



## On the Construction of Modern University System and the Transformation of Government Functions

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### Abstract

The key to institutional construction of the modern university is to straighten out the relationship between the government and college and to make clear the position of the government's the role and the transformation of the government functions. Based on the prominent problems including inadequate fund supply, excessive administrative intervention and ineffective legal supervision during the process of our government management toward university, it is necessary to clearly define the position of government's role as the organizer, the operator and the supervisor of the university, to achieve the shift from traditional direct management which mainly rely on administrative means to indirect management which rely on the comprehensive management means such as legislative, funding, assessment and supervision etc. It is also important to provide a favorable environment for the construction of modern university system.

**Keywords:** Modern university, Institutional construction, The role of government, The transformation of the government functions

### 1. The Definition of Modern University System

With the accelerated building process of democracy and the legal system, the improvement of the socialist market economic system as well as the continuous development of the reform of the educational system, how to create a modern university system, and promote higher education in health, sustainable way has become a hot issue of education reform. China's educational reform and development program issued in 1993 pointed out that it is necessary to gradually establish community-oriented institution of higher education and the education system mainly relying on the government's macroeconomic management. Subsequently, Education Law and Higher Education Law have formulated higher education management system and university autonomy. 2003-2007 Education Development Plan of the Ministry of Education has stated explicitly that college and universities must deepen the reform of the internal school management system, improve the legal system of schools and explore the establishment of the modern school system. Modern College System is the management system and the operational mechanism which fit to the need of democracy and the rule of law, market economy and globalization of education, the government's macroeconomic management and society (market)-oriented self-management of university.

The university system with modern sense is a product of the system civilization which needs to be suitable for institutional environment. At the formation and development process of the university, the universities in the Middle Ages were mainly lead and controlled by church, which aim to cultivate the clergy and a small number of secular officials. Accompanied by the process of education nationalization, the modern university transfers its control from church to the secular regime under the background of the rise of nation-state. The government has become the leading force of affecting and constraining the development of the universities. Since the 20th century, especially after the Second World War, the university has to endure the double impact of the government and market forces with the rapid development of higher education. Although the university's logic or the strength of academic is so weak, the core values of university autonomy has not been changed. It is still the border of the government intervention and market penetration as well as the basis of rationality of modern university system.

The government management and the self-running of the university have formed the conflict and the paradox, which

has become an important influence of construction of the modern university system. The well-known Dutch scholar Fan Zweigert thinks that higher education system that government leads can be divided into two main traditional: State-controlled (or intervention) model and the national supervision (or promoting) model. State-controlled model regards higher education as a same career so the government tries to control all aspects of higher education system. On the contrary, in the state supervision model, the government influence is very weak. The basic decision-making including courses, degrees, recruitment and finance have left to their own institutions. The facts have proved that higher education will be more innovative and easy-react if the institution has been given the responsibility of making their own mission and objectives within the clear governmental guidance. (Frans Van Vught, 2001, P.414)

The universities of China with modern sense first appeared at the end of the 19th century. It is built on the basis of the west university system. After the founding of the PRC, it mainly draw on the experience of the former Soviet Union's university system, which represents strict national control of the university under the highly centralized management system through such administrative means as planning. The university is defined as a public institution -- quasi-national organizations which have the strong feature of administrative organization. Since reform and opening up, China's higher education management system has undergone the corresponding reform. Nevertheless, the nature of university as a government subsidiary bodies has not been fundamentally changed, the status of university as an independent legal entity has not been fully reflected. Therefore, the key to China's current construction of the modern university system is to straighten out the relationship between universities and the government, to make clear the role of the government and management functions, to stimulate the government management mode of university changing from the national control (intervention) mode to the national supervision (or promoting) mode, in addition to providing the necessary institutional environment for the establishment of modern university system.

## **2. The Typical Problems in University Management Process of Our Government**

At present, the typical problems in the university management process of our government can be summarized as insufficient supply of funds, excessive administrative intervention and ineffective supervision of the law.

