

Report on the Pilot Comprehensive Reform of Private Education: Based on the Survey of 62 Schools in X City

Ling Li^{1*}, Qian Zhao², Yu Wen³

¹Institute of Education Policy of Faculty of Education, Southwest University, Chongqing, China

²School of Foreign Languages, Chongqing College of Humanities, Science & Technology, Chongqing, China

³School of International Studies, Zhejiang University, Hangzhou, China

Email: *lingliswu@gmail.com

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Abstract

Private education is a major component of China's socialism education causes. The Chinese government pays high attention to private education and increase steady investment in it. This paper analyzes the reform and the development of private education in the dimensions of system design, actual effect and policy-making suggestions based on the research on the comprehensive reform of private education in X city.

Keywords

Private Education, Survey Research, Comprehensive Reform

1. Introduction

Private education is a major component of China's socialism education causes. During the process of China's private education development, four most representative regional development modes have emerged: education reserve in Guangdong [1], reform of public education system in Beijing [2], government-aided private education in Shanghai [3], and joint-stock schools in Wenzhou [4]. All these explorations and attempts in above regions have strongly driven the development of private education. This paper will analyze the reform and the development of private education in the dimensions of system design, actual effect and policy making suggestions based on the research on the comprehensive reform of private education in X city.

*Corresponding author.

2. Survey Design

2.1. Sampling Basis

X city is home to a great number of large-scale private schools, which makes X city a more significant sample than other cities. The private education in X city started in an early stage, receives a rapid development, and makes great contribution. Now, there are 1748 private schools in X city, with 413,000 students on campus, which accounts for 27.3% of all the students on campus in X city. As a pilot city of the national private education reform, this survey will be of great importance to summarize the reform that is carried out in X city. In 2010, X city has been included as one of the pilot cities for the national private education reform, and since then, has issued a series of policies and measures. To summarize and analyze the private education reform in X city can offer precious lessons to the private education reform in other regions and also be needy in promoting the contemplation of the development of private education in a systematic approach.

2.2. Purposes of the Survey

This survey is to understand the effect of the pilot reform of private education in X city and offer cases for deepening the private education reform in other regions.

2.3. Methodology

Interview. Held forum for government officials who are in charge of the private education reform, presidents of schools and chairmen of broad who introduce the background of issuing the polices, the process of carrying out them and actual results of them to confirm the statistics from the questionnaire, see the major problems, explore the reasons for those problems and obtain related suggestions.

Questionnaire. Prepared in advance two types of questionnaires and allocated them to the Education Bureau of X city and all counties and the 62 pilot schools respectively in order to obtaining a general view of the situation of all districts, counties, sectors and schools that launch two-year pilot scheme.

Case study. The individual case of the survey, X school, is a typical private boarding school with high quality and large scale.

2.4. Selection of Survey Subjects

Selected survey subjects from different districts in X city, different educational levels(kindergartens, elementary schools and middle schools) and different position (government officials, broad of schools, schools presidents and teacher representatives) to conduct panel discussion.

3. Reform Measures of X City

In order to accelerate private Education Reform and Development, X city takes the following measures.

To strengthen the policy design for the comprehensive private education reform at the top level. Advice on the Implementation of Pilot National Overall Private Education and the Acceleration of Education Reform and Development [5] helps the government to form a one plus fourteen policy system in respect of registration management of legal person, financial support, financing policy, construction of human resources, property characterization, reasonable return, tax preferences, land policy, management of legal person and school-running system.

To set clear the approach of the comprehensive private education reform. The overall procedures of the comprehensive private education reform in X city are as follows: The rapid development of private education is the ultimate goal. Reconstruct the system in an all-round way and overcome the policy problems that private schools confront in teaching resources, property, tax and etc. The measures for this are to implement classified management, and formulate different policy system according to the profitable or non-profit characterization of private schools.

To classify private schools for management. On the principle of classified management, X city government classifies private schools into for-profit schools and nonprofit schools so that the government will offer different preferential policy packages in respect of financial support, construction of human resources, property right characterization, reasonable return, tax preference, land policy and financing policy. Nonprofit full-time private

schools should be registered with the Civil Affairs Department as private legal persons, and for-profit full-time private schools enterprise legal persons.

