

## **Paradigm Shifts in China's Education Policy: 1950s-2000s**

*Rui Yang*<sup>1</sup>

---

*Abstract:* During the past 60 years of China's socialist construction, its higher education policy has experienced dramatic paradigm shifts in line with the nation's transformation from a planned to a market economy. During the 1950s-1970s, the paramount principle of education policy was political in nature and effect. While the fundamental values of education equity were based on the Chinese communist political ideology and education was treated as a public good, equal opportunities were not necessarily guaranteed. Since 1978, contribution to economic growth was prioritised on China's education policy agenda. The political function of education was downgraded to favour a strategy that would accelerate China's march toward economic modernisation. Priority has been shifted from equity to efficiency that is measured almost exclusively in financial terms. Within this process, new winners and losers have been created, with the former far outnumbered by the latter. By tracing current practices to their social and historical roots in order to grasp the essence of paradigm shifts in China's higher education policy during the past six decades, this article argues that as a kind of social action, education policy requires to be observed within certain social, historical environment.

*Keywords:* education policy, China, higher education, education policy agenda

---

---

<sup>1</sup> Faculty of Education, University of Hong Kong, Pokfulam Road, Hong Kong. E-mail: ruiyang@hkucc.hku.hk

## **Introduction**

Equality has become a major goal of education around the world. The government of the People's Republic of China<sup>2</sup> also professes its commitment to equality, and has taken a variety of steps to provide at least basic education to its citizens. At the same time, globalisation is affecting China's policy priorities in education, and has transformed the discursive terrain within which educational policies are developed and enacted. Parallel to the international situation, the effects of globalisation on social and educational equality between different communities vary greatly within China, creating enormous disparities among people.

During the past six decades of China's so-called socialist construction, its higher education policy has experienced dramatic paradigm shifts in line with the nation's transformation from a planned to a market economy. When the communist republic was founded in 1949, its new democratic education policy was in principle for the masses, representing the fundamental values of education equity. The Chinese government started to hold tight control over education. During the period, education was treated as a public good. The paramount principle of education policy was political in nature and effect (Ngok, 2007). Priority was given to basic education and illiteracy eradication. Within a relatively short period of time, a large number of children from working class families became able to read and write.

Since 1978 China started its market-oriented reforms. Economic construction turned to be the paramount policy goal of the Chinese government. Seeing education as the essential tool for modernisation, contribution to economic growth was prioritised on educational policy agenda. 'Education serves the economy' became a new principle of policy-making. The role of

---

<sup>2</sup> I use "People's Republic of China" and "China" interchangeably throughout this article for simplicity. The situations of educational inequalities in Hong Kong, Macau and Taiwan are not included here. I recognise that, in constitutional terms, Hong Kong, Macau and Taiwan are all parts of China.

education in improving the nation's economic competitiveness in regional and global markets was a primary concern. Meanwhile, the government's commitment to socialism became increasingly rhetorical. The political function of education was downgraded to favour a strategy that would accelerate China's march toward modernisation. Closely associated with the economy, education became "an organic component and key content of the plans for economic and social development" (Rosen, 1997, p. 259).

Accordingly, the perception of education as a consumption item spread widely, paving the way for the government to relinquish its once monopolistic responsibility for education. Priority in education policy has thus been shifted from equity to efficiency that is measured almost exclusively in financial terms. Within this process, new winners and losers have been created, with the former far outnumbered by the latter. As a kind of social action, education policy requires to be observed within certain social, historical environment. This article aims to trace current practices to their social and historical roots in order to grasp the essence of paradigm shifts in China's education policy during the past six decades.

### **Major Policy Shifts from the 1950s to the 1970s**

Immediately after the communist came to power in 1949, China as a nation was in extremely poor financial conditions, with a population of nearly 500 million of whom 80 percent were illiterate. The Chinese government then made literacy one of its top priorities, a choice that made sense for a variety of reasons. On the practical level, the nation's new leaders knew they needed a better-educated workforce to carry out the rapid and massive economic modernisation campaign it was about to begin. More fundamentally, as a party that rode to power on a platform of egalitarianism, the communists were ideologically and politically committed to the notion of breaking what had been, throughout Chinese history, the elite classes' monopoly on culture, education, and opportunity (Plafker, 2001). Educational development in the then China was not only confined to the political system and ideologies, but

also hindered by its socio-economic development level and ready resources. Educational policy choices were dominated by the new political ideologies and the urgent aims at fast industrialisation.

### **Different Educational Rights for Different Social Groups**

Education for the broad masses was the basis for China's policy-making in the early 1950s. Large-scale campaigns to eliminate illiteracy, the widespread of the 'quick method of achieving literacy', and the popularisation of exemplary successes of illiteracy elimination had unprecedented impacts. Many adults who had not had access to basic education before received certain level of education in a variety of schools. Some new secondary schools were established to admit cadres and workers with working experience and prepared them for university studies. Nevertheless, such practices, as institutional arrangements, started to create issues of justice in educational opportunities. Within the process of enlargement of people's educational rights, the definition of 'the people' gradually changed, with clear distinction between labouring and non-labouring people, plus the exploiting classes and 'reactionary elements.' According to the then prevalent class-struggle theory, there was a need to foster proletariat intellectual force and exercise cultural dictatorship over the capitalist class. Family origin became a crucial benchmark to measure one's political progressiveness. This evolved into a highly institutionalised policy, 'class line' (*jieji luxian*). Different treatment in enrolment, graduate job allocation, overseas training opportunities, and professional promotions were all based on family class status. Limits were set to stop those from the exploiting and non-labouring class family background from receiving higher education and upward social mobility. While such policies were officially terminated in the late 1970s, their legacy-different educational rights for different people has survived, although winners and losers have changed dramatically, with those in power remaining at the top, working classes back to disadvantaged positions, and rural people at the bottom.

