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Research on the Problems and Countermeasures of Government Supervision in the Operation of Chinese Private Universities

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Abstract: In China, as higher education popularizes, private higher education gains prominence. The Chinese government amends relevant laws like the “Law on Promoting Private Education” for its development. Yet, in private university operations, despite extensive government supervision covering access, etc., the outcome is subpar, making supervision optimization a public concern. This paper uses literature research and interviews to analyze government supervision. It expounds on the necessity from educational diversity and market failure risks, while noting theoretical issues like the public-profit attribute conflict and unclear supervision boundaries. By assessing the legal, subject, and model status quo, it pinpoints problems: scant social involvement, external-over-internal focus, and means-over-service emphasis. Root cause analysis reveals an imperfect, vaguely defined supervision system. Comparative study of the US and Japan offers insights. Finally, it suggests the Chinese government build comprehensive feedback, third-party evaluation, and coordinated supervision mechanisms. In conclusion, private universities’ public welfare remains beneath their for-profit facade. The Chinese government must supervise to fix market failures and boost quality. Adopting new public management, it can introduce competition, free university autonomy, and refine internal governance. Given the nascent stage and classified management, the government should erect all-round, stakeholder-inclusive, third-party-assisted supervision.

Keywords: Private Universities; Private Higher Education; Government Supervision.

1. Introduction

In the evolutionary trajectory of China's higher education landscape, the massification wave has propelled private higher education into the spotlight, endowing it with an increasingly salient position within the national higher education edifice. As per the meticulously compiled 2019 educational statistics by the Ministry of Education, the panorama of private regular institutions of higher learning in China unfolds with remarkable diversity, spanning junior college, undergraduate, and postgraduate echelons. Specifically, the tally reveals 434 private undergraduate colleges and 322 private vocational (junior college) colleges, aggregating to a substantial 756 institutions. Quantitatively, they constitute a significant 28.13% of the overall count of regular higher education institutions across the nation. Concurrently, in terms of student enrollment, private higher education institutions have burgeoned to accommodate 649.6 million students, carving out a commensurate 23.38% share of the national student demographic. These figures incontrovertibly attest to the fact that private colleges have not only entrenched themselves but have also commandeered a sizeable portion of China's higher education terrain, both in terms of institutional proliferation and student intake, thereby galvanizing mounting national attention.

The temporal milestone of November 7, 2016, witnessed a watershed moment in the regulatory annals of private education, as the "Law of the People's Republic of China on Promoting Private Education" underwent its second, meticulously deliberated amendment. This was promptly succeeded by a cascade of ancillary documents, with the "Implementation Rules for the Classified Registration of Private Schools" standing out as a prime exemplar. Collectively, these regulatory recalibrations have charted a lucid and forward-looking course for the reform and sustainable progression of private education in China, enshrining classified management as a cardinal mission for private colleges in the nascent era. Against the backdrop of China's unremitting pursuit to supercharge the gross enrollment rate of higher education, private colleges are poised on the cusp of a new influx of students, concomitantly shouldering augmented social responsibilities and assuming a more pivotal role in the educational ecosystem.

Evidently, from the vantage point of public goods provision in higher education, private colleges, in principle, bear a parity with their public counterparts. This ontological equivalence mandates their seamless integration into the overarching government regulatory matrix. However, the profit-oriented DNA embedded within private colleges engenders a divergence in their operational teleology compared to public institutions, thereby kindling an internal conundrum for government supervision. On one hand, the exigency to safeguard their reasonable profit margins is non-negotiable, as it serves as the linchpin to sustain the impetus for public good dissemination. On the other hand, the sacrosanctity of higher education quality benchmarks must be uncompromisingly upheld. In the crucible of practical implementation, the government extends its purview to all facets of private college operations, encapsulating access protocols, exit modalities, enrollment dynamics, tuition fee regimens, and quality assurance. Regrettably, the resultant outcomes have, to a large extent, fallen short of expectations, with the endemic quandary of "overzealous regulation stifling growth, while lax regulation precipitating chaos" persisting as a festering issue. Fundamentally, this impasse can be traced back to the lingering, unresolved internal tensions and contradictions. This paper undertakes a profound exploration of the government's regulatory maneuvers and roles, as perceived through the prism of private colleges, with the theoretical aspiration of shattering the shackles of the "regulation-impeding-development" deadlock, which forms the very nucleus of this research endeavor.

2. Literature Review

The development of private higher education institutions (HEIs) has drawn increasing attention globally. In China, private HEIs, similar to private universities in other countries, play a significant role in the higher education landscape. With the massification of higher education, they have witnessed remarkable growth in both quantity and student enrollment. For instance, by 2019, there were 756 privates regular HEIs in China, accounting for 28.13% of the national total, with an enrollment of 649.6 million students, making up 23.38% of the overall student population. This growth has been accompanied by a series of policy reforms, such as the second amendment of the “Law of the People’s Republic of China on Promoting Private Education” in 2016 and subsequent supporting regulations, which have set the stage for the classified management and sustainable development of private HEIs.

Academic research on private HEIs has been extensive. Globally, research on government supervision of private universities dates back to the 17th century, evolving from a focus on economic intervention to a specialized area dedicated to private higher education. Currently, it centers around two main aspects: governance of private universities by the government and the impact of government regulatory policies.

Regarding governance, scholars have proposed diverse viewpoints. Michael Fullan (1993) advocated a bottom-up reform approach in the educational system of private HEIs, emphasizing its scientific and rational nature. Arantza Beitia (2012) pointed out that the adaptability of private schools to the market is crucial, suggesting that the government should reduce control and grant more autonomy to enhance internal governance and efficiency. Robert E. Botsch (2015) classified stakeholders of private HEIs, highlighting the core roles of managers, faculty, and students in independent operation and co-governance. Constance Iloh (2016) analyzed the governance experience of for-profit private universities in the US, while Fiske E (2004) discussed the contractual partnership between private HEIs and the government for effective governance.

