

An Analysis of Education Sponsored by Social Resources in Mainland China

FAN LI-MIN

The term "education sponsored by social resources" has been in formal use since the promulgation of the Regulations on Education Sponsored by Social Resources. It includes all non-government-sponsored schools and educational facilities. Such schools did not exist in mainland China for nearly thirty years, but began to reappear in 1982. The state government originally did not take a clear stance toward them, so they remained in the budding stage during the 1980s, but since 1992, Beijing has begun to encourage their development and issue related stipulations and regulations for their enhancement. Although they have encountered difficulties and hindrances, their growth proves that they have an important role to play in mainland China's educational system.

Keywords: education sponsored by social resources; the Regulations on Education Sponsored by Social Resources; civilian-sponsored education; "hot" issues; "public-owned and civilian-run" schools

* * *

On July 31, 1997, mainland China's State Council promulgated the Regulations on Education Sponsored by Social Resources (hereafter referred to as the Regulations), to be effective on October 1 of the same year. The Regulations not only set rules for operations of existing non-public

Fan L.i-min is Research Fellow of the Institute of International Relations, National Chengchi University.

(non-government-sponsored) schools but also provide guidelines and guarantees for their future development. In recent years, Beijing's educational development policy has encountered serious financial problems. Short of educational funds, the state has been unable to run enough schools to satisfy the mainland people's needs for education, and has had to seek help from social resources. In brief, schools sponsored by social resources are schools and educational facilities financed by communities, organizations, and individuals.

The term "education or schools sponsored by social resources" (*shehui lilianq banxue*) has been in formal use since the promulgation of the Regulations. Previously, such schools were referred to as "civilian-sponsored education" (*minban jiaoyu*) and "civilian-sponsored schools" (*minban xuexiao*) or "private education" (*sili jiaoyu*) and "private schools" (*sili xuexiao*). Since the socialist system and Communist ideals do not allow the existence of private ownership, the Chinese Communists transformed all private schools into public schools after they took over the mainland. The meaning of "private schools" has thus remained ambiguous, and even "civilian-sponsored education" has not been clearly defined. In fact, on the eve of the promulgation of the Regulations, the State Education Commission still claimed that the "Regulations on Civilian-Sponsored Education" were being drafted. Hence, the meaning of "civilian-sponsored education" remains controversial.

Viewed from the perspective of state ownership and collective ownership, "government-sponsored education" refers to state-run schools and "civilian-sponsored education" to collectively-run schools. The former are thus run by central government organizations or departments and the latter by collectives. In fact, before the Chinese Communist Party's (CCP's) Central Committee issued the Decision on Reform of the Educational System in 1985, "civilian-sponsored schools" had a relatively clearer definition which included all schools run by the people's communes, production brigades, and rural and neighborhood units. In other words, civilian-sponsored schools were run by local organizations and institutions and did not include private schools run by individuals.

After 1985, schools sponsored by individuals began to appear in mainland China. To avoid the "private ownership" issue, these schools have

not been called "private schools" but are often categorized as civilian-sponsored schools. The distinction between civilian-sponsored schools and private schools has therefore been blurred. However, it should be noted that "government-sponsored schools," "public schools," and "civilian-sponsored schools" are actually public schools in the Western sense, and are different only in terms of their funding sources: government-sponsored or public schools are financed by the central government and civilian-sponsored schools by local governments. However, "private schools" or "non-government-sponsored schools" (schools other than government-sponsored or civilian-sponsored ones) have varied sources of funds.

"Non-government-sponsored education" has become a major global tendency in which various states have appealed to the potential of civic organizations and individuals in running educational facilities in order to alleviate the increasingly high burdens of financing public education. Moreover, at a time when rapid social changes have given rise to new school management requirements, non-government-sponsored schools are often operationally more efficient than public schools. Influenced by this tendency, mainland Chinese educational circles have also advocated developing non-government-sponsored education to reduce state expenses on public education and make up for the shortage of schools.

Since Deng Xiaoping emphasized accelerating the pace of reform during his 1992 southern China tour, the number of "non-government-sponsored schools" or "schools sponsored by social resources" has gradually increased. Currently, they account for about 3 percent of all mainland Chinese educational establishments; whether they continue to flourish will have a great impact on mainland China's educational development.

Stages of Development

"Education sponsored by social resources" mainly refers to educational facilities financed by organizations or individuals, a concept which has had a long history in China. However, this form of education was completely wiped out in the Chinese Communist campaign to promote proletarian ideology and liquidate bourgeois ideology in the early 1950s, and

only reappeared after the Third Plenum of the CCP's Eleventh Central Committee adopted reform and opening-up policies in 1978. The number of institutions sponsored by social resources has increased rapidly since the CCP Central Committee decided to accelerate the pace of reform and opening-up in 1993.

The evolution of schools sponsored by social resources in mainland China can roughly be divided into three stages.

