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#### 4. In Search of the Missing Values Between Education and Development of Private Institutions in China

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Education imparts not only skills and facts, but also values and beliefs. That is why, with the advent of private education, a series of challenges has emerged. Private schools are different from their public counterparts not only in their financial sources and administrative structure, but also in their private mission as reflected by changes in curriculum and relationship with students. Beneath the rugged surface of their changes is a shaken faith in the traditional ideas behind educational institutions, and an endeavor to seek material success. I am going to explore in my paper the background of private educational institutions, the changes inside private schools, and the implication of missing values in many private schools in China today.

### Background

China has a long history of private education. Since 1949 when Chinese Communist Party (CCP) assumed the leadership of China, the communist ideology has dominated the mainstream thinking. Recognized as an inherent political tool, education was made almost exclusively public for three decades. With the reform and open door policy initiated in 1978, CCP has switched the political-oriented policy to economic development strategy. The state recognized its inability to fulfill a Herculean task of supporting 30 million students' education with its previously centralized schooling system, and thus opened the possibility for private education to thrive. As education contributes to the accumulation of human capital, a key to sustain economic growth, private education has exerted increasing power and influence on society. Coinciding with its impressive growth, a series of related issues have come into being. Currently, a major focus of the debate evolves from its being "private".

### Changes in Private Institutions

Generally speaking, the funding structure has determined the fate of private institutions, and therefore has resulted in many consequent changes, in such areas as their mission, administrative structure, and curricular and instructional practices. Financed largely by tuition and miscellaneous fees, which account for about 90% of schools' revenue, securing sufficient enrollment has been the major survival strategy for private schools in China. As shown in Table 1 below, government funding accounts for less than six percent of private higher institutions' financial resources. As public educational institutions have long established themselves in reputation and government support, private educational institutions have tried their best to compete for more students.

**Table 1. Samples of Funding Structure of Private Higher Institutions**

	Total (10,000 RMB)	Tuition %	Miscellaneous fee %	Donation %	Schools' Enterprises %	Loans %	Government %	Others %
Average Funding	508.11	79.8	10.4	1.2	0.8	5.6	5.4	1.9
Number of schools	(143)	(143)	(96)	(9)	(13)	(23)	(8)	(16)

Source: 2001 Green Paper on Education in China, Page 139

## **(1) Patterns in Administrative Structure**

The most obvious feature inside private institutions is their administrative structure, mainly determined by the structure of the funding. Most private institutions have a board of directors or trustees, which supervises the presidents. Usually, founders preside over their schools as chairman of the board of directors or school president, or both, and presidents appointed by private universities are often famous educators or administrators retired from well-known public universities; they usually have achieved high professional recognition in their careers. This type of governing structure not only absorbs the knowledge and experience of professionals, but also helps utilize the network of principals and improve schools' reputations with a hope to gain more support from public.

However, building this kind of social capital requires considerable investment in establishing and maintaining relationships. As with any expensive investment, this kind of investment may not be cost-efficient for certain situations. In some cases, when principals differ significantly in their opinions with the founders on how to develop a school, founders become irritated and thus have to spend additional time in getting rid of the principals. (Lin, 1999)

In addition, when education is only viewed as a sort of investment, it is no longer an education worthy of its name, but a business, which will backfire for the school in several ways. In many private schools, the governance of the school follows the pattern of family business. The principals in schools are usually leaders full of charisma, who have piloted the school against many uncertainties and weathered it through extremely difficult times. Most of them become dictators in their schools, presumed to have total authority. The total control these leaders have stifles the creativity amongst their staff and hinders the educational mission which is enlightenment in an open environment. (World Bank, 2002b)

There are exceptions to the presidential responsibility system as well. For example, Xi'an High-Tech Institution does not invite any famous government officials or educators to their school, because this institution was founded by eighteen young people with doctoral degrees. On the one hand, these young people do not appreciate the old pedagogical method by established authorities; on the other hand, their initiatives as young people and their expertise in their respective disciplines as PhDs are social capital which by itself can promote more commercial success. (World Bank, 2002b)

