# The Responsibility on Supervision and Support in the Governance of the Private Higher Education in China

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Keywords: China; Private Higher Education; Supervision; Support

**Abstract:** The normative supervision and incentive support are the two important responsibilities in the governance of the private higher education. The limited and effective supervision guarantee private higher education autonomous and standardized development, the public financial support is the conditions of connotation development for non-profit private higher education. Improving the governance, need to handle the relationship between the limited supervision and the autonomous running, the effective supervision and the risk of running; in addition, strengthening the public welfare goal oriented and implements classification management as a prerequisite.

### Introduction

The private higher education (PHE) has started from scratch, developed from small to large scale since the reform and opening up in china. By the end of 2018, there are 854 private higher institutions, distributing in 30 provinces and cities throughout the country. They have eased and shared the government's financial burden to a certain extent, changed the traditional pattern of "the single-investment channel" by government, effectively promoted the reform of educational system and made a great contribution to form a coordinate and interactive situation between public and private higher education. Yet, we should realize that the prosperous picture of the PHE in china cannot hide the lack and challenges as follows. The national system is not healthy enough to promote the sustainable development of PHE; the governance can't guarantee the independent and standard development of the private colleges and universities; there is a certain bottleneck in the course of the connotation development of PHE, especially in the shortage of funds. Therefore, it is necessary to seriously sum up the experiences of the PHE governance, and make clear responsibility in the governance of the PHE.

### What is the responsibility in the governance of the PHE?

The responsibility in the governance of the PHE refers to a set of governance system and two important senses of orientation. First, it refers to the state's system design for the PHE, which is composed of Private Education Promoted Law and other relevant administrative regulations promulgated by the Ministry of education. Second, it refers to the normative supervision and incentive support, two senses of orientation reflected in the design of the system. Therein, the top-level system design is the foundation of the sustainable development of PHE. The limited and effective supervision is the guarantee of the autonomous and the standard development of PHE. Public financial support is the condition of the connotation development of PHE. Only under the guidance of the top-level system design, adhere to the supervision and support simultaneously, what is important is that government keeps supervision within limits, and gives support at any costs, the scientific development of PHE can be realized in china.

### The top-level system design: the foundation of sustainable development of the PHE.

The system and policy measures are the legal basis of any type of education implementation. As a product outside the system of our country, the PHE survives and develops depending on the system and policy. Throughout the course of the development of PHE in our country, it was experienced from the initial query to the subsequent recognition, encouragements, legal norms, and then gradually grow. At the same time, Private higher education policy is also developed from the initial scattered in the national education policy, to become an indispensable part in the reform of education. Throughout the Chinese private higher education policy system, the policy terms of normative supervision and incentive support is obvious, and the measures are gradually clear and detailed.

The PHE was restored in December 4, 1982, when Constitution of the People's Republic of China was adopted in the five session of the five National People's Congress. It regulates: The State encourages the collective economic organizations, the national enterprises and institutions and other social forces to organize various educational undertakings in accordance with law. In this way, the legal status of private education is determined and the state provides a legal basis for the development of PHE. And then, Some Provisional Regulations on the Running Schools by Social Forces defined the "social forces" and the scope of the education of social forces and management methods, put forward that social forces should be combined with the actual needs of economic construction and social development in the region, "carry out various types of short-term vocational and technical education, job training, small and medium-sized school teacher training, basic education, social culture and life education, held the self-study exam tutoring school (class) and continuing education training class" in 1987. As a new investment subject, the social forces are not allowed into higher education, until the suggestion, "Higher education should be formed gradually to the central and provincial level two government run schools, the community to participate in the new pattern of running schools" was put forward in China Education Reform and Development Outline in 1993. So far, the PHE has gone on the historical stage. Meanwhile, the Outline put forward "The State adopts the policy of active encouragement, support, correct guidance and strengthening management to the social organizations and citizens in accordance with law." The policy determined two important directions; they were normative supervision and incentive support for PHE system. In the supervision system, some key areas and crucial links were focused on such as school establishment, governance structure, admissions, fees, assets and financial system, construction of the party and the Youth League, exit mechanism and so on, on the contrary, in the support system, the path, which is to follow the principle of combining direct support and indirect support, encouraging local governments to increase support, were taken universally.

