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# Report

## **Sino-Foreign Joint Education Ventures: A National, Regional and Institutional Analysis**

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## Sino-foreign Joint Education Ventures: A National, Regional and Institutional Analysis

### Abstract:

As access to higher education becomes increasingly commonplace in China, enrolment numbers at higher education institutions have grown rapidly in recent years. Given the competitiveness of international higher education, foreign education providers have undoubtedly recognised the vast potential of the Chinese market. Government stipulations demand, however, that transnational provision be joint education ventures between a Chinese institution and a foreign partner. International higher education institutions would benefit from considering the regional and economic diversity of China prior to entering a market characterised by ample opportunities as well as risks. In a similar manner, quality of provision has become an increasingly important factor for Chinese institutions selecting foreign partners, the most reputable institutions being highest in demand. Through an analysis of Chinese enrolment data, Government policy, and economic regionalism, this report provides a history of the evolution of higher education in China and attempts to establish parameters for future developments in joint Sino-Foreign higher education provision. Such a report is likely to be of considerable interest to foreign providers seeking to establish successful education ventures in China.

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## Introduction

Joint Sino-foreign provision has increased rapidly in recent years in China, a country which could be described as potentially the biggest market for transnational higher education. The co-operative nature of transnational provision in the country is a consequence of Chinese regulations, which require foreign institutions to have a Chinese partner in order to establish educational institutions and offer programmes. This report on transnational education in China is divided into five sections. The first section provides background for the report and introduces data on enrolments, their rapid expansion, and the emergence of a new type of Chinese higher education (HE) institution, the 'state-owned privately-run college', in recent years. In the second section, general statistics concerning Sino-foreign joint programmes will be examined for China as a whole. The third section focuses on Sino-foreign joint education ventures in Shanghai, not only because Shanghai has more joint programmes than any other province or municipality in China, but also because a list of such programmes is available from the Shanghai Education Commission website. The data is analysed according to the source country of foreign institutions, level of programmes, subjects areas, etc. In the fourth section, a case study on the Sydney Institute of Language & Commerce (SILC) at Shanghai University is conducted. In the final section, issues and problems related to joint Sino-foreign educational partnerships are explored, and future developments in this field suggested.

## 1 Overview

Sino-foreign joint programmes first appeared in China in the early 1990s and the number has increased dramatically in the years since. At present, over 1,300 programmes are in operation<sup>1</sup> with a further 378 candidate programmes at Bachelor's degree level or above (these have to be approved by the Ministry of Education) currently awaiting approval<sup>2</sup>. It is obvious that Sino-foreign co-operation in offering educational programmes is becoming increasingly widespread. Research on such provision, however, does not accurately reflect the rapid development of these programmes. A report from the Observatory on Borderless Higher Education by Richard Garrett from July 2003 seems to be the first comprehensive analysis of foreign involvement in higher education provision in China<sup>3</sup>. This paper is an attempt to extend Garrett's analysis. Although the time gap between the two reports is merely three years, some significant changes have taken place.

The single most important factor concerning the running of joint education ventures in China is the formal legal framework, which institutions have to follow. "Regulations of the People's Republic of China on Chinese-foreign Co-operation in Running Schools" came into effect on 1 September 2003, thus paving the way for foreign education institutions' legitimate entry into

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<sup>1</sup> Jiang, Y. Q. (Director of Office for International Exchanges, Shanghai Municipal Education Commission). "Policy Distortions in Chinese-foreign Co-operation in Running Schools and Their Countermeasures", *East China Normal University 7th Senior Symposium on Analysis of Education Policies*. URL: <http://ceric.ecnu.edu.cn/jky/yuanqing25/jyzhc7jb02.swf>. Last Accessed: 21 February, 2006

<sup>2</sup> Ministry of Education of the People's Republic of China. An overview list of documents concerning Chinese-foreign programme applications submitted for March 2005 examination and approval. URL: <http://www.moe.edu.cn/edoas/website18/info15914.htm>. An overview list of documents concerning Chinese-foreign programme applications submitted for September 2005 examination and approval. URL: <http://www.moe.edu.cn/edoas/website18/info18007.htm>. Last Accessed: 21 February, 2006

<sup>3</sup> Garrett, R, *Higher Education in China, Part 1: context & regulation of foreign activity and Higher Education in China, Part 2: scale of foreign activity & examples*, Observatory on Borderless Higher Education URL: <http://www.obhe.ac.uk/products/reports/archived.html?year=2003>. Last accessed: 1 August 2006.

China's education market. However, in addition to this basic law, the central Government's policies to attract high quality education resources to China, the local governments' motivation to promote economic development and increase HE competitiveness, and the various domestic HE institutions' desire to improve their competitive edge, have all played important roles in the establishment and evolution of Sino-foreign joint education ventures in China. In order to fully understand the development of these new educational ventures, it is necessary to approach the situation from the national, regional and institutional perspectives.

## **2 Statistics on higher education and Sino-foreign joint programmes in China**

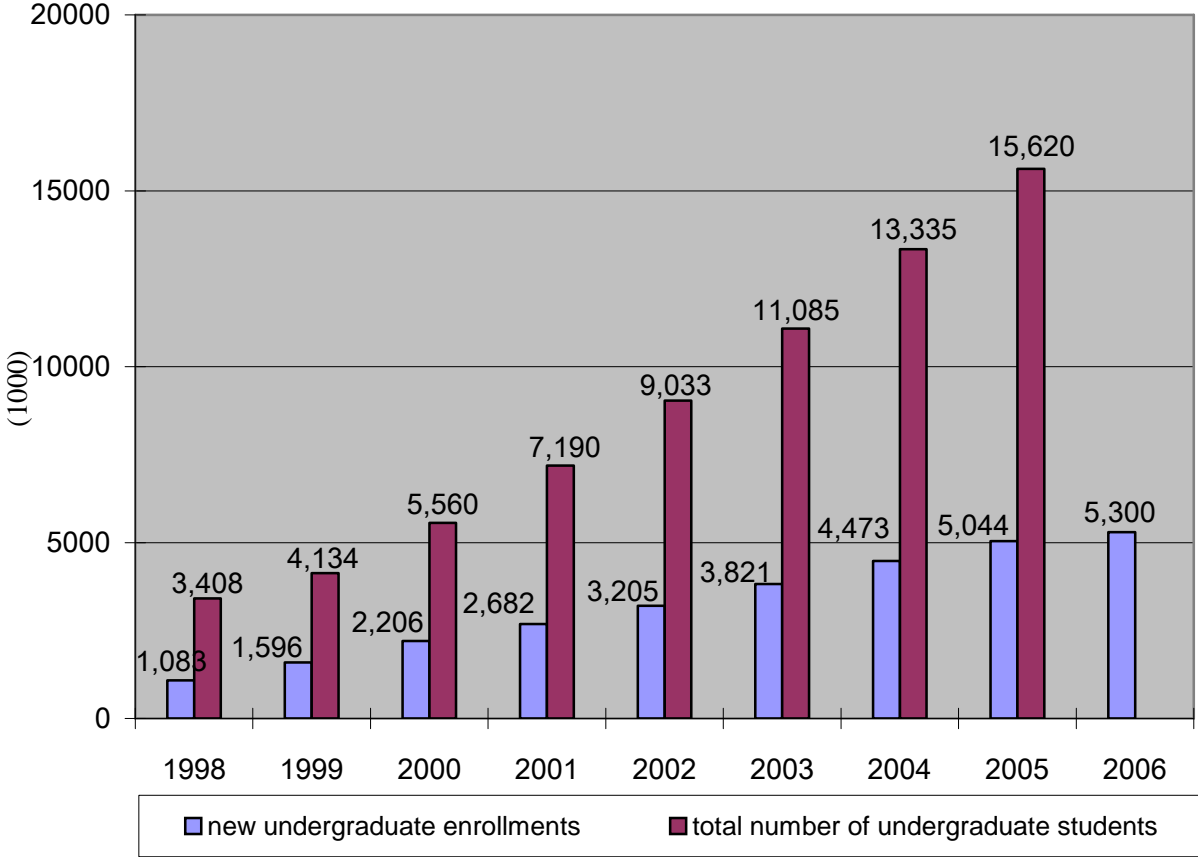
### **2.1 Expansion of participation and increases in tuition fees**

In 1999, the Chinese Government adopted the college enrolment expansion policy to stimulate education consumption and ultimately economic development. The policy was proposed by Tang Min, an economist from the Asian Development Bank, and was immediately adopted by the central Government. The local governments also showed great enthusiasm. The so-called 'education industrialization' or understanding of 'education as a business' soon swept over China. These days, faced with increasing criticism of the policy, top officials from the Ministry of Education (MOE) claim that the Ministry never embraced 'education industrialization', and Dr. Tang Min, says he never suggested introducing the policy. The annual enrolment in the 'traditional' HE sector (the type of provision generally considered to be prestigious and publicly recognised) rapidly increased from 1,083,600 in 1998 to 1,596,800 in 1999, a jump of 47.4%<sup>4</sup>. This trend has continued in recent years, though with less dramatic increases. The latest enrolment figures and the total number of students from 1998 to 2006 are shown in the following graphs.