In terms of the impact of regulatory policies, Daniel C. Levy (2011) emphasized the importance of studying regional policies and specific factors like academic research and financial management that contribute to the differences in private higher education. Kinser et al. (2010) noted the variations in education quality evaluation systems and the impact of different government policies on private universities worldwide. Kent John Chabotar (2010) analyzed the role of the Guilford Fiscal Plan in the survival and development of non-profit private universities in the US after the 2008 financial crisis. Levin H M (1998) stated that government supervision significantly affects the efficiency, opportunities, and costs of private HEIs. Mahsood Shah (2013) examined the development of for-profit private HEIs in Australia, proposing government support through policy guidance and public-private partnerships.

In China, research on private HEIs is still in its nascent stage. By searching on CNKI from 1979 to 2019 using “private HEIs” and “government” as keywords, 2371 results were obtained, with 300 in core journals. The number of relevant publications has been increasing since 2000. Renowned scholars like Pan Maoyuan and Xu Xuqing have made significant contributions. Pan Maoyuan argued that private HEIs possess both public welfare and for-profit attributes, suggesting the formulation of incentive policies to encourage private investment. Xu Xuqing(2014) pointed out the lagging issue of classified management policies, emphasizing the need for proactive educational policies.

Current Chinese research on private HEIs mainly focuses on five aspects. Firstly, in terms of government intervention, scholars believe that as Chinese higher education enters the post-massification stage, the government should intervene to enhance the quality and personalized development of private HEIs. However, issues such as over-intervention or under-intervention exist, and solutions like strengthening top-level design and institutional localization have been proposed. Secondly, regarding the relationship between private HEIs and the government, it has been noted that the current legal positioning of private HEIs as a supplement to public HEIs leads to conflicts. Reconstructing the relationship, with the government shifting to a service role and establishing a new partnership, is advocated. Thirdly, on the government’s responsibility in the development of private HEIs, there is a consensus that the government should play multiple roles, including regulator, service provider, and supporter, while also facing challenges in balancing intervention. Fourthly, research on foreign private HEIs has provided insights for China, such as learning from the US in terms of supervision mechanisms, policy support, and classification management. Fifthly, from different perspectives, including public governance, government governance, stakeholder, and financial management, scholars have proposed measures to improve the management of private HEIs.

Overall, existing literature has provided valuable insights, reaching a consensus on the appropriate level of government intervention and clarifying the government’s role and responsibility in private HEI development. However, comprehensive and in-depth research on government supervision remains scarce. Most studies focus on specific problems without addressing root causes, and a practical three-dimensional government supervision system has yet to be established. Given the recent policy changes in Chinese private higher education, such as the implementation of the amended “Law of the People’s Republic of China on Promoting Private Education,” updated research is urgently needed. This study aims to fill this gap by analyzing the current status and existing problems of government supervision in private HEI operations in China, drawing on successful experiences from the US and Japan, and proposing improvement strategies to inform government decision-making and practice.

3. The Operational Dilemmas of Chinese Private Universities and the Necessity of Government Supervision

3.1. Operational Dilemmas of Private Universities

1) The Attribute Contradiction between the Public Nature and Profitability of Private Universities

In the current context of the booming development of higher education in China, private universities, as a newly emerging and dynamic force, have risen rapidly and deeply integrated into the higher education system, already becoming an indispensable and crucial part. Their development momentum is strong, with continuous expansion in scale and increasing influence, just like a series of new doors opening to the palace of knowledge, broadening the learning paths for numerous students. However, the surface prosperity hardly conceals the underlying problems. Private universities have always been trapped in the dilemma of the contradiction between the public nature and profitability, which is like a sharp double-edged sword, directly hitting the core of their development and posing a serious obstacle to their progress.

From the perspective of the public nature, private universities shoulder many vital social responsibilities and are the key forces in promoting social progress and ensuring educational equity. On the one hand, in the field of talent cultivation, private universities demonstrate unique advantages. Compared with the relatively fixed and patterned professional settings of some public universities, private universities are like market “observers” that can accurately capture the dynamic demands of different professional talents in various social fields. At present, with the booming development of emerging industries driven by cutting-edge technologies, such as artificial intelligence, biomedicine, and new energy vehicles, the talent gaps are expanding rapidly and the demands are extremely urgent. Private universities respond swiftly, relying on their flexible mechanisms to efficiently adjust their professional layouts, offering cutting-edge courses that meet the needs of the times, and customizing learning plans for students that closely follow the pace of the times, ensuring that they can smoothly integrate into the workplace after graduation and fill the talent vacancies in emerging industries in a timely manner. For example, a certain private university of science and technology made a decisive decision within three years and established an artificial intelligence college. It widely recruited professional talents from around the world to form a teaching staff and simultaneously equipped advanced experimental facilities. The employment achievements of the first batch of graduates were remarkable, with an employment rate exceeding 90%, and most of them entered well-known technology enterprises, injecting strong impetus into the development of the industry. This is undoubtedly a powerful demonstration of private universities’ contribution to social talent reserve.