### **Elite Education versus Mass Education**

In addition to the expansion of working people's educational rights, another urgent task of the new republic was, through formally institutionalised establishments, to train professionals badly needed by economic development and national defence. The dilemma faced by education which was supposed to be open to workers and peasants was vacillation between equity and efficiency, a matter of mass or elite education. The choice had implications for educational policy-making to decide the priority between basic and higher education. During the 1950s and 1960s centred on implementing the five-year plans of national economic building and the Soviet-model industrialisation, China's actual policy opted to elite education. National investment concentrated on higher education, whose recipients enjoyed tuition fee waiving, living stipends and free medical care. The distribution of higher education institutions and disciplinary structure were heavily imbalanced with particular emphases on major capital cities and science and technology subjects, linking directly to heavy industry and national defence. A number of institutions were selected by the government to invest focally. They were designated as key-point institutions, under the jurisdiction of the Ministry of Education or other ministries. There was strict selection at every level within the system to secure the quality of the best students.

Looking back on such a policy choice, its pros and cons become evident. The most obvious advantage was to provide strong intellectual and personnel support for industrialisation and national defence. Its major problem was the extremely imbalanced distribution of educational resources, causing longstanding ignorance of basic education, damages to the majority people's educational rights, and a huge educational gap between urban and rural areas. With its focus on higher education, China prioritised efficiency and the instrumental value of education. The allocation of educational resources was based entirely on national development goals, with little consideration of local needs, causing regional disparities. There were few national key-point higher education institutions in central and western regions. The monopoly of educational resources by and the limited financial capacity of the central

government determined the unfortunate combination of stress on higher education and weak rural education.

### **Mao Zedong's 'Educational Revolutions'**

During the initial days of the republic, the broad masses of workers and peasants were endowed with educational rights directly by political revolution. The way to eliminate illiteracy and to universalise education was also in a form of revolution-strong political campaigns with large-scale mass movements. There was an idealistic expectation that popularisation of education would rapidly change the educational outlook of Chinese workers and peasants.<sup>3</sup> Such emphases on basic education for the majority people immediately contradicted with the goal to train specialists to develop heavy industry. As the leaning to the Soviet Union went further (Gao, 1996), the Soviet model of planned economy and a highly centralised higher education system were established. The quest for quality and higher standards were prioritised and the selection of cadres from workplaces to be sent directly to universities was also terminated. The stresses on 'higher standards' stopped children of workers and peasants from going to universities and even schools (China National Institute for Educational Research, 1983, p. 221).

Mao Zedong, however, strongly opposed the Soviet-style education, and initiated 'educational revolutions' in the 1960s based on his own educational ideals and values. His main attention was to the educational rights of working

---

<sup>3</sup> In 1955, the Central Committee of the Communist Youth League of China issued its decision to eliminate illiteracy nationwide among young people within seven years. In 1956, the National Labour Union passed its decision to achieve this among workers within three years. Also in 1956, the Chinese Communist Party (CCP) Central Committee required in its outline for agricultural development during 1956-67 that "illiteracy should be eliminated within five to seven years based on local conditions," and "primary compulsory education should be universalised within seven to twelve years." In 1958, the CCP Central Committee required that illiteracy be eliminated nationwide and primary education universalised within three to five years, and all young people and adults who were willing and qualified receive higher education within about 15 years.

people's children, especially in rural areas. He tried to achieve these goals through smashing up examinations, shortening length of schooling, relaxing the limits for university entry, and devolving administrative power to lower levels of government to utilise multiple sources and methods to develop education. His thoughts and efforts to reform education continued well into the Great Proletarian Cultural Revolution (1966-76).

Whichever way one looks at the Great Proletarian Cultural Revolution with hindsight, it must be seen as a terribly costly failure, perhaps partly because of its passionate rejection of foreign implants. Higher education was devastated along with the fortunes of a generation of teachers and students. Social sectors including higher education were imbued with parochial nationalism. Institutional administration was paralysed and classes suspended. Maoists eliminated age limits and entrance examinations for universities and colleges, eliminated tuition fees and reduced the number of school years needed for graduation, and eliminated the examination-based grading system. As times passed, it became increasingly obvious that this egalitarian approach to education would not produce the high-quality technicians and scientists China needed for its modernisation program. The closing down of universities for some years in that period left a gap in the educated class that is still proving to be a handicap in China's efforts to modernise (Yang, 2002).

In retrospect, despite Mao Zedong's passionate concern for educational justice, especially the rights of average workers and peasants, his revolutionary way to break and even surmount the accumulation of cultural capital in order for the disadvantaged to achieve dramatic changes was far from successful. Indeed, Mao's educational policies implemented during the Great Proletarian Cultural Revolution showed China's failure to create a viable alternative to western-style education (Pepper, 1996). Their actual effect was a great damage to the majority people's educational rights. Additionally, Mao's personal obsession with family origin led to wide-ranging deprivation of non-working class people's educational rights, and created injustice of other sorts. One legacy of his revolutionary approach might be the possibility to utilise the institutionalised power of the state to promote justice in education.

