Current Trends in Higher Education Development in China

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The current transition of the Chinese economy from a static, centrally planned economy to a dynamic socialist market economy, along with rapid economic growth, has led to a series of profound social and economic changes. Over the past two years, these changes have impacted the higher education system in three especially striking ways.

Rapid Expansion of Enrollments

In recent years, China has experienced ever-increasing demands for higher education. The higher education system has expanded very quickly over the last two years, with the number of new students enrolled in universities and colleges rising from 1 million in 1998, to 1.5 million in 1999, and to 2 million in 2000. In 2000, total postsecondary enrollments exceeded 10 million. Overall enrollment rates have reached about 10 percent of the age cohort. It is estimated that postsecondary education enrollments will total 16 million by 2005, creating one of the largest higher education systems in the world. Enrollment rates will exceed 15 percent, which according to international standards would mark a transition from elite to mass higher education.

What forces are driving this rapid expansion of higher education enrollments? Both deliberate governmental policies and private demand for higher education opportunities have had an impact. First, in recent years the government has implemented a national policy to "invigorate the country by science and education." Education is considered critical to national economic success, given the need for well-educated manpower—especially highly specialized personnel.

Second, about three years ago when the growth of the Chinese economy began to slow while the savings rate remained very high, the government deliberately focused on higher education expansion as one way to increase both public and private spending and thus stimulate the economy. It was argued that enrolling more students would require building more classroom buildings, laboratories, libraries, dining halls, and dormitories, as well as requiring the hiring of more faculty members, staff, and campus workers. Indeed, while many Chinese families are reluctant to spend their savings on expensive consumer goods, they are very willing to pay the costs for their children's education.

Third, recent studies on the Chinese labor market showed the rate of return of higher education in China for the younger generation is much higher than it was for the previous generation. The income of college graduates is substantially higher than that of those without higher education qualifications. Since the government-controlled job assignment system is being gradually replaced by labor market forces, the perceived benefits of a higher rate of return has further stimulated individual demand for higher education opportunities.

Fourth, the rapid expansion of enrollments is also related to achievements in primary and secondary education. By 1999, enrollment in primary education exceeded 99 percent, while the rates for junior high school and senior high school exceeded 88 percent and 41 percent, respectively. A large proportion of students who complete primary and secondary school wish to continue on for a college degree. This increase in the number of qualified students provided the basis for higher education expansion and created social and political pressures on the government for that expansion.

Current Problems

The rapid increase in enrollments is also associated with some problems, however. The first is the widespread concern about quality issues. Quality inputs, especially quality faculty, could not be developed as rapidly as needed. During the expansion, some two-year specialized institutes upgraded themselves into colleges, and some colleges enlarged their programs—in both cases without sufficient attention to quality.

Another concern is future job placement for the rapidly increasing number of graduates. Though the overall potential labor market demand for college graduates is great in China, many people doubt that the labor market can absorb such a sudden increase in supply. The issue becomes more serious when one considers how the expansion was distributed among fields of study. More often, institutions tend to take in more students in less-expensive programs, which might result in an oversupply in some types of majors and short supply in others. For example, the current Chinese labor market needs more graduates in computer science and technology, but the number of graduates in this field is lower than at any point in the past 20 years. Starting this year, the number of graduates in computer science majors will exceed the number of history majors by a small margin.

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Because of the mismatch of expertise and skills to

supply and demand, a considerable number of college graduates are unemployed. This year, an estimated 80 percent of college graduates will get jobs within three months. Among the hundreds of universities and colleges in China, only four had job placement rates of 95 percent. All four are engineering-oriented institutions. The rising enrollments will make the employment issue a serious challenge for China in the years to come.

Cost Recovery from Students

The higher education system expanded so fast that state appropriations for higher education simply could not keep up with the rising costs, which led to tight budgets for universities. Although the Chinese government has made a great effort to fund education, the fact is that today almost all universities and colleges face serious financial constraints. Although salaries and fringe benefits account for an increasing share of the total budget of universities, the compensation for faculty members is still lower when compared to other professions, because of the much larger bonuses and benefits awarded to employees with similar qualifications in other employment sectors. This situation has resulted in an unstable teaching force, with many faculty members having left teaching or intending to leave. In addition, since a growing proportion of the budget goes to salary payments, there is a serious shortage of funds for both nonsalary instructional expenditures and necessary facilities, library books, and equipment. This situation has resulted in underequipped laboratories and libraries.

Chinese universities have responded to the financial constraints with heavy-handed measures. To improve management and to raise institutional efficiency and effectiveness, implementing cost-recovery policies and raising tuition and fees have become widely used strategies. In 2000, tuition at many Chinese universities was increased by about 20 percent. Charging tuition has proven both necessary and feasible in light of recent changes in the distribution of the national income. In the early 1980s, about 30 percent of GDP went to the state, 25 percent to industry, and 45 percent to individual families. In the mid- and late 1990s, only about 10 percent went to the state, 20 percent to industry, and 70 percent to individual families. Income distribution is very uneven among different social groups in China. Along with institutionalizing cost-recovery initiatives from beneficiaries and raising fees to an appropriate level, the government also set up large-scale student loan programs in response to the uneven income distribution, allocating a large amount of funds to subsidize interest payments for students from needy families. Since such a policy reduced the cost of higher education, and proportionally increased the number of student places in universities for the younger generation, structural equity in terms of the distribution of public resources for education greatly improved as a result.