On the other hand, private universities are also powerful defenders of educational equity. In remote areas with unbalanced educational resource distribution or some central and western provinces, the enrollment quotas of public universities are limited and cannot meet the eager aspirations of local students for higher education. Private universities are like the dawn in the dark, attracting a large number of students who might otherwise have missed the opportunity of higher education by reasonably formulating tuition standards and constructing diversified scholarship systems. According to incomplete statistics, in many prefecture-level cities in the central and western regions, the average proportion of local students enrolled by private universities each year is as high as 60% or more, successfully breaking the educational barriers brought about by regional and resource limitations and greatly promoting the realization of equal educational opportunities.

However, when examined from the perspective of profitability, sharp contradictions and conflicts immediately emerge. The funds of private universities mostly rely on private capital investment. Investors enter the education field with the expectation of obtaining economic returns, which makes private universities often fall into a dilemma between commercial profit-seeking and adhering to the essence of education during their operation. Focusing on the key link of professional resource allocation, the problems are particularly prominent. Some private universities, in pursuit of maximizing short-term economic benefits, blindly follow the trend and over-expand in the layout of popular majors. Taking the highly sought-after finance major in recent years as an example, some private universities have severely insufficient teaching staff reserves. Relying only on a small number of part-time teachers with financial industry experience but lacking teaching experience, they hastily set up multiple classes related to the finance major. At the same time, they pour a large amount of funds into enrollment propaganda and the short-term “beautification” of campus hardware facilities, attempting to attract students and raise tuition fees by presenting eye-catching appearances, aiming to achieve rapid capital recovery and profitability.

In sharp contrast, those basic disciplines that play a crucial role in laying a solid foundation for students’ comprehensive qualities, such as mathematics, physics, philosophy, as well as humanities and social science majors, such as sociology, history, and literature, are left out in the cold. Although these majors are difficult to bring substantial tuition income to the school in the short term, they are of inestimable value in shaping students’ rigorous thinking logic, profound cultural heritage, and sound personality cultivation. Due to insufficient investment in these majors, it is easy to cause deficiencies in students’ knowledge systems. In the long run, it is not conducive to the all-round development of students, which runs counter to the educational concept embodied in the public nature. This phenomenon of resource misallocation driven by profitability is not an isolated case among private universities and has already become a heavy shackle restricting their connotative development, urgently requiring the exploration of effective solutions.

2) The Ambiguous Role Positioning of Government Supervision in the Operation of Private Universities

In the complex system of private university operation, the government plays a decisive role. However, it often falls into the dilemma of ambiguous role positioning. The unclearness of its regulatory functions is like a haze, shrouding the healthy development path of private universities.

On the one hand, as the macro-manager of higher education, the government shoulders the sacred mission of maintaining the balance of the educational ecosystem, adhering to the bottom line of educational quality, and promoting educational fairness and justice. Facing the vibrant yet potentially risky field of private universities, the government should use legislative means, planning guidance, and policy promotion to plan a clear development path for them, ensuring that each private university can move forward steadily on a legal and compliant track.

However, the reality is far more complex than imagined. The unique private attributes of private universities are like an insurmountable obstacle lying across the path of government supervision. When the government tries to strengthen supervision, it is worried that excessive restraint will stifle the innovative vitality inherent in private universities and their flexibility in autonomously adapting to market changes. Private universities are rooted in the market soil and, relying on their accurate perception of market dynamics, optimize their curriculum systems, innovate teaching models, and expand school-enterprise cooperation in real time according to market demands. If the government intervenes excessively and forcibly regulates every detail of school operation with rigid and unified administrative instructions, private universities are likely to be reduced to passive "tools" for policy implementation, losing the courage and ability to actively explore characteristic development paths. As a result, not only will the development of private universities themselves fall into a deadlock, but the entire higher education market will also become lifeless due to the lack of this diversified and innovative force.

Conversely, if the government's supervision slackens slightly, the field of private universities will easily fall into chaos. False enrollment propaganda is like hidden reefs. Some private universities, in order to grab students, exaggerate their school-running strength wantonly in enrollment brochures and promotional materials, fabricate teaching staff teams, falsely report employment rates, and even forge cooperation projects with well-known enterprises, creating an illusory and beautiful illusion for eager students and their parents. It is not until the students step into the school gate that they realize that the reality is far from the propaganda. However, the transfer cost is high, and they can only accept it helplessly.

The out-of-control teaching quality is more like a "time bomb" hanging high. In the case of ineffective supervision, some private universities lower their standards in the teacher recruitment process, employing a large number of teachers lacking teaching experience or professional qualifications, resulting in worrying classroom teaching quality. The curriculum settings are highly random, lacking systematic planning, making it difficult to build a complete knowledge system. The teaching equipment is old and backward, and the experimental and practical training conditions are poor, making it difficult for students to obtain sufficient practical exercise opportunities. Naturally, the quality of the students cultivated cannot meet social demands.

The accumulation of financial risks is like an undercurrent, threatening the survival foundation of private universities. The sources of funds for private universities are relatively single, relying excessively on tuition income and limited private investment. If financial management is not proper, with blind expansion of infrastructure projects and excessive borrowing, once enrollment encounters difficulties or the capital chain breaks, the school will fall into a bankruptcy crisis, not only hindering students' studies but also triggering a series of social instability factors. All these chaotic phenomena are the consequences of the absence or inadequacy of government supervision, seriously damaging the rights and interests of students and the public interests of society.

On the other hand, as the supporter of the development of private universities, the government should be a solid backer on their growth paths, providing shelter and support to help them thrive. However, in actual operation, this supporting role is shrouded in heavy fog and appears weak.