The first stage (1949-56): Beijing's main task in educational circles was to take over all schools established by the Nationalist government and foreign institutions. In September 1952, Beijing's Ministry of Education announced that private secondary and elementary schools would be gradually taken over by the state. At that time, there were 1,412 private secondary schools with 533,000 students, which amounted to about 26 percent of mainland China's secondary school students; and 8,925 private elementary schools with over 1.6 million students, or about 3 percent of all elementary school students. All sixty-five privately-owned colleges and universities were transformed into public institutions in 1952, but the transformation of all private secondary and elementary schools was not accomplished until 1956. Thus, in 1956, private schools disappeared completely from mainland China.¹

However, despite the state takeover of all private secondary and elementary schools, civilian-sponsored schools began to bud in mainland China during this period. Their initial development was marked by the following documents:

The term "civilian-sponsored schools" appeared for the first time in the Directive on Rectifying and Developing Civilian-Sponsored Elementary Schools issued by the Government Administrative Council in 1952.² The directive stated that the state should increase public elementary schools while at the same time allowing the masses to devote, on a completely voluntary basis, both their money and strength to the development of civilian-sponsored schools.

¹Zhang Jian, *Zhongguo jiaoyu nianjian 1949-81* (Almanac of China's education) (Shanghai: Zhongguo dabaikequanshu chubanshe, 1984), 79.

²Ibid., 88.

Beijing's First Five-Year Plan (1953-57) stated that in accordance with the principle of encouraging the peasant masses to establish schools and allowing individuals to run schools, the strength of the masses should be relied on in developing secondary and elementary education under the guidance of the national plan. In a report to a conference on education in 1953, Guo Moruo, chairman of the Government Administrative Council's Commission of Culture and Education, further proposed that the state should advocate civilian-sponsored education, encourage individuals to run schools, and help enterprises, institutions, and organizations run educational facilities.

Beijing's first relatively systematic and complete plan for educational development was the Educational Development Plan for the 1953 School Year, which asserted that the masses should be allowed to run elementary schools. In principle, elementary schools in old liberated areas, poor villages, disaster areas, and minority areas would be state-run but in rich and large villages, some elementary schools would be civilian-sponsored.

The 1957 Plan for Educational Development adopted by the State Council advised that the idea that the state should run all elementary schools should be dropped. Furthermore, it suggested that in cities, schools should be run by neighborhood committees, institutions, factories, mines, and enterprises; schools run by collectives in rural areas were also advocated, with establishment of schools by individuals being allowed.

Finally, the Draft National Program for Agricultural Development in 1956-67 (adopted by the CCP Central Committee in 1956) pointed out that in addition to government-sponsored schools, collective-sponsored schools should be promoted with vigor, and individuals should be allowed to run schools so that universalization of elementary education could be gradually achieved.

The second stage (1957-78): Early in this period, under the slogan of an Educational Great Leap Forward, the total number of mainland Chinese students tripled and non-government-sponsored and civilian-sponsored schools achieved remarkable growth. However, all these schools were actually public schools financed by local governments, organizations, or institutions. Thus, private schools no longer existed in mainland China.

During this period, the first important document concerning the orien-

tation of civilian-sponsored education was the Directive on Educational Work jointly issued by the CCP Central Committee and the State Council in 1958, which emphasized that there should be schools in varied forms, such as government-sponsored schools and schools sponsored by factories, mines, enterprises, and agricultural cooperatives. In 1962, the CCP Central Committee approved and promulgated the Ministry of Education Party Group's Report on Further Educational Readjustments and Reduction of School Teachers and Staffs. This led to a large-scale reduction and merger campaign of universities, colleges, and specialized schools.

The Cultural Revolution that took place in 1966 paralyzed the Ministry of Higher Education as well as the Ministry of Education. Most universities, colleges, and specialized secondary schools stopped enrolling students. In 1969, most institutions of higher learning were placed under the leadership of provincial, municipal, and autonomous regional governments. In 1971, a national conference on education reached the conclusion that strenuous efforts should be made to encourage the masses and collectives to run schools. In brief, during the third, fourth, and fifth five-year plans (1966-70, 1971-75, 1976-80), education suffered serious drawbacks. Universities and colleges were merged and reduced and secondary and elementary schools groped forward without sufficient support.

After 1977, Beijing began to introduce "civilian-sponsored and state-subsidized" (*minban gongzhu*) schools, though most schools remained collectively-run. It also promoted various forms of education, such as short-term training courses, correspondence schools, evening schools, broadcasting schools, and TV teaching. This new policy led to the rise of the tendency to run civilian-sponsored schools and training courses.