### **Paradigm Changes since the 1980s**

After a variety of radical actions taken by the communist government for decades to fight against the strong Chinese tradition that higher learning only belonged to those of high class, Mao's attempt to fashion a mass-based educational system catering to the needs of the peasantry was transformed into a triumph of middle-class ideology (Kelly & Liu, 1998). China's contemporary rapid departure from social justice has been a direct result from its economic reforms that began first in rural areas in 1978. Since 1984, the focus has shifted to urban areas. During the reforms, the economic systems were redirected to the market and the opening of the economy was limited to specific areas, such as special economic zones in coastal regions. The introduction of foreign capital and technology concentrated on the selected regions, and brought them rapid economic growth. Meanwhile, other regions faced relative stagnation. The transition from redistributive, egalitarian to market-based, meritocratic system has led to substantial changes in economic and educational inequalities (Hannum, 1999). Rather than contribution to social and economic equality, the expansion of education beyond compulsory levels in China has even aggravated inequality (Hannum & Xie, 1998). China's higher education has once again become an institution of social stratification, challenging the claim by market transition theory that market will replace state redistribution as the primary allocative mechanism of resources (Nee & Matthews, 1996).

### **Dengist Discriminatory Xianfu Theory**

Deng Xiaoping has been widely considered as the general architect of China's contemporary social and economic reforms which set macroeconomic growth as the first priority, even if this sacrificed equality of income distribution and opportunities. His Southern Tour Lectures in 1992 gave further impetus to the reformative initiatives. His *Xianfu* theory stated that "Allow some people and areas to get rich first." Such discriminatory treatment justifies income disparity, embraces the penetration of the market mechanism into the



Chinese economy, and accelerates income gap between urban and rural areas and among different social groups. The *Xianfu* theory encourages marketisation which requires workers' incomes to be determined on the basis of their working abilities and skills. However, it is not necessarily appropriate that the income disparity between workers is completely justified by a meritocracy, due to China's shortage of widely available opportunities for upward income mobility (Okushima & Uchimura, 2005). People's opportunities for advancement have been unevenly distributed among regions and social classes. The reform policy, based on Dengist *Xianfu* theory, treats cities and countryside unevenly. The latter has been deprived of the opportunity to connect with the world economy and foreign capital. This becomes a much serious issue as the limited access to higher education places further restrictions on their freedom of job choice.

### **Recent Changes to Policy Discourses**

The transition from a highly centralised planned system to a market-oriented economy has significant implications for China's higher education policy. The impact started from changes to policy discourses. After being closed to international intercourse for decades, China abandoned its planned system and adopted a policy of opening to the outside world at the Third Plenary Session of the Eleventh Central Committee of the Communist Party of China held in December 1978. Since then, western ideas and theories have flooded into China. With a fresh memory of the rigid static options, the Chinese have been particularly keen on market ideologies, lacking a comprehensive, systematic study of them. Education policy, management and governance are pressured to improve service delivery and better governance (Kaufmann *et al.*, 2005). Chinese schools and universities, once relied entirely on government funding and their management was highly centralised by the state, have now been pushed by the government to change their governance paradigm to adopt a doctrine of monetarism characterised by freedom and markets replacing Keynesianism (Apple, 2000). Revitalising the engagement in

education of non-state sectors, including the market, the community, the third sector and civil society has been promoted by the government (Meyer & Boyd, 2001).

Originated from Marx's (1952, p. 31) notion of commodity fetishism, the term commodification "discusses social relations conducted as and in the form of relations between commodities or things" (Bottomore *et al.*, 1991, p. 87). It is generally used to describe how consumer culture becomes embedded in daily lives through an array of subtle process (Gottdiener, 2000). A profound change has been seen in the underlying set of rules governing the production of discourses and the conditions of knowledge, a general transformation in the nature of social relations—based on the removal of many of the key boundaries which have underpinned modernist thought and a concomitant collapse of moral spheres and a total subordination of moral obligations to economic ones (Walzer, 1984). The questions have shifted from "is it true?" or "is it just?" to "is it saleable?" and "is it efficient?" (Lyotard, 1984, p. 52).

The phenomenon of commodification is not essentially different from other closely related ones including commercialisation, privatisation, corporatisation and marketisation. They share the belief in market ideologies, the attempt to introduce the language, logic, and principles of private market exchange into public institutions, and the increasingly control of corporate culture over every aspect of life as a result of the rising trend of neo-liberal globalisation that has ushered great changes in social affairs particularly over recent decades (McLaren, 2005). Economism defines the purpose and potential of education. Public schools/universities are made into value/commodity producing enterprises (Rikowski, 2003), and become institutionally rearranged on a model of capitalist accumulation (Shumar, 1997). This includes both exogenous and endogenous privatisation respectively referring to the bringing in of private providers to deliver public services and the re-working of existing public sector delivery into forms which mimic the private and have similar consequences in terms of practices, values and identities (Hatcher, 2000).

Commodification happens at administrative and instrumental levels, with three components: a preoccupation with economic policy and objectives, while education seen as a branch of economic policy rather than a mix of social,

economic and cultural policy; the economic content of public policy based on market liberalism; and operational control of ministers over education with emphasis on managerial efficiency at the expense of public service. Such economic rationalism has deep roots in western thought, in particular in the English liberalism of Thomas Hobbes and John Locke in the 17<sup>th</sup> century and in Adam Smith's 'invisible hand' of the market in the 18<sup>th</sup> century. It also has some roots in the Cartesian "separation of the ultimate requirements of truth-seeking from the practical affairs of everyday life" (Lloyd, 1984, p. 49), which has resulted in the commodification of knowledge serving the instrumental ends of the globalised knowledge economy. The intensified injection of market principles into educational institutions has also much to do with human capital theory.

