Higher Education Governance and Policy in China: 
Managing Decentralization and Transnationalism

Ka Ho MOK¹ and Xiao HAN²

Abstract

China has experienced significant social, economic, and political transformations since its economic reform started in the late 1970s. Considerable changes in its policy-making and implementation approaches have also emerged. Confronted with the intensified tension between the call for efficiency and strong pressure to improve social welfare, the Chinese government had no choice but to become instrumentally pragmatic in adopting different governance strategies to address the increasingly complex social, economic, and political developments. Thus, neoliberal tenets were introduced. This article sets out to examine, against the wider policy context, how neoliberal tenets, particularly its emphasis on market principles, have been injected in higher education governance. This article aims to explore how the multi-faceted dynamics shaped the development of transnational higher education and influenced the governance of Sino-foreign cooperation universities.

Keywords: TNHE, neoliberalism, marketism, multi-faceted dynamics, transnationalism, decentralization in governance.

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Introduction: Increased Multifaceted Characteristic of Educational Governance

The growing influence of neoliberalism has not only shaped how Asian states manage their economic affairs but also how they formulate public policy and manage the public sector (Carroll 2012; Stubbs 2009; Hayashi 2010). This politically imposed discourse (derived mostly from Western hegemony) (Olssen and Peters 2005) has been adopted by many Asian states (including China) in managing social service delivery to unleash the power of the market in enhancing capital formation, promoting resource allocation, and sustaining economic growth or welfare gains to overcome the challenges of globalization (World Bank 2002; Carroll and Jarvis 2013; Jomo 2001).

Higher education (HE) is not immune to this global and regional trend (Mok, 1997; Whitty and Power 2000). However, neoliberalism cannot be translated simply to the withdrawal of a nation state in providing social welfare. Rather, neoliberalism is “a new mode of regulation or form of governmentality” that believes in the state’s capacity of “creating the appropriate market by providing the conditions, laws, and institutions necessary for its operation” (Olssen and Peters 2005, p. 314–315), which distinguishes itself from classic neoliberalism despite sharing the same central gist (the favor of free market economy and trade). This view is echoed with the most influential discussion on neoliberalism proposed by Harvey (2007) with clear emphasis on the education market, which “must be created” by the state (p. 2). Margnison (2013) further illustrated this point by stating that “government cannot abstain on public goods, though it quibbles over funding them” (p. 366). Hence, the function of the ruling regime’s in creating a “quasi-market” of education (Levačić 1995, p. 167) is undeniable.
Two questions also emerge when exploring the influence of neoliberal ideology on transnational higher education (TNHE) in the current study: first, with reference to Bernstein’s recontextualising rule (1990), when a certain kind of knowledge moves from one context to another, a space that permits “interruption, disruption and change” is created (Singh, Thomas and Harris 2013, p. 469). The adoption of neoliberalism in different Asian countries should also be differentiated. In particular, attention should be focused on the authoritarian features of the political structure and governance when analyzing the Chinese case (He and Warren 2011). Second, Hayek pointed out that state planning and market tenets in China are incompatible because local knowledge engendered from “particular circumstances of time and place” is essential in achieving efficiency, which the central government lacks (Hayek, 1944, p. 521). Systematic research is required to understand how market principles have been realized in a traditionally authoritarian country and influenced public sector management.

A plausible explanation is the trend of decentralization, which is ubiquitous in many East Asian nations (Rondinelli 1983) as a character of neoliberalism (Dale 1997). Hanson (1998) stated that decentralization is “the transfer of decision-making authority, responsibility, and tasks from higher to lower organizational levels or between organizations” (p. 112). However, problems remain unsolved and decentralizing approaches in Asian countries nations are diversified (Rondinelli 1983). Thus, particular attention should be given to the policy context when analyzing public management and policy-related matters (Bernstein, 1990). Howell (2006) suggested
that “the profusion of competing terms to describe the Chinese state in the reform period, such as ‘developmental’, ‘entrepreneurial’, ‘corporatist’, ‘market-facilitating’, ‘regulatory’, ‘rent-seeking’, reflect not merely alternative explanations of state behaviors arising out of different normative and intellectual starting points, but, more significantly highlight deeper problems of fragmentation” (p. 282); hence, the single tendency of decentralization cannot explain the situation of “fragmentation.”