Restructuring the System

Restructuring the higher education system is another dramatic development in China. Over the past several decades, the Chinese higher education system was shaped by the centrally planned economy, with its many centra-line ministries—such as the Ministry of the Electronics Industry, Ministry of the Metallurgical Industry, Ministry of the Chemical Industry, Ministry of the Machinery Industry, Ministry of the Railways, Ministry of the Agriculture, and Ministry of Public Health. Each of these central ministries ran their own university system, with many specialized higher education institutions. Among the 1,000 universities and colleges in China, about 700 were operated at the local level by the provinces and municipalities; at the national level, only 36 universities belonged to the Ministry of Education, while more than 300 belonged to different central-line ministries. For example, the Ministry of the Chemical Industry used to run about 10 specialized colleges in chemical engineering and technology; the Ministry of Public Health used to run many medical colleges, which were separate from the comprehensive universities. These specialized colleges and universities were supposed to provide specialized personnel for factories and companies in the specific industry under the specific central ministry. Thus, the Chinese higher education system was departmentalized and segmented.

With the deepening of reform, however, the production of factories and companies was no longer dictated by the mandates of the governmental agencies but was subject to the demands of the market place. Many central-line ministries, which used to govern the different sectors of industrial production, were completely eliminated. Most of those specialized colleges changed jurisdictions. Some of the large ones were reassigned to the Ministry of Education, while most of them were given to provincial governments. In the past two years, more than 300 universities and colleges were reorganized. Some of the small ones or overly specialized ones merged with large universities—to make them more comprehensive, flexible, and adaptable to rapidly changing labor market needs. For example, the Beijing Medical University merged into Peking University. In Zhejiang Province, three universities (Zhejiang Agriculture University, Zhenjiang Medical University, and Hanzhou University) merged into Zhejiang University. In Shangdong Province, Shangdong Polytechnic University and Shangdong Medical University were merged into Shangdong University. With more than 300 universities and colleges changing jurisdictions and facing reorganization and mergers, the overall structure of the Chinese higher education system changed dramatically.

The ultimate goal of the current economic reforms in China is to develop a dynamic market economy, in order to make China an integral part of the international

economy. The target of current Chinese higher education reform is to establish an institutional framework to fit into this new social and economic context. Developing and institutionalizing such a new framework, however, remain tremendous challenge for China. There are still a series of reforms to be tackled, including reorientation of the government/university relationship, stipulation of the legal status of higher education institutions, granting more autonomy to universities, and enabling universities to operate according to the needs of socio-economic development and labor market demands. The state needs to change its role from one of direct management to one of providing higher education policy guidance, through supervision, coordination, evaluation and accreditation, and information services. It is certain that China is now moving ahead in this direction. ■

News of the Center and the Program of Higher Education

The Center is involved in several new publications related to our initiative on the changing academic workplace. A special theme issue of *Higher Education* appears early in 2001 featuring articles on the changing academic workplace in Europe and the United States. This issue, coedited by Philip G. Altbach and Richard Chait, stems from the conference cosponsored by the Harvard Project on Academic Appointments, the Center for International Higher Education, and the new higher education initiative at the University of Amsterdam. A book relating to this issue and including several additional chapters and a comprehensive bibliography on the academic profession has also been published by the Center. Entitled *The Changing Academic Workplace: Comparative Perspectives*, this volume is available in limited quantities. It is free to those in developing countries and available for U.S.$15 for postage and handling to others (orders must be prepaid and checks must be made out to Boston Colleges in U.S. dollars).

Higher Education: A Worldwide Inventory of Centers and Programs, edited by Philip G. Altbach and David Engberg, remains available from the Center. A commercial edition is also available from Oryx Publishers, 4041 North Central, Phoenix, AZ 85012, USA. Price: $45 (cloth).

Center director Philip G. Altbach was recently in Cuba to give a series of lectures as part of an exchange sponsored by the Cuban Academy of Sciences and the U.S. Social Science Research Council. His host in Cuba was CEPES, the Cuban Higher Education Center. He will be one of the keynote speakers in March at a conference on "Globalization and Higher Education: Views from the South," sponsored by the British Society for Research into Higher Education and the Educational Policy Unit of the University of Western Cape, South Africa. The conference will take place in South Africa.

Erratum

We regret that the name of Jürgen Enders was left out, as coeditor, of our special theme issue of *Higher Education* on the changing academic workplace. This is most unfortunate as Dr. Enders was involved in the development of this special issue from the beginning and has been a valuable colleague in our work on the academic profession. We apologize to our colleague for this oversight.

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