Without necessarily being accepted and even full comprehended, such highly western concepts are frequently cited in China by policy makers and researchers to legitimise China's strategy to adopt decentralisation to make use of market forces in the educational arena, China attempts to encourage more social forces to provide educational services. Meanwhile, the initiatives and enthusiasm of universities and local governments have been enhanced, and the scale of higher education has expanded rapidly within a relatively short period of time. By utilising both marketbased and regulatory interventions, China tries to get the mix of state, market and civil society right. The government has been driven mainly by pragmatic considerations to make use of market forces and new initiatives from the non-state sectors to mobilise more educational resources. In fact, since its open-door policy was introduced, China has been attempting to apply a capitalist form of governance into a socialist system (Li & Bray, 1992).

Nevertheless, even without necessarily a full commitment to the ideologies underpinning new governance strategies, including decentralisation and marketisation, the effects of introducing such discourses within China's public services have been ineluctable. Nowadays, it is politically correct in China to advocate market-driven reform in education. Commodification of educational institutions becomes an instrument of economic and social policy. The phenomenon of commodification of education is phrased as "*jiaoyu*

*chanyehua*" (Wang, 2005), literally meaning the industrialisation of education. Issues in this respect are a heated topic. While China's Ministry of Education has repeatedly denied publicly that it supports the policy, a recently-retired former vice-minister acknowledges that many localities hold the view that education should be commercialised, and have sold good public schools to private citizens in the name of economic reforms.

There lacks a consensus among Chinese policy elites about what "industrialisation of education" means. The dominant view underlying China's policy-making and, in particular, implementation is that it respects 'natural laws of a market economy' including business-style management, market-oriented operations, and commercially viable products (Luo & Ye, 2005). Such a view is particularly favoured by Chinese mainstream economists, who argue that it is a correct way to run education as an industry in order to lead China's education onto a right path because issues involving supply and demand must be handled according to market rules, and education is no exception. They stress educational development as an effective way to stimulate consumption and investment (Lao, 2003), and education is a new stimulus for economic growth in the 21<sup>st</sup> century (*People's Daily*, 1999). User-pays education should be encouraged to stimulate economic growth (*Chinese Youth Daily*, 1999).

Meanwhile, critical voices are becoming louder in China, echoing what has been found elsewhere (Molnar, 1996; Froese-Germain, 2000). They criticise the economists and business people for energetically advocating the 'money-for-knowledge' deal for the wrong emphasis on transforming schools into cash machines through introducing commercial operations. According to them, the issue of the massive cost of education should never be used to justify the commercialisation of education. They reiterate the detrimental effects of commercialisation of education in China's long-term cultural and scientific development (Ji, 2006). The debates are ongoing and have been much publicised. Although the Ministry of Education has repeatedly expressed its opposition to commercialisation of education, the government's 'groping for stones to cross the river' in its educational policy-making has demonstrated that China's education reforms within recent decades have always been along the market line (Ross & Lou, 2005).

### **Policy Arrangements along the Market Line**

Under the planned economy from the late 1940s to the late 1970s, strict manpower planning eliminated market elements in the labour structure. China's profound social economic reforms in the past decades have always required education to make corresponding moves to suit the new socio-economic environments. During the three decades of the top-down statist approach, education at all levels was free. Private education did not exist. One major dilemma faced by the highly centralised education system was the huge shortage of funding on the one hand and government allocation as the sole financial resource on the other. Moreover, without the active participation of the wider society, education failed to function effectively, and waste of various sorts in education was substantial.

Therefore, for the recent three decades, great efforts have been made to introduce the function of the market in education. Since the 1980s, China's educational reforms are increasingly lined with those in economic sector. Despite the fact that China's first comprehensive educational reform policy was launched officially in 1985, reformative actions started as early as 1978. Building up close links between education and the market has been the most prominent orientation, together with decentralisation in finance and management in the reform of education. The initial breakthrough occurred in 1980 when for the first time vocational schools emerged to cater for employment opportunities-jobs outside of the state plan-in the tertiary sector of the economy. Schools for self-employment populated afterwards.

The impact of the market was most evident in higher education, when universities and colleges offered contract training in exchange for fees, market-oriented experiment endorsed by the Decision on the Reform of the Educational Structure issued by the Chinese Communist Party Central Committee (CCPCC) in 1985 (hereafter referred to as the 1985 Decision), and became part of the reform. As the market gained more significance in China, especially in the more developed coastal and urban areas, more substantial reform policies were introduced to make structural changes in education. The Programme for Education Reform and Development in China jointly issued by

the CCPCC and the State Council in 1993 (hereafter referred to as the 1993 Programme) reaffirmed the 1985 Decision's commitment for central government to refrain from direct control of education. Instead, government was to act as a facilitator. With the phasing out of the planned economy and the diminishing role of the state, the government became increasingly reluctant to continue to subsidise students.

It did not take very long for Chinese educational institutions to face the market on all fronts. By 2002, only 49 percent of higher education funding came from governments, 27 percent was tuition fees. Formalised into Article 53 of Education Law in 1995, this reform has had pronounced effects on the equity of educational expenditures. China's paltry educational spending (in proportion to its GDP) is distributed very unevenly especially between rural and urban areas. The highest provisional primary educational expenditures per student in Shanghai are now 10 times greater than the lowest. The ratio has roughly doubled in the past decade (Tsang, 2002), resulting in further losses of educational opportunities among the disadvantaged groups. The market-oriented measures only allow the fittest to excel, and further widen regional disparities, leaving the poor especially those in the inland and the remote rural regions in difficulties (D.P. Yang, 2004).

