

## Proceedings of the 2021 4th International Conference on Humanities Education and Social Sciences (ICHESS 2021)

## Research on Classification of For-profit and Nonprofit Privat colleges Managemet

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#### **ABSTRACT**

With the pace of reform and opening, private higher education in Guangdong has shown a good momentum of development. At present, classified management is a breakthrough in the comprehensive reform of private higher education in Guangdong. How to effectively promote the classified management and classified development of private higher education is an urgent requirement for the sustainable and healthy development of private higher education in Guangdong in the new era. Through the combing and analysis of the national classified management policies for private higher education and the local policies and regulations for the classified management of private higher education in Guangdong, the feasibility of the classified management of private higher education in Guangdong is demonstrated and the countermeasures are put forward.

Keywords- Privat colleges; classified management; Data Analysis

### 1. INTRODUCTION

Private higher education is proposed in the form of public education in China. It is a social organization or individual other than a state institution. In the "Outline of the National Medium- and Long-Term Educational Reform and Development Plan (2010-2020)"[1], private education is positioned as "an important growth point for the development of education and an important force for promoting educational reform"[2], The country's affirmation of private education. According to the data from the "Statistical Bulletin of National Education Development in 2018",[3]. There are 183,500 private schools at all levels in China, an increase of 5,815 from the previous year, accounting for 35.36% of the national total, the enrollment was 17.7975 million[4], an increase of 578,900 from the previous year, an increase of 3.36%, the number of students in various types of private education reached 5378.21 million[5], an increase of 2.5774 million or 5.03% over the previous year. Among them, 750 private Colleges, an increase of 3 from the previous year. It's easy to see that private higher education is booming in China.

To promote the development of private colleges, the government has promulgated a series of private education management policies such as "Interim Provisions on Running Schools with Social Forces", "Interim Pro-

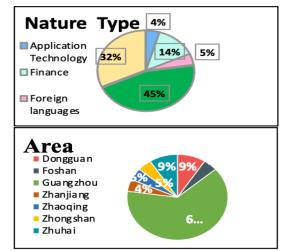
visions on the Establishment of Private Higher Education Institutions", "Regulations on Running Schools with Social Forces", and "Higher Education Law" [6]. But at the national level, the government lags far behind its development practice in the management system and policy regulation of private higher education, this kind of capital contribution is mainly of an investment nature rather than a donation nature [7].

## 2. AN ANALYSIS OF THE REALISTIC DI-LEMMA OF CLASSIFIED MANAGEMENT OF GUANGDONG'S FOR-PROFIT AND NON-PROFIT PRIVATE COLLEGES

With the pace of reform and opening, Guangdong's private higher education has shown a good development trend, the total number of students in the school and the total number of teachers have risen steadily, consistently form a consensus on running schools according to law[8]. Since 2018, Guangdong Province has successively promulgated the Implementation Opinions on Encouraging Social Forces to Run Education to Promote the Healthy Development of Private Education, Implementation Measures on the Supervision and Management of For-Profit Private Schools, Implementation Measures on the Classification and Registration of Private Schools, standardize the development of private education, Through policy support, we continue to op-



timize the school environment for social forces and promote the rapid development of private higher education. According to the report on the development of private higher education (Guangdong 2018) [9], There are a total of 50 private universities in Guangdong [2] (Excluding Chinese-foreign cooperatively run schools), Including 23 private undergraduate colleges and 27 private colleges. In terms of regional distribution, It has the largest number of private institutions in Guangzhou, There are 29, accounting for 58%; The second place in Dongguan, there are 5 in total; The third place is Zhuhai, a total of 4. Take private undergraduate colleges as an example, in terms of type, there are 11 comprehensive universities among private undergraduate colleges, accounting for about 48%. There are 6 universities of science and technology, accounting for about 27%[10]. There are 3 financial institutions, accounting for about 13%. There are 1 engineering class, an applied technology class, and a foreign language class, all accounted for about 4%. From the perspective of regional distribution, there are 4 comprehensive colleges, 5 colleges in science and engineering, 3 colleges in finance and economics, 1 college in applied technology, and 1 college in the foreign language in Guangzhou. There are 2 comprehensive universities in Dongguan[11]. There are 3 comprehensive universities in Zhuhai. There is 1 comprehensive school in Zhongshan. There is 1 comprehensive school in Zhanjiang. There is 1 technical school in Foshan City[12]. There is 1 technical school in Zhaoqing. It is shown in table 1:



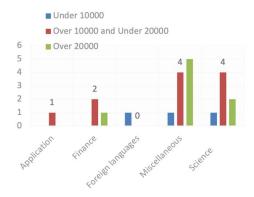
**Figure 1.** Analysis of the Realistic Dilemma of Classified Management of Guangdong

There are 27 private colleges in Guangdong, 18 of which are comprehensive, accounting for 66.67%, 5 of which are financial institutions, accounting for 18.52%, There are 2 colleges of science and technology and art, accounting for 7.41% [13].