China's education funding mode is the education funding system mainly depending on state funding supplemented with other multi-channel financing. The sources of college funding are very narrow, which mainly rely on the state's financial allocation in addition to tuition income. Since reform and opening up, China's economy has grown sustained, but the government funding for education has a long-term stagnancy. China's educational reform and development program issued in 1993 explicitly promise to realize the national financial spending on education accounting for 4 percent of GNP in 2000. On September 2003, Commissioner of the United Nations Tomasevski inspected the educational situation of China. He found that China's education fund just accounted for 2% of GDP. In recent years, the total input of China's higher education has increased but the input of each student has decreased dramatically because of the influence of enrollment expansion. The inadequate governmental inputs has seriously constrained and influenced the development of institutions of higher education, which indirectly leading to such problems as tuition increase even the arbitrary tuition collection, an excessive burden of students and parents as well as the strong social sensation.

Under the planned economy system and the highly centralized administrative system, because of totalitarian government habitual thinking and the lags of transformation of government functions, the government accustomed to intervene and command the internal management of university on a microscopic level and manage colleges and universities through administrative measures. The government combined the role of the university Organizers, operators and managers. That is to say that the government put the fund into establish and organize public universities, directly control and intervene school internal activities through such ways as approving the establishment right, the power of appointments and removals, majors authority, the right of admission scheme and the right to allocate funds. The government is not only the player but also the referee. The powers and responsibilities relationships between the government and university are not clarified. The university lacks of the autonomy and self-discipline. The quality of school system is rigid and the efficiency is low. "The government's administrative management of colleges and universities including the internal system of colleges and universities compress the free game space of academic strength, restrain academic innovation and the development impetus of academic value."(Wang, Jianmin 2008,P.10) This is the important reason why the university lacks of self-management and innovation capacity.

Since reform and opening up, China's educational legal system has made considerable progress, education legal system with Chinese characteristics has been basically established. A series of educational laws and regulations provided an important legal guarantee for the development of higher education, such as Education Law, Teacher's Law, Higher Education Law, Private Education Promotion Law and so on. However, the current education law especially regulations of the Higher Education Law about modern university system are relatively principle-based and lack of operability. At the same time, government's education management department has not established educational administration enforcement mechanisms. Education judicial channels have not been got through. Therefore, the offense in the field of higher education lacks of effective legal supervision and sanctions. It is hard for colleges and universities as well as its

own staffs and students to remedy legitimate rights and interests through judicial channels.

### 3. The Construction of Modern University System and the Transformation of Government Functions in Our Country

The key to the construction of the modern university system is to realize the separation of government's roles as the organizers and the operators of the university, and to realize the transformation from the traditional direct management which mainly rely on administrative means to the indirect management which rely on the comprehensive management means such as legislative, funding, assessment and supervision etc. "The government is the only sponsor for a long time, there are no clear legal provisions for the position and power of the sponsor who generally use administrative measures. So it is hard to distinguish administrative functions from the position and power of the sponsors." The government as the sponsor of public school, whose primary functions is to provide adequate education funding for universities. (Chen, Enlun, 2008, P. 31) As a sponsor, the government should not involve in internal management of university. It should give the autonomy of running schools to university in accordance with the law instead. At the same time, as a university administrator and macro-supervisor, government functions mainly lie in guidance, assessment, law enforcement supervision and so on.

#### 3.1 Government as a sponsor of university exercise its funding functions, guarantee the funding supply of university

Education is the most important public utilities of modern country. Modern national education including higher education is non-profit and public. If the compulsory education is pure public goods, the university education should be quasi-public goods. In higher education, through the organization of public university and financing of private universities, the government provides adequate education funding so as to guarantee citizens to receive higher education and improve the overall quality of citizens and meet the needs of national economic development and social progress. "The government regulations on education should mainly embody at the macro aspects. It should establish a sound public financial allocation system and provide equitable educational opportunities for the community." (Lao, Kaisheng, 2008, P.7)

Fund management functions of the government's education include the preparation of education budget, financing of education funding, the formulation of distribution and use system of education funds etc. The government undertakes the task to be the main source of fund, while taking full advantage of social resources and establishing multi-channel sources of fund system. For example, Resolution on country rejuvenation by education issued by the Russian Federation government explicitly states that education belongs to the scope of responsibilities and interests of government and school. The government provides funds for educational institutions in accordance with the law, while encouraging non-state investment in education including the privileges on the aspects of tax and other aspects, which the legislation give to the legal persons and natural persons who participate in the education development. Article 60 of China's Higher Education law states that the country should establish the system which mainly rely on financial allocation supplementing with a variety of financing channels of higher education funding so as to make the development of higher education suit for the economy and the development level of economy. According to article 55 of education law, State Council and People's Government of provinces, autonomous regions and municipalities directly under the Centre government should ensure the gradual growth of higher education funding. Article 61 of education law issues that sponsors of institutions of higher learning should guarantee the stable sources of funds for running a school and must not withdraw the funds he put in running the school. It makes clear the responsibility of the government financial allocation, which the sponsors of public university should have.