The third stage (1978-present): The Third Plenum of the CCP's Eleventh Central Committee in 1978 marked the beginning of the third stage, during which education sponsored by social resources was recognized as an important component of mainland China's education. In 1982, the revised People's Republic of China (PRC) Constitution specified in Art. 17 the formal inclusion of civilian-sponsored education into mainland China's educational system. The CCP Central Committee Decision on Reform of the Educational System adopted in 1985 also noted that all democratic parties, mass organizations, social establishments, retired cadres and

intellectuals, collectively-owned economic units, and individuals should be encouraged to use various methods and work actively and voluntarily to promote educational development.³ In 1987, the State Education Commission and related departments promulgated laws and regulations to promote civilian-sponsored education, of which the "Certain Tentative Regulations on Education Sponsored by Social Resources"⁴ especially had a far-reaching significance, as the regulations comprise basic measures to formally include civilian-sponsored schools into the regular educational management system. In October 1992, the CCP's Fourteenth National Congress confirmed further support for the promotion of civilian-sponsored education. The Program for China's Educational Reform and Development promulgated in 1993 announced the so-called "sixteen-character" principle for education sponsored by social resources [it was so named because the principle is composed of sixteen Chinese characters] which confirmed that "the state will actively encourage and support the legal establishment of schools by groups and individuals, give these schools correct guidance, and strengthen supervision over their operations."⁵ Since then, the number of private schools in mainland China's civilian-sponsored education has grown rapidly.

According to State Education Commission statistics, at the end of 1996, there were more than 50,000 educational facilities established by social resources with the approval of educational administrative departments. These included 24,466 kindergartens; 2,920 elementary and secondary schools; 568 vocational schools; 799 specialized secondary schools; 20 institutions of higher learning qualified for awarding academic degrees; more than 1,100 institutions of higher learning without the authority to award academic degrees; and more than 20,000 educational facilities providing various kinds of training courses. As of 1997, schools and educational fa-

³"The CCP Central Committee Decision on Reform of the Educational System," *Zhonghua renmin gongheguo guowuyuan gongbao* (PRC State Council Gazette), no. 75 (June 10, 1985): 471.

⁴Hao Weigian, *Zhongguo jiaoyu nianjian 1988* (Almanac of China's education) (Beijing: Renmin jiaoyu chubanshe, 1989), 500.

⁵"The Program for China's Educational Reform and Development," *Renmin jiaoyu* (People's Education) (Beijing), 1993, no. 4:4.

cilities run by social resources had a total of 8.9 million students and about 40,000 full-time teachers and staff.⁶ The growth of schools and educational facilities sponsored by social resources from 1991 to 1996 can be seen in table 1.

Soon after publication of the "sixteen-character" principle, Beijing promulgated the Tentative Regulations on Establishment of Civilian-Sponsored Institutions of Higher Learning, and various localities also instituted and issued regulations of a similar nature to promote the development of non-government-sponsored education. For instance, the Shanghai Municipal People's Government issued the Management Rules for Civilian-Sponsored Schools and the Beijing Municipal People's Government promulgated the Management Rules for Schools Sponsored by Social Resources.⁷ All these rules and regulations have contributed to the rise of non-government-sponsored schools.

In 1996, the State Education Commission issued two documents concerning non-government-sponsored education: "Opinions on Problems Concerning the Management and Finance of Schools Sponsored by Social Resources" and the "Circular on Strengthening Management Work Concerning Schools Sponsored by Social Resources." The former aims at setting appropriate fee collection methods to solve fund management problems and stop educational administrative departments from collecting supervision fees, development funds, or management fees for themselves.⁸ The latter requires all educational administrative departments to conscientiously implement the "sixteen-character" principle and include schools sponsored by social resources into local educational development and management plans.⁹

To further promote non-government-sponsored education and solve problems encountered in the development process, the Regulations on Edu-

⁶Ibid., 1997, no. 9:28.

⁷Beijing Municipal People's Government Office of Culture and Education, 1994 *Beijing jiaoyu* (1994 Beijing education) (Beijing: Beijing Normal University Press, 1995), 201-7.

⁸*Guojia jiaoyu weiyuanhui zhengbao* (Administrative Bulletin of the State Education Commission), 1996, no. 5:218.

⁹*Guangming ribao* (Guangming Daily) (Beijing), April 5, 1996, 2.

Table 1
Number of Schools Sponsored by Social Resources in Mainland China (1991-96)

Year	Kindergarten	Elementary school	Secondary school	Vocational school	Specialized secondary school	Institution of higher learning	Educational Facilities
1991	12,091 (385,000 students)	555 (265,000 students)	544 (89,600 students)	—	—	—	—
1992	13,808 (536,200 students)	864 (55,200 students)	673 (133,800 students)	—	—	10 (4,550 students)	—
1993	16,990 (723,900 students)	1,030 (648,800 students)	851 (127,000 students)	—	—	14	—
1994	18,282	1,078	1,381	—	—	18	—
1995	20,700	—	—	—	—	1,230 ^a	35,000
1996	24,466	1,453	1,467	568	799	1,120 ^b	20,000

^aIncluding 21 degree-awarding institutions of higher learning and 1,209 others that are not authorized to award academic degrees.