## **(2) Students as Customers and as a Market**

Everywhere, private institutions spare no effort to win more students, because their ability to draw a sufficient number of students is a matter of life and death. Because schools equipped with teachers from renowned public schools can better attract students, retired public university teachers form the core faculty of some private institutions, such as in Hualian University (Agelasto & Adamson, 1998) On the other hand, when students are not satisfied with their teachers, students' opinions are usually granted the highest priority. During my field trip to southern China in the winter of 2004, I found that in some private institutions, teachers were fired not because their professional knowledge was insufficient, but because many students, not accepted by public institutions due to their poor academic performance, were too slow to understand what they were taught, and as a result, a good teacher in public institution might be judged unfit and might have to leave.

In many private institutions, which operate like shops, we can see that private schools use

privatization to justify their effort to maximize financial returns, and the mission of the school no longer focuses on education, but rather on profit generation. Teachers are treated as employees who get paid by how satisfied their customers feel, the students and parents are regarded as targets for lucrative programs, and curricula are designed as a response to immediate job market demands. On the other hand, in these schools, students and parents judge the value of the school by its performance on standardized test scores. Teachers view their earnings and benefits as the sole consideration for taking the position.

In order to be more cost-efficient, many private institutions adopt a policy or strategy of hiring their own graduates for administrative posts. According to a recent World Bank report, more than half of the middle-level management in Xi'an Translation Institution and Xi'an Foreign Affairs Institute is constituted of their own graduates. This policy can kill two birds with one stone. For one thing, it provides their graduates employment opportunities. For another, it gains more support with least cost, since many graduates are emotionally attached to their alma mater and are willing to work for it with relatively low pay. In fact, at the Xi'an Translation Institution, the administrative staff is paid the least. (World Bank, 2002b)

### **(3) Curricula and Instructional Practices**

In most private schools, a practical orientation characterizes their curricula and activities. At the primary and secondary levels, since "in [the] larger environment of education in China, exam scores still count more than talents and skills," in order to have more students passing entrance examinations to universities, like their counterparts in public schools, "private schools, with no exception, are under tremendous pressure to teach students to study for examinations." (Lin, 1997, p.165) At the higher education level, private universities view students' interests and needs as the guiding principles for the design of the curriculum and courses. In order to enhance their students' employment opportunities in the job market, they are sensitive to market demands. They offer mainly vocational and technical courses, as well as classes in business and commerce. In sum, private universities are remarkably more resourceful in identifying undersupplied niches in the market, and their graduates are more responsive to the market in such areas as foreign languages and hotel management.

The advantages of these private universities notwithstanding, they are a threat to traditional universities who have defined themselves as institutions with a core educational mission and a common understanding of the values of academia. The fact that these newly emerged private universities are subject to all of the commercial pressures of the marketplace makes the concept of higher education more like a commercial product, and the goal of having the university contribute to all disciplines of knowledge, the humanities in particular, is more difficult to fulfill. With their exclusivity on practical training and lack of research tradition, these vocationally oriented higher institutions cluster at the bottom of the reputation ladder. In contrast, leading universities in China and beyond are non-profit institutions renowned for their advanced research in basic sciences and humanities, who share the "the norms and values of top universities worldwide in terms of academic freedom and the involvement of the faculty in institutional governance." (Altbach, 1999, pp.6-8)

### **Values Missing**

Thus far, I have reviewed the major fiscal, managerial, educational, and pedagogical patterns found in private schools. It is not difficult to come to the conclusion that many times, private schools are products of the market, instead of products of faith in education. Without doubt, education has a

mission of supporting our social consciousness. It can strengthen our cherished fundamental values not only among people, but also between people and our cultures. I do not deny the pragmatic function of education, but I would argue that education can impart more than the skills for fitting a specific job. As Newman argues, “a cultivated intellect, because it is a good in itself, brings with it a power and a grace to every work and occupation which it undertakes, and enables us to be more useful.” To narrow our aim of education to professional interests precludes us from grasping the essence of life and it is, in fact, a failure of education. An education worthy of its name should aim at “raising the intellectual tone of society, at cultivating the public mind, at purifying the national taste, at supplying true principles to popular enthusiasm and fixed aims to popular aspiration, and at giving enlargement and sobriety to the ideas of the age.” (Newman, 1852, p.1127), and these are exactly the values that I find to be missing in the development of private institutions. As for the reasons behind the loss of values, they include the debate on private goods versus public goods, the rise of commercialization, and the prevalence of money worship.