In this paper, we adopt the dual decentralization model to synthesize the state power and market principle when analyzing their coordinated influence on the development of TNHE and in the governance of Sino-foreign cooperation universities. TNHE can be defined as “all types of higher education study where the learners are located in a country different from the one where awarding institution is based” (UNESCO/ Council of Europe 2001). Since its first appearance in the 1980s in China, TNHE has significantly increased from 2 in 1995 (Huang 2010) to 1,176 in 2016 (Ministry of Education (MOE) 2016). However, studies on its development in consideration of China’s broad political and economic context and the participants’ perceptions on national regulation have been scarce. The possibility of conducting comprehensive studies on institutional governance, which include all transnational cooperation activities, have been few and far between because of China’s vast territory and the lack of regulations in TNHE’s initial development phase. Because of its relatively small number (eight established ones), we chose Sino-foreign cooperation universities, which are universities co-founded by foreign partners and Chinese universities, to explore the proposed research questions. We present our
Theoretical framework, methodology directing data collection/analysis, and major findings in the following section. We provide the discussion and conclusion in the final parts.

**Theoretical Framework: Dual Decentralization Model**

The Chinese state assumed responsibility for overseeing economic and social development during the transitional economy period, and has always vacillated between centralization and decentralization in governing the country because of its large geographical size. Therefore, observing centralized decentralization and decentralized centralization occurring simultaneously when designing and implementing policies to secure the state’s legitimacy and assert control over any economic and social activity deemed to have “strategic importance” is not surprising (Hsueh 2011; Mok and Wu 2013; Lardy 2014; Mok forthcoming). We have witnessed how economic and social reforms have dispersed the power within the state, which is described as “vertical decentralization.” The market force was launched to pursue the management of economic affairs and the governance of the social sectors (Wong and Flynn 2001; Mok et al. 2010), as demonstrated by the conversion from the central planning system to market mechanisms (Shen 2004) that represented the “horizontal decentralization” during this period. Vertical decentralization represents the clout (even decreasing) of the state, whereas horizontal decentralization represents the market force. Rocca (2003) proposed the term “societalization” to describe how a traditionally unified, centralized socialist country, such as China, has been “pushed
into the market” and become involved in handling the consequences of marketization (pp. 14–15). Thus, Painter and Mok’s dual decentralization model (2008) has realized the coordination of two seemly conflicting ideologies and thus, we utilize this model as our theoretical framework to explore the influence of the multi-actor aspects on development of TNHE and the governance of Sino-foreign cooperation universities (Figure 1).

**Figure 1. Dual decentralization in the transition economy**  
Source: Painter and Mok (2008), p. 139.

This framework describes the situation of the transitional economy and suits itself well in various nations (see Painter 2012 for Vietnam) and (sub-) fields (see Mok and Wu, 2013 for welfare regime; Huang 2015 for educational equity; and Wang and Chan 2015 for minban education). Adopting the model is relevant in understanding the Chinese experience, especially when the power dispersed within the state creates an environment for TNHE to develop while horizontal decentralization leads to the active participation of private entities in producing HE or TNHE opportunities. The
detailed explanation and discussion of each quadrant can be found in the findings section. The four cells have certain overlaps and the theoretical framework shows that the following analysis describes how dual decentralization has shaped the development of TNHE from 1995 to 2016.

**Methodology**

We employed document analysis and in-depth interviews in the data collection and adopted the following documents:

- Policy statements, statistical reports, consultation papers, legislations, yearbooks, and websites produced by the MOE;
- Mass media articles, college journals, or any other local articles regarding the topic of this thesis;
- Official schedules and syllabus of courses in transnational cooperation programs and institutions; and
- The official websites of foreign education providers and the Chinese partners.

Twenty-nine semi-structured interviews were conducted with administrative/academic staff, government officials, and student representatives in Mandarin (Chinese Language) or English (for details, see Appendix) in three of eight Sino-foreign cooperation universities in 2014–2016. University A was selected because of its prestigious overseas partner and the strong connection between the Chinese partner and this newly established HE institution (HEI). Universities B and C
demonstrate other aspects of TNHE, which are evidenced by their minor connection their Chinese partners and the criteria for faculty recruitment and quality assurance agencies. This selection of research sites cannot demonstrate all the aspects of Sino-foreign cooperation universities, and institutions vary in terms of academic prestige (referring to universities’ world rankings), support from the local government, connections with Chinese partners, and autonomy granted.

