and management. However, according to survey respondents, there were fewer changes in administrative procedures. The least reported changes occurred in financial management and corporatization, and decision-making structures, as Table 5.2 shows.

Table 5.2 Areas changed most by increased university autonomy (N=69)

<table>
<thead>
<tr>
<th>Areas changed</th>
<th>No.</th>
<th>Percentage (%)</th>
<th>Positive and negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic programmes</td>
<td>39</td>
<td>56.5</td>
<td>Positive</td>
</tr>
<tr>
<td>Staff management and evaluation</td>
<td>34</td>
<td>49.3</td>
<td>Positive</td>
</tr>
<tr>
<td>Student admission and management</td>
<td>32</td>
<td>46.4</td>
<td>Close to positive</td>
</tr>
<tr>
<td>Administrative procedures</td>
<td>23</td>
<td>33.3</td>
<td>Negative</td>
</tr>
<tr>
<td>Decision-making structures</td>
<td>15</td>
<td>21.7</td>
<td>Negative</td>
</tr>
<tr>
<td>Financial management and corporatization</td>
<td>15</td>
<td>21.7</td>
<td>Negative</td>
</tr>
<tr>
<td>Others</td>
<td>10</td>
<td>14.5</td>
<td>Negative</td>
</tr>
</tbody>
</table>

Effectiveness of increased autonomy

Five factors were used to measure the respondents’ opinions about increased autonomy (see Table 5.3). The findings show that increased autonomy has improved freedom in curriculum development, course design, research priority, and academic programmes. This means that increased autonomy has significant benefits for the development of academic fields.

Table 5.3 Opinions about increased autonomy (N=69)

<table>
<thead>
<tr>
<th>Aspects of autonomy (n=69)</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
<th>Agree + strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased autonomy enabled more freedom to develop innovative curriculum</td>
<td>2.9</td>
<td>5.8</td>
<td>66.7</td>
<td>24.6</td>
<td>91.3</td>
</tr>
<tr>
<td>Increased autonomy enabled the development of new employment-oriented courses</td>
<td>2.9</td>
<td>11.4</td>
<td>71.0</td>
<td>8.7</td>
<td>79.7</td>
</tr>
<tr>
<td>Increased autonomy enhanced the freedom to decide on research priorities</td>
<td>2.9</td>
<td>18.8</td>
<td>63.8</td>
<td>14.5</td>
<td>78.3</td>
</tr>
<tr>
<td>Increased autonomy strengthened the academic programmes of the university</td>
<td>2.9</td>
<td>23.2</td>
<td>56.5</td>
<td>17.4</td>
<td>73.9</td>
</tr>
<tr>
<td>Increased autonomy enabled the introduction of cost-recovery measures – levying of fees for the services offered by the university</td>
<td>4.4</td>
<td>41.2</td>
<td>48.5</td>
<td>5.9</td>
<td>54.4</td>
</tr>
</tbody>
</table>

Notes: * valid=68, missing=1.

University autonomy and accountability

Six factors were used to measure respondents’ opinions about increased autonomy in ECNU (see Table 5.4 and Figure 5.1). It is interesting to note that the changes have resulted in an increase in resources and sharing of autonomy by staff, but also an increase in control and accountability.
In terms of increase of accountability, 77.9 per cent of respondents agreed overall that increased autonomy had led to strengthened accountability measures among staff, and 61.7 per cent agreed overall that increased autonomy had led to more monitoring and control of resources.

Table 5.4 Opinions about accountability and autonomy (N=69)

<table>
<thead>
<tr>
<th>Aspects of autonomy</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased autonomy improved access to and sharing of faculty resources</td>
<td>4.4</td>
<td>19.1</td>
<td>69.1</td>
<td>7.4</td>
</tr>
<tr>
<td>Increased autonomy led to increased administrative workload among academic staff</td>
<td>5.9</td>
<td>29.4</td>
<td>57.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Increased autonomy reduced administrative costs</td>
<td>7.4</td>
<td>55.9</td>
<td>35.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Increased autonomy led to increased academic workload*</td>
<td>1.5</td>
<td>53.6</td>
<td>38.8</td>
<td>6.1</td>
</tr>
<tr>
<td>Increased autonomy led to more monitoring and control of resources</td>
<td>1.5</td>
<td>36.8</td>
<td>52.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Increased autonomy led to strengthened accountability measures of staff</td>
<td>1.5</td>
<td>20.6</td>
<td>69.1</td>
<td>8.8</td>
</tr>
</tbody>
</table>

Notes: valid number=68, except the aspect with *.