After exploring, developed countries (regions) have established a fair, scientific and effective funding mechanism in the allocation way of university education fund. It is worth our study. For example, Hong Kong SAR Government takes the UK model for reference. It provides the financial assistance for public universities through University Grants Committee – an advisory and fund agent completely independent from the government structure, whose targets are to maintain the independent operation of the university, avoid universities fund intervened by political factors, ensure the university's academic freedom and a high degree of autonomy. Its main function is just to provide the advices of the higher education development and allocation instructions for the government. The members of University Grants Committee are appointed by Chief Executive of Hong Kong Special Administrative Region. All of them are local and overseas celebrities. University Grants Committee usually draws up the plan of university recurrent grants in a period of 3 years. In addition, UGC considers non-recurrent grants once a year.

The allocation of China's higher education fund has always been a means of planned distribution. It has been authorized standards by educational administrative departments according to such factors as administrative relationship of university and students scale. It lacks of fair and transparent procedures and seldom considers school performance. In recent years, the reform of higher education fund mechanism has begun to be explored. Takes 211 Project and 985 Project for examples, they combined project performance evaluation with funding. This approach is beneficial for strengthening the government's macro-guidance of colleges and universities, promoting self-management and self-restraint of colleges and universities, improving the efficiency of funds and the quality of school. According to

limited financial conditions of China's education funding, besides financial allocation, the government should provide university funding and conditions for running schools through such preferential policies as land and taxes.

### *3.2 The government provides an institutional guarantee for Self-Running of university and fair competition through the formulation of laws and policies.*

Legislative and policy are the important reflection of education legalization and the important ways which the modern countries use to adjust and control higher education. The value orientation of modern education's legislation and policy is to respect and guarantee citizens' the right to receive education. As a manager or referee of higher education should make clear the boundary between government management and university autonomy, provide an institutional guarantee for public university and private university to run community-oriented schools on their own.

First, it is necessary to make clear the functions and the scope that government manage higher education, strictly control the government authority to examine and approve, guarantee the government management of higher education neither offside nor absent. In order to prevent the autonomy of the university from the government's arbitrary interference by the right of educational administrative examination and approval, according to the provisions of Administrative Licensing Law, the government should further clean up matters of educational administration approval and realize the change from the advance control to the results control. For instance, in 2007, Chongqing Municipal Education Commission cleared up again twenty administrative examination and approval projects that reserved in 2003. Eight of them have been cancel, reserved twelve projects have been regulated and announced including the approval criteria, the approval conditions, approval procedures, the administrative authority, approval time limit and the approval responsibility. While limiting the content of government management, Chongqing Municipal Education Commission innovated management methods and changed the methods from mainly relying on administration plan to mainly relying on legal means, economic means, information services, evaluation and supervision, realized the transformation from the direct behavior management to indirect macro-management.

Second, the legal status of university should be clearly defined. The university autonomy should be implemented. China has formulated the Higher Education Law but the government designed the system from the aspect of how to manage the university. In addition, the autonomy this law provides for the university has been offset by a number of government policy documents. The administrative feature of public university is still very strong. According to the administrative levels, the university endowed with different autonomy of running schools in such aspects as the enrollment, the specialty setting, the title evaluation and so on. So it is hard to form a fair competitive environment. At the same time, because of the university's status of quasi-executive body, the management system and operational mechanism are seriously rigid, lack of the spirit of reform and innovation and the vitality to run the school. In this aspect, the direction and trends of administrative corporation reform of Japan's national and public universities deserve our attention and study. In recent years, in order to change such problems as the rigidity of national university system, management inefficiencies and the lack of personnel training creativity, through the means of legislation and policy guidance, Japanese government promoted national university merger and restructuring, implemented the corporate campaign of the national university, gave the key support according to third-party evaluation. Japanese Government also implemented the tenure system to promote the rational flow of university teachers, increased the competitive fund to enhance the autonomy of universities and self-development competitiveness of universities.

### *3.3 The government guarantees university quality through the means of educational assessment and law enforcement supervision*

The government provides the condition guarantee for construction of the modern university system through sufficient funds investment and suitable system design. However, modern university "output results" is the quality of higher education, which directly relates to the effectiveness of public expenditure, the educated and the public interest of community. As the spokesman of the public interest, the government should do the assessment and the supervision through the necessary means.