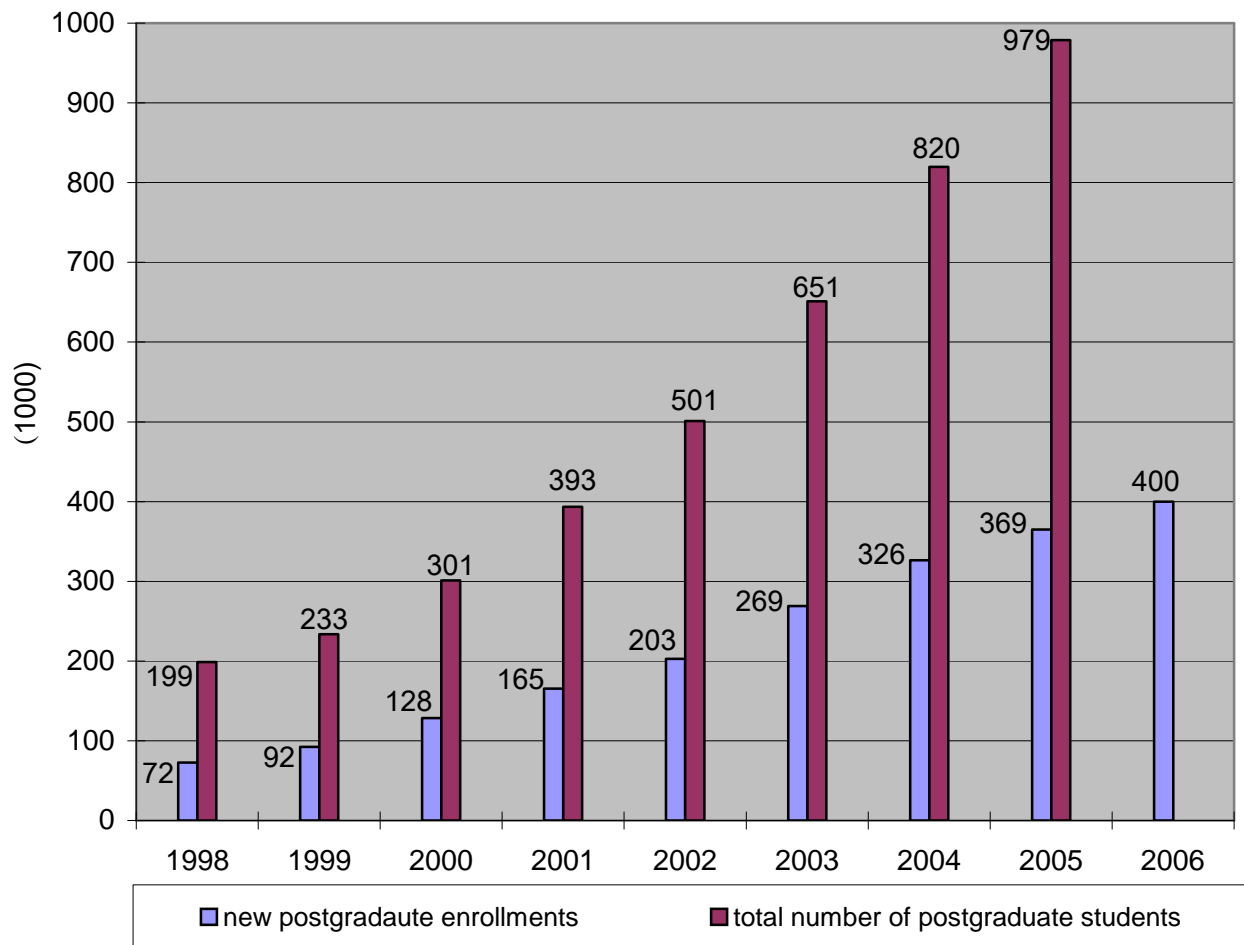
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<sup>4</sup> Ministry of Education of the People's Republic of China. National Statistical Report of Education Development. URL: <http://www.moe.edu.cn/edoas/website18/level2.jsp?tablename=1068>. Last Accessed: 21 February , 2006. The following statistics are from the same source, unless otherwise indicated.

**Graph 1: 'Post-education industrialization-enrolments' and the total number of students in 'traditional' higher education**

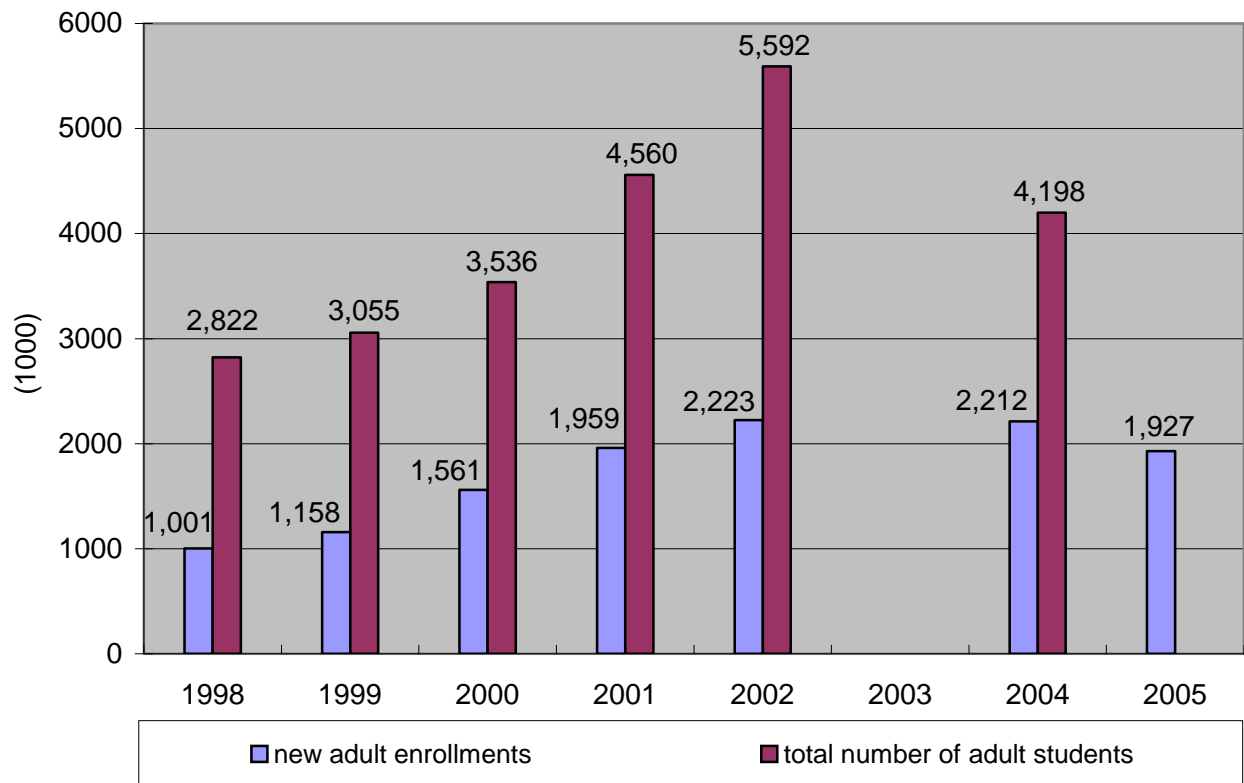


**Graph 2: New enrolments and the total number of students in postgraduate study**



The above numbers refer only to the 'traditional' HE sector. China also has a higher education sector traditionally aimed at adults, which in the past mainly admitted students with work experience. Now, however, they are increasingly recruiting students with secondary education qualifications, and thereby competing (unsuccessfully) with regular HE institutions. The number of new enrolments and the total number of students in the 'adult' education sector is shown in the following graph.

**Graph 3: New enrolments and the total number of students in HE institutions aimed at adults**

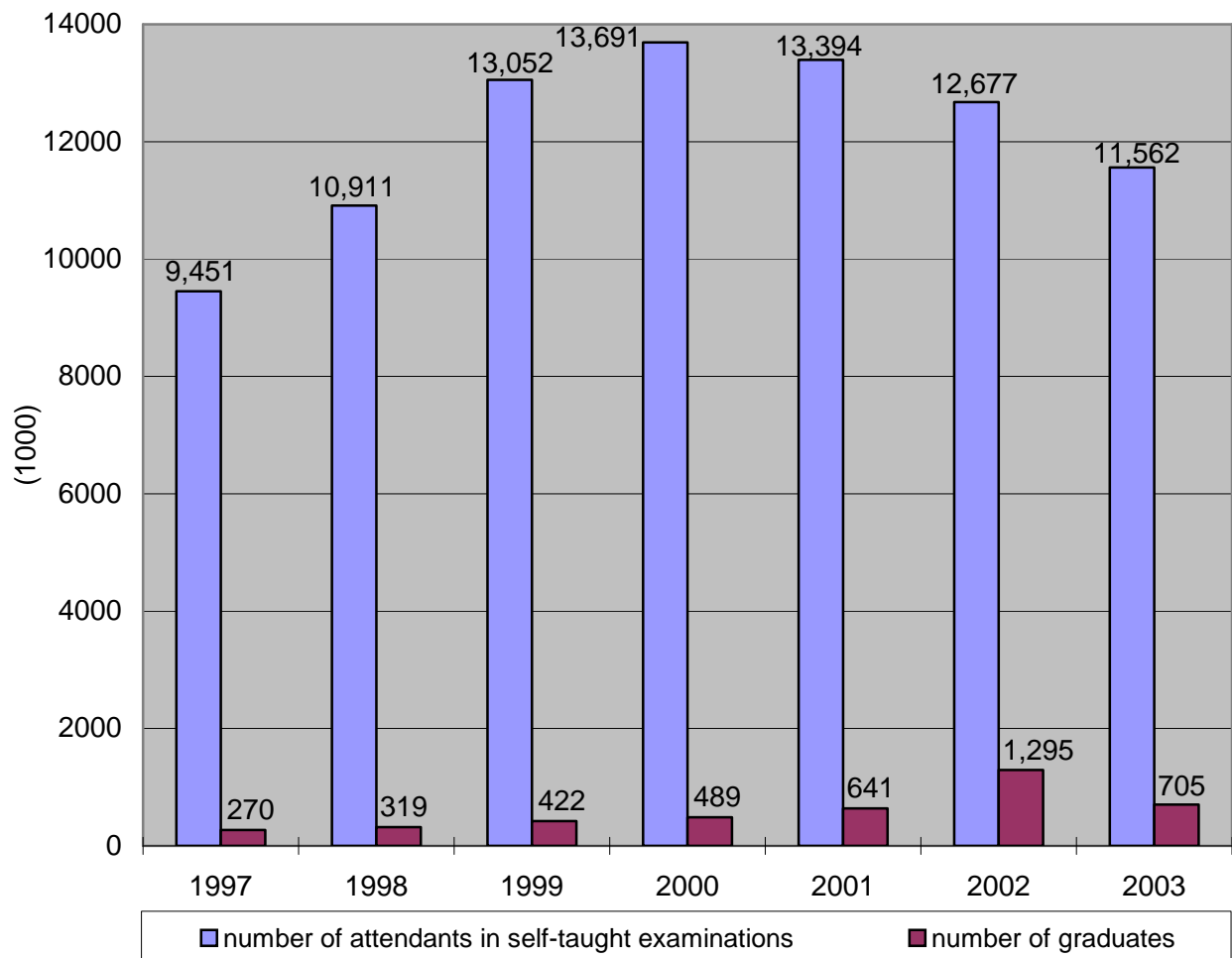


As shown in the above graph, the HE sector aimed at adults experienced steady growth until 2002, although less dramatic than the ‘traditional’ HE sector. Year 2000 provided a turning point (the data for 2003 is not available) and enrolments have been decreasing ever since. In 1998, only slightly fewer new students were admitted for studies in the ‘adult sector’ compared to the ‘traditional’ HE sector: 1,001,400 versus 1,083,600 (refer to Graph 1); but in 2005 the ratio had changed significantly with 1,927,900 in the ‘adult sector’ versus 5,044,600 in the ‘traditional’. The number of HE institutions aimed at adults has decreased from 962 in 1998 to 505 in 2004 (the last year this data is available). Struggling to survive, these institutions are looking to co-operate with foreign institutions, but their perceived inferior status puts them at a disadvantage when it comes to attracting foreign partners.