Figure 5.1 Opinions about accountability and autonomy

- Increased autonomy reduced administrative costs: 36.8%
- Increased autonomy led to increased academic workload: 44.9%
- Increased autonomy led to increased administrative workload of the academic staff: 64.8%
- Increased autonomy led to more monitoring and control of resources: 61.7%
- Increased autonomy improved access to and sharing of faculty resources: 76.5%
- Increased autonomy led to strengthened accountability measures of the staff: 77.9%

Notes: Percentages were agreement + strong agreement.

Meanwhile, 76.5 per cent of respondents overall agreed that increased autonomy had improved their access to and sharing of faculty resources, and 44.9 per cent of respondents overall stated that increased autonomy had led to an increase in their academic workload.

Increased autonomy also has caused some problems: 63.3 per cent of respondents overall thought that increased autonomy did not reduce administrative costs, and 64.8 per cent of respondents overall thought that increased autonomy had led to an increase in administrative workload among academic staff.
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6.1 Governance reforms at the national system level

Autonomy in the Chinese context

University autonomy means self-governance: the power of a university to govern itself without outside control. Berdahl, Altbach, and Gumport (2005) distinguished three concepts of autonomy. Academic freedom is the freedom of the individual scholar to pursue truth wherever it leads. Substantive autonomy is the power of a university in its corporate form to determine its own goals and programmes. Procedural autonomy is the power of a university in its corporate form to determine the means by which its goals and programmes will be pursued. Intervention in procedural matters is bothersome, yet does not prevent universities from achieving their goals. However, governmental actions that affect substantive goals compromise the very essence of academia (op cit.: 5–6). This research focuses on institutional and system levels rather than individual scholars. It thus examines changing substantive and procedural autonomy in China’s governance reforms since the late 1990s, using East China Normal University (ECNU) as a case study.

University autonomy is not an absolute concept. As resources-dependent organizations, universities enjoy autonomy while shouldering responsibilities and responding to the demands of external constituencies. Chinese universities are no exception. The increase of autonomy has been accompanied by greater accountability over the past two decades. This has led to the paradox of centralized decentralization: while the extent, procedure, and pace of decentralization of governance continue to be controlled and determined by the central government, provincial governments and higher education institutions have more freedom and rights. Strong interdependence between universities and governments has both positive and negative effects on university development. Sustainable financial support from governments improves the overall competitiveness of universities, but compromises their freedom to pursue truth and knowledge. As such they lack full independence. In this context, they also play an instrumental role in nation-building.

China’s governance reforms of higher education are a gradual process, in line with the grand transformation from a planned to a market-oriented economy. In the past, the central government assumed full responsibility for formulating higher education policies, allocating resources, exercising administrative controls, employing teaching and research staff, developing curricula, choosing textbooks, recruiting students, and assigning jobs to university graduates. Since the 1980s, and in particular the 1990s, university governance has become gradually decentralized with an increase in joint governance between the central and provincial governments. Provincial governments shoulder more and more responsibility for funding and management. The result is a shift in university governance from a government-controlled model to a government-supervised model.
The rationales and goals of government reforms since the 1990s have aimed at enhancing the dynamics and independence of higher education institutions. The main rationales are to adjust universities to a socialist market economy, to respond to social needs and economic development demands, and to change universities from a government-controlled appendage to a corporate entity with the autonomy to meet the demands of society.

These goals have partially materialized. The Higher Education Law legitimizes university autonomy in seven areas:

- admission of students,
- curriculum development and departmental restructuring,
- staffing and personnel management,
- income-generation and financial distribution,
- international exchange and cooperation,
- teaching, research and social services,
- restructuring of internal governance.

Interviewees from both the government and the university acknowledged that universities now enjoy much greater autonomy in these areas, although there remains room for further improvement. Overall, the major achievements of the reforms are as follows:

- First, in terms of the relationships between the ministries of the central government, the governance structure of higher education has shifted from control by multiple ministries to control by the Ministry of Education alone. This transformation has enhanced the efficiency of university administration at the macro level.
- Second, governance has shifted from a centralized to a decentralized model, with the provincial governments sharing more authority and responsibility for the supervising and financing of universities.
- Third, regarding the relationship between governments and universities, greater autonomy has been granted to universities to determine how to achieve their goals, although these goals and objectives are still controlled by the government.
- Fourth, significant autonomy has been granted at the institutional level to the domains of financial matters and academic issues, including the appointment of academic staff and administrators, recruitment of students, curriculum, and course development. However, the government still controls ideo-political education and the appointment of university presidents and party secretaries.