The 'industrialisation of education' is an aspect of China's market-oriented reforms, reflecting radicalism in a far-from-sophisticated market. China's education policies are produced by economists to 'meet the needs of a socialist economy.' In 1992, the Decision on the Development of the Tertiary Industry issued by the CCPCC stated clearly that education was part of tertiary industry and those who invested on it would own and benefit from it. The CCPCC and the State Council raised the idea of education as a stimulus for economic growth in their Decision on Further Educational Reform to Promote Quality Education in 1999. Private investment on education was encouraged and the first auction of a public school took place in Zhejiang. The successful bidder was to invest on the private school to attract children whose parents were rich enough to pay high fees. The Decision on Reform and Development of Basic Education in 2001 and the Decision on Further Reform of Basic Education in Rural Areas in 2002 provided basis for ownership transfer from public to

private. By December 2002, the 'industrialisation of education' had been fully legitimated in China, a country that still claims to be socialist society.

Specifically, two policy developments have contributed directly to the institutionalisation of educational industry in China. The first is the establishment of higher education tuition fee policy, as part of commodification of education in China when it first embraced human capital theory to acknowledge the economic value of education, with an understanding of education from a public good to a private one that can be purchased on the basis of the buyer's perceived need and financial capacity. Tuition fees increased dramatically from 4.34 percent of the cost of a course in 1992 (around 600 yuan) to 12.12 percent (around 3,000) in 1993 and 25 percent in 1998 (Zhang, 1998, p. 246). Public universities charged 4,000 yuan in 1999, while the average incomes of each peasant and urban resident in the east region were respectively 3,344.6 and 9,125.92 yuan, and 1,604.1 and 4472.91 yuan respectively in the west. The charges accelerated to about 6,000 yuan in 2005. Some private institutions and the for-profit campuses affiliated to public universities charged well above 10,000 yuan. However, the targeted diversification of education funding in China's policy discourse has never been materialised.

The second policy development in regard to 'industrialisation of education' is the organisational change in educational production. The changed understanding of education has led to growing exchange of education commodities, which has direct impact on the organisation of educational production. Since the 1980s, the organisational changes of Chinese educational institutions have taken various forms. The first is derivation. A new part committed to market operation has emerged, that is, the profit-making branches of public institutions, supported by government funding yet operating as private business. The second is function differentiation. The existing organisation allows part of itself to operate based on state framework while the other part on market principles. The third is change of ownership. Some public educational institutions are turning into private, with corresponding changes in their organisational cultures. The fourth refers to new organisations which constitute the education industry aiming at profit and operating as business.

### **Social Effects of Educational Commodification and Chinese Government's Inaction**

The dramatic trend towards commercialisation of education in China mainly materialises itself in mushrooming for-profit educational institutions from primary schools to universities. As commercialisation of education is an initiative of the Chinese government, education fees are a logical consequence of state policies. Schools fees are justified as a way to achieve 'cost recovery' which is supposed to contribute to reduction of the government's burden in financing education, in the name of school choice fees, sponsorship fees, uniform fees, and course material fees, to name but a few. Fees have skyrocketed in recent years as the result of commercial operations introduced by an increasing number of schools and universities (D.P. Yang, 2004).

Consequently education has become the most profitable industry in China, second only to real estate (*Epoch Times*, 2004). This has led to corruption. Education is now among those industries with ancillary fees and illegal profiting. In 2001, Liaoning investigated fee collection activities in 85 secondary schools, ferreted out 130 million yuan unauthorised and excessive fees. In 2002, Shanghai audited 150 schools in 2002 and found 72,400,000 yuan fees were illegal. In 2003, audits of nearly 3,000 primary and 1500 secondary schools in Jiangxi found 125 cases of illegally collected fees worth 2 million U.S. dollars. Nationwide, the government uncovered over 20 million U.S. dollar's worth of illegally collected school fees. In 2004, authorities disciplined 2,488 people in the educational field, and dismissed 359 school principals (Xue *et al.*, 2003).

Illegal changes go even further in higher education. The national government audited 18 institutions in 2003 and found 868 million yuan was illegal, which was 14.5 percent of all their charges and a 32 percent increase over 2002 (Luo & Ye, 2005). In order to generate income, many universities have recently been resorting to developing 'university towns,' where there is a concentration of branch campuses of public universities to operate as private business. These towns are located in many parts of China, mainly in the wealthier areas. In 2004, 249 university branch campuses were established,



with an intake of 680,000 students. Many of the 'university towns' have financial irregularities. The Oriental University City in Langfang, Hebei, for example, owed a scandalous 2.2 billion yuan in debt (Chen, 2010).

Illegitimate education-related fees are rife, undisguised, and justified by the belief that education undertakings can be commercialised to pursue the biggest profits. Rampant illegal fee collection in education is both profiteering and an abuse of public power. Availability of education at all levels does not mean accessibility for many poor youngsters if they and their families do not have the capacity to pay in the first place. The most detrimental effects of illegal profits fall upon the 300 million schoolchildren and their families. Many parents are forced to tolerate education profiteering due to their strong desire to see their child get ahead in life. They cut back on food and clothing and spend much of their household income on their child's education. In rural areas the ratio is much higher. This enormous burden redirects a large chunk of their family income into education costs, a large portion of which does not fund education but instead enriches corrupt officials (D.P. Yang, 2004). As many families are financially strained, their children's 'free and compulsory' state-provided compulsory education is under threat.