To broaden support for private education development in an all-round way. Firstly, the city attracts social capital into the education field, allocates a group of public schools at non-compulsory stage to social organizations or individuals and intends to better construct schools by offering them low rent or free rent. Secondly, the city implements the system in which the charge of fee in private schools shall be filed. Private schools charge for fees according to their own rules, but the charge can only be put into use after it has been filed and publicized. Thirdly, in accordance with their different natures, private schools are granted different tax preference policies. Fourthly, a system is established in which government can purchase education services from private schools with subsidy for schools from the budget. Last, in terms of land use, private schools can obtain lands through appropriation and paid grant and enjoy deduction of construction fee.

To initiate innovative investment and financing system of private education. First of all, X government sets up an education development and investment group co., ltd. to improve the investment platform for education. Secondly, the government establishes an education bonding company led by government funds and joined with social capital to offer services like loan and guarantee to private schools. Thirdly, schools are allowed to apply for loans by using non-teaching facilities as collateral or the right of collecting tuition and intellectual property right as pledge. Fourthly, the government encourages private schools to establish an education fund with donated funds and school-running surplus in accordance with national regulations and privates schools registered as enterprise legal persons to explore new ways for establishing an education private equity investment fund. Last, the city formulates a loan policy especially for private schools with low interest to support the financing of private schools.

To set up a reasonable return system for private schools. As clearly stipulated in X city government's regulations, "The contributed assets belong to the contributors of private schools. The shares held by the contributors can be transferred, inherited, or given to another person, but the contributors cannot, in any case, defund investment when schools are in the period of existence." Private schools that are registered as private legal persons can allocate proportionate bonus from the school-running surplus to the contributors as an award. Private schools that are registered as enterprise legal persons can gain profit as in enterprise system

To deepen the school operation system reform of private schools. The city attracts social capital into the education field so as to encourage fair, orderly competition between different investors and different schools. X city government establishes a modern school system, improve the legal person administration system of schools, further the construction of the boards and councils of private schools, safeguard the presidents' rights to manage schools according to law, and assure schools of their independent rights to operate schools.

To perfect the policy of the construction of teaching staff in private schools. Firstly, a personnel agency system is established, in which all the teachers in private schools are allowed to join personnel agency. Secondly, the city improves the social welfare system. Teachers in private schools should be included in the social welfare system with the standard of institutions and be able to enjoy the same amount of retirement fee as teachers in public schools do. Private schools that pay for the fees that should be submitted to all different departments in social welfare system will get financial aid from local ministry department, which takes the form of service purchase. Thirdly, related government departments should raise the salary standard and draw the lowest salary line for the teachers in private schools. Fourthly, the government should help promote the professional development of teachers in private schools, including them into the teacher training program; quotas of vocational assessment, teaching competitions and appraisal assessments for teachers in private schools should be separated from the ones for teachers in public schools. Last, it is necessary for the government to promote the reasonable flow of teachers between public schools and private schools. Teachers in public schools who support the teachings in private schools should retain their status as teachers in public schools, salary level and social welfare and enjoy the perks from private schools. Teachers in private schools who practice personnel agency and are included in the institutions' social welfare system can join the recruitment assessments in public schools. After the teacher is recruited officially, his/her working time and teaching time will be added to the previous ones he/she accumulated in private schools.

To form a pilot promotion system led by government. During the pilot promotion, X city has gradually established a governmental joint-meeting system of overall private education reform, supervision and notification system of overall private education reform by the municipal Party committee, supervision and inspection system

especially for the private education reform and an annual assessment system.

Finally, complete content and organizational editing before formatting. Please take note of the following items when proofreading spelling and grammar:

4. Development Status Quo

4.1. Distribution of Different Types of Private Schools in X City

According to the survey, it is shown the distribution of different types of private schools in X city in **Table 1**. What should be explained here is that there are 6 schools that contain both elementary and middle school sections in the same school, and 2 schools that have elementary, middle and high school sections in the same school.

4.2. Distribution of Legal Person Nature of Private Schools

Figure 1 shows the characterization of legal person of private schools in X city, of which most of schools in X city are nonprofit schools.

4.3. Distribution of Students in Private Schools in X City

Table 2 shows that the amount of students on campus has remained stable in private schools in X city in the recent four years.

4.4. Social Security for Teachers in Private Schools in X City

Teachers' social security in private schools in X city has been improved from 2010 to 2013, as shown in **Table 3**.