Accountability from governments and the market

Autonomy and accountability are two sides of the same coin. Decentralization and marketization are usually accompanied by a push for enhanced performance, monitored by governments (Carnoy, 2000). Tensions are often generated, however, when increased autonomy of universities is accompanied by the introduction of new, centralized steering mechanisms to enhance accountability. In the case of China, the government has increased decentralization, yet maintains ultimate central control. Domains that the central government still controls include:

- appointment of presidents and party secretaries,
- political and ideological education of students,
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• awards of doctoral degrees,
• evaluation of programmes and higher education institutions,
• regulations on maximum tuition fees,
• funding of national higher education institutions (through different funding allocations),
• student loans and grants available for higher education institutions.

The implications of decentralization and marketization are obvious. Through the implementation of a series of decentralization and marketization policies, the Chinese government has initiated changes in the orientation, finance, management, and curriculum development of higher education. The adoption of such policies reflects an attempt to use market forces and new initiatives from non-state sectors to mobilize more educational resources.

University governance model

The implementation of governance reforms in China has resulted in a change in the relationship between the government and universities from a state control model to a state supervision model. The role of the government has shifted from one of direct management to macro-governance, while universities have started to enjoy more autonomy with greater responsibility for internal management and academic affairs.

The concept of autonomy in China differs from that of Western countries. As Pan (2009) argues, the concept of university autonomy in the Western tradition portrays a distinct separation between the university and the state, and emphasizes institutional independence from direct state control. In contrast, Chinese higher education in the pre-reform age was controlled by the state and lacked independence from national politics. Recent reforms since the 1990s have led to much greater self-determination among Chinese universities. This research finds that semi-independence is a more appropriate characterization of the Chinese situation (Pan, 2009). Chinese universities are neither distinctively separated from the government, nor squarely under its complete control. Instead, they are partially integrated with the government, while maintaining relative independence in other areas (see Figure 6.1).

Figure 6.1 The university-state relation expressed by the concept of autonomy as semi-independence

Areas in which the university has freedom from external control

Areas under the state’s control but in which the university can act upon its initiative

Areas under the state’s control and intervention

The governance model of Chinese universities is neither a fully autonomous model nor a fully controlled model. It transformed from a fully controlled model during the 1950s to 1970s under the planned system to a semi-independent model of institutions partially independent and partially controlled by the central and provincial governments. In some areas, universities enjoy full freedom of self-determination, such as in the appointment of staff and the restructuring of academic and administrative departments. In other areas, including the appointment of public university presidents and party secretaries, they are controlled by governments. In some areas, such as making changes to disciplinary programmes, they may initiate and take action on their own, but must submit proposals and documents to the governments afterwards.

Emerging ‘buffer’ organizations

A further development in the semi-independence model of university governance in China is the establishment of ‘buffer’ organizations between universities and governments. Unlike ‘buffer’ organizations in Western countries, which are independent agencies separated from government authorities, the emerging ‘buffer’ organizations in China are often public service units (shiye danwei) under the jurisdiction of governments, with financial support from central and provincial governments. With tasks and functions entrusted by the governments, they are not fully independent, but function as extended arms of the government. However, they operate as professional institutions, playing an important role in quality control, performance evaluation, implementation of governmental policies, and consultation of policy-making and planning. One example of such buffer organizations, which have emerged in particular since the 1990s, is the Academy of Educational Evaluation in Shanghai.

According to their functions, these organizations can be categorized into three types. The first type are collaborative institutions, which link social demands with university development. For example, more than 100 public higher education institutions have governing boards/committees that include external members. The second type are implementation institutions that carry out government policies, such as institutions for evaluation, accreditation, and examination. A typical example is the China Scholarship Council – the Evaluation Centre of Higher Education affiliated to the Ministry of Education. The third type are institutions involved in policy-making and educational planning, which provide consultation. One such example is the National Research Centre of Education Development under the Ministry of Education.

6.2 Institutional governance: ECNU’s experience

Governance by central and Shanghai Municipal governments

The macro-management shift from centralization to decentralization, and from sole control by the central government to joint governance between the central and municipal governments, can be characterized in terms of both cooperation and conflict.

In terms of allocation of enrolment quotas, there is disagreement between the two governments over whether or not to enrol students at ENCU from Shanghai alone or nationwide. The Ministry of Education insists that all universities under its jurisdiction should enrol less than half of local undergraduate students. Since 2007, owing to the promulgation of a fee-free, pre-service teacher education students policy, ECNU must enrol more than 1,000 such students nationwide, and 1,400 in 2008. This amounts to 40 per cent of total enrolment, and 400 more
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than the limit of 1,000 students that ECNU had set. This undoubtedly decreased the proportion of local students, which also determined ECNU’s power of autonomous enrolment.

Tensions arise over a variety of key questions. Should the institution prioritize the needs of national development or the social and economic demands of Shanghai through research, professional development, and talent training? Should it attach more importance to developing the humanities and social sciences and technological sciences at the service of the whole country, or develop applied disciplines such as statistics and finance to meet the demands of Shanghai?