German higher education development proposals issued by Germany's North Rhine – Westphalia Expert Advisory Committee pointed out that the government and university have reached a basic political commitment. That is to say government should grant universities more autonomy and introduce the total budget approach to undertake its own responsibility when fund is using. After running the school independently, it is necessary to develop and use a kind of tool so as to provide the help when school leadership and professional fields implement quality guarantee within the university and cross the university. Without the persistent quality examination, it is impossible to achieve the transition from the input regulation to the increasing results-oriented regulation, maintain competitiveness of university in the national level and international level. (2004, p.305)

France as a centralized state, the relationship between its government and university is mainly embodied by administrative contract. The country undertakes the adequate fund that the school development plans need, and ensures the autonomy of university. At the same time, education evaluation as the natural antithesis of university autonomy,

university should regularly accept the assessment of ASE and receive financial assistance according to their performance complied with the contracts. By the committee composed of university teachers, researchers, managers, corporate personnel, the higher assessment firm assess the quality of higher education institutions, produce and publish the evaluation report completely independently in accordance with the statutory standards.

The Australian Government has adopted a series of quality assurance system for higher education in order to ensure the international reputation of higher education and the graduates with world-class skills. For example, through the Australian University Quality Assurance Committee (AUQA), the federal government examines the situation of all university including school situation of various universities overseas. At the same time, AUQA entrusts the Australian Council of Graduate Employment to do GDS and CEQ and announce the investigation results in written and electronic form. Australian Council of Educational Research has developed the GSA for Federal Government, which used to test the general skills of graduates in logical thinking, critical reasoning, written communication, interpersonal communication and so on.

China's current university evaluation includes Undergraduate Teaching Assessment lead by government educational and administrative departments as well as the non-governmental activities of university rankings at the exploratory stage. Undergraduate Teaching Assessment System of the Ministry of Education aims to resolve the quality problem of undergraduate teaching brought by college expansion.

Practice has proved that this system has the positive guiding and promoting effect for ensuring the quality of undergraduate education. It is an important macro-control means of china's higher education. However, "the institutionalization of the quality assessment mechanism of every country seems to have two main problems existing danger: The first one is about the extent that countries (or state) quality assessment institutions should independent from the government and higher education institutions. Second, somebody worried that the institutionalization of quality assessment will strengthen the consistency of the higher education system and consequently restrain its diversity." (Frans Van Vught, 2001, P.434) From the practice of educational assessment in recent years, China's undergraduate teaching level assessment system need to be improved in some aspects. For example, the administrative feature of assessment is so strong. The scientificity and adaptability of the evaluation criteria need to be improved. The results of the assessment should be linked to resource allocation of the education.

The Government supervises the quality of university education through educational assessment. At the same time, it should strengthen law enforcement supervision to the university running. In recent years, with the continuous deepening reform of the education system, interest contradictions are more obvious in the field of education. In addition, the education legal system is unsound. There are some violations of laws and regulations not only in the process of public school running activities but also in the process of private school running activities. There are some problems such as school enrollment unauthorized, false advertising, junk diploma, arbitrary collection of fees as well as the corruption in the field of admission, examinations, finance and infrastructure. All these problems will bring chaos to education order, which need to be regulated and supervised by strengthening law enforcement of education. In that case, Education governed by law and the university managed by law can be achieved.

#### 4. Conclusion and Suggestions

The aim to construct modern university system in China is to enhance the capabilities of self-restraint, self-improvement and self-development of the University, so that university could be run autonomously towards society and market according to the law, and meet the socio-economic development and people's demand for higher education. The key to achieve this aim is to straighten out the relationship between the government and college and to make clear the position of the government's the role and the transformation of the government functions. During the process of amending the Higher Education Law and making the relevant policy and law, it is recommended to further clearly define the position of the central and provincial local government's role as the organizer, the operator and the supervisor of the university, the duties and powers of government in the protection of university funding, the promotion of the education quality and the supervision of the university running etc. It is also recommended to further implement the autonomy of university as an operator and the responsibilities relationship between the self-management of the university and the government supervision. It is necessary to actively promote the transformation of the government functions in managing university, to form the positive interaction between the government and the university and to provide a favorable environment for the construction of modern university system.

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