In recent years, along with the development of private colleges and the practical problems, it is obvious that there is a complicated game between the government supervision and the independent development of the private colleges and universities, besides, the government support is not enough to promote the connotation development of private colleges and universities. Therefore, improving and optimizing system has become the eternal theme of the governance of PHE in order to balance the conflict and coordinate the interests of both sides of the game. On the one hand, the system should be constantly improved according to the practice, besides, amendments and supplements of the existing policies must be completed to change the system and avoid a serious lag behind the situation in practice. On the other hand, the useful experience of local policy innovation should be summarized in time, and active policy measures may be promoted to become state's top-level system design. At the same time, the enforcement must be strengthened, and make sure the implementation of the existing policy effective in place.

## The limited and effective supervision: the guarantee of the autonomous and the standard development of the PHE.

Limit and effectiveness: two dimensions to think about the supervision responsibility of private colleges and Universities. In the supervision strategy, first, the government should be a

limited government, because the government can't manage all the things, so as to the PHE. The government should bear the basic responsibility in the management of PHE, that is, the establishment of private schools, as well as the orderly operation and supervision, which ensure the bottom-line responsibility can be achieved. At the same time, the implementation of the supervision strategy must also be effective, that is determined by product attributes and organizational characteristics of the PHE in our country. Quasi-public products attributes require private colleges and universities to accept the government's effective management, which is the condition of obtaining support from government, but the government's supervision should be limited in a certain range, and try to use the market mechanism to regulate the activities of private colleges and universities as far as possible. In words, limit and effectiveness are two dimensions to think about the supervision strategy of private colleges and Universities.

Limited supervision and autonomy in running the private colleges and Universities. At present, there is not enough autonomy for the private colleges and universities in some key areas, such as the enrollment, specialty setting, and the tuition, it is incredible that the standard tuition set in 15 years ago has no increase, because the application for increasing tuition fees is not approved by the price department. Thus, the government management of private colleges and universities has exceeded the scope of this should be.

The implementation strategy for Limited supervision over the PHE is advice put forward on the basis of government supervision "offside" actual state, and is the important content of the implementation of the supervision strategy. Autonomy is the core and soul of the existence and development of private education. For private colleges and universities, losing school-running autonomy means losing organizational advantage brought by the inherent structural characteristics. Therefore, organizational weaknesses in school quality, faculty and conditions for running a school are more easily exposed. On the other hand, more restrictions on private education lead to the failure of management.

Therefore, in order to mobilize the enthusiasm of private schools, governments at all levels must implement school-running autonomy of private colleges and universities with law, gradually relax the administrative restrictions on enrollment plan, admission, specialties, courses, and charging standard and then encourage private schools to innovate themselves and form distinguishing features of their own.

In the process of dealing with the relationship between the limited management of private universities and the autonomy of running a school, it should be advocated to improve the internal management of the school. It should be synchronized to promote the implementation of private colleges and universities to enhance the autonomy of private colleges and universities to improve internal governance capacity. Only those private universities with reasonable and scientific management structure and higher autonomous ability, can make good and full use of rights of autonomy decentralized by the government, achieve self-management and self-monitoring, and eventually form the characteristic mode of development. In addition, the implementation of private schools in the school-running autonomy requires classification management, distribution and implementation. It can be promoted after selecting some districts and schools with basis and ability to pilot.

Effective supervision and the risk of running private colleges and Universities. Effective supervision is another dimension to evaluate the government supervision. Whether it's effective or not can be inspected from the ordered and stable operation of private colleges and universities. Therefore, school-running risks should be the main goal of government regulation. Recently, private colleges and universities around the country have experienced more risks of running a school resulting from the financial operation, decision-making errors, the loss of teachers and other factors. For example, some private colleges and universities expanded scale blindly, made false advertisements, overcharged, operated opaque, and even, some investors of schools secretly withdrawing funds. In my opinion, the deficiency of effective supervision is the main cause.