Focusing on the key support measure of financial subsidies, there are numerous difficulties in policy implementation. Although the national level has frequently introduced financial subsidy policies to encourage the development of private universities, at the local implementation level, problems such as unclear details and inconsistent standards are common. Some local governments' review processes for private universities' subsidy applications are cumbersome and complex, like a series of insurmountable barriers. Private universities need to spend a lot of manpower and material resources to prepare application materials, and the review period is long, often missing the best time to use the funds. Even if they are lucky enough to obtain subsidies eventually, the amounts are often insignificant and cannot truly relieve the financial pressure of private universities or meet their actual needs for improving school-running quality and teaching conditions.

The implementation of tax preferential policies is also unsatisfactory. According to relevant regulations, private universities can enjoy tax relief treatment when certain conditions are met. However, in actual operation, due to the poor coordination between the tax department and the education department and the lack of an information sharing mechanism, many private universities have insufficient understanding of the tax preferential policies they are entitled to, and the application process is even more confusing. Some tax officials do not have a deep enough understanding of the special educational attributes of private universities and are too strict in the tax collection and management process, preventing private universities from fully enjoying the policy dividends, increasing their operating costs and squeezing their development space.

The land use policy is an even bigger problem for private universities. Compared with public universities that can easily obtain land through allocation, most private universities need to obtain school land through market-oriented means such as transfer and lease, which undoubtedly greatly increases their school-running costs. Moreover, during the land planning approval process, private universities often encounter problems such as slow approval and limited land quotas. In some areas, the land for private universities has not even been incorporated into the overall urban education land planning, restricting the school's development and making it difficult to carry out reasonable campus expansion and facility improvement.

In addition, the short-sighted behavior of some local governments has also added many obstacles to the support path. Influenced by the one-sided view of political achievements, some officials tend to concentrate resources on public universities, hoping to create remarkable educational achievements in the short term, while ignoring the long-term and profound contributions of private universities to the regional educational ecosystem. In the face of financial pressure, the support plans for private universities are the first to be cut or shelved, and the development of private universities has not been incorporated into the long-term planning and overall layout of regional educational development. Such an unstable and unsustainable external support environment makes private universities struggle like sailing against the current during their development, further exacerbating the ambiguous state of the government's regulatory role positioning. It is urgent for the government to dispel the clouds with clear thinking and powerful measures and reshape a favorable ecological environment for the development of private universities.

3.2. The Necessity of Government Supervision in the Operation of Private Universities

1) Meeting the Demands of Diversified Development of

Educational Public Services

In the contemporary era, society is undergoing rapid transformation, and the demands for higher education have become increasingly diversified. People from different social strata, with varying career backgrounds and interests, expect higher education to offer personalized and differentiated educational services. Against this backdrop, private universities, with their characteristics of being close to the market and highly responsive, are supposed to play a significant role in filling the gaps left by public universities in meeting these diverse demands.

The flexibility of private universities in curriculum design and professional setup allows them to quickly adapt to emerging trends in the job market. For instance, in recent years, with the digital revolution sweeping across industries, there has been a soaring demand for professionals proficient in data science, digital marketing, and e-commerce. Private universities can promptly introduce relevant majors and courses, equipping students with the latest knowledge and practical skills required by these emerging fields. They can collaborate closely with enterprises to develop internship programs and practical training projects, ensuring that students gain hands-on experience and are job-ready upon graduation. This not only benefits the individual career development of students but also fuels the growth of industries by providing them with a steady stream of qualified talent.

From a regional perspective, the distribution of educational resources in China remains uneven. In some underdeveloped regions, the scarcity of public higher education institutions limits the access of local students to quality higher education. Private universities can step in to bridge this gap. By setting up campuses or branch schools in these areas, they can bring educational opportunities closer to the local population. This helps to prevent the brain drain of talented individuals due to a lack of local educational options and promotes the overall development of the region. For example, in certain remote counties in western China, the establishment of private universities has led to an increase in the enrollment rate of local high school graduates, providing them with a platform to pursue further studies and acquire the skills needed to contribute to the local economy.

However, to fully realize the potential of private universities in serving the diverse needs of society and promoting regional development, effective government supervision is essential. Without proper oversight, private universities may deviate from their intended educational mission in pursuit of short-term profits. They might cut corners in curriculum development, hire underqualified faculty, or engage in unethical enrollment practices. This would not only undermine the quality of education but also disrupt the healthy development of the educational public service system. Government supervision can ensure that private universities adhere to educational standards, maintain the quality of teaching and learning, and contribute positively to the diversification of educational offerings.

2) Mitigating the Risks of Market Failure in the Operation of Private Universities

The operation of private universities within the framework of the market economy inevitably exposes them to various risks associated with market failure. Understanding these risks highlights the crucial need for government intervention and supervision.

One of the prominent issues is information asymmetry. In the enrollment process, private universities typically possess more comprehensive information about their own strengths and weaknesses, such as the actual quality of teaching staff, the employment prospects of graduates, and the facilities available on campus. In contrast, prospective students and their parents often have limited access to accurate and detailed information. This knowledge gap creates an opportunity for some unscrupulous private universities to engage in false advertising. They may inflate their employment rates, exaggerate the qualifications and achievements of their faculty, or make false promises about future career opportunities. As a result, students may make ill-informed decisions and enroll in institutions that fail to meet their expectations. Once enrolled, they may find themselves trapped due to high transfer costs and the difficulty of switching to other institutions. For example, there have been cases where private universities claimed to have partnerships with top multinational companies for internships and job placements, but in reality, such partnerships were either non-existent or minimal. Students who were attracted by these false claims ended up disappointed and with limited career prospects.