Besides the ‘traditional’ and ‘adult’ HE sectors, China has a ‘self-study examinations system’. Through this model, attendants sit examinations for all of the courses prescribed by the education authorities for various disciplines, and are awarded a nationally recognised diploma upon completion of these courses. Anyone can take part in these extra-mural or self-study examinations, but it is worth noting that most students in private universities and colleges in China have to pass these tests in order to obtain their diploma or degree, as the majority of private HE institutions do not have the power to award government-recognised qualifications.

Consequently, when it comes to assessing the scale of the Chinese higher education sector, the number of students in the regular HE sector, the 'adult' HE sector, and the private universities and colleges are included, whereas the majority of self-study examinations participants are excluded. The number of attendants at and the number of graduates from self-study examinations in recent years are shown in the following graph.

**Graph 4: Number of attendants in self-study examinations and the number of graduates from this system**



As shown above, the contrast between the number of test-attendants in self-study examinations and the number of graduates is striking. The fact that the annual number of attendants includes anyone who registers for just one single component of a programme has to be taken into account. However, even if the number of attendants is divided by three or four (most college students in 'traditional' HE institutions graduate after three or four years' study) or even ten (most self-study programmes include about a dozen courses), there is still a significant discrepancy between the number of attendants and the number of graduates. There are no entrance requirements for self-study examinations but it is clear that this system is a very demanding route towards obtaining higher education qualifications. This is in great contrast to the historically elitist nature of 'traditional' HE institutions, which had very high admissions requirements but no obstacle towards obtaining a diploma or degree once

students were enrolled – the so-called ‘strict-entry-loose-exist’ model. In the past, the quality of Chinese HE was to a large extent guaranteed by a low participation rate and a high level of student ability. The ‘loose-entry-strict-exit’ model will become the norm with the proliferation of higher education, and as a consequence, the Chinese HE sector and higher learning institutions now face the urgent task of introducing appropriate quality assurance mechanisms.

With the expansion of enrolments in ‘traditional’ HE institutions, however, the ‘self-study examinations system,’ a Chinese innovation, is experiencing falling demand. Since students in the vast majority of private HE institutions are required to take this tough examination, it is not surprising that this sector has been shrinking (this issue will be examined below). Therefore, as far as Sino-foreign co-operation in providing educational programmes is concerned, the self-study examination sector faces considerable challenges in comparison to the ‘adult’ HE sector. However, since 2000, the National Education Examinations Authority (China) and the UK’s University of Cambridge Local Examinations Syndicate have been co-operating by conducting two programmes within the framework of the self-study examinations system: Business Administration and Finance Management<sup>5</sup>.

In 2001, the scale of China’s higher education system reportedly exceeded that of the United States with total enrolments reaching 19 million in 2003, over 20 million in 2004 and 23 million in 2005, respectively representing 17%, 19% and 21% of the traditional age cohort. What are the implications of this development for foreign involvement in China’s HE provision? According to the conceptual model for analysing transnational higher education proposed by Richard Garrett and Line Verbik<sup>6</sup>, two conditions have to be met for the import of education to take place:

- there must be a domestic public HE capacity gap and;
- domestic private HE cannot fill any public sector capacity alone (the private HE in China will be analysed next).

Since the domestic capacity has been significantly improved (as far as the facilities are concerned), students might no longer be interested in enrolling in foreign programmes, although some may be if these courses are believed to offer more value for money.

The central Government recently decided to put a brake on the expansion of the higher education sector. The State Council held two conferences on 10 and 19 May 2006 focusing on higher education development, and in particular on enrolment. It has been indicated that whilst the number of secondary school graduates is higher this year compared to previous years, the enrolment increase is fixed at 5%, the lowest in recent years, and quality is emphasised to be the most important consideration<sup>7</sup>. This attempt to control growth in

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<sup>5</sup> Li, S. (2004) “Characteristics of the Chinese-British Co-operative Model in the Self-taught Examinations System”, *Adult Education*, No. 212, pp43-43.

<sup>6</sup> Garrett, R. & Verbik L. (2004) “Transnational HE: major markets and emerging trends”, *Mapping Borderless HE: Policy, markets and competition*. London: The Observatory on Borderless HE, p358.

<sup>7</sup> Wen Jiabao Presided Over the State Council Conference and Listened to the Report on Higher Education. URL: [http://www.gov.cn/lhdh/2006-05/10/content\\_277511.htm](http://www.gov.cn/lhdh/2006-05/10/content_277511.htm) Last accessed: 19 June, 2006  
The State Council held Working Conference on Improving and Enhancing Enrollment Work in Higher Learning

enrolments can be seen as a response to the lack of qualified teachers, inadequate teaching facilities and resources, and most significantly, the pressure that increasing numbers of college graduates are placing on the job market. In the past 2 years, nearly 30% of college graduates have been unable to find a job<sup>8</sup> (some unofficial estimations are even more pessimistic).

Another condition for the import of foreign HE provision in Garrett and Verbik's model concerns fees: "domestic tuition fees (if any) [is] perceived as high/poor value for money". In recent years, the expansion of enrolments has been accompanied by a rapid rise in tuition fees. From 1949 to 1988, tertiary students not only did not pay any tuition or accommodation fees, but received support from the Government to cover living expenses. From 1989, HE institutions began to charge tuition fees, but the amount was nominal at 200 yuan (US\$25) a year. This figure gradually rose to reach 800 yuan (US\$100) in 1995. In 1996, the last year the dual admission system (government-supported and self-financed students) existed, the new students who enrolled through the unified admission system had to pay a stunning 2,000 yuan (US\$250) in fees. This figure climbed to 3,000 (US\$375) in 1997, 4,000 yuan (US\$500) in 2000, and 5,000 yuan (US\$625) in 2004. With accommodation fees between 1,000-1,200 yuan (US\$100-200) and living expenses, a tertiary student now needs over 10,000 yuan (US\$1,250) a year to stay on campus. Some students entering new campuses or studying art-related subjects even pay annual tuition fees of 10,000 yuan (US\$1,250).

The above tuition fees apply to public universities. Generally speaking, private HE institutions charge fees 1.5-2 times higher than public universities and colleges. However, with the steady increase of fees in the public sector, the gap between fees in public and private institutions has been decreasing (fees in the new type of private HE institutions, the state-owned privately-run colleges are outlined below). Fees for students enrolled in Sino-foreign joint programmes are even higher: 3-6 times more than the fees charged in public universities (for the period during which students are based in China). Tuition fees for all types of education institutions have to be approved by the education and price-management authorities and published in the media, but there is no transparent procedure for determining the level of tuition fees. For example, while average annual tuition fees are approximately 5,000 yuan (US\$625), Shanghai International Studies University has been charging 10,000 yuan (US\$1,250) for the past few years. At the University of Nottingham's campus in Ningbo, China (UNNC, mentioned below) tuition fees are 50,000 yuan (US\$6,250) a year, yet the Chair of the Operations Board says that this amount only covers one tenth of the costs. Education authorities claims that income from tuition fees currently covers about 25% of the cost in public universities, but there does not seem to be any reliable or generally agreed statistics on education costs. The following graph shows the average tuition fees and annual income for an urban citizen and rural dweller (statistics on average incomes are from the website of National Bureau of Statistics of China<sup>9</sup>; the following statistics are from the same source unless otherwise indicated).

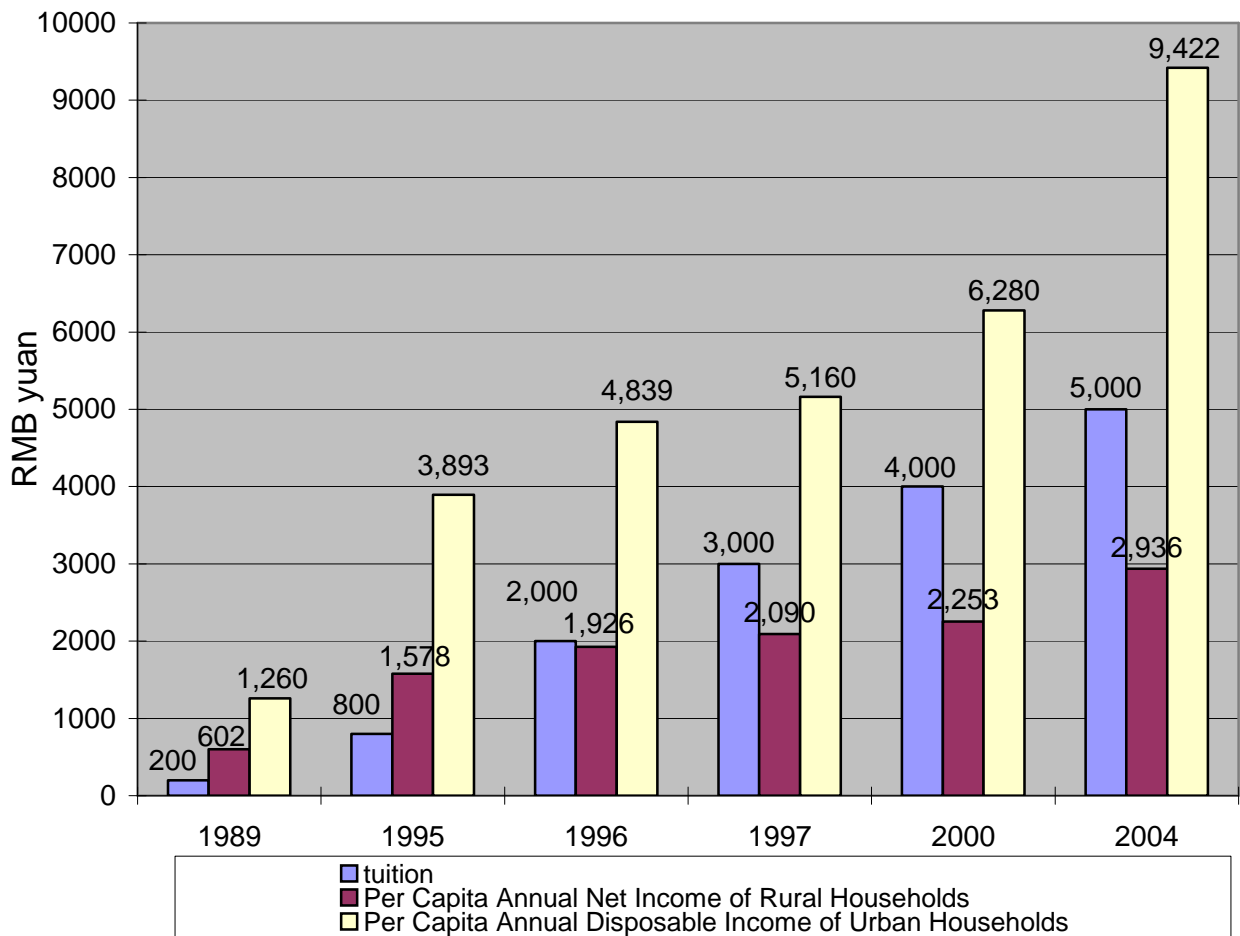
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Institutions. URL: [http://news.xinhuanet.com/newscenter/2006-05/19/content\\_4574199.htm](http://news.xinhuanet.com/newscenter/2006-05/19/content_4574199.htm). Last accessed: 19 June, 2006.