Cooperation between the central and local governments is most evident in the area of finance. The Ministry of Education and the Shanghai Municipal Government invested 0.1 billion RMB and 0.5 billion RMB, respectively, in 2006. In 2010, for the third phase of Project 985 (2010–2013), the Ministry and the Shanghai Government invested 0.4 billion RMB in ECNU’s development.

Changes in internal management systems

Since the change in governance, ECNU enjoys greater appointive autonomy, financial autonomy, and administrative power over internal affairs. This includes the establishment of doctoral programmes, the evaluation of academics and administrators, the appointment of deans and departmental heads, the recruitment of vice-presidents worldwide, adjustments to administrative departments, colleges, and departments, and the allocation of Project 985 funds. With the exception of a few domains still under the direct control of governments, such as appointment of the Party Secretary and Deputy Party Secretary, the President and Vice-Presidents, ideo-political education, and the establishment of party political departments, ECNU now has most of the autonomous powers prescribed under the Higher Education Law. Moreover, the latest National Outline on Mid- and Long-term Educational Reform and Development has promised further autonomy during the 12th Five-Year Plan.

In recent years, ECNU has taken measures to institutionalize its autonomy. In 2008, the university established the Development Foundation and International Education Centre. In 2010, it enacted its Outline on Medium- and Long-term Development, as well as the Master Plan, the Reform and Implementation Plan, and Management Measures for Project 985. Such measures are expected to improve its internal management system. New administrative departments have been established, including the Office of Disciplinary Development and Projects 985 and 211, and the Alumni Association. In 2009, the University Constitution was enacted, affirming its status as an independent corporation entity. Furthermore, the creation and functioning of committees such as the University Council, the Academic Committee, the Degree Committee, the Teaching Committee, and the Professors’ Committee have institutionalized the internal management system, striking a balance between power and responsibility at the institutional and faculty/department levels, and the protection of autonomy in academic affairs.
6.3 Policy recommendations

Recommendations to policy-makers at the national level:

• To implement the shift in governance mode from state control to state supervision, the national governments in general, and the Ministry of Education in particular, could further transform their role into that of a facilitator and builder of the marketplace, by changing steering mechanisms from direct control to indirect governance, deregulating micro-management, and leaving buffer organizations and market forces to play a more important role in resources mobilization and allocation.

• Buffer organizations need to be nurtured and fully independent to fulfil their role as third-party professional agencies, rather than as extended arms of government agencies. It is suggested that the Ministry of Education delegate matters pertaining to funding and operational management to the buffer body.

• The criteria governing allocation and investment of government funds should be based on a sound balance between equity and efficiency, and between elite and mass higher education. With the substantial increase in investment through earmarked funds such as Projects 985 and 211 to top-tier institutions, mainstream provincial institutions receive less financial support, which threatens quality. It is important that government increase the budget for each institution.

• Universities demand and deserve to have greater autonomy over the selection and election of their leaders. As the government appoints the Party Secretary of public universities, the President should be elected by the university’s governing body.

Recommendations to policy-makers at the institutional level:

• Senior managers of universities need to devote attention to the creation of a governing body to strengthen links with society. This body should include members from various stakeholders including enterprises, experts, investors, and alumni.

• Authority over issues of personnel and resource allocation needs to be shifted further from the institutional central administration to various academic units. Such a move would create an environment of shared, cooperative governance between senior administrators and individual academics. One way to achieve this is to enhance the role and functions of the senate (professor committee) on academic and personnel matters.

• A combination of top-down and bottom-up decision-making should be encouraged in all processes, procedures, and implementation, so as to enhance transparency and democracy in institutional management.

• Clarification of the roles and relations of the President and the Party Secretary within the current authority-sharing arrangement would strengthen institutional management.
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The booklet

This publication examines the changes to substantive and procedural autonomy in university governance reforms in China since the late 1990s. It is based on empirical data collected through questionnaires and semi-structured interviews from a case study of East China Normal University in Shanghai.

The publication reports that university governance has gradually become less centralized, with an increase in joint governance between the central and provincial governments. More autonomy has been granted to the institutional level on financial and academic matters, including the appointment of academic staff and administrators, recruitment of students, curriculum, and course development. Meanwhile, the government retains control of ideo-political education and the appointment of university presidents and party secretaries. The concept of autonomy in China differs from the Western tradition, which implies a distinct separation between the university and the state and emphasizes institutional independence. In the pre-reform age, Chinese universities were controlled by the state and lacked independence from national politics. Recent reforms, however, have led to greater self-determination. Chinese universities are neither distinctively separated from the government, nor squarely under its complete control. They are partially integrated with the government while maintaining relative independence in other areas.

The authors

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