First, it is the lack of overall planning. In various risks, those objectivity, systematic risks such as less source of students, market competition cannot control by a single school, which requires the

government to provide guidance for the development of private higher education. Private colleges and universities without planning and guidance are in fact in a non-autonomous state. Second, the multispectral coordination management system has not been established. A number of government departments are involved in the process of running a school, and a private university needs to accept the management and supervision of multiple departments. At present, how to coordinate the relevant departments of industry and commerce, price, finance etc. to strengthen the financial control over the private universities, the government needs to make overall plans and coordinate from the macro level, and avoid restricting the development of private colleges and universities, or breeding ground for private colleges and universities running risks. In addition, the lack of a key link of the regulatory system is the most important. For example, for the high strength of financial risk, the current government's supervision is relatively widely spread, only in the annual inspection, with a paper audit report of the audit firm to complete financial supervision. In fact, the school can have a large debt, high interest, and tuition fees can be arbitrarily appropriated. In addition, for the issues needed to be strictly controlled by the government on whether the internal governance structure is normalized, whether the quality of school running is standard, there is a clear system loophole.

Therefore, we should establish comprehensive coordinate department to guide the private colleges and universities to develop scientifically, preventing market risk; explore the implementation of approval system of school running team, guide the private universities to improve the internal governance structure and avoid the risk of management; also establish regulatory accounts of school funding, large loan record and monitoring system, improving audit supervision to guard against the financial risk. Moreover, we should establish the resource sharing mechanism between the public and private schools to guide against the risk of quality. [1]

### Financial support: the conditions for the connotation development of the PHE.

At present, the public financial support for private higher education is not the general practice of the whole country in China. Only a few provinces have set up the public finance support policy for private higher education. Zhejiang, Shanghai, Yunnan, Shenzhen and other places as the pilot areas are actively exploring public financial support policy. Setting up the special funds is common way of supporting the private education. But, the funds in total amount can't benefit for every private colleges and universities, and it is not fair that only a few private schools can win over fund awards.

Money is very important for the operation of private universities, so financial responsibility is the core of the governmental responsibility system to the private education. If the government wants to promote social participation in education, fair distribution of education funds in public and private education is needed. [2] Encourage and support has always been an important strategy for the development of private higher education, the support here also has the meaning of supervision. Due to the government support tends to attach a variety of conditions, or require schools to meet certain standards to obtain some form of funding. Therefore, the government financial support is becoming the means to management and control private universities. In this sense, the acceptance of support is also a kind of constraint, normative behavior and strict self-discipline is also considered an incentive. [3]

Government financial supports for private colleges and universities should be clear the two principles. First, the classification management is the prerequisite for the effective implementation of financial support. The classification of private schools is an important part of the reform of education system and school running system. [4] Only standard classification of private universities and take different ways to support, the problems, including the legal nature, the definition of property right, financial management and governance structure can be solved completely. Second, strengthen the public welfare is the target oriented of financial support. There is no doubt that the use of public finance should be the promotion of public interest. In order to expand the efficiency in the use of public finance, the public finance support should be inclined to "public service oriented", expand the support of public education in private colleges and universities teaching activities, to promote non-profit private universities take the way to connotation development.

### **Summary**

On the whole, along with entering a period of transition from scale expansion to connotation construction in China, governance of the PHE should adhere to the "standard plus promotion", "supervision plus support" strategy, implement limited and effective supervision, direct and indirect support constantly according to practicing, these will become the important responsibility in the governance of the PHE in the new period. Of course, we must acknowledge that the improvement on the responsibility in the governance of the PHE is not imminent, this could occur gradually. As long as we persist in continuous optimization of the system, strengthen limited and effective supervision, actively promote the "public welfare oriented" financial support, I believe that private higher education will "more brilliant because of the sunshine", and contribute to power of higher Education.

### Acknowledgements

Ministry of Education key projects of National Education Science "Research on the government's financial support and benefit to non-profit private schools under the background of classified management" (DIA170295)

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