<sup>8</sup> Put Brakes on Enrollment. China Daily Page4, 12, May 2006

<sup>9</sup> National Bureau of Statistics of China. Statistical Data. URL: <http://www.stats.gov.cn/english/statisticaldata/yearlydata/>. Last accessed: 29 June, 2006

**Graph 5: Average tuition fees and average annual per capita incomes of urban citizens and rural dwellers**



Public complaint over high tuition fees has been strong and widespread. However, with the central Government's decision to impose nine years of compulsory education, it seems unlikely that higher education fees will decrease in the near future. It was recently announced, moreover, that all children in rural areas will enjoy free compulsory education by 2007, and the central Government has allocated an extra 218.2 billion yuan (US\$27.2 billion) for education at this level. A spokesman from the MOE illustrated the absence of plans to reduce tuition when he responded to complaints over high costs: "In this market-economy era, non-compulsory education has become a private consumption, and the individual should therefore make his/her choice based on personal economic and intellectual resources. Just as wealthy people can spend 10,000 yuan buying a suit while those who are less well off can go to a small shop and buy a suit with 100 yuan".<sup>10</sup>

<sup>10</sup> The MOE responding to education over-charges: URL: <http://xintv.xinhuanet.com/html/NEWS/JIUZHOUQUANLIAOWANG/2006/03/06/337634.html>. Last accessed: 12 March 2006.

## 2.2 The current crisis facing bona-fide private HE institutions in China

In the early 1980s, shortly after the reform and “opening-up policy” (also referred to as the “open-door policy” or “opening” policy) was promulgated, non-government HE institutions emerged as a response to increased demand. Between 1992 and 1999 this type of HE witnessed significant growth. Ironically, however, the private HE sector has faced great difficulties in recruiting students despite the expansion of colleges, partly because of the expansion of public universities and colleges, and especially because of the emergence of the so-called ‘state-owned privately-run’ colleges (now renamed ‘independent colleges’) which are affiliated to state-owned universities. In fact, enrolment in non-public institutions has been steadily decreasing in recent years.

In 1999, the same year the college expansion policy was initiated, ‘state-owned privately-run’ colleges emerged. These colleges are mainly collaborations between public universities and private investors. They utilise various resources of the universities to which they are attached, and have had the advantage of being allowed to award the universities’ diplomas and degrees and to recruit secondary school graduates who have achieved a minimum grade set by the Government in the annual national college entrance examinations. The privileges of these colleges give them a sense of considerable superiority over private HE institutions, some of which lost the entitlement to award nationally recognised diplomas (but usually not degrees) in 2004. Because of these advantages, the ‘state-owned privately-run’ colleges are in a position to charge tuition fees twice or even three times higher than those in regular universities. For example, the first ‘state-owned privately-run’ institution, Zhejiang University City College, charged fees between 16,000 yuan (US\$2,000) and 20,000 (US\$2,500) in 2005<sup>11</sup>.

Complaints have been made over the ‘state-owned privately-run’ colleges, not only by the private HE sector, but also by students in traditional public universities and colleges. The latter complain that it is unfair to award ‘state-owned privately-run’ college students diplomas and degrees from regular public institutions because these have higher entrance requirements. In response, the MOE issued “Some Opinions on Regulating and Strengthening the Administration of Trial Running of Independent Schools through New Mechanisms and Modes in Regular Institutions of Higher Learning” in April, 2003<sup>12</sup>. This notice prescribed that from 2003, all ‘state-owned privately-run’ colleges would become independent and award their own qualifications, thus separating themselves from the universities both managerially and financially. Above all, they should be independent legal identities and become self-financed institutions. However, independent colleges still retain public universities’ names in their titles, award degrees and benefit from state-allocated enrolment quota (although enrolment numbers are set by the central Government, each province/municipality establishes the minimum score for national college entrance examinations). Whilst now formally belonging to the private sector, the independent colleges are still able to undertake successful operations

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<sup>11</sup> Zhejiang University City College website. URL: <http://zs.zucc.edu.cn/read.php?recid=272>. Last accessed: 1 March, 2006

<sup>12</sup> Ministry of Education of the People’s Republic of China. Notice of the Ministry of Education on Printing and Distributing “Some Opinions on Regulating and Strengthening the Administration of Trial Running of Independent Schools Through New Mechanisms and Modes in Regular Institutions of Higher Learning”. URL: <http://www.moe.edu.cn/edoas/website18/info5031.htm>. Last accessed: 29 June, 2006

due to the outlined advantages, while many of the 'traditional' private institutions have gone bankrupt.

The transformation of the independent colleges, however, has not been entirely straight-forward. Recent student unrest in an independent college affiliated with a public university in Zhengzhou, the capital of the Henan province (which will also be mentioned below) is a case in point<sup>13</sup>. Despite the MOE's announcement that from 2003 independent colleges should issue their own graduation certificates, students enrolled in the Zhengzhou University-affiliated Shengda Economics, Trade and Management College during the 2003-04 academic year were not told that they would not be receiving certificates from the University before June of this year. These students have been paying higher tuition fees than students in public universities, and given the present tough job market, it is not surprising that they were frustrated and angered when informed they would not be awarded the more prestigious public university's certificate as promised when they were recruited. Similar protests have occurred in the past, but none of them as dramatic, most likely because the competition in the job market was not as fierce as it is today.

What impact is the rise of independent colleges and the decline of 'traditional' private HE institutions likely to have on foreign provision? It seems reasonable to predict that foreign institutions will increasingly choose to partner with independent colleges, thus ignoring private institutions, a situation similar to that which took place in previous years. Independent colleges have two advantages when it comes to foreign co-operation: degree awarding powers for first degrees and the ability to charge high tuition fees (their operations rely almost exclusively on the income from fees). Zhejiang University City College, for example, charges students on its Chinese-Australian programme 25,000 yuan (US\$3,125) and those enrolled on the Chinese-New Zealand programme 26,000 yuan (US\$3,250)<sup>14</sup>.

### **2.3 The development of Sino-foreign joint education ventures and current statistics**

The first Sino-foreign joint programme to be established was reportedly an MBA initiated by Tianjin University of Finance and Economics and US Oklahoma City University in 1987. In the early 1990s, more and more joint programmes came into existence, and in June 1993, the State Education Commission (SEC, now MOE) issued the "Notice Concerning Overseas Institutions and Individuals coming to China to Co-operate in Running Schools". With steady development in this field, the SEC issued "Interim Provisions for Chinese-foreign Co-operation in Running Schools" on 26 January 1995, indicating that this was a preliminary legal framework for conducting joint educational ventures. Much like the situation in other countries, incomplete and inaccurate statistics on transnational provision and collaborative programmes have become the norm. Until the end of 1999, 712 institutions and programmes were in place across 28 provinces, municipalities and autonomous regions (China has 30 such administrative regions), a nine-fold increase over the number at the beginning of 1995. Prompted by China's entry into the World Trade Organisation, and the necessity of dealing

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<sup>13</sup> Telegraph. *Up to 10,000 students riot in China*. URL: <http://www.telegraph.co.uk/core/Content/displayPrintable.jhtml?xml=/news/2006/06/20/ustudents20.xml&site=5&page=0>. Last accessed: 9 August, 2006

<sup>14</sup> Ibid.

with the various problems arising out of Sino-foreign joint programmes, China enacted the “Regulations of the People’s Republic of China on Chinese-foreign Co-operation in Running Schools”, which came into effect on 1 September 2003. In March 2004, the MOE promulgated “Implementing Measures of Regulations of the People’s Republic of China on Chinese-foreign Co-operation in Running Schools” with effect from July 2004. Shortly after, China conducted a national re-examination of present joint programmes. In a recent symposium held at East China Normal University, an official in charge of international exchanges from Shanghai Education Commission estimated that there are now over 1,300 Sino-foreign joint institutions and programmes in operation in China.

It is impossible to obtain a comprehensive list of all these joint programmes as each province, municipality and autonomous region has the authority to approve qualifications at sub-first degree level (including associate-degree programmes) within its own jurisdiction. Many such programmes actually lead to the award of a foreign degree. Australia’s James Cook University provides information on the number of foreign recognised (i.e. registered with the MOE) degrees awarded in China until June 2004.<sup>15</sup> The following two tables provide information on joint Sino-Foreign programmes by foreign source country and Chinese region.