As can be seen from the table above, the private college with the largest area is Guangzhou City Polytechnic, covering an area of 1355 acres and a total construction area of 427742 square meters; Second is Guangdong

Lignan Vocational and Technical College, covering an area of 1316 acres with a total construction area of 515700 square meters[14]; The smallest area is Guangdong Information Engineering Institute, with a total area of 152 acres and a construction area of 74921 square meters.

In terms of investment in teaching instruments and equipment, the average value of teaching and research instruments and equipment in universities is 44.5 million yuan [15]. Among them, Guangdong Lignan Vocational and Technical College has the largest total value of teaching and research instruments and equipment, totaling 134.85 million yuan [16]. Then Guangdong Institute of Arts and Sciences, The total value of teaching and research instruments and equipment assets is 113M.



**Figure 2.** Analysis of the Realistic Dilemma of Guangdong

In terms of faculty, Guangdong Lingnan Vocational and Technical College has the highest proportion of full-time teachers with dual-teacher quality, accounting for 75.07%. Secondly, in Guangdong Nanfang Vocational College, the proportion of full-time teachers with dual-qualification quality is 60.53%. The highest proportion of masters and doctors is Guangdong Country Garden Vocational College, accounting for 58.93%. This is followed by Guangzhou Vocational and Technical University of Science and Technology, which is 57.96%. The highest number of teachers with senior titles accounts for the largest number of full-time teachers is Guangdong Lingnan Vocational and Technical College, accounting for 31.51%. Followed by Guangdong Business and Technology University, accounting for 31.17%. The second is Guangdong Lingnan Vocational and Technical College, which has a total of 47 specialties.

### 3. ANALYSIS ON THE DIFFICULTIES OF CLASSIFIED MANAGEMENT OF FOR-PROFIT AND NON-PROFIT PRIVATE COLLEGES

The structure of the economic system, whether it is faster or slower, must always be reflected in the struc-



ture of the educational system, the field of private education is no exception. The Interim Provisions of the State Education Commission on Running Schools of Social Forces promulgated in 1987, stated: All income and fixed assets of schools run by social forces are owned by the school, reflecting the non-profit principle of private higher education. The Education Law of the People's Republic of China promulgated in 1995 stipulates: The state encourages enterprises, institutions, social organizations, other social organizations, and individual citizens to establish schools and other educational institutions under law. Education Institution once again clarified the non-profit nature of private higher education. In 1997, the Regulations on Running Schools by Social Forces issued by the State Council stated: Social forces should not run educational institutions to make profits, which clarifies the non-profit nature of private higher education. This shows the basic characteristics of non-profit-oriented have been determined since the beginning of private higher education in China. However, although private higher education has established the same non-profit attributes as public education, it has completely different resources from public education in practice. The state encourages collective economic organizations, state enterprises, and institutions, and other social forces to organize various educational undertakings under the law. Private education quickly started with the tendency that sparks could catch fire. It is shown in Table I [4].

**TABLE. I.** FUNDING AND DEVELOPMENT MODEL OF PRI-VATE COLLEGES IN THE INITIAL PERIOD

School Name	Set up- time	Initial invest- ment/ yuan	Devel- opment model
Xi`an FanYi	1984	10000	Training
Changjiang	1984	20000	Training
Songhuajiang	1989	14000	Training
Jiangxi	1993	200 000	Training
Hunan	1997	400 000	Self-exami nation

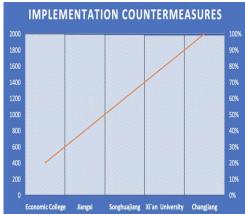
It can be seen from the above table that private colleges have little capital investment and small scale during the initial stage, and most of them are in the form of training and counseling classes and have not formed a distinctive school-running model. Teachers, students, and teaching places are unstable, there is no real private college. At the time, the profit-making attributes of private colleges are not obvious. In 1993, the State Council approved the promotion of 15 private colleges in Beijing as the first batch of educational institutions to promote diplomas throughout the country, which greatly promoted the development of private higher education. In 1996, there were 21 private colleges with qualifications for issuing diplomas and diplomas, with 14,000 students. The types of private colleges have gradually evolved into diploma exams and education.