Key informant and purposive sampling were employed to recruit respondents, and an analytic analysis was adopted. Some of the respondents were re-interviewed to clarify or update information during the writing process. Analytic induction was adopted for data analysis because we began our exploration with a hypothesis that policy recontextualization may happen when central regulations are interpreted and enacted by the local authorities. The realization of market force in authoritarian countries can be attributed to the decentralization trend. The analytic induction allows the revision of the research problem if the hypothesis is not supported by the data collected (Bryman 2004).

Dual Decentralization in Governance and its Influence on TNHE Development in China

Local Autarky

According to the Painter and Mok (2008), “local autarky” in the first quadrant “describes the situation where economic policy is decentralized such that regional or local economies are increasingly free to operate autonomously in competition with
each other” (p. 139). We replace “economies” with HEIs and demonstrate our exploration from the educational aspect. This term describes the retreat of the Chinese government from the sole educational provider, which enabled the involvement of diversified participants in the provision of HE services and to compete with each other.

The central government under the rule of Mao Zedong (1949–1978) treated education as a political tool to indoctrinate its citizens and ensure their political loyalty to the ruling regime. The Chinese government strictly regulated HEs and implemented a centralized educational system. HEIs had no autonomy over the administration, syllabi, curricula, textbooks, enrollment, allocation of schools or university seats, and personnel recruitment (Hao 1998; Ngok 2007). The communist government formulated educational policies, distributed educational resources, exerted administrative control, recruited teaching staff, and chose the curricula and textbooks (Ngok 2007; Yang et al. 2007). As stated by the MOE in the 1960s:

“The establishment, change, and cancellation of programs in all these universities must be approved by the MOE … University teaching should be according to the syllabi designed or approved by the Ministry … No programs, syllabi, and textbooks should be changed easily. Any substantial changes must be approved by the Ministry.” (Hu 2003, p. 4)

Chinese universities had less autonomy in its institutional governance because the enrollment of students and employment of graduates were strictly controlled by the central authority. The rigid and inefficient system naturally led to insufficient supply
of educated labor force and hindered China’s economic development. Thus, the central government changed its “highly-centralized economic planning system” (Mok, 2000, p. 122), which is considered as inefficient and incapable, to a market economy (Mok 2012). With the commencement of educational decentralization, a series of policies were issued to release the rigid central control over HE and to protect “the initiatives and enthusiasm of educational institutions” (Mok and Chan 2012, p. 114). The Program for China's Educational Reform and Development issued by the State Council in 1993 “actively encourage and fully support social institutions and citizens to establish schools according to law and to provide correct guidelines and strengthen administration.” Therefore, “democratic parties, people bodies, social organizations, retired cadres and intellectuals, collective economic organizations, and individuals subject to the Party’s and governmental policies” were encouraged to “actively and voluntarily” contribute to “develop education by various forms and methods” (Mok 2003, p. 258; see also Wei and Zhang 1995). The diversification of educational providers allowed the introduction of TNHE and illustrated the feature of privatization in Chinese HE in general and TNHE in particular.

Privatization or Socialization

“Privatization or socialization” in the third quadrant represents “the divestiture of assets or the handing over of production and distribution activities to the for-profit and the not-for-profit private sectors” (Painter and Mok 2008, p. 139). The situation in TNHE can be analyzed from two dimensions. First, we explore how “privatization or socialization” occurs in terms of fees charged by TNHE. The quadrant demonstrates
the nature of the “private good” of TNHE. Recognizing the changing nature of HE from public good to private commodity, as well as the heavy financial burden in subsidizing tertiary education, the central government began to charge students and their potential employers tuition fees in 1983\(^1\). The HEIs were encouraged to look for alternative sources of funding rather than relying solely on either the central or local governments. Thus, the percentage of contract-study-scholarship and self-financed students began to increase in the mid-1980s. Moreover, the diversification of HE providers offered many choices to parents and their children (consumers) “in terms of curriculum, language of instruction, education provision, and school ethos” (Mok 2000, p. 111), which illustrates the core notion of marketization (Mok 2000). Tuition fees for TNHE comprise the major (or even sole) source of income; one interviewee states, “We have to run our university on the basis of tuition fees from the students” (III2 2014).

The policy promulgated by the central government echoes this statement. The cooperators of TNHE are required to calculate the cost per student and other accompanying costs before deciding on the tuition fees to be charged and applying for approval from the Price Bureau (Article 38, State Council 2003). The nature of TNHE could be considered a complete private commodity instead of a public good when the students who choose TNHE assume all of the costs of their HE.