**Table 1: Sino-foreign joint education programmes leading to the award of foreign and Hong Kong SAR degrees by foreign source country/region**

Source country	Number of programmes	% of total number of programmes	Number of institutions	% of total number of institutions	Programmes/Institution
<b>Australia</b>	48	29%	23	23%	2.1
<b>US</b>	44	27%	34	34%	1.3
<b>Hong Kong</b>	22	13%	4	4%	5.5
<b>Canada</b>	14	9%	12	12%	1.2
<b>France</b>	11	7%	8	8%	1.4
<b>UK</b>	9	5%	8	8%	1.1
<b>Ireland</b>	3	2%	2	2%	1.5
<b>Others</b>	13	8%	10	10%	1.3
<b>Total</b>	164	100%	101	100%	1.6

Similar to most other markets for transnational education, English-speaking countries dominate foreign HE activities in China. Australia, the US, Canada and the UK together account for 70% of the programmes with Australia being by far the most active player. The country not only provides the highest number of programmes, but also occupies second place in terms of intensity: each institution has on average more than two programmes. For this indicator, Hong Kong is in first place with four institutions offering 22 programmes.

<sup>15</sup> List of In-operation Chinese-foreign Joint Education Programs Conferring Foreign and Hong Kong SAR Degrees. URL: <http://www.jcu.edu.au/asd/quality/tnedocs.html>. Last accessed: 06 March 6, 2006

**Table 2: Sino-foreign joint education programmes leading to foreign and Hong Kong SAR degrees by Chinese region**

Province/municipality/autonomous region	Number of programmes	% of total number of programmes	Number of institutions	% of total number of institutions	Programmes per institution
Beijing	47	29%	19	20%	2.5
Shanghai	31	19%	10	11%	3.1
Tianjin	12	7%	8	9%	1.5
Zhejiang	12	7%	7	7%	1.7
Jiangsu	10	6%	9	10%	1.1
Guangdong	8	5%	6	6%	1.3
Jiangxi	8	5%	5	5%	1.6
Liaoning	7	4%	5	5%	1.4
Heilongjiang	5	3%	5	5%	1
Others	24	15%	20	21%	1.2
<b>Total</b>	<b>164</b>	<b>100%</b>	<b>94</b>	<b>100%</b>	<b>1.7</b>

The two biggest cities, Beijing and Shanghai, have many more foreign degree programmes on offer compared to the other regions. Tianjin, Zhejiang, Jiangsu and Guangdong are all developed and prosperous areas. The only exception in the above table is Jiangxi, an inland province (Heilongjiang shares a long borderline with Russia). This brief geographical examination seems to indicate that the first joint programmes were established in the eastern and economically developed regions.

**Table 3: Sino-foreign joint education programs conferring foreign and Hong Kong SAR degrees by level**

Levels	Number of programmes	% of total number of programmes
Bachelor's degree	48	28.9%
Master's degree	115	69.3%
Doctorate	3	1.8%
<b>Total</b>	<b>164</b>	<b>100%</b>

One programme has 3 levels: PhD, Master's and Bachelor's.

**Table 4: Sino-foreign joint education programmes leading to the award of foreign and Hong Kong SAR degrees by subject area**

<b>Subjects</b>	<b>Numbers</b>	<b>% of total number of programmes</b>
<b>Business (including Economics, Trade, Management, Accounting, Finance)</b>	104	63.4%
<b>IT (including Computer, Electronics, Software, Telecommunications)</b>	23	14%
<b>Business and IT (and combinations of Business or IT with other subjects)</b>	7	4.3%
<b>English (including TESOL)</b>	7	4.3%
<b>Education</b>	6	3.7%
<b>Engineering (including architecture)</b>	6	3.7%
<b>Medicine (including Nursing, Clinics)</b>	5	3%
<b>Law</b>	4	2.4%
<b>Social Sciences</b>	2	1.2%
<b>Total</b>	164	100%

From Table 3 and 4, it can be concluded that Master's degree provisions in business and IT related subjects dominate. Master's programmes within the area of business and management alone account for more than half of the programmes offered, a clear indication of the popularity of MBA programmes in China.

In addition, as mentioned in the introduction, the number of candidate programmes at Bachelor's level or above awaiting approval reached 378 for 2005 alone. The authors will argue that this shows that with a legal framework in place, more joint programmes can be expected to appear in the future. All the programmes awaiting approval in 2005 are now listed on the MOE website (in two entries, one for March 2005 and one for September). These programmes are classified by foreign source country, domestic province/municipality/autonomous region, level, and subject in Tables 5 to 8.

**Table 5: Programmes to be approved by foreign source country**

<b>Source country</b>	<b>Number of programmes</b>	<b>% of total number of programmes</b>	<b>Number of institutions</b>	<b>% of total number of institutions</b>	<b>Programmes/Institutions</b>
<b>UK</b>	115	30.4%	43	23.8%	2.7
<b>US</b>	56	14.8%	33	18.2%	1.7
<b>Australia</b>	48	12.7%	27	14.9%	1.8
<b>South Korea</b>	26	6.9%	7	3.9%	3.7
<b>Germany</b>	25	6.6%	10	5.5%	2.5
<b>Canada</b>	16	4.2%	11	6.1%	1.5
<b>France</b>	12	3.2%	9	5%	1.3
<b>Hong Kong</b>	8	2.1%	5	2.8%	1.6
<b>India</b>	7	1.9%	3	1.7%	2.3
<b>Ireland</b>	7	1.9%	3	1.7%	2.3
<b>Singapore</b>	5	1.3%	2	1.1%	2.5
<b>Thailand</b>	5	1.3%	2	1.1%	2.5
<b>Netherlands</b>	5	1.3%	3	1.7%	1.7
<b>Russia</b>	5	1.3%	1	0.6%	5
<b>Others</b>	38	10%	22	12.2%	1.7
<b>Total</b>	<b>378</b>	<b>100%</b>	<b>181</b>	<b>100%</b>	<b>2.1</b>

Three English-speaking countries, the UK, the US and Australia, occupy the top places in the above table and account for 57.9% of all programmes. The UK is particularly noticeable: it accounts for over 30% of all programmes, and the number of programmes awaiting approval is twice that of the US, which occupies second place in the table. In terms of intensity, the UK is second only to South Korea, with each institution being registered for an average of 2.7 joint degree programmes. Although a comprehensive list of existing programmes is not available, based on the above, it seems reasonable to predict that the UK will become the most important player in this field.

**Table 6: Programmes to be approved in China by administrative region**

Province/municipality/ autonomous region	Number of programmes	% of total number of programmes	Number of institutions	% of total number of institutions	Programmes/ Institution
Beijing	49	13%	25	15.2%	2
Henan	38	10.1%	10	6.1%	3.8
Shanghai	35	9.3%	17	10.3%	2.1
Shandong	35	9.3%	16	9.7%	2.2
Guangdong	28	7.4%	9	5.5%	3.1
Fujian	19	5%	3	1.8%	6.3
Jiangsu	19	5%	10	6.1%	1.9
Guangxi	18	4.8%	5	3%	3.6
Hunan	18	4.8%	8	4.8%	2.3
Tianjin	16	4.2%	8	4.8%	2
Hubei	13	3.4%	6	3.6%	2.2
Zhejiang	10	2.6%	6	3.6%	1.7
Jilin	9	2.4%	4	2.4%	2.3
Liaoning	9	2.4%	4	2.4%	2.3
Inner Mongoli	9	2.4%	3	1.8%	3
Sichuan	9	2.4%	4	2.4%	2.3
Yunnan	9	2.4%	2	1.2%	4.5
Shaanxi	7	1.9%	6	3.6%	1.2
Heilongjiang	6	1.6%	5	3%	1.2
Jiangxi	6	1.6%	4	2.4%	1.5
Shanxi	5	1.3%	2	1.2%	2.5
Others	11	2.9%	8	4.8%	1.4
<b>Total</b>	<b>378</b>	<b>100%</b>	<b>165</b>	<b>100%</b>	<b>2.3</b>

Beijing still occupies the top position in terms of the number of foreign programmes awaiting approval. This may be related to the fact that Beijing has the largest HE sector in China. Henan, a central province with the biggest population in China (97.68 million<sup>16</sup>) but with an underdeveloped HE sector, occupies second place with ten institutions looking to participate in collaborative provision at a tertiary level. Shanghai ranks third. Shandong, an eastern province with the second biggest population in China (92.48 million<sup>17</sup>), has always been an active player in offering joint higher education programmes. Guangdong, Fujian and Jiangsu are all economically developed coastal regions and have been at the forefront of “opening-up” activities. Guangxi borders with Vietnam and is now at the centre of the on-going China-ASEAN (Association of Southeast Asian Nations) free trade region. It is therefore not surprising that this area has quite a few Vietnamese and Thai partners. All in all, excepting

<sup>16</sup> Henan Province National Economy and Social Development Statistical Report 2005. URL: <http://www.ha.stats.gov.cn/Info/Publish/Publish001/ShowInfo.asp?nInfolD=45350&cTableName=G001&nHomeSc hemelD=13>. Last accessed: 12 March, 2006

<sup>17</sup> Shandong Province National Economy and Social Development Statistical Report 2005. URL: <http://www.stats-sd.gov.cn/disp/tjgb.asp?aa=1100200500>. Last accessed: 12 March, 2006

two autonomous regions, Tibet and Xinjiang, all other provinces, municipalities and autonomous regions in China have one or more institutions applying for the approval of joint degree programmes.

**Table 7: Programmes to be approved by degree level**

Level	Number	% of total number of programmes
<b>Bachelor's</b>	230	60.8%
<b>Master's</b>	108	28.6%
<b>Bachelor's-Master's</b>	1	0.3%
<b>Doctorate</b>	2	0.5%
<b>Unspecified</b>	37	9.8%
<b>Total</b>	378	100%

Bachelor's-degree programmes dominate and account for more than 60% of the total number of programmes. The 37 unspecified programmes (accounting for nearly 10%), can reasonably be assumed to belong to the 'two-campus' approach, e.g. there are several '3+1' programmes where students spend three years in China and one year abroad.

**Table 8: Programmes to be approved by subject area**

Subject	Number	% of total number of programmes
<b>Business (including Economics, Trade, Management, Accounting, Finance)</b>	192	50.8%
<b>IT (including Computer, Electronics, Software, Telecommunications)</b>	71	18.8%
<b>Engineering</b>	32	8.5%
<b>Art / Design / Media</b>	26	6.9%
<b>Foreign Languages</b>	13	3.4%
<b>Science</b>	11	2.9%
<b>Education</b>	9	2.4%
<b>Law</b>	8	2.1%
<b>Medicine (including Nursing, Clinics)</b>	6	1.6%
<b>Social Sciences</b>	2	0.5%
<b>Unclear</b>	8	2.1%
<b>Total</b>	378	100%

Business-related subjects still constitute the largest category with IT in second place. In fourth place with 26 programmes, Art/Design/Media appears to be an increasingly common subject category and more prominently ranked in Table 8 compared to Table 4.