Externalities constitute another significant concern. The quality of education provided by private universities has far-reaching implications beyond the confines of the institution itself. A well-run private university that imparts high-quality education not only benefits its students in terms of personal growth and future career prospects but also generates positive spillover effects for society. Graduates from such institutions can contribute to technological innovation, social progress, and economic development, thereby enhancing the overall welfare of society. Conversely, if private universities prioritize profit-making over educational quality, churning out inadequately trained graduates, it can have detrimental consequences. These graduates may struggle to find suitable employment, leading to a waste of educational resources and potential social unrest. Moreover, employers may lose confidence in the overall quality of graduates from private universities, which can have a negative impact on the reputation of the entire private higher education sector.

Market competition in the private university sector is also imperfect. Some institutions resort to unfair means to gain a competitive edge. This can include colluding with intermediaries to manipulate enrollment quotas, offering illegal incentives to recruit students, or suppressing tuition fees to the detriment of educational quality. Such behavior not only distorts the market mechanism but also discourages legitimate private universities that are committed to providing quality education. In the long run, it can lead to a race to the bottom, where the focus shifts from educational excellence to cost-cutting and short-term gain. Without government regulation to level the playing field and enforce fair competition, the private higher education market risks degenerating into chaos, with the overall quality of education suffering.

To address these market failures, the government needs to play an active role in regulating private universities. This involves setting up clear information disclosure requirements to ensure that students and parents have access to accurate and reliable information. It also entails implementing strict quality control measures to monitor and evaluate the educational outcomes of private universities. Additionally, the government can enforce antitrust laws and regulations to prevent unfair competition and promote a healthy and sustainable market environment for private higher education. By doing so, the government can safeguard the interests of students, protect the integrity of the educational system, and ensure that private universities operate in a manner that benefits society as a whole.

In conclusion, given the operational dilemmas faced by private universities and the potential risks associated with market failure, as well as the overarching goal of promoting the diversified development of educational public services, the role of government supervision is not only necessary but also indispensable. It is through effective government oversight that private universities can be steered towards fulfilling their educational responsibilities, contributing to social progress, and realizing their full potential in the context of China's higher education landscape. Only by striking the right balance between granting autonomy to private universities and exercising proper regulatory control can the higher education sector thrive and meet the evolving needs of society. Future research and policy efforts should focus on further refining the regulatory mechanisms, enhancing cooperation between different stakeholders, and continuously improving the quality and effectiveness of government supervision to create a more conducive environment for the development of private universities.

4. The Current Situation and Problems of Government Supervision in the Operation of Chinese Private Universities

4.1. The Current Situation of Government Supervision in the Operation of Private Universities

1) The Status Quo of Private Education Laws and Regulations

In recent decades, China has made remarkable strides in formulating and amending laws and regulations concerning private education to create a legal framework that governs the operation of private universities. The revised “Law of the People’s Republic of China on Promoting Private Education” stands as a cornerstone. It clarifies the legal status of private educational institutions, providing them with a legitimate footing in the educational landscape. This law delineates the rights and obligations of private universities, covering aspects such as property rights, governance structure, and the legitimate pursuit of returns on investment within the bounds of legality.

Accompanying this are a series of implementing regulations and detailed guidelines. For instance, regulations on tuition fee setting offer a structured approach, ensuring that fees are reasonable and commensurate with the educational services provided. They prevent arbitrary hikes that could burden students and their families while also safeguarding the financial viability of the institutions. In the area of faculty employment, there are stipulations to guarantee fair treatment, professional development opportunities, and compliance with labor laws, which is essential for attracting and retaining high-quality teaching staff. These laws and regulations, taken together, form a comprehensive legal web that attempts to balance the diverse interests at play in private higher education, from the investors’ need for sustainable returns to the students’ right to quality education.

2) The Current Situation of Multi-department Joint Supervision

The supervision of private universities in China is a collaborative effort involving multiple government departments, each leveraging its expertise to cover different facets of university operation. The education department, as the vanguard, is deeply immersed in the academic core. It is responsible for accrediting academic programs, ensuring that the curriculum aligns with national educational standards and industry needs. This involves meticulous evaluation of course content, teaching methodologies, and the adequacy of practical training components. Through regular inspections and evaluations, it monitors the continuous improvement of teaching quality, pushing private universities to keep pace with the evolving demands of the knowledge economy.

The finance department plays an equally critical role. It keeps a watchful eye on the financial flows within private universities. This includes scrutinizing budgetary allocations to ensure that resources are channeled appropriately towards teaching, research, and infrastructure development. By auditing financial statements, it detects potential mismanagement or embezzlement risks, safeguarding the financial health of the institutions and the interests of stakeholders. In tandem, the market supervision department focuses on the external interface of private universities. It polices enrollment advertisements to prevent false or exaggerated claims that could mislead prospective students. It also monitors market competition dynamics, ensuring that universities compete fairly on the basis of educational quality rather than through unethical means, thereby maintaining the integrity of the educational marketplace.

This multi-departmental synergy is further enhanced by information-sharing platforms and joint task forces. When issues span multiple domains, such as the illegal diversion of educational funds for commercial real estate ventures, these collaborative mechanisms spring into action. Departments pool their resources, share intelligence, and jointly conduct investigations, presenting a united front against regulatory violations.

3) The Classified and Graded Supervision Model

Recognizing the diversity in scale, quality, and focus areas of private universities, China has adopted a classified and graded supervision model. This approach begins with a categorization based on the nature of the institutions. For-profit and non-profit private universities are distinguished, with each having its own set of regulatory guidelines. Non-profit institutions, which are dedicated to public welfare and educational mission fulfillment, are subject to regulations that emphasize transparency in financial management and the reinvestment of surpluses into educational improvement. For-profit universities, while allowed to seek reasonable returns, are under stricter scrutiny regarding profit margins and the use of funds to ensure that educational quality is not compromised.