Second, the situation of “privatization or socialization” illustrates the involvement of private individuals or organizations in transnational cooperation activities. According to the MOE, 10 Sino-foreign cooperation second-tier colleges
(out of 63) claim that their partners require “reasonable” payback. The other eight colleges (out of 63) have no clarification on the issue of financial returns\(^3\) (MOE 2016). The respondent from X provincial government confirmed this point by stating the following.

“There is no clear policy/law to forbid private investment in TNHE since transnational cooperation is now regulated under the *Law of the People’s Republic of China on Promotion\(^1\) of Privately-run Schools* (Committee of the Ninth National People’s Congress of the People’s Republic of China 2002). The only important thing is the private participants should be Chinese. If the financial input comes from foreign countries, the overseas investors have to deal with this strategically, like through the foreign partners of TNHE and then generate profits from such activity. If you refer the official website of the MOE, there are some activities clearly claim that they require reasonable payback [as we have discussed before]. Nevertheless, MOE requires them to save 25% of the profits (Article 29 MOE 2004) as the sustainable foundation to maintain the daily operation”. (V 2015)

An administrative staff from a newly established Sino-foreign cooperation university further illustrates this argument.

“Even the local government has invested generously in supporting the foundation

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\(^1\) Students financially supported by their potential or current employers emerged in 1983, especially in coastal areas with a fast, regional economic growth. The students are trained in their designated HEIs with the requirement to pass the national college entrance examination. They must work for their contracted units after graduation. The number of contract-study-scholarship students increased from 3,200 in 1983 to 154,500 (7.5%) in 1991 (Law 1995, p. 331).
of our university; the initial funding is far from enough to maintain such a huge campus. We have to figure out other sources. It is lucky that the city (where the university is located) is the hometown of many successful entrepreneurs. We are now trying to contact them and generate some investments from this way. However, we can offer no concrete data/information now since the idea is still in the preparation stage”. (IV 2015)

The Cheung Kong Graduate School of Business, which is one of the eight established Sino-foreign cooperation universities approved by the MOE, was supported by the Li Ka-shing Foundation (private). The University of Nottingham Ningbo is a product of the cooperation between the University of Nottingham of the UK and the Wanli Group in Ningbo, with major funding coming from the Chinese partner. Having donated all of its capital to the nation, the Wanli Group claimed to have balanced its incomes and expenditures independently without national investment. Some researchers have categorized this cooperation as an example of the third pattern in the Chinese HE system: “state-owned and people-run” (guoyou minban) HEI (Chen 2004, 2009; Wu 2001; Xu 2002). The vague nature of the Wanli Group blurs the “clear distinction between state and market or public and private” (Painter and Mok 2008, p. 139). Although the nature of the co-founder of the University of Nottingham Ningbo is uncertain, nevertheless, our interviewees considered Wanli Group as a private organization. Wanli’s example demonstrates the situation of “privatization or socialization” in TNHE and directs our awareness toward the last quadrant, “cellularization,” in the context of China.
Deconcentration and Cellularization

We combine the second and fourth quadrants to explore the effects of decentralization and market force on the governance of TNHE, especially for Sino-foreign cooperation universities because both cells are concerned with administrative power devolution. “Deconcentration” includes “a range of types of administrative decentralization, including administrative delegation or vertical specialization of administrative functions, as well as various forms of political devolution and fiscal decentralization that accompany the delegation of local power and authority” (Painter and Mok 2008, p. 139). The relationship between central government and HEIs has changed significantly since the education reform in the 1980s. Mok (2002) pointed out that, “instead of exercising a ‘micro control’, that is, imposing a very tight control on all details of the operation of the higher education system, the central government now maintains a ‘macro control’ over higher education by giving policy directions and issuing policy principles” (p. 262). “Cellularization” on the fourth quadrant further illustrates this decentralizing process. The situation is described such that “[the] local economic and political units were able to block the upward flow of information and to cushion themselves from the effects of vertical commands” (Painter and Mok 2008, pp. 139–140). Under the decentralizing trend, “cellular power” appears at the local government level (Mok and Han 2016b) and at the institutional level, which we will explore in the following section.