It is worth noting that the data included in Tables 1 to 4 are derived from the list of “in-operation Sino-foreign joint education programs conferring foreign and Hong Kong SAR degrees”. The programmes on this list are allowed by the MOE to recruit a certain number of students (73 on average in the starting year) for a certain number of years (four years on average). The list does not include joint programmes awarding Chinese degrees and diplomas, nor does it include programmes which award foreign degrees and diplomas not recognised by the Chinese authorities. However, it is suggested that it is exactly these unrecognised foreign programmes that account for the bulk of joint ventures. Tables 5 to 8 are derived from two lists, including degree-level joint programmes to be approved for the year 2005. It is a good indicator of emerging trends. From the sheer number of programmes, we can assume that the majority of joint offerings will be at Bachelor’s level or above. However, neither of the two lists are a good indicator of the current programmes in place. A comprehensive list covering all joint programmes at all levels in China would be most welcome. To obtain a general picture of joint education ventures, however, this report has chosen to use data from Shanghai as a sample for analysis.

### **3 Sino-foreign joint institutions and programmes in Shanghai**

#### **3.1 Statistics in Shanghai**

With a stated aim of becoming an international metropolis, Shanghai, China’s financial, industrial and trade centre, has been at the forefront of the opening up process. It is therefore not surprising that Shanghai has more Sino-foreign joint institutions and programmes in place than any other region in China. According to a news report, 232 Sino-foreign joint institutions and programmes have been approved in the region since 1991, accounting for between 20-25% of all such programmes in China.

What is most useful to this report is the fact that all Sino-foreign joint programmes are listed on the Shanghai Education Commission website<sup>18</sup>. As shown in Table 9, of the 189 institutions and programmes currently listed (excluding those terminated in the recent examination process), 93 are “non-degree education” (that is, no recognised Chinese certificates are awarded, but many award foreign degrees which are not recognised by Chinese authorities), including five kindergartens, 16 secondary vocational and specialised programmes, 33 diploma programmes, 35 bachelor-degree programmes and 13 postgraduate programmes.

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<sup>18</sup> List of Chinese-foreign joint programmes. URL: [http://www.shmec.gov.cn/web/news/show\\_article.php?area\\_id=17&article\\_id=17584](http://www.shmec.gov.cn/web/news/show_article.php?area_id=17&article_id=17584). Last accessed: 7 March, 2006

**Table 9: Joint programmes in Shanghai by level**

Level	Number	Percentage
Pre-school	5	2.6%
Secondary Vocational & specialised	16	8.2%
Non-degree	93	47.7%
Diploma	33	17%
Bachelor's	35	18%
Postgraduate	13	6.7%
<b>Total</b>	<b>195</b>	<b>100%</b>

Note: 6 programmes included 2 levels each

Non-degree programmes form the largest category, and account for 47.7 % of all offerings. Most of these lead to the award of a foreign qualification.

In terms of the countries of foreign collaborators, as is found in most other Asian-Pacific regions, English-speaking countries dominate, with Australia, the US, Canada, and the UK occupying the top four positions, offering 49, 24, 15 and 14 programmes respectively. Table 10 shows the distribution of the programmes by source country.

**Table 10: Joint programmes in Shanghai by foreign source country/region**

Source country	Number	% of total number of programmes
Australia	49	25.9%
US	24	12.7%
Canada	15	7.9%
France	14	7.4%
Japan	14	7.4%
UK	14	7.4%
Hong Kong	13	6.9%
Germany	11	5.8%
Singapore	8	4.2%
Korea	3	1.6%
Netherlands	4	2.1%
Taiwan	3	1.6%
Ireland	3	1.6%
New Zealand	2	1.1%
Switzerland	2	1.1%
Others	10	5.3%
<b>Total</b>	<b>189</b>	<b>100%</b>

On the Shanghai Education Commission website, not all subject areas are specified, but from the titles of the programmes it can be concluded that provision in business is far more common (more than 60 programmes), followed by (a huge gap) language programmes (approximately ten), and then IT, engineering, and art and design subjects (about five each). In general, this division corresponds to the national pattern.

### **3.2 Macro-management of joint programmes in Shanghai**

Ever since the first joint programme, the Shanghai French Training Centre (Alliance française de Shanghai) appeared in 1991, such ventures have been developing steadily - and rapidly after 2000. At the end of 2004, enrolments in joint programmes reached 100,000. The local authorities in Shanghai have always recognised and supported educational co-operation as this brings new capacities, capital and disciplines to Shanghai and diversifies higher education provision. A number of successful institutions and programmes have emerged. The China-Europe International Business School, for example, has become the highest ranked business school in China and perhaps even Asia. Shanghai Jiaotong University (SJTU) co-operates with US University of Michigan in operating the School of Mechanical Engineering, and all the courses from undergraduate to doctorate levels have been updated. Through co-operation with foreign partners, the University of Shanghai for Science and Technology (USST) has developed a new model of training undergraduates with an international perspective. The University now has five co-operative colleges and ten programmes. Moreover, 10% of the students in the University engage directly in such programmes and two thirds benefit from the better conditions brought about by the collaboration.

Shanghai is arguably the national leader when it comes to instituting regulations to deal with the various issues arising from joint education ventures. According to the authorities in Shanghai, these include<sup>19</sup>:

- A serious concentration of low-level programmes with little capital input but aiming at quick returns;
- Business, language, IT and administration constitute the majority of subjects, while there are few programmes in high-tech, science and engineering;
- Very few high-level and prestigious foreign institutions are active in this field;
- Some unqualified institutions operate illegal programmes, or approved institutions go beyond their remit and award foreign degrees;
- False advertising;
- Low quality, poor management, and loss of money in some institutions.

Faced with a range of problems, the Shanghai Education Commission adopted a series of measures to lead and manage the development of joint programmes. As early as 1993, Shanghai issued "Procedures of Shanghai Municipality on the Administration of Joint Operation of Schooling in Shanghai by Institutions and Individuals from outside Mainland China", "Interim Provisions of Shanghai Municipality on Personnel Management in

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<sup>19</sup> Office for International Exchanges, Shanghai Municipal Education Commission (2004). "Regulate and Develop Chinese-foreign Cooperation in Running Schools, Increase Shanghai Education's International Competitiveness", China Higher Education, 2004/20, pp 27-28

International Co-operation in Running Schools”, and “Interim Provisions of Shanghai Municipality on Tuition Charging in International Co-operation in Running Schools”. Entrusted by the MOE, the SEC undertook the investigation into, and research and draft of, “Implementing Measures of Regulations of the People’s Republic of China on Chinese-foreign Co-operation in Running Schools”. At a local level, the SEC has established the following systems to macro-manage the joint programmes in Shanghai<sup>20</sup>:

- A programme approving mechanism. The approving process is now concentrated in a certain period of the year, which enables direct comparisons of the applications and makes the whole approving process more transparent. The applications are examined by both education and law experts, and the examination is separate from the approval. Education experts focus on the introduced courses, teachers, and textbooks and deliver their opinion based on the following considerations: whether the programme meets the local need, whether is it indispensable, whether it can compete with similar programmes already in place, etc. However, education authorities make the final decision. The approval process also goes hand in hand with assurances from applicants that their submissions can be verified.
- A licensing mechanism. The SEC issues licenses to approved programmes and publishes the results through the media. The licensing mechanism requires that those involved in joint ventures show their licenses in various activities such as counselling and marketing in order to inform the prospective student about the nature and level of the joint programme.
- An advertisement approving mechanism. The SEC communicates and co-operates with the media in Shanghai on regulating advertising. The SEC is responsible for examining advertisements concerning joint programmes.
- An annual examination mechanism. Since 2002, the SEC has conducted annual audits of joint programmes. These checks examine whether the scope and level have gone beyond what was initially approved, the quality of education, the flow of funds, etc. Institutions involved in education co-operation are required to conduct self-examination and deliver an examination report. The examination expert group then conducts an on-site check, makes its conclusions and finally enters the result into the public domain.
- An accreditation mechanism. The SEC has been researching quality evaluation indicators for ‘imported’ majors and courses. An accreditation body has now been established, and all joint programmes can apply to go through this evaluation process. The Sydney Institute of Language and Commerce was the first institution to undergo this accreditation process. The outcome of the process will also get published through the media.
- The formation of a unified group for the management of joint education ventures and the establishment of an association of joint institutions. The management of joint education ventures involves several government departments, such as education, labour, tax, foreign exchange, business administration and civil society. The SEC has

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<sup>20</sup> Wang Qi (2002) “Enhance Management, Regulate in Accordance with Law, Promote the Healthy Development in Shanghai of Chinese-foreign Cooperation in Running Schools”, *Research on Education Development*, 2002/9, pp 45-46

joint meetings with other departments and deals with various issues, such as foreign exchange and advertising in co-operation with these sections. Within the SEC, seven offices concerned with higher education, basic education, vocational and adult education, development planning, policy and regulation, finance and international exchanges, jointly handle the daily affairs.

Even though a series of measures have been taken to manage joint education ventures, it should be acknowledged that the rapid development of joint programmes complicates the situation and that new challenges regarding the management of such offerings will continue to arise.

#### **4 Case study: Sydney Institute of Language & Commerce (SILC), Shanghai University: a successful joint educational venture**

The Sydney Institute of Language & Commerce (SILC) is a co-operative educational venture established in 1994 by Chinese Shanghai University in China and Australia's Sydney University of Technology (UTS). As mentioned above, SILC is the first institution to undergo the accreditation process under the newly introduced quality assurance scheme. This is arguably indicative of its maturity as an institution.

##### **4.1 History of development**

In 1992, Shanghai entered a new phase of development and opening-up. Overseas investment poured in, many foreign enterprises established a presence, and Shanghai had an urgent need for skilled labour with good English language skills and an understanding of both China and the West in economics, trade and management. Whilst the public appreciated the importance of HE, entry to the sector was highly selective and in short supply. Having recognised the potential in the education industry, UTS contacted the education department of the Chinese Consulate in Sydney and expressed its desire to have a joint venture in China. From the several HE institutions recommended by the Counsellor for Education, UTS chose the former Shanghai University of Technology (integrated into Shanghai University in May, 1995). The two parties signed a co-operative agreement in March 1994, and their efforts won the support of education authorities in Shanghai. On 20 July, 1994, SILC was formally established as an institute under Shanghai University, and in August of the same year, the first students were recruited.