^bIncluding 20 degree-awarding institutions of higher learning and 1,100 others that are not authorized to award academic degrees.

Sources: *Zhongguo jiaoyu nianjian 1994* (Almanac of China's education) (Beijing: Renmin jiaoyu chubanshe, 1995), 946; *Zhongguo jiaoyu bao* (Journal of China's Education) (Beijing), September 26, 1995, 1; *Renmin jiaoyu* (People's Education) (Beijing), 1997, no. 9:28; *Zhongguo jiaoyu nianjian 1996* (Beijing: Renmin jiaoyu chubanshe, 1997), 1022.

cation Sponsored by Social Resources were promulgated in 1997. This indicates that Beijing no longer sticks to the dogmatic Communist idea of promoting proletarian ideology and liquidating bourgeois ideology, and that in mainland China schools sponsored by social resources, non-government-sponsored schools, or private schools may henceforth develop legally. The existence of private schools is commonplace in democracies, but it is an important ideological breakthrough in mainland China.

Regulations as the Chief Promotion Force

The Regulations on Education Sponsored by Social Resources¹⁰ are Beijing's first set of comprehensive regulations on civilian-run education which provides the basis for the development of non-government-sponsored schools in mainland China. The regulations consist of sixty articles in eight chapters. The first chapter has a total of twelve articles, notably the following:

Art. 1: sets the primary objective of enabling schools sponsored by social resources to develop soundly.

Art. 2: defines the scope of social resources, allowing enterprises, institutions, mass organizations, social establishments, and individual citizens to run schools.

Art. 3: formally includes schools sponsored by social resources as a component of socialist education.

Art. 4: clearly states Beijing's stance toward schools sponsored by social resources, in that it will encourage their development, but maintain control over their operations.

Art. 5: emphasizes using social resources to sponsor vocational education, adult education, senior secondary education, and preschool education, with strict control exercised over institutions of higher learning sponsored by social resources.

¹⁰"Regulations on Education Sponsored by Social Resources," *Renmin ribao* (People's Daily), August 12, 1997, 5.

Art. 6: outlines the socialist ideal for education; that is, profit-making should not be the objective of schools sponsored by social resources.

Art. 9: states that schools sponsored by social resources should uphold the socialist educational orientation and thoroughly implement the educational guidelines of the state.

Art. 10: delegates responsibility for dealing with matters relating to education sponsored by social resources to State Council educational administrative departments and relevant departments at and above the county level. As responsible departments are not named, it is possible that the administrative work channels will be confusing.

Art. 12: states Beijing's intention to encourage organizations and individuals sponsoring schools, but unfortunately, specific encouragement measures are not listed.

Chapter 2, consisting of eight articles, deals with conditions and limitations for the establishment of educational facilities. The most notable characteristic is that applications for establishment of educational facilities should be sent to different departments for approval according to their specific nature. Establishments providing formal schooling, cultural courses, preschool education, and supplementary education for self-study examination takers should obtain approval from educational administrative departments of governments at or above the county level; establishments providing vocational and technical education should obtain approval from labor administrative departments of governments at or above the county level; and other educational establishments should obtain approval not only from relevant administrative departments of governments at or above the county level but also from educational administrative departments at the same level. Approval conditions for establishments providing formal schooling are comparatively more rigorous.

Chapter 3 contains thirteen articles about the teaching staff and administration of educational establishments. It is clearly stipulated that educational establishments can set up a board of directors whose members are not necessarily Party members, but one-third of them must have more than five years of teaching experience. No relatives of board directors, principals, or major administrative responsible persons of these establishments should work in their general affairs, accounting, or personnel management

units; on the other hand, teachers and other people working for educational establishments have the right to set up labor unions. Educational establishments are also advised to strengthen politico-ideological education among their teachers. They may decide curriculums by themselves, but the teaching materials they use must be reviewed and approved by the educational administrative departments of provincial (municipal and autonomous regional) governments.

Chapter 4 contains five articles on property and financial management of educational establishments. As long as they are operating, educational establishments are allowed to manage and use their own properties according to law, but these properties should neither be sold nor used as guarantees. Moreover, their financial accumulations can only be used to increase educational input and improve teaching conditions. These funds can neither be turned into investments in other areas nor into profit distributions.

Chapter 5 consists of six articles on changes and dissolution of educational establishments. The major concern regards the disposal of properties after dissolution; after sponsors' input is returned, the rest will be used to promote education sponsored by social resources under the unified arrangement of the educational administrative departments that approved their establishment.

Chapter 6 is comprised of six articles which confirm that educational establishments sponsored by social resources enjoy the same protection and support as government-sponsored ones, and that the time in which full-time teachers teach in all educational establishments is recognized as formal teaching experience.