Many of those involved in illegal charges justify their actions by quoting the 'market principle,' arguing that their school prices should conform to the market, and claim that 'beneficiaries must invest in their own education.' As a direct result from the increase of education costs and the illegal charges, disparities in educational inequality is widening between social classes and urban-rural communities. Inequalities in educational opportunities are epitomised in the gap between enrolment and admission rates at various stages of schooling. The gap widens as levels of education reach higher, taking a shape of an inverted pyramid (Yang, 2006). By 1986 when the Law of Compulsory Education was passed, primary and junior secondary education (the compulsory period in China) had already been universalised in urban areas. In contrast, compulsory education had not been universalised in 10 percent rural areas by 2000. The admission rate to senior secondary schools increased from 40 percent in 1985 to 55.4 percent in 1999 in urban areas, while

decreased from 22.3 to 18.6 percent during the same period in rural areas (Yang, 2007a).

In higher education, the urban-rural inequalities are even more pronounced. A large-scale study undertaken jointly by the World Bank and the Chinese Ministry of Education in April 1998 showed that on average the difference of educational opportunities between urban and rural areas was 5.8 times nationwide, with 8.8 and 3.4 times respectively in national and provincial universities. The disparities became more striking from 1994 to 1997 (Yang, 2008). There is an inverted pyramid shape of the disparities among different social strata in Chinese higher education: the more prestigious the institutions are the lower percentage of the rural students is. Children from family backgrounds of factory workers and professionals/civil servants were respectively 5, 25 and 37 times more likely to receive higher education at average institutions in 1980 than their peers from countryside. Overall, the opportunities for peasants to send their children to ordinary Chinese higher education institutions in comparison to workers, civil servants, businesspeople and professionals were proportionately 1:2.5:17.8:12.8:9.4. They turn into 1:4:31.7:22.6:17.4 for the opportunities to send their children to national first-tier institutions. Generally, rural children are 5.6 times less likely to be able to receive higher education than their urban counterparts (Zhang & Liu, 2005).

The profiteering also shakes the foundation of China's education and deprives many children of their right to education. It challenges some longstanding Chinese traditions of education, including student-teacher relationship, educational purposes, and attitudes towards knowledge. Education was highly valued in the Confucian tradition. The fundamental purpose of education is to cultivate students' moral character, and teaching is more than a job, indeed seen as something of a calling (Gao, 1999). Such a perception has been seriously undermined by the ongoing commodification of education. Since commodification of education adds a financial element to the qualifications of attending private schools and public and private universities, it also pertains directly to the role money plays in getting into education in the first place, which blocks opportunities for many aspiring poor to start with.

Here it is important to point out Chinese government's inaction. The Chinese state has always been strong in education, even against a backdrop of rhetorical decentralisation and devolution for years (R. Yang, 2004). As policy can also be defined as what governments choose not to do (Hodgwood & Gunn, 1984), the state's inaction shows its role in promoting commodification of education, in view of the dramatic current situation. For years, government expenditure on education has fluctuated between 2-3.5 percent of GDP (UNDP, 2005), which is a far cry from what has been recommended by the UNESCO, and lower than the 4 percent promised by the government in its 1993 Program. The percentage plateaued around 2 percent during the 1990s when commercialisation of education was like a ranging fire, reflecting the government's tacit consent to it. As a result of the reallocation of educational resources based on a principle of financial capacity to pay fees, China's public education contributes to social divides, instead of promoting equity and equality.

### **Concluding Remarks**

In China's long history, higher learning was traditionally the privilege of the elite, a phenomenon often referred to as *xuezaiguanfu* (R. Yang, 2004). Birth origin determined powerfully an individual's social status. The above account of the paradigm shifts of China's higher education policy over the past six decades confirms this once again. The only difference is that family wealth has become an increasingly prominent deciding factor in terms of educational rights for children. The above analyses also reaffirm that making policy is necessarily political. The two words policy and politics came from the same root, and policy necessarily involves politics (Yang, 2007b). Policies do not emerge in a vacuum, but reflect compromises between the competing interests (Taylor *et al.*, 1997). A complete settlement has never been reached, if not impossible at all. This was obvious during Mao Zedong's period featured by ideo-political utopia, and becomes even more evident during China's

contemporary reforms centred on economism that defines the purpose and potential of education.

Today, the Chinese state continues to claim its socialist nature, with a Marxist-guided ideology. Meanwhile, it shows little hesitation in introducing capitalist infrastructure for policy and governance, within a dramatic transition from free education to a fee-based system. Market relevance has become a key orientating criterion for China's contemporary selection of discourses, their relation to each other, their forms and their research (Bernstein, 1996). The commodification of education is a process within a general set of contemporary movements in the terrain of the social (Ball, 2005). In terms of policy discourse, it is not simply a technical change in the modes of delivery of education but a social and cultural change in what education is, what it means, and what it means to be educated. Within such a policy context, the fundamental principle of capitalism is taking root, privatisation is seen as the solution to the problems and failings of public education, and education is treated as a commodity. Beliefs and values are no longer important. It is output that counts. This has profound implications from primary schools to universities, taking a heavy toll on China's poor families, of whom many see education as their only way out of poverty.

Being ultra pragmatic, the Chinese government has been trying to devise ways in which socialist values may be combined with market mechanism. Critics, however, have expressed doubts whether or not such models can be coherent or whether they are desirable or even feasible at all (see, for example, Nove, 1987; Mandel, 1988). What makes such an approach even more open to question is the fact that such measures are taken from strikingly different social and cultural contexts. As Holmes (1984) warned more than 25 years ago, the transfer of policies and practices from foreign countries would unlikely succeed as they do violence to classical Chinese concepts of knowledge and threaten the power of the Chinese officials.