In a decade, SILC has steadily made progress as an institution: from offering non-degree programmes to degree programme provision and from awarding associate-degrees to Bachelor's degree programmes. At present total enrolments have reached 2,700, and 6,000 students have graduated. The success of the joint venture appears to lie in SILC having developed a unique model combining the Western and Chinese characteristics.

## **4.2 The SILC model for operating co-operative programmes**

### **4.2.1 An internationalised educational philosophy**

By combining traditional Chinese thinking on education and Western educational ideas, SILC has been exploring innovative ways of training new and internationalised graduates. Through Chinese-foreign co-operation, the institution has worked to strengthen the international education exchange, attract foreign intellect, study and borrow mature teaching and management experiences and methods, create an international environment for students and nurture an open, adaptable and active approach in them, provide them with high English language skills and up-to-date knowledge in their specific fields and finally serve Chinese economic development.

### **4.2.2 Organisational structure and teaching and management team**

The Board of Directors of SILC consists of five Chinese and five Australian members. The Australian members are representatives from UTS and Insearch UTS (a controlled entity of UTS, offering courses that articulate with UTS awarded courses). The Chinese members include representatives from Shanghai University and SILC. The Board of Directors is responsible for overall decision-making, including modifying SILC's constitution, making SILC's development plan, approving budgets and purchasing important equipment and capital construction. The position of Chairman of the Board of Directors is alternately held by the Chinese and Australian members.

Under the Board of Directors, the Dean is responsible for the overall management of the school, and four Associate Deans are responsible for day-to-day operations. Two of the Associate Deans are from the Australian side, in charge of the English Language and Business Programmes. There are also five departments and five teaching and research groups within SILC.

At the start of the venture, SILC only had a few management members from Shanghai University, and did not have its own teaching faculty. There are now 40 full-time Chinese teachers, 40 foreign teachers and a management group of more than 30 members, as well as a stable group of part-time teachers. About half of the Chinese teachers hold a doctorate, this rate has been rising year by year, and can conduct bilingual teaching using English textbooks. SILC sends teachers overseas to get a better understanding of Western culture and education systems and to learn more about the courses and models for conducting classes in the partner organisation.

### **4.2.3 Comprehensive introduction of up-to-date courses from abroad**

The Australian partner's courses, in particular core specialised courses, have been systematically introduced over several years. At present the curriculum innovation has gone from the pure import of Western courses to the adaptation and modification of courses to suit the local context, and to the co-development of courses.

#### **4.2.4 An internationalised teaching model**

Through Chinese-Australian co-operation, Chinese teachers have the opportunity to further their training abroad while foreign teachers and management staff members receive invitations to join the team in China. Traditional teaching models have likewise been changed. For English-language teaching, modules and small classes have been adapted to motivate students and suit their individual needs. In specialised courses, case studies and practice methods have been adopted, as an interactive teaching model makes students participate actively in the teaching process. Students' self-confidence, ability to study on their own and practical skills are emphasised in order for them to solve problems independently and co-operate effectively in future employment.

#### **4.2.5 Foreign intellect is introduced**

SILC has introduced foreign teachers systematically and comprehensively. At present, there are 40 long-term foreign experts and many short-term visiting teachers. These teachers have played an indispensable role in planning the teaching, compiling textbooks, conducting classes and laboratories. They are not only coming from Australia, but also from several other English-speaking countries such as the US, the UK, and Canada. This international group provides a multi-cultural environment in which students begin to understand international law, culture and values, accumulate experiences in dealing with people from other parts of the world, and develop an open, adaptable and pro-active approach.

#### **4.2.6 English has become the teaching and working language**

Through continuous efforts many bilingual teachers have emerged. In 80% of the specialised courses, English textbooks are used. Testing papers are in both Chinese and English. As a result, students' capabilities in using and reading English textbooks are improved, and they are exposed to up-to-date information and knowledge. Foreign teachers account for one third of the staff at SILC, and almost all members of staff are able to produce written reports and communicate orally in English. English has not only become the institution's teaching language, but also the working language.

#### **4.2.7 Independent personnel and finance management**

SILC independently recruits its staff and manages its own finances. The institution is funded solely by the income from tuition fees and is responsible for its own profits and losses. Any profit is kept in development funds. Each year SILC delivers reports on the annual budget and final account, which have to be approved by the Board of Directors. SILC also invites a reputable accounting firm to audit its accounts every year.

#### **4.2.8 Mutual recognition of credits and credentials**

According to the initial co-operation agreement, SILC graduates were awarded UTS' advanced English certificates, diplomas and first degrees. From 2002, the two institutions have been awarding dual Bachelor's degrees. Both parties monitor the quality of teaching, and recognise students' credits, and once undergraduate students pass examinations and qualify to be awarded a degree under academic conditions, both institutions award the Bachelor's qualification. The first dual-degree holders are due to graduate from SILC in 2006. Since its founding, almost 6,000 have graduated from SILC. About 15% of them have gone

abroad for further study, with the rest being employed in government departments, trade companies, foreign enterprises, and Chinese and foreign business and financial organisations. Their excellent English language skills and deep understanding of both Chinese and Western cultures have given them a great advantage with regards to working in fields related to foreign affairs.

## **5 Issues and Problems**

### **5.1 Drawing quality educational resources to China**

One important consideration Chinese authorities must take into account when formulating policies and regulations concerning Sino-foreign joint programmes is the introduction of high-quality educational resources in China. As clearly specified in “Regulations of the People’s Republic of China on Chinese-foreign Co-operation in Running Schools”, the State encourages Chinese-foreign collaboration in the field of HE and vocational education through partnerships with renowned foreign institutions. While education officials at various levels have been consistently emphasising the importance of “attracting quality education resources” and “strengthening capacity building”, only a few renowned foreign universities have established joint programmes in China thus far. This is arguably understandable, as quality education resources are limited and hotly pursued everywhere. Therefore, such institutions have to first satisfy the strong domestic demand.

In the recently released “Opinion on Some Current Issues Concerning Chinese-foreign Co-operation in Running Schools”<sup>21</sup>, the MOE re-emphasises the importance of ‘quality education’ by explicitly directing key universities in China to carefully choose their partners. The UK’s University of Nottingham at Ningbo, China (UNNC) is a good example of China’s desire to attract renowned world-class universities to the country. UNNC is the first joint institution established after the “Regulations of the People’s Republic of China on Chinese-foreign Co-operation in Running Schools” came into effect. According to UNNC’s Executive Vice-President Ian Gow, for the most part, the University of Nottingham has been free to establish the parameters of the institution in terms of curricula and operational structure. In fact, the Chinese partner, a local education group, can arguably be regarded as an investor rather than a partner, given that all teaching and management is in line with provisions at the home UK campus and all programmes are taught in English with students being awarded a University of Nottingham degree. To support UNNC, the Zhejiang provincial government (Ningbo is under its jurisdiction) invested 50 million yuan (US\$6.2 million), the Ningbo municipal government poured in 100 million yuan (US\$12.5 million), and the value of the land amounts to nearly 2.5 billion yuan (US\$325 million)<sup>22</sup>.

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<sup>21</sup> MOE’s Opinion on Some Current Issues Concerning Chinese-foreign Co-operation in Running Schools. URL: [http://www.moe.edu.cn/edoas/website18/top\\_wxzl.jsp](http://www.moe.edu.cn/edoas/website18/top_wxzl.jsp). Last accessed: 21, February, 2006.

<sup>22</sup> Feng, J. H. (2004) “Chinese-foreign Co-operation in Running Schools: A Huge Market to be Regulated”, *International Exchange of Personnel* 2004/10, 34-35

UNNC's breakthrough in China can be traced back to the University having appointed Yang Fujia, a former President of Fudan University (one of the most highly ranked universities in China, located in Shanghai) as its Chancellor. This appointment was widely reported in China. Also, Deng Yaping, a former woman's table tennis champion and a household name in China, studied at Nottingham. These reports helped Nottingham to become one of the best known UK universities, alongside the Universities of Oxford, Cambridge and London. Through personal contact, one of the authors of this report learned that an applicant in Zhejiang was determined to go to UNNC if she was not offered a place at Fudan University (through the unified national college entrance examination system), even though the latter's tuition fees are one tenth of the former. This is a clear sign that UNNC is attracting the best secondary school graduates.

Another UK university, Liverpool, is also looking to operate in China. However, unlike Nottingham, Liverpool University has collaborated with Xi'an Jiaotong University, a top Chinese university strong in technology and engineering, in establishing a new and independent university in Suzhou, a global manufacturing base west of Shanghai<sup>23</sup>. This new university is expected to recruit its first students this year, with total enrolments planned to reach 8,000 in five years. The new institution has received strong support from the local government. In fact, before this joint venture, the Suzhou government had been a partner in building Xi'an Jiaotong University's Suzhou Campus.

## 5.2 Meeting the diverse needs of consumers

Before the college expansion plan was introduced in 1999, Sino-foreign joint programmes mainly met the needs of students who were not able to access 'traditional' HE. Now, such provision is primarily aimed at students who want to go abroad or those who cannot meet (the much lowered) threshold for domestic tertiary education. Compared to public universities, the entrance requirements are usually lower for Sino-foreign programmes. There are of course some students who have the qualifications to enter public institutions but choose Sino-foreign programmes, usually in order to study abroad at a later stage.