Chapter 7 contains seven articles on legal responsibilities. School sponsors who have committed frauds or violations of regulations may incur punishments such as suspended student recruitment and revocation of school licenses. Approval-granting educational administrative departments that abuse their power in favoritism or committing malpractice will be given disciplinary sanctions. If their acts also violate the criminal law, they will be prosecuted according to law.

Chapter 8 has four supplementary provisions stating that measures governing educational facilities set up solely by organizations and individ-

uals from abroad, or jointly by them and local organizations or individuals, will be instituted separately.

Judging from their contents, the promulgation of the Regulations should be the chief promotion force for the development of education sponsored by social resources in mainland China. Despite their emphasis on socialist ideals, these regulations are rather pragmatic, and not only set standards for education sponsored by social resources, but also provide stimulus for its growth. According to the State Education Commission, the Regulations have five special characteristics: they adhere to the socialist educational orientation; uphold the public welfare principle that educational establishments should be non-profit organizations; implement a licensing system through rigorous examination and approval procedures; ensure the quality of courses and teaching; and standardize educational establishments' internal management.¹¹ From Beijing's political standpoint, these five characteristics are strong points.

Obstacles

Education sponsored by social resources has only formally developed in mainland China during the last several years, but it has already encountered many problems mainly because of the lack of sound and comprehensive laws and regulations. According to a mainland Chinese educational journal, some educational establishments and their sponsors do not have a correct understanding of education. Some sponsors have wanted to run "schools for nobles" (*guizu xuexiao*), with teaching activities and materials digressing from the educational principles of the Party and the state. Others have regarded schools as profit-making instruments, collecting high tuition and miscellaneous fees from students. Some establishments are deficient in schooling conditions and cannot guarantee good teaching quality, while others practice "patriarchal" or "clannish" management systems, lacking internal democracy and supervision. Some have even transferred, appro-

¹¹*Guangming ribao*, August 14, 1997, 2.

priated, or illegally divided the funds and properties of educational establishments.¹²

Mainland Chinese scholar Zeng Tianshan has also pointed out that schools sponsored by social resources are plagued by the following problems: impure motives behind the running of the schools; ambiguous ideas for running schools; unclear orientations for schools; the pursuit of short-term objectives; underestimation of difficulties that social resources may encounter in running schools; the issue of "schools for nobles"; the shortage of teachers; unstable sources of students; the question of "one school, two systems"; "clanship";¹³ "employing close relatives"; chain schools; collection of high or illegal fees; shortage of funds; courses lacking special characteristics; low teaching quality; internationalization of schools; and improper competitions.¹⁴

Of these problems, five deserve special attention. In terms of student sources, educational establishments such as television universities, evening universities, spare-time courses, correspondence courses, certificate courses, extension courses, and various kinds of courses on professional skills grant certificates very easily. Therefore, those with below-average educational backgrounds who desire formal academic records to enhance their qualifications have vigorously pursued enrollment in these organizations. Thus, these courses have a large number of students and have become hard to manage.¹⁵ On the other hand, some civilian-sponsored and private schools have had difficulties in recruiting a sufficient amount of students. The salaried have been unable to send their children to "schools for nobles" which collect high tuition fees. Some schools in cities and towns aim at accommodating children of non-permanent residents and

¹²Xia Yue, "The Appearance of the Regulations on Education Sponsored by Social Resources," *Zhongguo jiaoyu bao* (Journal of China's Education) (Beijing), August 14, 1997, 1.

¹³Guo Ge, "Private Schools Should Not Be Run by a Clan," *ibid.*, August 10, 1995, 2.

¹⁴Zeng Tianshan, "Observations and Thoughts on Civilian-Run Elementary and Secondary Schools," *Jiaoyu yanjiu* (Educational Research) (Beijing), 1997, no. 4:38-44.

¹⁵Li Shiqian, "Reinforcing Coordination and Management of Schools Sponsored by Social Resources," *Qiuishi: Neibu wengao* (Truth Seeking: Internal Manuscripts) (Beijing), 1995, no. 11:23.

some rural schools are for children in remote and border areas, and thus do not have enough sources of students.¹⁶

The second important problem concerns finances. The sources of funds for schools sponsored by social resources are often unstable or insufficient. Generally speaking, these educational establishments acquire their funds from tuition fee collections and donations from society. Since their sources of students fluctuate, they are unable to control the total amount of tuition fees. Moreover, in mainland China where donations and fund-raising are not customary, the sources of donations for education are naturally unstable (donations refer to donations in money or kind to educational establishments by individuals, collectives, enterprises, and institutions, while fund-raising refers to money raised for educational development by enterprises; institutions; social organizations; individuals; compatriots in Hong Kong, Macao, and Taiwan; and overseas Chinese).¹⁷ Although it is possible and necessary to run schools with donations and funds raised from various quarters, the practice only exists in a small number of provinces and regions. More policies are needed to encourage donations for educational development.