The central government released the Decision of the Central Committee of the
Chinese Communist Party of China on the Reform of the Educational System in 1985 to change its “tight control over institutions to improve institutional autonomy under the national principles and plans” (Guo 1995, p. 69). TNHE, especially Sino-foreign cooperative universities, benefited significantly from the national policy. Professor Lehman, the Vice Chancellor of New York University Shanghai, stated that “we came to launch a campus in Shanghai under the condition of having the autonomy to promote the educational goals and practices of NYU” and pointed out that the “campus ‘will close’ if academic freedom is threatened” (Sharma 2015). The relatively high autonomy of Sino-foreign cooperation universities clearly demonstrates the situation of “deconcentration” while further illustrating the “cushion power” of institutions. For instance, even though the Notice on Further Strengthening the Ideological Work (General Office of the Communist Party of China Central Committee and State Council 2015) has re-emphasized the importance of ideology training, the local practice shows a different picture. A student from University A stated,

“Our lectures could include any areas with any topics. There are no restrictions at all. Actually, when we take classes concerning Chinese history, the professor showed us videos of the Tiananmen Square Protests… I submitted a paper to fulfil the requirement of this course, which explored the relationship of *Siku Quanshu* in Qing Dynasty and the control of people’s rights to express exerted by the Party in the current society, and I got an A”. (B2, personal communication, 2016)
Another respondent from the same university gave another instance to illustrate the presence of minimal interference from the government.

“We used to invite an American senator to give a speech in our campus, who is always suspicious about whether University A could ensure their academic autonomy. During his speech, he mentioned a lot of extreme examples about the strict control of Chinese government and its interference of human rights, such as *Chen Guanghui* event and birth control policy … there was no authority to monitor or compel us to say something good, but both the Chinese and foreign staff and students raised questions, since we perceived his arguments as biased … His coming and his speech demonstrated the ‘genuine’ autonomy enjoyed in our campus”. (A4, personal communication, 2016)

Respondents from Universities B and C also confirmed their statements (B4 and C6) and pointed out that all of the selected cooperation universities could offer a Virtual Private Network (VPN) for students to access global websites. A student from University A shared,

“When I received the offer, the account and password of the VPN were listed … I have begun to feel that I was different from my counterparts in other Chinese universities since then. I could gain access to any internet resources. There is no restriction”. (A2, personal communication, 2016)

However, despite some students claiming they could not feel the existence of the governments in their campuses, others feel that some constraints still existed. A respondent from University C stated that students had difficulty using the VPN when
an international conference was held in the city (where her university was located). She said, “It was only possible for us to use VPN with the computers but not other mobile devices” (C4, personal communication, 2016). Another student from University B, who used to major in International relations but has now transferred to Architecture, offered another instance to describe the university’s limited autonomy.

“It may be because my former major is, to some extent, sensitive. We were forced to change the textbooks once … It was said that the government had conducted a random check, and there were some ‘forbidden’ materials in the original textbooks. We changed to other editions of the books to continue our study”.

(B3, personal communication, 2016)

Another student from University A shared the same experience. Textbooks were sent by the foreign partner university to China and some of the pages were torn off by the Customs officers (A3, personal communication, 2016).

Interviews with the academic and administrative staff generated the same results. Some universities could be exempted from the military training and compulsory courses, such as the “Introduction to the Principle of Marxism,” the “Mao Zedong Thought, Deng Xiaoping Theory and the Important Thoughts of Three Representatives,” the “Ideological and Moral Culture and Legal Basis,” and “The Outline of Modern Chinese History” are taught in various forms with little political ideology inoculation (I1, I2, III2, and V, with student respondents’ confirmation). However, the might of the central government cannot be neglected. The application for establishing a new discipline of one Sino-foreign cooperation university in China,
which was granted relatively high autonomy, as demonstrated by its special treatment as having less than the required 500 mu campus area (in contradiction with national regulations; MOE 2006), was rejected by the MOE (Goodman 2016). Hence, national coordination does not exist.

Discussion: Neoliberalism and Marketism Coordination---Context Matters

The observations or findings presented have illustrated how state regulations and market tenets come together in shaping TNHE’s development and Sino-foreign cooperation universities’ governance in China. The adoption of market principles, as represented by “privatization and socialization” and “cellularization,” released education from strict national control, thereby creating a conducive environment for TNHE to thrive and devolving more autonomy to Sino-foreign cooperation universities. Neoliberalism in China may appear to be different from other Western countries because the country developed from a rigid governance model; however, the country’s authoritarian nature determines its ever-existing recentralizing inclination.

