China’s private universities

China’s expansion of universities has not been on a level playing field. Earlier this year, Education Minister Guiren Yuan declared that the government must treat both public and private universities equally. As founder and president of one of China’s largest private universities, I wholeheartedly agree. China’s private universities can help usher in new opportunities for social and economic development, but they must be enabled to launch robust education programs and compete for research grants. Unless the government loosens restrictions on such endeavors, private universities could enter a tailspin, and such an erosion of higher education could threaten social stability.

China is no newcomer to private higher education. More than 2000 years ago, Confucian, Taoist, and Buddhist private schools, among others, prospered. With the establishment of modern China in 1949, the young nation embraced public ownership, and private higher education was abolished. As China embarked on an era of reform in the 1970s, the cash-strapped central government gradually enabled the reestablishment of private universities to meet the demand for skilled workers. Today, private universities account for 19.3% of higher education institutions, and 19.7% of all university students matriculate there.

Unfortunately, the rapid expansion of private universities has not received adequate support from the government. In 2011, of the $114 billion that the central government spent on higher education, only 0.44% went to private universities, primarily for destitute-student stipends. Because private universities receive almost no financial support from the government, they find it hard to compete with public universities in faculty recruitment and for infrastructure and equipment funds. Only public universities can enjoy government direct or indirect subsidies for mandatory laboratory equipment, for example, and for dormitory amenities (such as air conditioners). In addition, private universities face many restrictions in launching graduate degree programs and deciding how many students may enroll. Private universities have had no choice but to tolerate such unfair treatments.

But private universities have several advantages over public universities. The latter tend to be overstuffed, follow rigid rules, and support a unified salary system, whereas private universities are guided by market and social needs. At any time, the skills and talents cultivated by private universities can be adjusted to match emerging industries, and management can be changed according to policy trends. Private universities also focus on the quality of accomplishments in faculty performance appraisals.

The biggest advantage of private universities is the system of responsibility that separates management from ownership, which limits the profit-seeking of investors and the casualness of operators. The board of directors at a private university has more decision-making power, chooses the university’s president, and has substantial oversight to curtail inept or corrupt university leadership. The president of a public university must obey the government’s rigid management model, which in almost any institution can breed the conditions for dereliction of duty, corruption, and other bad behaviors.

Any private institution of learning that cannot obtain government funding for research will never obtain international prestige, and their graduates will suffer an even greater disadvantage in landing jobs, which could exacerbate social problems. That is precisely why Minister Yuan’s message is heartening. He offers a radical and new perspective. He has vowed to set up special funds consistent with the nature of private university operating funds and property rights to promote curriculum development and quality control, feature coursework and programs consistent with local needs and university culture, support academic research and public services, and incorporate information technology to enhance and improve the university mission. It’s time to implement these uplifting intentions. The central government must enshrine, in legislation, equal treatment for public and private universities.

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