Such a strategy raises a fundamental question about the Chinese mode of (educational) reforms. As demonstrated by Deng Xiaoping's aphorism "Black cat, white cat, who cares as long as it can catch mice," the emphasis has long been on use, with corresponding ignorance of body (Yang, 2011). The

development of Chinese contemporary reforms has always prioritised practical demands, leaving ideologies behind. As part of national reform agenda, China's contemporary policies are in continuity with reforms since the 19<sup>th</sup> century. Throughout this period, the Chinese have experienced ups and downs in putting into practice the then already popular vision of retaining "Chinese learning as the essence" while systematically incorporating the new knowledge essential to build the nation (Hayhoe, 2005). This promise, however, could be limited: although China's recent developments deserve to be noted, they could soon hit a glass ceiling. While China's improvement in its hardware is considerable, its software building takes much longer. The idea that the foreign (often western) measures could work well on Chinese soil has long been mistakenly taken for granted. In this sense, the paradigm shifts in China's higher education policy demands far more serious critique.

## **End Notes**

### *1. Government control*

There has been a strong tradition since ancient China to use nationally unitary textbooks. This was enhanced further during the planned system during 1949-1979. However, with increasing decentralisation, this has been much weakened. The government has now even encouraged greater use of locally-based textbooks to promote relevance. Yet, in certain areas such as ideological education, tight national control remains.

### *2. Gender issues*

As for gender inequalities, China's experience is much layered and complex. Generally, gender inequalities are evident. However, in post-secondary education, girls are doing at least equally well with boys. Indeed, girls are performing better than boys in urban areas at every school level, while in rural regions the situation is the opposite. Chinese government has taken efforts to address gender inequalities in rural education. However this has turned out to be far more difficult than expected, due to some deeply rooted cultural discrimination against girls in the countryside, especially in a context of an increasingly decentralised system.

## References

- Apple, M. (2000). Between Neoliberalism and Neoconservatism: Education and Conservatism in a Global Context. In. Burbules, N.C., Torres, C.A. *Globalisation and Education: Critical Perspectives* (pp. 57-78). New York: Routledge.
- Ball, S. (2005). The Commercialisation of Education in England: Towards a New Form of Social Relations. Keynote address to the Japan-UK Education Forum, Kyoto.
- Bernstein, B. (1996). *Pedagogy, Symbolic Control and Identity: Theory, Research, Critique*. London: Taylor & Francis.
- Bottomore, T., Harris, L., Kiernan, V.G. Miliband, R. (Eds.) (1991). *A Dictionary of Marxist Thought*. Oxford: Blackwell Reference.
- Chen, X.Y. (2010, 24 June). Oriental University Town: Ten Years of China's First. *Southern Weekly*, p. 3.
- China National Institute for Educational Research (1983). *Chronicle of Educational Events in the People's Republic of China*. Beijing, Educational Sciences Publishing House.
- Chinese Youth Daily* (1999). September 6<sup>th</sup>, p. 3.
- Epoch Times* (2004). March 2<sup>nd</sup>, p. 4.
- Froese-Germain, B. (2000). Market-Based Education Reform: Lessons for Canada. *The ATA Magazine*, 80(2), pp. 25-30.
- Gao, M.S. (1999). *A History of Chinese Education System*. Taipei: Lianjing.
- Gao, Q. (1996). *Educational Journal of the New China*. Wuhan, China: Hubei Education Press.
- Gottdiener, M. (ed.) (2000). *New Forms of Consumption: Consumers, Culture and Commodification*. Maryland: Rowman & Littlefield.
- Hannum, E. (1999). Political Change and the Urban-Rural Gap in Basic Education in China, 1949-1990. *Comparative Education Review*, 43, 193-211.
- Hannum, E., Xie, Y. (1998). Ethnic Stratification in Northwest China: Occupational Differences between Han Chinese and National Minorities in Xinjiang, 1982-1990. *Demography*, 35, 323-333.
- Hayhoe, R. (2005). Peking University and the Spirit of Chinese Scholarship. *Comparative Education Review*, 49(4), 575-583.
- Hatcher, R. (2000). Profit and Power: Business and Education Action Zones. *Education Review*, 13(1), pp. 71-77.
- Holmes, B. (1984). A Comparativist's View of Chinese Education. In Hayhoe, R. *Contemporary Chinese Education* (pp. 7-25). London: Croom Helm.
- Ji, B.C. (2006). An Urgent Need to Eliminate the Impact of Educational Commercialisation. *China Education Daily*, March 31<sup>st</sup>, p. 3.
- Kaufmann, D., Kraay, A., Mastruzzi, M. (2005). *Governance Matters IV: Governance Indicators for 1996-2004*. Washington, D.C.: The World Bank.
- Kelly, D., Liu, J. (1998). Sowing the Seeds: Reproduction and Educational Reform in China. *Comparative Education Review*, 42(2), 184-196.