Context is another contribution of this paper because the real practice of national policy may sometimes be in contradiction with the central government’s will. We further discuss this aspect from two perspectives. First, by placing TNHE’s development within the broad system formation of China’s HE, regulations for TNHEs have been changing as China’s HE developed. As Mok and Chan (2012) argued, “before China joined the World Trade Organization (WTO), the government adopted TNHE as a policy tool to create additional HE learning opportunities for local
high school graduates” (p. 115). The national government’s efforts have paid off well considering that the gross enrollment rate of HE has increased from 1.7% in 1980 to 17% in 2003 (UNESCO 2016). While we recognize the side effects brought about by the fast expansion of HE, such as insufficiently experienced teaching staff, aggravating education disparity, and declining quality in Chinese HEIs (Wu and Zheng 2008; Zheng 2006), the central government has changed its attitude toward TNHE, from increasing the quantity to improving the quality, and publicly emphasizing the cooperation between Chinese universities and prestigious overseas HEIs to offer advanced academic programs (State Council 2003; MOE 2004).

This changing emphasis from quantity to quality has also been demonstrated through the national policies regulating TNHE. From 2004 to 2007\textsuperscript{14}, the MOE released a series of documents to re-examine and standardize TNHE with the caveat against repeating the introduction of low-quality educational resources, and similar cooperation programs concentrating on certain disciplines (predominantly on business, economics, or accounting) that emerged in the late 1990s. All these policies re-emphasized the import of world-class educational resources and encouraged HEIs to strengthen their areas of inadequacy in research by fostering cooperation with foreign universities (MOE 2006).

The influence of these documents on the development of TNHE is clear. After the

\begin{itemize}
  \item A number of policy documents were published: the Notice on Reviewing Transnational Cooperation Programs and Institutions, the Notice on Adoption of TNHE (Programs/Institutions) Application Form, the Notice on Adoption of TNHE (Programs/Institutions) Certificates, the Notice on the Record of TNHE (Programs/Institutions) Certificate Number, and the Notice on the Approval of TNHE (Programs/Institutions) of/above Undergraduate Level in 2004; the Advice on TNHE in 2006; and the Notice on Further Standardizing TNHE in 2007.
\end{itemize}
release of the 2004 Notice, the number of newly approved transnational cooperation activities decreased drastically in the following five to six years until 2011, when it started to increase again. Only four programs or institutions gained approval in 2005. The 2006 Advice and 2007 Document also slowed down the development of TNHE. The MOE released 21 approvals in 2006 and 3 new approvals in 2007. Moreover, the effect of restrictive regulations continued to cause a slow down the development of TNHE in the following years, demonstrated by the number of ratified activities: 3 in 2008, 1 in 2009, and 29 in 2010 (Figure 2).

Figure 2. Number of newly approved transnational cooperation activities by the MOE (1991–2016)

Source: MOE (2016), calculated by the authors.

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Note: 1. Available information only includes the Sino-foreign cooperation programs/second colleges/universities,
The development of China’s HE system determined the central government’s selective adoption of market mechanisms (Naidoo 2008). We also recognize the “infringing” of some national policies in our sampled Sino-foreign cooperation universities. The emphasis on local understanding (Hayek 1944) and the importance of recontextualizing knowledge (Bernstein, 1990) direct our attention to another essential feature in China, the experimental regulation in China’s economic policymaking (Corne 2002), which facilitated the phenomenon of “fragmented regulation” (Howell, 2006, p. 282). Our discussion has revealed that the changing policies toward TNHE are “a form of quasi-law,” in which the revised and finalized regulations have been reviewed by the MOE according to the Plan for TNHE Evaluation from 2009 to 2015 (the 2016 evaluation is in process). The available information may not offer the exact data on the number of approvals from 1990 to 2016 because the information on dissolved ones is inaccessible. However, the figures could demonstrate the overall trend.

2. The number of the new TNHE approvals in 2016 is calculated based on the information revealed on the website until March 19, 2016.

3. Five Sino-foreign cooperation programs (two in Beijing, one in Shanghai, one in Zhejiang, and one in Heilongjiang) and their Chinese partners do not have their certificate numbers on the official MOE website. They are not included in the figures because our inquiry emails did not receive any replies.