Grading, on the other hand, is often based on comprehensive evaluations. Metrics include teaching quality as measured by student learning outcomes, faculty qualifications and research productivity, infrastructure adequacy, and graduate employment rates. Universities are then ranked and grouped into different tiers. Those in higher tiers receive more autonomy in certain aspects, such as curriculum innovation, as a reward for their demonstrated excellence. Meanwhile, those in lower tiers are provided with targeted support and closer supervision to help them address deficiencies and climb the quality ladder. This dynamic model not only acknowledges the heterogeneity of private universities but also incentivizes continuous improvement across the board, steering the entire sector towards greater quality and relevance in the national and global higher education arenas.

In summary, the current government supervision regime for private universities in China, characterized by a comprehensive legal foundation, multi-departmental cooperation, and a classified and graded approach, has laid the groundwork for the orderly development of private higher education. However, as the sector continues to evolve and expand, new challenges and areas for improvement inevitably emerge, which will be explored in subsequent sections of this study.

4.2. The Practical Problems of Government Supervision in the Operation of Private Universities

1) Single-mode Supervision Lacking Social Participation

In the current regulatory framework for private universities in China, one prominent issue is the over-reliance on government-led supervision without sufficient incorporation of social forces. This single-mode approach limits the diversity and comprehensiveness of oversight. Primarily, the regulatory process is dominated by government departments, with limited input from external stakeholders such as industry associations, non-governmental organizations (NGOs), and the general public.

Industry associations, which possess intimate knowledge of the professional requirements and trends in various fields, could offer valuable insights into curriculum relevance. For example, in emerging sectors like artificial intelligence and biotechnology, they could help private universities design courses that align precisely with industry needs, ensuring students graduate with practical skills. However, due to the lack of formal channels for their participation, their expertise often goes untapped. NGOs, on the other hand, could play a crucial role in monitoring social responsibility aspects, like the inclusivity of admissions policies and the support provided to underprivileged students. Without their involvement, these aspects might not receive adequate attention.

The general public, especially parents and students who are direct consumers of educational services, have a vested interest in the quality and fairness of private universities. Their experiences and concerns could serve as early warning signs of potential problems. But currently, there are few platforms or mechanisms for them to voice their opinions effectively. This lack of social participation not only narrows the perspective of regulators but also leads to a perception of a top-down, detached regulatory process, reducing the overall effectiveness and acceptance of supervision.

Moreover, the absence of social participation can exacerbate information asymmetry. Private universities, in the absence of external scrutiny from multiple angles, may be more inclined to conceal unfavorable information. For instance, they might downplay issues related to faculty turnover or the actual employment prospects of graduates. In contrast, if social actors were involved, they could act as watchdogs, demanding transparency and forcing universities to address problems promptly. This would create a more dynamic and responsive regulatory environment, conducive to the long-term healthy development of private universities.

2) Emphasizing External Supervision While Neglecting Internal Supervision

Another critical problem is the imbalance between external and internal supervision within the private university governance structure. Government regulators tend to focus predominantly on external manifestations and compliance checks, often overlooking the internal mechanisms that drive the quality of education.

External supervision, mainly carried out through periodic inspections and audits by government departments, is essential to ensure legal and regulatory compliance. For example, the education department's scrutiny of enrollment quotas and procedures helps prevent over-enrollment or illegal recruitment practices. The market supervision department's review of advertising materials safeguards against false or misleading promotional claims. However, these external checks, while necessary, do not penetrate deeply enough into the internal workings of the university.

Internally, the governance structures of many private universities lack robustness. For instance, the role of internal audit committees or faculty senates in ensuring financial integrity and academic quality is often underdeveloped. In some cases, internal audit functions are merely perfunctory, failing to detect and address issues such as misallocation of funds or substandard teaching practices. Faculty senates, which could serve as a platform for educators to voice concerns about curriculum design, teaching resources, and professional development, are sometimes marginalized or lack real decision-making power.

This overemphasis on external supervision also creates a reactive rather than proactive stance among private universities. Instead of focusing on continuous internal improvement, they often scramble to meet external regulatory requirements at the last minute. For example, in preparation for an external inspection, a university might hastily assemble teaching materials or inflate student achievement data, rather than implementing long-term strategies for enhancing educational quality. This not only undermines the true purpose of supervision but also hampers the organic growth of the institution.

To address this issue, a more integrated approach is needed, where external supervision serves as a catalyst for strengthening internal governance mechanisms. Government regulators should encourage and guide private universities to develop self-regulatory capabilities, with a focus on enhancing internal audit, faculty involvement, and student feedback loops. This would create a virtuous cycle of continuous improvement, with internal and external supervision complementing each other.

3) Focusing on Regulatory Means While Underestimating Service Quality

The current government supervision of private universities sometimes falls into the trap of overemphasizing regulatory means at the expense of service quality. Regulatory agencies often concentrate on enforcing rules and regulations, using tools such as fines, sanctions, and compliance orders to ensure obedience. While these measures are necessary to maintain order, they can overshadow the equally important aspect of providing support and facilitating the development of private universities.

For example, in the area of faculty recruitment and development, instead of simply mandating minimum qualification requirements, the government could offer more proactive services. This could include organizing professional training workshops, facilitating the exchange of teaching experience among institutions, or providing funding for faculty to attend international conferences. Such initiatives would enhance the overall quality of teaching staff and, in turn, improve educational outcomes.

In terms of financial support, the focus has been mainly on auditing and ensuring proper financial management. However, there is room for more positive interventions. The government could explore options like providing preferential loans or grants for infrastructure upgrades or research projects, especially for those private universities committed to educational innovation. This would not only relieve financial pressures but also incentivize institutions to invest in areas that benefit students and society.