The third obstacle involves teachers and school heads. The sources of teachers for schools sponsored by social resources are extremely unstable, and the roles of school heads remain rather controversial. Usually, teachers of schools sponsored by social resources consist of retired teachers and school heads, young teachers, and renowned university professors. Retired teachers and school heads tend to be less energetic because of their age, young teachers are underpaid, and it is hard for renowned professors' teaching to produce very good results among students of widely differing quality. Moreover, these schools have practiced the system of a board of directors with a chairman. As the roles of board chairmen and members are not clearly defined, some board chairmen and even their family members

¹⁶Wu Zhideng, "Problems Concerning Our Private Schools and Policies Studies," *Fuyin baokan ziliao: Jiaoyuxue* (Reprinted Newspaper and Magazine Materials: Education) (Beijing), 1997, no. 5:94.

¹⁷Liu Lanping, "An Analysis of Educational Donations and Fund-Raising," *Xiandai jiaoyu luncong* (A Collection of Essays on Modern Education) (Guangzhou), 1995, no. 6:23; *Fuyin baokan ziliao: Jiaoyuxue*, 1996, no. 5:77.

have interfered with the work of school heads.¹⁸ Therefore, laws or regulations concerning teachers' remunerations and school heads' roles should be instituted.

The fourth hindrance arises from the diverse forms of educational establishments and sponsorship. As far as forms are concerned, educational establishments sponsored by social resources include kindergartens, elementary schools, junior secondary schools, senior secondary schools, vocational and technical schools, institutions of higher learning, and training courses. However, the Regulations on Education Sponsored by Social Resources only impose vigorous conditions on the establishment of institutions of higher learning. Ways of sponsorship are complicated and diverse. Sponsors may include educational administrative departments, public schools, social organizations, democratic parties, enterprises and corporations, individual citizens, and overseas people. Schools sponsored by social resources may be solely or jointly owned; at present, jointly-owned schools outnumber the solely-owned. Sponsorship alternatives also include solely-owned private schools, civilian-sponsored and state-subsidized schools, state-run and civilian-subsidized schools, shareholding cooperative schools, and Chinese-foreign jointly-run schools. In Guangdong Province, there are seven ways of sponsorship: (1) schools solely sponsored by enterprises; (2) schools jointly run by rural grass-roots administrations and enterprises; (3) state-owned and civilian-run schools (i.e., the Foreign Language School affiliated to the Guangzhou Foreign Language College); (4) schools jointly run by enterprises and educational departments; (5) civilian-sponsored schools operating in school buildings leased by educational departments; (6) schools jointly run by social organizations and enterprises; and (7) schools jointly-run by overseas schools and enterprises.¹⁹

Management problems are also a chief obstacle to the development of education sponsored by social resources, as the lack of clear management regulations has caused serious chaos. In April 1996, the State Education

¹⁸Wang Dinghua, "Civilian-Run Elementary and Secondary Schools: Problems and Policies," *Renmin jiaoyu*, 1997, no. 5:13.

¹⁹Zhu Yuanxing, "Thoughts on High-Fee Civilian-Sponsored Schools," *Fuyin baokan ziliao: Jiaoyuxue*, 1996, no. 10:36.

Commission pointed out that schools especially had problems in financial management, with their accounts in disorder. It has been learned that some sponsors have diverted school funds to other purposes, or transferred and appropriated school properties, and that local educational administrative departments have only weak control over these schools.²⁰ The State Education Commission's Adult Education Department established in November 1995 a Social Resources Management Office in an attempt to strengthen control over schools. However, three fundamental management problems have so far remained unresolved. First, the establishment of schools sponsored by social resources are examined and approved by various departments, such as educational, social sciences, and public security departments; therefore, the problem of multiple leadership exists. In addition, placing the operations of schools sponsored by social resources under the management of the State Education Commission's Adult Education Department is inappropriate, for the department is administratively too low to handle such matters. At local levels, most provinces and municipalities do not have a special organization overseeing schools sponsored by social resources, and the work is usually entrusted to the adult education sections of local educational administrative departments.²¹ Finally, it is unreasonable to impose unified management on different kinds, forms, and levels of schools sponsored by social resources, civilian-sponsored schools, and private schools.

Hot Issues

In developing education sponsored by social resources, Beijing has encountered four key themes, recently referred to as "hot issues" in mainland China. They include: "schools for nobles" and high-fee schools, the financial problems of civilian-sponsored elementary and secondary schools,

²⁰*Ming Bao* (Hong Kong), April 5, 1996, C4.

