

IMPLICATIONS OF COMMERCIALIZATION OF HIGHER EDUCATION IN CHINA

Dr. Shafiq-ur-Rehman, PhD

Mr. Shahzad Ali Gill, MPA

Quaid-i-Azam University (QAU), Near Diplomatic Enclave, Islamabad,
Pakistan

Mr. Nasrullah Khan

Law & Justice Commission of Pakistan, Islamabad, Pakistan

Mr. Jahanvash Karim, PhD

Institute of Management Sciences (IMS), University of Balochistan, Quetta,
Pakistan

Abstract

Unquestionably, the role of higher education institutions (HEIs) in society and economy is engorged. The term higher education proposes an educational level above the secondary education with advanced tools of knowledge which enables the students to generate, distribute, and preserve systematic academic knowledge at colleges, universities, and institutes of technology. This qualitative study is an endeavor to analyze the effect of commercialization policy on the higher education system and socio economic development of the Chinese society. During 1999, marketization and commercialization of education sector remained the sole policy instrument for attaining the objectives of liberalization and modernization of Chinese higher education. The realization that the development and advancement in the field of science and technology was impossible without development of education system, particularly the higher education, forced China to employ different strategies. Chinese government resolved to provide an access to over 15% of its total population to higher education. These initiatives can be divided in five categories i.e. ensuring provision of education, management of HEIs, investment for the growth of higher education, recruitment and job placement for graduates and delivery of autonomy to the universities and HEIs. The commercialization of higher education has converted the whole Chinese education system into class based system while establishing the overwhelming monopoly of private sector as being practised throughout the West and U.S. which has confronted the

Chinese with new social problems due to population size, patterns of governance, demography and socio-economic circumstances.

Keywords: Commercialization of higher education institutions (HEIs), Socio-economic Development, Liberalization, Public policy & governance

Introduction

Education has a strong correlation with socio economic development of the country because a society having high literacy rate has more chances of development at the economic and social levels as compare to the nations lacking in it. Revolution in information technology and scientific advancements has linked the production and productivity with knowledge which has increased the need of qualified workforce. The contribution of higher education institutions (HEIs) in society and economy is amplified (YÖK, 2007: 39). The term higher education proposes an educational level above the secondary education with advanced tools of knowledge which enables the students to generate, distribute, and preserve systematic academic knowledge at colleges, universities, and institutes of technology. During the last few decades, the Chinese government introduced political, social and economic reforms to convert its planned economy into market oriented economy. The realization that the development and advancement in the field of science and technology was impossible without development of education system, particularly the higher education, forced it to employ different strategies including commercialization or marketization of higher education. This paper is an endeavor to analyze the effect of commercialization policy on the higher education system and on the socio economic development of the Chinese society. This study is qualitative in nature based on document analysis coupled with intellectual discourse on the issue.

Commercialization of Higher Education:

It has been universally acknowledged that in the present era when everything revolves around the economy, the commercialization is inevitable for enhancing efficiency and to meet the diversified demands of the consumers through resource mobilization, especially when the existing public service or goods are insufficient to meet the demand or when the government is unable to allocate more public resources to the services or goods. In brief, commercialization and privatization is the pathway to meet the increasing demand with higher standards of satisfaction. For delivery of public services, the concept of commercialization and marketization was introduced in higher education to reduce the state activities by transferring the responsibility to the non-state sector or by altering the nature of

government's involvement. This trend was further promoted by the international financial institutions like World Bank, IMF, etc. to link the educational loans and aids with commercialization and marketization. Consequently, all the countries across the world have adopted the concept of commercialization of education to certain extent. It was believed that the liberalization of Chinese higher education on the patterns of U.K and US models will transform the public sector more efficiently and effectively. Therefore, Chinese policy makers introduced privatization and commercialization in higher education to reduce the state involvement by transferring the responsibility to the non-state sector.

Case Study of Chinese Higher Education:

After founding the People's Republic of China, the key attention of state policies was on the productive labor. During Initial period, the Chinese education system was inclined by Soviet Model and the Central Committee of the Communist Party (CCCP) and the State Affairs Council had the supervisory authority over the affairs related to education sector. During that period, more than 100 new higher education institutions were recognized, and total enrolments amplified to 961,623 in 1960 from 441,181 in 1957. But in 1963, the government reduced the number of higher education institutions from 1,289 to 407. During the Cultural Revolution of 1966-1976, the leadership presented the slogan that "study is useless" therefore, most of the schools and universities remained close for many years of Cultural Revolution. Throughout the Mao's period, the government was exclusively accountable for the costs of higher education and assigning jobs to the passing out graduates.

In 1978, the Chinese government realized that the destination of prosperity could not be attained without promoting and developing education sector. So, it initiated reforms process for transformation of its higher education system into market oriented to meet the requirements of the market economy. In 1985, Decision on Improvement of the Educational System was published by the CCP Central Committee describing devolution of administrative power to perform multiple roles like research, teaching, social services and business. This document assigned limited autonomy to the universities. However, this policy was not carried out effectively but was proved a step towards liberalization and commercialization of education sector. In 1993, the government announced further reforms to surge accessibility to higher education and a 'user-pays' system of student fees was applied along with definite essential changes in the job assignment system.