### **Debate on Public Good versus Private Good**

Some have argued that by introducing private schools into marketplace, they will naturally create a more efficient educational solution by raising student achievement and by providing parental choice. Compared with public education, the strength of private education lies in “autonomy from government control; direct accountability to concerned parties; client choice; diversity; religious, cultural, and political pluralism; adaptability; experimentation; innovation; and excellence and efficiency through competition.” (Levy, 1986, p.18) Opponents to privatization in education have contended that “(1) the problem of reconciling private needs and social needs in education has always created a dilemma, (2) the social goods aspects of education are not merely the sum of the private benefits produced, (3) the production of those social goods through a regulated private market is problematic.” (Levin, 1989, p.216)

Indeed, both camps of scholars have reasons to hold their ground. In China, private educational institutions, on the one hand, have created autonomy and diversity as reflected by its funding and administrative structure, but on the other hand, have contradicted the social goods aspects of education when many of them relentlessly seek individual profit. Nevertheless, despite the theoretical disputes in western academic circles, the Chinese experience is not the same as that of the rest of the world, because it is deeply rooted in China’s transitional economic and social structure.

### **Rise of Commercialization and Money Worship**

Education has been traditionally recognized as a public or social good in China. In today’s China, the law and dominant ideology still insist it be a public good. However, with the economic development, commercialization permeates every aspect of society. Similar to other industrial countries, education in China has been moving away from the ideas of a social institution towards the ideas of an industry (Altbach, 2001). Originally defined as a social institution, education is expected to preserve essential educational legacies such as cultivation of citizenship, formation of individual character, and critical habits of the mind. As education is moving toward an industrial model, many schools adapt to the market by pursuing short-term economic demands at the expense of neglecting a wider range of societal responsibilities.

The industrialization of schooling process leads to not only the fading of former common core values but also the rise of managerialism in schools. In this sense, China’s situation resembles the experiences of other industrial nations. American scholars have argued that managerialism in

universities is shown by “the restructuring of universities into larger divisions with the appointment of executive deans, the widening gap between management and academics, the increased salaries of managers, and the lack of trust that has developed and continues to develop between managers and academics.” (Currie & Newson, 1998) All this is being replayed in today’s China as well. This managerial governance may be necessary for the competitive environment created by China’s new shift from command economy to market economy, but it does challenge the concept of education as a community of scholars.

In addition, the commercialization also raises questions about the extent to which this new market orientation of education stimulates creativity in the pure search for knowledge, and the extent to which it generates critical thinking about society in general. In a market-oriented educational environment, education is expected to be confined to some particular and narrow end, and to create some definite work, which can be weighed and measured. The logic of money worship is that everything, as well as every person, has a price, and that where there has been a great outlay, people have a right to expect a return in kind. “Efficiency” and “utility” becomes the watchwords of our age. However, “[i]f universities are to survive as intellectual institutions, they must pay close attention to their core responsibilities of teaching, learning, and research. Maintaining loyalty to traditional academic values will not be easy, but the costs of growing commercialization are much greater.” (Altbach, 2001)

## Conclusion

There has been a certain widespread fatalism that core values can be found, but never created. Although the nature of being private can give schools many advantages such as autonomy and efficiency, it at the same time calls the public goods aspect of education into question. In any event, education is a public social good, not a commodity. That is not to deny that education needs to incorporate the rationale of the market such as efficiency and competitiveness, but schools’ development based on unlimited material growth is questionable because its social limits cannot produce well-rounded individuals.

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