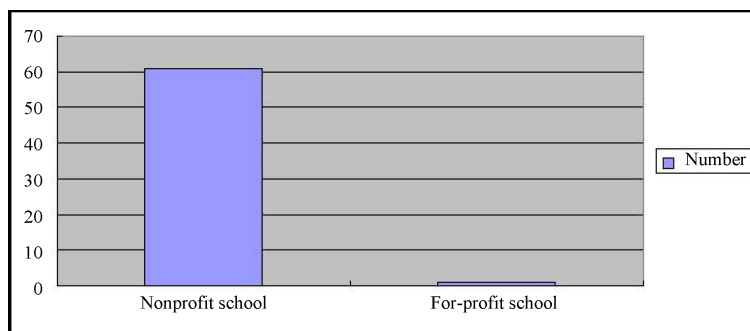


Figure 1. Distribution of characterization of legal person of private schools in X city.

Table 1. Distribution of different types of private schools in X city.

School type	Kindergarten	Elementary school	Middle school	High school	University	Vocational school	Others
Number	37	9	9	13	0	0	3

Table 2. Distribution of students in private schools in X city.

Year	Students on campus	Enrolled students	Graduated students
2010	50,584	16,610	13,601
2011	52,030	15,817	14,921
2012	51,249	15,164	16,055
2013	52,809	16,263	14,961

4.5. Flow of Teachers in Private Schools in X City

Table 4 shows that the amount of teachers in private schools in X city has held steady in the recent four years. But the sum of new teachers is a little more than that of resigned teachers, which means that the position of being a teacher in private schools is unattractive.

4.6. Financial Support to Private Schools in X City

We can see from **Table 5** that financial support to private schools has turned to steady-state growth annually from 2010 to 2013. It is shown that the local government attaches great importance to private education.

4.7. Additional Investments to Private Schools by Schools' Sponsors

As it is seen from **Table 6**, schools' sponsors have reduced additional investment in private schools annually, however, they increased additional investment in 2013.

4.8. Tuition Standards of Private Schools in X City

Table 7 shows that the tuition standards of kindergarten, elementary school, and middle school have remained stable in recently three years.

4.9. School-Running Surplus of Nonprofit Private Schools in X City

We can see from **Table 8** that financial situation of nonprofit schools has got better from 2012 to 2013.

5. Achievements, Problems, and Suggestions

5.1. Achievements

After the reform started in X city, policies in such aspects as financial support, social security for teachers,

Table 3. Social security for teachers in private schools in X city.

Year	Authorized teachers (this region)	Social security with public institution's standard	Social security with enterprise's standard	No social security
2010	465	336	1814	644
2013	553	1046	1783	294

Table 4. Flow of teachers in private schools in X city.

Year	Teachers in private schools	New teachers	Resigned teachers
2010	3082	422	326
2011	3205	483	358
2012	3270	401	396
2013	3283	414	386

Table 5. Financial support to private schools in X city (unit: RMB ten thousand).

Year	2010	2011	2012	2013
Amount	600.7521	857.2955	2807.738	3814.2938

Table 6. Additional investments in private schools by schools' sponsors (unit: RMB ten thousand).

Year	2010	2011	2012	2013
Amount of additional investment	5849.5	4733.85	4100.33	4766.30

Table 7. Tuition standards of private schools in X city (unit: RMB).

Schools type	A	B	C	D	E	F	G	H
Kindergarten	1668.38	1820.68	2084.54	2239.81	303.78	338.62	339.90	352.41
Elementary school	7512.5	8875	10622.5	13600	13137.5	14637.5	11512.5	4275
Middle school	7512.5	9275	11000	13875	13137.5	9275	8800	962.5
High school	2648.18	2707.27	3343.64	4198.18	617.27	658.18	653.64	658.18

Notes: A stands for the average tuition for each semester in 2010; B stands for the average sundry fees for each semester in 2010; C stands for the average tuition for each semester in 2011; D stands for the average sundry fees for each semester in 2011; E stands for the average tuition for each semester in 2012; F stands for the average sundry fees for each semester in 2012; G stands for the average tuition for each semester in 2013; H stands for the average sundry fees for each semester in 2013.

Table 8. Nonprofit schools with or without school-running surplus.

Year	2012	2013
Schools with school-running surplus	2	19
Schools without school-running surplus	19	40
Schools with deficit	41	3

charge of tuition and fees, and financing, have been successfully implemented in all the schools while the policies for tax preference, land property and property rights of legal person have been carried out in pilot schools. In 2013, there have been 415 pilot schools in X city. The amount of money for purchasing service and financial award for specific items was as high as RMB 380 million. 5565 teachers in private schools were engaged with personnel agency and 3166 teachers were included in the social security system for public institutions. The ice-breaking process starts in the carrying out of investment and financing policy. 2 schools have successfully received their loan of RMB 6 million and RMB 1 million respectively by using the right of charging tuition as pledge and education investment as mortgage. At the same time, we have attracted 4.5 billion social capitals into the education field. A new series of projects has been launched, including the Jiangsu Xiangyu Education Group, Shanghai New Epoch Education Group, Semir New Education School.