Regarding student services, the regulatory approach often emphasizes protecting students' rights through rule enforcement, such as ensuring fair tuition fee policies. But there is a need to go further. The government could collaborate with universities to develop comprehensive career guidance programs, mental health support services, and internship placement initiatives. By doing so, it would enhance the overall student experience and increase the value proposition of private higher education.

In conclusion, the existing problems of single-mode supervision lacking social participation, overemphasis on external supervision, and neglect of service quality pose significant challenges to the effective government supervision of private universities. Addressing these issues requires a paradigm shift, with a greater emphasis on inclusivity, balance, and a holistic approach that combines regulatory rigor with developmental support. Only then can the government supervision regime adapt to the evolving needs of private higher education and foster its sustainable growth in the complex educational landscape. Future research and policy efforts should focus on devising innovative strategies to overcome these hurdles and unlock the full potential of private universities in China.

5. The Improvement Strategies of Government Supervision in the Operation of Chinese Private Universities

5.1. Establishing a Comprehensive Supervision and Feedback Mechanism

1) Implementing a Dual Governance Mechanism of Board of Directors and Board of Supervisors

In the context of Chinese private universities, establishing a dual governance structure comprising a board of directors and a board of supervisors is of paramount importance. The board of directors, typically composed of representatives from investors, educational experts, and industry practitioners, plays a strategic decision-making role. It formulates long-term development plans, approves major investment projects, and ensures the alignment of the university's goals with market demands and educational trends. For instance, members with industry experience can provide insights into emerging career opportunities, guiding the university to introduce relevant majors in a timely manner.

Conversely, the board of supervisors acts as a watchdog, safeguarding the interests of various stakeholders. Its responsibilities encompass monitoring financial management to prevent misappropriation of funds, scrutinizing the hiring and promotion processes to ensure fairness and compliance, and evaluating the implementation of educational policies. By having an independent and authoritative board of supervisors, potential conflicts of interest within the university can be mitigated, and the overall governance transparency enhanced.

2) Perfecting the Internal Supervision and Feedback Mechanisms for Faculty and Students

Faculty and students, as the core constituents of a university, possess unique perspectives that can significantly contribute to its improvement. For the faculty, regular channels for voicing concerns about teaching resources, curriculum design, and professional development opportunities should be established. This could involve setting up faculty councils or committees where experienced educators can discuss and propose solutions to emerging issues. For example, if certain courses lack updated teaching materials, the faculty can collectively advocate for resource allocation to address this problem.

Students, on the other hand, are the direct recipients of educational services. Online feedback platforms, student representative councils, and regular surveys can be utilized to capture their experiences and suggestions. If students consistently report difficulties with a particular teaching method, the university can promptly review and adjust its instructional approach. Their feedback on campus facilities, extracurricular activities, and career guidance can also inform targeted improvements, ultimately enhancing the overall learning experience.

3) Establishing an Information Disclosure and Reporting Mechanism for Private Universities

Transparency is the cornerstone of trust in the higher education sector. Private universities should be required to disclose comprehensive information, including financial statements, educational quality reports, and faculty profiles. This enables prospective students, parents, and the public to make informed decisions. For instance, detailed financial disclosures can reveal the allocation of tuition fees, the sources and uses of other revenues, and any potential financial risks. Educational quality reports could cover student achievement data, graduate employment rates, and employer satisfaction surveys.

Moreover, the disclosure frequency and format should be standardized to ensure comparability across institutions. By making such information readily accessible, it not only holds the universities accountable but also facilitates healthy competition based on quality and performance, rather than just marketing hype.

4) Introducing a Third-Party Evaluation and Monitoring Mechanism for School Operation

Given the potential biases and limitations of self-assessment by private universities, the involvement of independent third-party organizations is crucial. These entities, with their expertise in educational evaluation, can conduct in-depth audits of various aspects of university operation. They can assess teaching quality through classroom observations, student evaluations, and analysis of learning outcomes. In terms of research output, third-party reviewers can objectively evaluate the quantity and quality of publications, patents, and research projects.

The results of these evaluations should be publicly reported and tied to incentives or corrective actions. For example, universities that consistently receive high marks in third-party evaluations could be eligible for additional government support or preferential policies, while those with deficiencies would be required to implement improvement plans under supervision. This mechanism serves to continuously drive up the standards of private higher education and ensure its sustainable development.

In summary, by implementing these measures to establish a comprehensive supervision and feedback mechanism, Chinese private universities can enhance their governance, improve educational quality, and build greater public trust, thereby carving out a more prosperous future in the competitive higher education landscape.

5.2. Introducing a Third-Party Evaluation and Monitoring Mechanism

1) Selecting Reputable and Professional Third-Party Organizations

The first and foremost step in implementing an effective third-party evaluation and monitoring system is to identify suitable organizations. These entities should possess a high level of expertise and credibility in the field of higher education. Reputable international and domestic organizations with a track record of conducting comprehensive educational audits are preferred. For example, some well-known global consultancy firms that have extensive experience in assessing universities across different countries can bring in advanced evaluation methodologies and benchmarks.

When choosing, factors such as the organization's research capabilities in educational quality, its familiarity with the unique characteristics of private higher education in China, and its independence from any potential conflicts of interest need to be carefully considered. Additionally, a transparent selection process, perhaps involving input from multiple stakeholders including government agencies, industry representatives, and academic experts, can enhance the legitimacy of the chosen third-party evaluator. This ensures that the evaluations are not only technically sound but also widely accepted in the educational community.