4. The ratification of the establishment of the new TNHE is separated into two phases: the preparation and the official establishment phases (Article 13, State Council 2003). The slight increase of new approvals in 2006 may be caused by the ratification of the programs/institutions that have gained the approvals for preparation and met the MOE requirements in 2006. However, a concrete conclusion cannot be derived at this current stage because the number of annual applications is confidential. Nevertheless, the influence of the policies released during the years 2004–2007 on TNHE development is obvious if we compared the total number of newly approved programs or institutions during this period with that of the other years.
formal legislation would be issued after sufficient experience during the trial period (Corne 2002, p. 382). The autonomy granted to Sino-foreign cooperation universities has surrendered to the re-centralized regulation by the Beijing elites. TNHEs have only existed in China for approximately three decades. The central government remains at the exploratory stage in developing policies to regulate TNHE. Thus, we modified Painter and Mok’s model as follows (Figure 3).

The Hierarchical Centralized Political System

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<th>Horizontal Decentralization</th>
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<td>1. Local Autarky</td>
<td>3.</td>
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<td>2. De-concentration</td>
<td>4. Experimentation</td>
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*Figure 3. Dual decentralization in TNHE. Source: Modified from Painter and Mok (2008), p. 139.*

The present research determined that the decentralizing trend in the Chinese hierarchical and centralized political system was subject to recentralization. The dashed arrow in the fourth quadrant describes the possible misinterpretation of the local HEIs’ activities. They represent only the experiments conducted under the acquiescence of the central authority instead of resisting the national policies.
However, we use the solid arrow to explain why the situation of “cellularization” should be regarded as “experimentation” in the context of China. This study comes to the same conclusion as the results of the empirical data and document analysis that the autonomous power granted to TNHE was subject to the central government’s changing policy (Mok and Han 2016a). The local authorities (Mok and Han 2016b) and HEIs are focused on innovating policy instruments rather than “defining policy objectives” (Heilmann 2008, p. 3). An interviewee confirmed, “I know that the central government is now collecting more information about TNHE and will adjust its policies in the near future” (III2, personal communication, 2014).

**Conclusion**

Literature that argued that modern governments would confront the increased multifaceted characteristics of contemporary public policy when governing the HE sector (Chou and Ravinet 2015; Jayasuriya and Robertson 2010). Our discussion on how the central government and market force interact when launching TNHE in China has demonstrated the increased multifaceted characteristics of contemporary public sector management. Moreover, governing these TNHE institutions requires collaboration across multiple policy sectors because the different aspects of knowledge policies are under the jurisdiction of various ministries (Jiang, 2005, 2012). Collaboration is important when it involves overseas education providers because the Chinese government should consider the foreign policy and diplomacy. As a member of the WTO, China is also subject to the international regulations that govern
cross-border education. Thus, governing the TNHE in mainland China concerns a multitude of stakeholders increasingly involved in the design, implementation, and evaluation of policies that span multiple governance levels, as Gornitizka and Maassen (2014) suggested.

The present study focuses on the investigation of how the adoption of market force in an authoritarian country affects the development and governance of TNHE and highlights the multi-faceted aspects of public policy with attention focused on national and local contexts. The present analysis has indicated the growing influence of market tenets on TNHE’s development in China. However, we should not underestimate the “reach of the state” in governing Sino-foreign universities in the mainland. Hence, we must also recognize that China’s hierarchical and centralized political system still maintains the central government’s considerable powers in constituting the institutional autonomy of HEIs. The state’s capacity to create a quasi-market, which entails local knowledge and contextual adjustment, is established through the feature of experimentation in the Chinese policy forming process. Similar observations have also been reported by other studies that examine the central-local relations when governing or managing social service delivery and social program implementation across different parts of the country (Mok and Huang, 2017; Qian and Mok, 2016; Shi, 2017).
References


## Appendix: Interviewee Details

### Administrative or Academic Staff

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<th>Interviewee</th>
<th>Affiliation</th>
<th>Position</th>
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<tbody>
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<td>I1</td>
<td>University A</td>
<td>President</td>
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<td>I2</td>
<td>University A</td>
<td>President</td>
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<td>I3</td>
<td>University A</td>
<td>Faculty Member</td>
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<td>II1</td>
<td>University B</td>
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<td>University B</td>
<td>Founder</td>
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<td>III1</td>
<td>University C</td>
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<td>C1–C8</td>
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