## 4. IMPLEMENTATION COUNTERMEAS-URES FOR CLASSIFIED MANAGEMENT OF PRIVATE HIGHER EDUCATION IN GUANGDONG

It is different from the relatively complete system of education donation in foreign countries, the development of private colleges in Guangdong mainly relies on tuition to support the development of the school. In this context, the development of private colleges requires government support, self-development, and multi-channel funding to support the development of the school.

## 4.1 Improve the laws and regulations of private higher education

After the promulgation and implementation of the new "Private Education Promotion Law of the People's Republic of China" in 2017, the People's Government of Guangdong Province successively issued the "Implementation Opinions on Encouraging Social Forces to Establish Education and Promoting the Healthy Development of Private Education" and "Implementation Measures on the Supervision and Management of For-profit Private Schools", "Implementation Measures on Classified Registration of Private Schools" as local regulations to implement and implement the classified management of private colleges, but the content is more about common problems in the management of private colleges, and national laws and administrative regulations should be adapted to local conditions. Reflecting the particularity of the classified management of private colleges in Guangdong, the Guangdong Provincial People's Government needs to supplement the operability of national regulations through local regulations and refine specific issues.



**Figure 3.** Implementation countermeasures for classified management of private higher education in Guangdong

# 4.2 Clarify the classification basis of private colleges

In the initial stage of the bid, private colleges must



clarify the nature of their schooling. The boundaries between "profitability and non-profitability" are clear, preferential conditions, scope levels, degree-granting rights, enrollment and employment, tuition pricing, internal management, government supervision, fiscal taxation. Relevant issues should be clearly defined and operable. Especially for the development of for-profit private colleges, government management should be moderately loose, such as giving certain special preferential policies in taxation, land. The ownership of the organizers shall be fully protected in law; in terms of independent enrollment rights, majors, and courses Relevant policies such as setting rights and tuition pricing rights are appropriately loose.

### 5. DETERMINE THE APPLICATION CONDITIONS FOR THE CLASSIFICA-TION OF PRIVATE COLLEGES

The classified management of private colleges should clarify the conditions and standards for application. Especially for non-profit private colleges, they should be strictly differentiated when applying, and the purpose of running the school should be stated, and corresponding certifications should be presented, such as the composition of the board of directors, the selection of presidents, the structure of teachers, the conditions for running schools, School regulations, funding. The establishment of the private college must be based on the safety and completeness of various facilities and equipment and pass the inspection and acceptance of the health and fire control departments. The declaration conditions for for-profit private colleges can be relatively loose. When registering and filing, it is necessary to clarify the for-profit nature of the school, the profit distribution plan, and the tax payment amount, and apply for tax registration in the form of an enterprise. The education management department should strictly supervise the operating conditions, faculty structure, and teaching equipment of for-profit private colleges, and can send inspection teams to conduct on-site inspections to approve their application conditions.

#### 6. CONCLUSION

Clear property rights mean that the basic property relationship between the investor and the company must be clearly defined in legal form, and the responsibilities must be clear. The main sources of funds for private colleges in Guangdong are investor input, social donations, state-owned assets input, and school accumulation. Compared with other property rights definitions, school accumulation has no clear legal regulations. How to define, divide and dispose of these assets is the key. Therefore, the Guangdong Provincial Government should clarify the ownership of assets of different natures, improve the asset management system, determine "reasonable returns", "remuneration for work", "invest-

ment profits" and other standards, and refine and improve the land use, accounting and auditing of private colleges. Finance and tax collection system and clarify the verification standards for each item <sup>[15]</sup>. Resources should be allocated to different entities according to different attributes, clarify their interests and mutual relations, reasonably divide, and reorganize the ownership, disposal, income, and use rights of the property, and maintain their relative integrity.

### **ACKNOWLEDGMENTS**

This research was financially supported by The Guangdong Province Philosophy and Social Sciences Planning Discipline Co-construction Project "Research on Classified Management of Profitable and Non-profit Private Colleges--Taking Guangdong Province as an Example" (GD18XJY19); Guangdong Higher Education Teaching Reform Project "Research on the Reform of Teaching and Scientific Research Organizations in Applied Undergraduate Colleges--From the Perspective of **Talents** Training"(2018SJJXGG02);The characteristic innovation project of ordinary colleges and universities in Guangdong Province "Research on the optimization of the governance structure of private colleges in Guangdong under the background of supply-side reform" (2018WTSCX172); Guangzhou College of Commerce school-level project "Research on the development of for-profit private colleges from the perspective of classified management" (2018XJZD007);Educational Research Project of Guangdong Academy of Education "Research on Collaborative Innovation System and Mechanism of Colleges and Universities-Building a Modern University System from the Perspective of System Innovation" (GDJY-2014-C-b015).

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