²¹Xiang Bingjian, "The Macro-Management of Schools Sponsored by Social Resources," *Jiaoyu yanjiu*, 1995, no. 12:51.

the significance of civilian-run compulsory education, and the feasibility of state-owned and civilian-run schools.

"Schools for Nobles" and High-Fee Schools

Problems caused by "schools for nobles" and high-fee schools are similar.²² These schools, established for the rich people, have given children of the rich an advantage over children of ordinary people. Moreover, since most areas in mainland China are still poor, it seems inappropriate to set up high-fee schools while promoting plans such as the "Hope Project" (a project to improve elementary schools in poor conditions). Furthermore, collections of reserve educational funds by sponsors of these schools have been in reality disguised fund-raising methods. Though such sponsors are of a small number, Beijing addresses the problem in the Regulations by pointing out that schools should not be engaged in profit-making. In 1995, Vice-Premier Li Lanqing expressed strong opposition to "schools for nobles" and high-fee schools, stating that if they refused to transform themselves, they would be dissolved.²³ Beijing subsequently announced that restrictions would be imposed on "schools for nobles,"²⁴ and soon afterwards, other localities also adopted various measures against unhealthy "high-fee" tendencies.

*Financial Problems of Civilian-Sponsored
Elementary and Secondary Schools*

The PRC's Education Law, the State Education Commission's Circular on Fund-Raising from Society by Civilian-Sponsored Schools, and the Regulations on Education Sponsored by Social Resources all stipulate clearly that schools or other educational facilities should not be established for profit-making purposes, though some people do not agree with this stance and believe that sponsors should be allowed to make money as long

²²Wu Gao, "Also on High-Fee Civilian-Run Schools," *Ta Kung Pao* (Hong Kong), June 22, 1996, B6.

²³*Ibid.*, January 12, 1995, 4.

²⁴*Ming Bao*, January 14, 1995, B1.

as the profits earned are used on educational development.²⁵ Moreover, the collection of high reserve educational funds by schools is considered unreasonable, with the possibility of schools being able to use the funds properly placed in doubt. If these funds are misused, the schools might be unable to return them. Furthermore, there have been disputes about ownership of school properties, especially about whether school properties can be returned to the investors. The promulgation of the Regulations seems to offer a solution, as Art. 37 states that school accumulations can only be used to increase educational input and improve teaching conditions, and that these funds can neither be turned into investments in other areas nor into profit distributions. Theoretically, Beijing's principles for investments in educational facilities and profit distribution are correct. Its stance constitutes little hindrance to those who invest in education for public welfare promotion, but a significant obstacle to those who invest in educational facilities to augment their properties, thus weakening the latter's desire in investing in schools.

The Significance of Civilian-Sponsored Compulsory Education

Mainland China has promoted "nine-year compulsory education" since 1986. From the standpoint of a socialist country, the state should monopolize compulsory education and should not allow private schools, civilian-sponsored schools, and schools sponsored by social resources to play any role in this field. However, unable to afford the heavy financial burden incurred by compulsory education, Beijing needs the assistance of social resources. Nevertheless, mainland Chinese dogmatists still strive to reverse this tendency. The recently promulgated Regulations provides a solution to the controversy by pointing out that the state encourages social resources to run facilities at the compulsory education stage as supplements to state-run compulsory education. In other words, for Beijing, the former are encouraged but are not considered a key development item. On the other hand, schools sponsored by social resources also have some advantages, such as providing educational opportunities to children of the

²⁵See note 18 above.

floating population, remedying the insufficiency of public schools in forms of education, quickening the pace of the universalization of nine-year compulsory education, accommodating students who desire to select schools outside the public educational system, and providing a stimulus to mainland China's diversification trends.²⁶ In other words, compulsory education sponsored by social resources has the following advantages: (1) it encourages educational investments in poor areas; (2) it checks the spread of practices such as admitting students at negotiated fees and collecting high tuition fees and arbitrary charges; (3) it helps to increase society's investments in education; and (4) it is conducive to reminding parents of their obligation to let their children receive compulsory education.²⁷ In short, education sponsored by social resources plays a supplementary role in overall educational development. It has also contributed positively to the educational reform movement in improving the competition mechanism in the field of education, increasing job opportunities for teachers, enhancing the reform of wage systems for teachers, improving the quality of both teachers and students, reinforcing the overall reform of teaching methods, and training various kinds of talented people.

The Feasibility of State-Owned and Civilian-Run Schools

State-owned and civilian-run schools have appeared in mainland China only during the last few years. During the same period, cases of transformation of public schools into private schools have also been increasing in the United States. In fact, transforming public schools into civilian-run schools has become a world trend. Further development of state-owned and civilian-run schools in mainland China is highly possible, as conditions for its development have become mature in theory and practice as well as in policies and regulations. In recent years, some democratic parties, social organizations, and individual citizens have been allowed to

²⁶Jiao Fa, "Why Civilian-Sponsored Schools of the Compulsory Education Stage Should Be Developed?" *Guangming ribao*, September 17, 1996, 6.