5.2. Analysis of Existing Problems

Although the private education in X city has made achievements, there are some problems:

- A. Private schools' independent rights to recruitment and charge of fees are still greatly restricted.
- B. Teachers in public schools and teachers in private schools are not equally treated. It is very common to see the teachers in private schools resign their jobs, which makes it difficult to maintain government's support for the continuity of social security for teachers.
- C. Financial support standard is not scientific. Some schools did not receive the financial allowance from government.
- D. The shortage of land limits the development of private schools.
- E. Schools' property ownership is not clearly defined due to lack of defined provisions in related laws.
- F. The proportion of public schools and private schools is unreasonable.
- G. The line between sponsors and managers is vague.

5.3. Suggestions for Further Improvements

5.3.1. Alter the Proportion of Schools to Optimize Private Schools and Balance Gap between Public Schools

The government should adhere to the principle of "Assure the foundation of public schools and optimize private schools" and reasonably plan pre-school education, foundation education and higher education in a scientific way and make adjustment to the proportion of public schools and private schools to meet the society's demand for education [6].

5.3.2. Improve the Financial Support Policy and the Public Finance System

The government should make adjustments to the financial allowance standard and change the amount of allowance according to the education quality and the financial balance of schools. The government should offer the land use rights to schools through administrative appropriation and other types of schools through grant. Private schools shall be given the same tax preference policy as that for public schools. The government should establish a pre-warning system for the financial support and estimate the upper and lower limit of government financial support according to the current financial balance and prediction of future financial development.

5.3.3. Strengthen the Construction of Teaching Personnel and Explore Diversified School-Running Modes

The government should set up a management and service center for teachers in private schools. The service center should be able to offer management service, including the qualification determination, flow of teachers, archive management and social security for teachers. Those eligible full-time teachers in private schools shall enjoy the same social insurances such as health care and pension insurances based on the standards for staff in public institutions, as teachers in public schools do. The government should better the system of teachers' flow between schools and establish a system for the orderly flow of teachers between public schools and private schools. It is of great importance to deepen the training of teachers in private schools and establish an introduction system of excellent teachers. The top-level teachers introduced to private schools will receive preferential policy in aspects of accommodation, their children's education and research fee.

5.3.4. Assure the Independent Right of School-Running, and Standardize School Management

The government should assure private schools of their independent rights of school operation and encourage private schools to run schools independently in terms of recruitment, teaching management, staff allocation and external cooperation and communication so as to reach the vision in which schools carry out teaching activities, the government administrates such activities and the society supervises such activities according to law. Related departments should set up an index system for the assessment of education quality of private schools to optimize the education quality. The index for private schools should be stipulated as the one of the education quality assessment in public schools at the same level with the own specialties and characters of private schools. It is important to clarify property right ownership, establish a financial supervision system and formulate regulations for the property transfer and clear ownership to clarify the rights, obligations and responsibilities of all types of private schools in asset ownership, use, profits and punishment. Besides, it is necessary to establish a comprehensive withdrawal mechanism for private schools.

5.3.5. Promote the Reform of Investment and Financing Mechanism and Attract Social Capital into Education Field

The property transfer system of private schools should be established to standardize the share capital transaction procedures at private schools. The government should reform the investment and financing mechanism and the investment and financing platform for education and help private schools to expand investment and financing channels by establishing education fund, investment of trust fund and stock market financing. To offer loan guarantee service requires the government to explore the way of setting up an education guarantee company led by governmental capital and joined with social capital.

5.3.6. Practice Mixed Ownership and Innovate the School Operation System and Mechanism

The government should accelerate the innovation on mechanism, strive to attract social capital to invest in education, and support all kinds of social strengths to practice social education whether through cooperation or shareholding system, in the form of solely foreign-owned enterprise or joint venture.

6. Conclusion

Combining its actual social and economic development, X city shows its unique regional characteristics in respect of the reform of school operation system, the optimization of investment and financing environment and financial support from government. It is believed that the reform of private education should adhere to the right direction of "optimizing private education and balancing public education". We should establish a joint mechanism designed by top level departments, led by government, coordinated between different departments and

joined by societal strengths, take the realistic and market characteristics into serious account and utilize the market regulation and resource allocation mechanism to establish an education system where “schools’ operation is mostly controlled by the government, the whole society participates in promoting education development while the mutual development of private education and public education is achieved.”

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