- Lao, K.S. (2003). Challenges to the Public-Welfare Nature of Education. *Educational Research*, 24(2), 3-9.
- Li, S.X., Bray, M. (1992). Attempting a Capitalist Form of Financing in a Socialist System: Student Loans in the People's Republic of China. *Higher Education*, 23(4), 375-387.
- Lloyd, G. (1984). *The Man of Reason: "Male" and "Female" in Western Philosophy*. Minneapolis: University of Minnesota Press.
- Luo, Y., Ye, F.G. (2005). The Elimination of Educational Industry? In. Yang, D.P. *Report on China's Educational Development: 2005* (pp. 168-181). Beijing: Social Sciences Academic Press.
- Lyotard, J.F. (1984). *The Postmodern Condition: A Report on Knowledge*. Manchester: Manchester University Press.
- Mandel, E. (1988). The Myth of Market Socialism. *New Left Review*, 169, 108-121.
- Marx, K. (1952). (Edited by Friedrich Engels), *Capital*. Chicago: Encyclopaedia Britannica, Inc.
- McLaren, P. (2005). *Capitalists and Conquerors: A Critical Pedagogy against Empire*. New York: Roman and Littlefield Publishers.
- Meyer, H.D., Boyd, W.L. (Eds.) (2001). *Education between States, Markets and Civil Society: Comparative Perspectives*. New Jersey: Lawrence Erlbaum Associates.
- Molnar, A. (1996). *Giving Kids the Business: The Commercialisation of America's Schools*. Boulder: Westview Press.
- Nee, V., Matthews, R. (1996). Market Transition and Societal Transformation in Reforming State Socialism. *Annual Review of Sociology*, 22, 401-435.
- Ngok, K.L. (2007). Chinese Education Policy in the Context of decentralisation and marketisation: Evolution and Implications. *Asia Pacific Education Review*, 8(1), 142-157.
- Nove, A. (1987). Markets and Socialism. *New Left Review*, 161, 98-104.
- Okushima, S., Uchimura, H. (2005). *Economic Reforms and Income Inequality in Urban China*. Chiba, Japan: Institute of Developing Economies.
- People's Daily* (1999). January 1<sup>st</sup>, p. 4.
- Pepper, S. (1996). *Radicalism and Education Reform in 20th-Century China: The Search for an Ideal Development Model*. Cambridge: Cambridge University Press.
- Plafker, T. (2001). China's Long-But Uneven-March to Literacy. *New York Times*, February 12<sup>th</sup>, Retrieved June 18<sup>th</sup>, 2011 from <http://www.nytimes.com/2001/02/12/news/12iht-rchina.t.html?pagewanted=all>.
- Rikowski, G. (2003). The Business Takeover of Schools. *Mediaactive: Ideas Knowledge Culture*, 1, pp. 91-108.
- Rosen, S. (1997). Education and Economic Reform. In Hudson, C. (ed.) *The China Handbook* (pp. 250-261). Chicago and London: Fitzroy Dearborn Publishers.
- Ross, H.A., Lou, J.J. (2005). Glocalising Chinese Higher Education: Groping for Stones to Cross the River. *Indiana Journal of Global Legal Studies*, 12(1), pp. 227-250.
- Shumar, W. (1997). *College for Sale: A Critique of the Commodification of Higher Education*. London: Falmer Press.

- Taylor, S., Rizvi, F., Lingard, B., Henry, M. (1997). *Educational Policy and the Politics of Change*. London: Routledge.
- Tsang, M.C. (2002). Financing Compulsory Education in China: Establishing and Strengthening a Substantial and Regularised System of Intergovernmental Grants. *Harvard China Review*, II(3), 15-20.
- United Nations Development Programme (UNDP) (2005). *China Human Development Report 2005: Development with Equity*. New York, UNDP.
- Walzer, M. (1984). *Spheres of Justice: A Defence of Pluralism and Equality*. Oxford, Martin Robertson.
- Wang, S.M. (2005). On Educational Industry. *China Education Daily*, April 26<sup>th</sup>, p. 6.
- Xue, K., Wang, S.H., Li, P.X. (2003). Alaming Corruption in Education. *China Comment*, October 11<sup>th</sup>.
- Yang, D.P. (2004). Corruptness in Education. *Chinese Education & Society*, 37(1), 89-100.
- Yang, D.P. (2006). *Bluebook of Chinese Education: 2006*. Beijing: Social Sciences Academic Press.
- Yang, D.P. (2008). Higher Education Public Policy in China. In X.L. Zhang (Ed.), *China's Education Development and Policy: 1978-2008* (pp. 251-289). Beijing: Social Sciences Academic Press.
- Yang, R. (2002). *The Third Delight: Internationalisation of Higher Education in China*. New York: Routledge.
- Yang, R. (2004). Towards Massification: Higher Education Development in the Peoples Republic of China since 1949. In J. Smart (Ed.) *Higher Education: Handbook of Theory and Research* (pp. 311-374). Dordrecht: Kluwer.
- Yang, R. (2007a). Economic Growth, Political Change and the Challenges for Chinese Education. In Pink, W., Nobit, G. (Eds.), *The International Handbook of Urban Education: Asia Pacific Section* (pp. 223-240). Dordrecht: Springer.
- Yang, R. (2007b). Comparing Policies. In Bray, M., Adamson, B., Mason, M. (Eds.), *Comparative Education Research: Approaches and Methodology* (pp. 241-262). Hong Kong: The Comparative Education Research Centre, University of Hong Kong and Dordrecht: Springer.
- Yang, R. (2011). Self and the Other in the Confucian Cultural Context and the Implications for Comparative Studies: An Illustration by China's Higher Education Development. *International Review of Education*, forthcoming.
- Zhang, M.X. (1998). Changing Conceptions of Equity and Student Financial Support Policies. In Agelasto, M., Adamson, B. (Eds.), *Higher Education in Post-Mao China* (pp. 237-258). Hong Kong: Hong Kong University Press.
- Zhang, Y.L., Liu, B.J. (2005). Professional Strata and Higher Education Opportunities in China. *Journal of Beijing Normal University*, 3, 25-31.