China's demographic landscape is characterised by great gaps between the eastern coast areas and the western inland regions, between urban areas and the countryside, and between different groups of people in the same area. As indicated in Graph 5, in 1998 per capita annual net income for rural households was 602 yuan (US\$75) and 1,260 yuan (US\$158) for urban households, the latter more than twice as high as the former. In 2004, the two figures were 2,936 yuan (US\$367) and 9,422 yuan (US\$1,178), more than three times as high in urban areas compared to rural communities. The ratio of college tuition<sup>24</sup> to per capita annual net income of rural households has gone from 33% in 1989 to 170% in 1994, showing an astronomical increase in tuition fees in comparison to the rise in household income. This

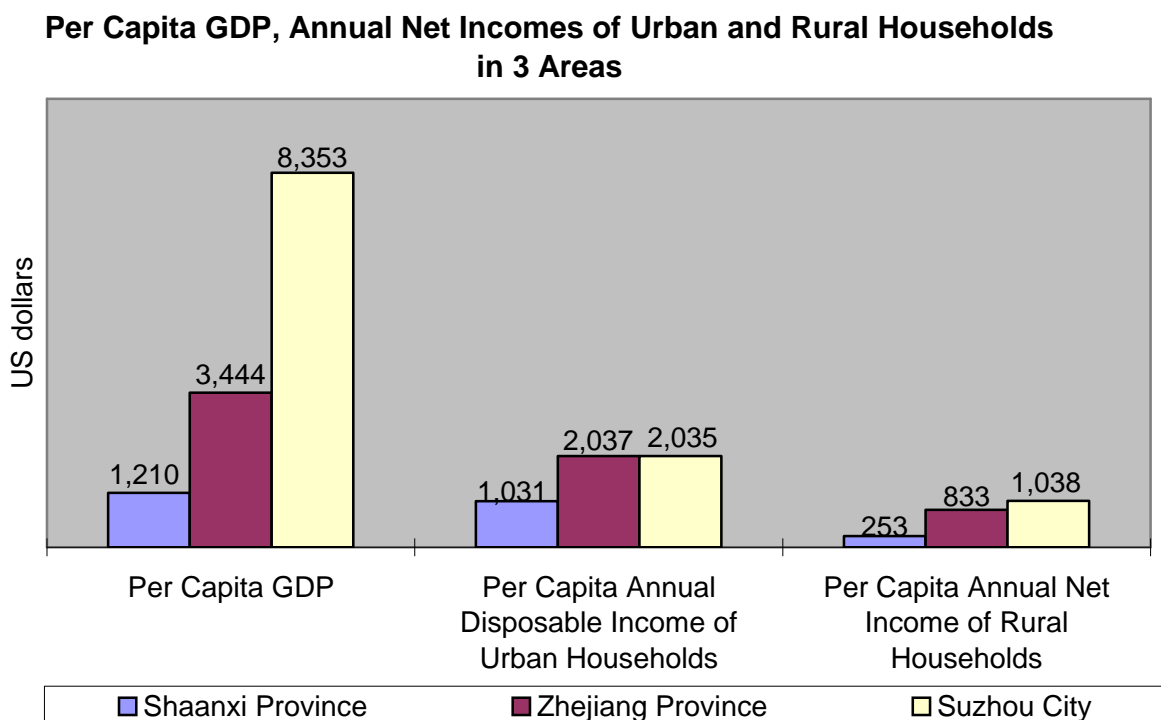
<sup>23</sup> University of Liverpool News Release. URL: [www.britishcouncil.org.cn/zh/images/china-common-2006liverpoolinchinachi.pdf](http://www.britishcouncil.org.cn/zh/images/china-common-2006liverpoolinchinachi.pdf). Last Accessed: 19 March 2006

<sup>24</sup> The emphasis here is on the ratio of college tuition to annual income in rural parts of China. Whilst the former is rising steadily and rapidly, the latter is not increasing to the same extent, leading to the ratio going up. The ratio of students from rural parts to those from cities has been steadily decreasing in higher education institutions, especially in top universities (it has been reported that 10% of students in the top two universities in China, Tsinghua Univ, and Beijing University) are from rural areas and that such students increasingly go to less prestigious institutions.

data explains why many rural households cannot afford the increasingly expensive costs of higher education.

The gap between the east and the west is also significant. Zhejiang, where UNNC is located, has the fourth highest per capita GDP (after the three municipalities of Beijing, Shanghai, and Tianjing), per capita annual disposable income of urban households, and per capita annual net income of rural households. The three figures were US\$3,444, US\$2,037 and US\$833 respectively in 2005<sup>25</sup>. For Shaanxi, a western province, these three indicators of social and economic development were US\$1,210, 1,031 and 253 respectively for the same year<sup>26</sup>. It is therefore unsurprising that Xi'an Jiaotong University (XJTU, located in Xi'an, the capital city of Shaanxi province) followed the example of many other renowned Chinese universities and established a campus located in distant Suzhou. Suzhou's per capita GDP has gone beyond \$8,000, but its other two indicators are at about the same level as Zhejiang<sup>27</sup>. For a clear comparison, see the following graph.

**Graph 6: Per capita GDP, per capita annual disposable income of urban households, and per capita annual net income of rural households in Shaanxi Province, Zhejiang Province, and Suzhou City**



<sup>25</sup> Zhejiang Province National Economy and Social Development Statistical Report 2005. URL: <http://www.zhejiang.gov.cn/gb/node2/node50/node52/node69/node122/node2124/userobject13ai37421.html>. Last accessed: 19 March 2006

<sup>26</sup> Shaanxi Province Government Work Report 2005. URL: <http://www.e-gov.org.cn/ziliaoku/news002/200602/17824.html>. Last accessed: 19 March 2006

<sup>27</sup> Suzhou City National Economy and Social Development Statistical Report 2005. URL: <http://www.szttj.gov.cn/news/2006/1/9/tjj-02-29-40-2095.shtml>. Last accessed: 19 March 2006

Salaries differ widely between the industries. Whilst the average annual wage of people employed in government agencies, institutions, and enterprises is approximately 15,000 yuan (US\$1,875), those working in monopolised industries such as tobacco, oil, banking, telecommunications, civil aviation, electricity and gas, enjoy a salary much higher than the national average with incomes of over 50,000 yuan (US\$6,250)<sup>28</sup>. Connected to this is the formation of new social divisions. According to research conducted by the Chinese Academy of Social Sciences, the working population in China can now be divided into ten categories: country and society group management, enterprise managers, owners of private enterprises, professionals and specialised technicians, clerical workers, individual entrepreneurs or traders, service and commercial workers, industrial workers, agricultural labourers, the semi-employed and unemployed<sup>29</sup>.

This diversity in income explains that whilst the whole country is complaining about skyrocketing tuition fees, UNNC is still attracting students despite the fact that the institution charges ten times the amount of average college tuition fees. College admission rates (application to admissions ratio) in China have now exceeded 60% and in a few economically developed regions such as Beijing, Shanghai, Guangdong and Jiangsu, they are over 75%. In Suzhou, the admission rate in 2005 was over 88% and the gross enrolment rate went beyond 51.5%. With enormous increases in provision and enrolment, applicants have become more selective. The great expansion has caused serious concern about the quality of higher education, and prestigious foreign HE institutions are therefore expected to become more attractive to Chinese students.

### **5.3 Certificate mills and consumer protection**

In addition to China's entry into WTO, one important reason for enacting the "Regulations of the People's Republic of China on Chinese-foreign Co-operation in Running Schools" was the high number of unaccredited foreign institutions moving into China to offer joint programmes. The majority were part-time MBA programmes with 'America' in their names. Some American institutions were not accredited in the US, and some were even newly-registered institutions by Chinese-Americans, as it is free to register institutions with 'grand sounding' titles in many parts of the US. These programmes either awarded foreign degrees (not recognised or accredited in their home country) or engaged in training, and their targeted students were mostly people who were already in employment and arguably less in need to compete in the job market. With the joint programmes now being monitored and with expansion in the domestic provision of MBA programmes, the proliferation of foreign MBA courses (many are foreign courses in name only) has been effectively inhibited. However, even amongst programmes leading to Master's qualifications approved by the Chinese authorities, there are examples of courses which seem to be mainly for people who already enjoy privileged government positions or other employment but who are unable to obtain a domestic Master's degree due to the high English language requirements (ironically most foreign degree programmes are delivered in English). An obvious trend, however, is the increase of joint

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<sup>28</sup> Income Gaps in 6 Aspects. URL: [http://news.xinhuanet.com/employment/2005-06/17/content\\_3095911.htm](http://news.xinhuanet.com/employment/2005-06/17/content_3095911.htm). Last accessed: 18 March 2006

<sup>29</sup> Ten Social levers in Present China. URL: <http://www.china.org.cn/chinese/MATERIAL/105530.htm>. Last accessed: 18 March 2006

Bachelor's degree programmes. In the past, there were cases in which students who enrolled in joint programmes were unable to study abroad due to their low proficiency in English. It is therefore important for joint programmes to guarantee quality in order for participants to proceed smoothly to studying abroad or to compete successfully in the domestic job market.

#### **5.4 The mode for the foreign institutions to make money**

Even though foreign institutions usually charge tuition fees several times higher than those in domestic programmes, in general they cannot expect to make money from their provision in China. Rather, they are hoping to attract Chinese students to their home campuses to study for a period of time. That is why '1+3,' '2+2,' and '3+1' arrangements are so popular. To proceed to studying abroad, it is important for students to have good English language training in China. If they cannot get a satisfactory score in IELTS (International English Language Testing System), for example, the transition to further studies abroad is not going to be a smooth one.

#### **5.5 Conclusion and possible future developments**

Over the past year or so, China has started to monitor existing joint programmes between foreign and Chinese providers. It is still too early to evaluate how this change is affecting the area. However, as indicated by the increasing number of programmes waiting to be approved, it seems unlikely that the control is going to limit further development of Sino-foreign provision. Some experts suggest that joint institutions and programmes with time will form a third pillar in China's higher education, alongside public and private HE institutions. At present, the development of 'traditional' private HE institutions is severely inhibited, but the number of new private colleges formerly attached to public universities is growing rapidly. As the competition among domestic HE institutions is getting fierce, these independent colleges, as well as state universities, have a strong desire to co-operate with foreign HE institutions. All the universities and colleges are located in cities, and the bigger the city, the more attractive the universities are to teachers and students. However, it is not clear whether the policies for foreign institutions will change if these institutions start to compete effectively with public institutions and increasingly attract some of their traditional applicants, thereby becoming a threat to public universities.

In China, policies adopted by the authorities are just as important as legal provisions. At the beginning of 2006, the MOE issued "Opinion on Some Current Issues Concerning Chinese-foreign Co-operation in Running Schools", and the principal emphasis is "sticking to the non-profit principle of education, guarding against the industrialization of education". The second emphasis is education sovereignty and the leading role of Chinese institutions in the joint venture<sup>30</sup>. It is therefore still too early to judge whether joint programmes will enjoy a smooth development in China, but in the authors' view, one thing is certain: they are bound to increase, at least in the foreseeable future.

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<sup>30</sup> Ministry of Education, URL: <http://www.moe.edu.cn/edoas/website18/info18341.htm>. Last accessed: 19 March 2006

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