During 1999, the well-organized, reasonable and accountable marketization and commercialization of education sector remained the sole policy instrument for attaining the objectives of liberalization and

modernization of Chinese higher education. To ensure consumption of the graduate unemployed labor force, the graduate job assignment system was introduced. The 'user-pays' system of student fees encouraged private investors to invest in the field and a large number of non-government, private education institutions of higher education emerged across the country for the first time since 1949. The nationwide fee-charging system increased the universities' enrolment and in 1998, the enrolment number reached to 1.0836 million. In 1998, the Higher Education Law was passed which provided legal protection and brought greater autonomy to the universities.

In 1999, the enrolments in higher education institutions more amplified. It was assumed that the new reforms would intensify the regular universities' enrolment to 1.537 million from 1.08 million in 1998, that projected surge was about 41.7 percent but dramatically, the registration reached 1.59 million which was 47.4 percent. The total registration for all types of higher education institutes in 1999 was over 2.7 million.

In 1999, the Chinese government initiated to rush the pace of higher education growth, and initiated a strategy of providing an access to over 15 % of its total population to higher education. It was estimated that China will reach the ceiling of 15% probably in 2010, but due to privatization and commercialization, the target was achieved in 2002; almost eight years before the anticipated time. In 2004, the enrolments reached to 4.47 million i.e.19 percent enrolment. In addition, the registration of students' in higher education institutions by the end of 2004 reached 20 million, the major higher education sector in the world.

After gaining autonomy, the universities applied different strategies to figure their position in the ranking of national and international universities by upgrading their programmes of study, hiring competent faculty and providing better learning environment. Simultaneously, this competition provided opportunities for generation of revenue by offering diversified courses and led to international cooperation among the universities and establishment of links with the businesses and industrial sectors for receiving grants. Previously, the education in universities was free but after implementation of user-pay principle, the universities have been converted into commercial entities for charging tuition fee from the students.

Analysis and Conclusion

The initiatives taken by the Chinese Government for development of higher education can be divided in five categories i.e. ensuring provision of education, management of HEIs, investment for the growth of higher education, recruitment and job placement for graduates and delivery of autonomy to the universities and HEIs. The basic objective of these reforms was to establish a new system where forecasting and macro management

vests in the state and the HEIs are required to follow the laws and enjoy independence to provide education according to the needs of society and the market.

The evaluation of reforms strategies adopted by the Chinese leadership reveals that these reforms were initiated to address the consequences of economic development and its challenges. It was assumed that the enlargement of higher education would have following direct impacts on the economy;

- Production of skilled human resource for the market
- Expansion in enrolments would attract more and more tuition fees which in turn would contribute towards increase in GDP
- Enrolment of youth in the higher education institutes would leave job opportunities for unemployed workers
- The expansion would not change China's higher education from elite to a mass education system
- It would enable the Chinese nation to contest in the setting of globalization and the knowledge-based world economy

It is an admitted fact that due to competition and internationalization, the quality and standard of higher education has been improved. According to Modernization theory of Development, if over 15 % of the total population in a state has an equal access to its higher education than it can set up its national goals for development. In 1999, it was anticipated that China will reach the ceiling of 15% probably in 2010 but thanks to privatization and commercialization, the target was achieved in 2002 i.e. almost eight years before the estimated time.

Though, the Chinese strategy has supported the development of higher education but as the China's socio-economic conditions were improvised for such a rapid growth, therefore, produced undesired results which are causing inverse effects on the society like;

- i. The marketization and commercialization have increased the number of graduates at university level but the overall capacity of Chinese industries and market is not at the level to absorb and accommodate such a large number of university graduates. So, the strategy to expand the number of university graduates without creating an adequate pool for their employment has increased the rate of unemployment.
- ii. The commercialization of higher education has converted the whole education system into class based system and has established overwhelming monopoly of the private sector.
- iii. The introduction of high fees structures (user-pay) have, on one hand, deprived a large number of deserving and qualified students from getting admission for want of huge fees while on the other

hand provided opportunity to the private universities to exploit the situation.

- iv. The principles of socio-political equalities have been regarded as the foundation stones of Communist Ideology, but the commercialization and expansion in the network of elite-universities has generated socio-economic disparities across the society and shattered this ideology.
- v. The Chinese reforms were mainly designed on the patterns that have already been in practice all over the Western and American higher education sectors. China has had extended history of regional differences and the marketization and commercialization of higher education has further enlarged this already existed gap between the “haves” and “haves not” in society as skyrocketing surge could be witnessed in tuition fee.

On the basis of above, it can be concluded that the commercialization of higher education has brought fruits in West and U.S. but this experience has confronted the Chinese with new social tribulations and implications due to population size, patterns of governance, demography and socio-economic circumstances.

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