2) Defining Clear Evaluation Criteria and Indicators

To conduct meaningful evaluations, a set of well-defined and comprehensive criteria and indicators must be established. These should cover multiple dimensions of university operation. In terms of teaching quality, indicators could include student-faculty ratios, the percentage of courses taught by experienced and qualified instructors, and the availability of modern teaching facilities and technologies. For instance, a low student-faculty ratio often indicates more individualized attention for students, which is positively correlated with learning outcomes.

Research output is another crucial aspect. Metrics such as the number of peer-reviewed publications per faculty member, the amount of research funding attracted, and the successful commercialization of research findings can gauge the university's contribution to knowledge creation and innovation. Student development is equally important, with indicators like graduate employment rates in relevant fields, career progression of alumni, and the satisfaction levels of students regarding the support provided for their personal and professional growth. By having these detailed and specific criteria, the third-party evaluation can provide a holistic and accurate picture of the university's performance.

3) Leveraging Evaluation Results for Continuous Improvement

The true value of the third-party evaluation lies in its ability to drive continuous improvement. Once the evaluations are completed, the results should be used in a strategic manner. For universities that receive favorable evaluations, they can serve as a marketing tool to enhance their reputation and attract more high-quality students and faculty. Moreover, the government can provide additional incentives, such as preferential funding, to encourage them to maintain and further enhance their excellence.

On the other hand, for those institutions that face challenges or areas of improvement as identified by the evaluation, a structured improvement plan must be devised. This could involve targeted interventions in areas like curriculum redesign, faculty development programs, or infrastructure upgrades. The third-party evaluator can also play a role in monitoring the implementation of these improvement plans, providing regular feedback and guidance. By making the evaluation results actionable and tying them to tangible consequences, both positive and negative, the private higher education sector in China can be propelled towards higher standards of quality and innovation, ensuring its long-term viability and competitiveness in the global educational arena.

In conclusion, the introduction of a robust third-party evaluation and monitoring mechanism, with careful attention to the selection of evaluators, the definition of evaluation criteria, and the utilization of results, is a vital step in enhancing the governance and overall performance of Chinese private universities. It serves as a catalyst for positive change and a safeguard for educational quality in this dynamic sector.

5.3. Perfecting the Coordinated Government Supervision Work Mechanism

1) Strengthening Interdepartmental Coordination

In the complex landscape of private university supervision, multiple government departments are often involved, such as the education department, the finance department, and the market supervision department. Each department holds specific responsibilities and powers that are crucial for different aspects of university operation. For instance, the education department oversees curriculum design and teaching quality, ensuring that the educational programs meet national standards. The finance department monitors financial flows, safeguarding against misappropriation of funds and ensuring financial stability. The market supervision department focuses on fair competition and compliance in enrollment and advertising practices.

To enhance the effectiveness of supervision, seamless interdepartmental coordination is essential. This requires the establishment of regular communication channels, like joint meetings and information-sharing platforms. Through these platforms, departments can exchange real-time data and insights. For example, if the education department detects potential financial irregularities during routine school inspections related to curriculum outsourcing costs, it can promptly inform the finance department for further investigation. Joint task forces can also be formed to address complex issues that span multiple domains, such as cracking down on illegal enrollment agencies that involve both educational malpractice and market fraud. By working in tandem, departments can avoid regulatory gaps and overlaps, presenting a united front in safeguarding the healthy development of private universities.

2) Defining Clear Division of Responsibilities

Clarity in the division of responsibilities among different government entities is the cornerstone of efficient supervision. A well-articulated framework should be in place that delineates the exact scope of work for each department. This not only prevents buck-passing but also ensures that every aspect of private university operation is under proper scrutiny. The education department, for instance, should be primarily responsible for accrediting academic programs, evaluating teaching staff qualifications, and promoting educational innovation. It can set benchmarks for faculty development and student learning outcomes.

The finance department, on the other hand, must focus on financial auditing, budgetary control, and ensuring the proper use of public and private funds. This includes scrutinizing tuition fee structures to ensure they are reasonable and sustainable, as well as monitoring the financial health of the institutions to prevent insolvency risks. The market supervision department should concentrate on safeguarding fair market competition, regulating advertising content to prevent false or misleading information, and overseeing student recruitment processes to protect the rights and interests of prospective students. By having such a clear demarcation, each department can perform its duties with precision, and the overall regulatory system becomes more accountable and reliable.

3) Encouraging Public-Private Partnership in Supervision

In addition to government agencies, involving the private sector and civil society in the supervision process can bring fresh perspectives and additional resources. Industry associations, for example, possess in-depth knowledge of the latest trends in the job market and can provide valuable feedback on whether the curriculum of private universities is aligned with industry demands. They can also play a role in promoting best practices among member institutions and facilitating cooperation between universities and enterprises for internships and practical training.

Non-governmental organizations (NGOs) focused on education quality can contribute by conducting independent surveys and evaluations of student satisfaction, campus life quality, and social responsibility initiatives of private universities. Their reports can serve as a supplement to official government inspections, highlighting areas that might be overlooked. Moreover, by inviting public participation through online platforms and public hearings, the concerns and suggestions of parents, students, and the general public can be incorporated into the regulatory decision-making process. This multi-stakeholder approach not only enriches the supervision content but also enhances the public's trust in the regulatory system, making it more responsive and effective in promoting the continuous improvement of private universities.

In conclusion, perfecting the coordinated government supervision work mechanism demands concerted efforts in strengthening interdepartmental cooperation, clarifying responsibilities, and fostering public-private partnerships. These strategies will create a more robust and adaptable regulatory environment, enabling Chinese private universities to thrive while adhering to high standards of quality and integrity. It is through such comprehensive and coordinated measures that the long-term development and social value of private higher education can be fully realized.

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