²⁷Song Wenming, "On the Role of Private Schools in the Educational Reform," *Xibei shida xuebao* (Journal of Northwest Normal University) (Social Sciences Edition) 32, no. 1 (January 1995): 72.

run state-owned or public schools in Guangzhou, Shanghai, and Beijing. As far as policies and regulations are concerned, the National Educational Plan for the Ninth Five-Year Plan Period (1996-2000) and the National Plan for Educational Development in 2010 issued by the State Education Commission in 1996 state that during the Ninth Five-Year Plan period, active measures will be taken to promote various kinds of civilian-run schools; existing public schools may probably be transformed into "state-run and civilian-subsidized" or "civilian-run and state-subsidized" schools when they have conditions; the system in which government-sponsored education is supplemented by education sponsored by social resources with public and civilian-run schools developing together should be basically established by 2010.²⁸ Theoretically, although non-government-sponsored education has been on the rise since Beijing's promulgation in 1993 of the Program for China's Educational Reform and Development, only 5 percent of mainland Chinese elementary and secondary schools are run by social resources, far lower than the ratios of the United States (24 percent) and Hong Kong (59 percent);²⁹ hence, there is still much room for improvement. In order to increase mainland China's ratio to about 20 percent, transformation of public schools into civilian-run schools has become necessary. Moreover, in mainland China civilian-sponsored universities and colleges accommodate about 65,000 students, accounting for only a very low percentage of higher education students. However, 75 percent of all institutions of higher education in Japan are privately-run; 80 percent in South Korea; and 82 percent in the Philippines. Indonesia has 1,159 private universities and colleges but only seventy-six public institutions of higher learning.³⁰ Thus, mainland China not only needs to increase the percentage of state-owned and civilian-run elementary and secondary schools,

²⁸"The National Educational Plan for the Ninth Five-Year Plan Period and the National Plan for Educational Development in 2010," *Zhongguo jiaoyu bao*, April 22, 1996, 2.

²⁹Feng Guowen, "Schools Can Be State-Owned and Civilian-Run," *Fuyin baokan ziliao: Jiaoyuxue*, 1997, no. 8:104.

³⁰Gao Yunyan, "A Brief Account of the Development of Institutions of Higher Learning in Six Southeast Asian Countries," *Zhongguo gaodeng jiaoyu* (China's Higher Education) (Beijing), 1996, no. 12: 39-41.

but also the percentage of state-owned and civilian-run higher education institutions.

Conclusion

The Regulations on Civilian-Run Schools that had been drafted for many years was finally promulgated on July 31, 1997 under the name of the Regulations on Education Sponsored by Social Resources. The main reason for the change was that the term "civilian-run schools" might cause misunderstanding, since it has a historical meaning. Before 1985, civilian-run schools referred to schools run by collectives, as opposed to schools run by the state. Thus, "education sponsored by social resources" can more comprehensively express the realm of non-government-sponsored education than "civilian-run schools." The promulgation of the Regulations on Education Sponsored by Social Resources indicates that mainland Chinese educational authorities have formally accepted the establishment of private schools either by organizations or individuals. Doubtlessly, the existence of private schools indicates that mainland China has made a step forward toward pluralization of society.

In 1982, educational facilities sponsored by social resources began to reappear in mainland China. At that time, they were mostly informal training courses. From 1986 to 1992, these schools did not make much progress. However, since Beijing issued the sixteen-character principle for civilian-run education in 1993, they have grown in number and size.

In only a few years, their development has met many obstacles and given rise to many problems, which has aroused many calls for the institution of formal laws to support and promote education sponsored by social resources; thus, the Regulations on Education Sponsored by Social Resources was promulgated within an unexpectedly short period of time. They will serve as the main basis for the promotion of non-government-sponsored education.

Beijing has always insisted on taking a socialist road with Chinese characteristics. In drafting the Regulations on Education Sponsored by Social Resources, it followed the same principle. Therefore, the Regula-

tions emphasize upholding the socialist orientation for education, adhering to the non-profit public-welfare principle, implementing a vigorous licensing system for educational establishments, standardizing the internal management system of educational establishments, and making vocational education, adult education, senior secondary education, and preschool education the main fields of education sponsored by social resources. Generally speaking, this set of Regulations is more precise than the PRC Education Law. The Regulations' implementation measures are now being drafted, and it is expected that they will supplement and improve the Regulations' feasibility.

At a time when education is far from universalized and the expansion of public or government-run schools is restricted by serious fund shortages, Beijing needs to rely on social resources. It should introduce more measures to promote the development of non-government-sponsored education. Jointly-run schools, such as state-owned and civilian-run schools and civilian-owned and state-subsidized schools, may be an effective way to enhance universalization of education in mainland China.

