

The Dilemmas and the Way out of the Reform of Mixed Ownership in Higher Vocational Colleges

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Abstract: The mixed ownership reform in higher vocational colleges is an important measure to improve the quality of human resources. During the reform, there are various dilemmas about the legal status of mixed-ownership vocational colleges, the interests of different investment entities and the coordination of governance systems. Only by establishing the legal status and governance system of higher vocational colleges and clarifying the legitimate rights and interests of investment entities can we get out of the dilemmas of reform.

1. Introduction

The reform of mixed ownership in higher vocational colleges is to solve the problem of “two skins” that cannot be fully adapted from the supply side of talent cultivation and the side of industrial demand. In order to comprehensively improve the quality of human resources and promote the construction of disciplines and industrial transformation and upgrading, China has introduced a series of policies to promote the development of vocational education. In 2014, the State Council encouraged the promotion of mixed-ownership reform in vocational education in the *Decision on Accelerating the Development of Current Vocational Education*. In 2017, *Several Opinions on Deepening the Integration of Production and Education* by General Office of the State Council continued to emphasize the policies on development of joint-stock and mixed-ownership in vocational colleges, allowing enterprises to participate in schooling in the form of knowledge, capital, technology and management, etc. Mixed ownership can promote higher vocational colleges to better adapt to diversified development, so it has positive practical significance for improving the quality of personnel training. Through continuous exploration and practice, the experience of economic reform and foreign vocational education has been drawn on, the mode of running vocational schools in China have been improved and innovated, and enterprises have been introduced into schools using the mixed-ownership school form to strengthen school-enterprise cooperation, so as to improve the sustainable development of vocational education.

2. Review of the Reform of Mixed Ownership in Higher Vocational Colleges

With the promotion and strong support of national policies, many vocational colleges such as Suzhou Industrial Park Service Outsourcing Vocational College, Hainan Vocational and Technical College, and Nantong Institute of Technology have successively explored different modes of mixed ownership for higher vocational education, providing a good example of the school pattern, teaching reform and governance method of higher vocational education. From the practice of mixed ownership in vocational colleges in China, there are three main types of reform. The first is a mix of public and private schools. Starting from public schools, private capital was introduced then, such as Suzhou Industrial Park Service Outsourcing Vocational College. The second is the mix of civil office assistance. There were mainly private schools at first, and state capital was added later, such as Jiangsu Zilang Vocational and Technical College. The third is a mixture of multiple economic components, such as Hainan Vocational and Technical College. From the perspective of mixed levels, there is a mix of institutions, a mix of secondary colleges or a certain profession and others. For

example, the elevator training base of Hangzhou Vocational College is carried out on the basis of the three-party agreement between the school, the government and the enterprise and a determined proportion of income and detailed understanding of the authority before the operation. Through research, we can find that there is a very high proportion of mixed-ownership vocational colleges in non-public vocational colleges. Due to various factors such as system and policy, the implementation of mixed ownership in public higher vocational colleges is still unsatisfactory. The background of the reform of mixed ownership in higher vocational colleges is to develop a mixed ownership economy and improve the basic economic system. The development of regional industry promotes the integration of industry and vocational education. To cultivate talents in higher vocational schools, it is necessary to strengthen the cooperation between schools and enterprises. The integration of capital, technology, labor and other factors has promoted the development of social economy. In practical work, the requirements of national policy orientation and economic development for higher vocational colleges are the realistic background for the development of mixed ownership mode in higher vocational colleges.

3. The Dilemma Faced by the Reform of Mixed Ownership in Higher Vocational Colleges

The beginning of mixed ownership reform in higher vocational colleges not only brings development opportunities to vocational education, but also faces many difficulties in development.

3.1 The absence of laws and regulations affects the internal basis of mixed ownership reform

The legal status of private schools has been discussed for a long time. *The Law of the People's Republic of China on the Promotion of Private Education* has long established the basic principle that private schools have the same legal status as public schools. However, many specific regulations and practices of laws, regulations and policies formulated under the guidance of old ideas often conflict with them, making private schools different from public schools in practice.

In terms of the actual legal status, first, public higher vocational colleges are business legal persons, which can obtain policy support in terms of finance and taxation. Whether it is investment, enrollment, teaching or scientific research, there are obvious advantages. First of all, the amount of annual appropriation can be guaranteed, which is an advantage in running a school. Secondly, the career establishment and welfare benefits of the faculty and staff are relatively rich. Finally, the management level of the higher vocational colleges is superior in level. The principal and the secretary are all appointed by the government. Although they do not have the autonomy to run a school, they enjoy the power of decision-making and distribution. The above factors have made the mixed ownership reform in higher vocational colleges less enthusiastic. It is traditionally believed that after the reform of mixed ownership, the nature of the school has changed and the corresponding policy support will be weakened. Second, from the perspective of existing regulations, it is not possible to guarantee the reasonable return of investors, and it is prone to conflicts in profit distribution. *The People's Republic of China Private Education Promotion Law announced*, "The investor can obtain a reasonable return from the school balance", without establishing the legal basis for social capital to intervene in vocational education. Thus, when social capital increases capital or shares investment, it may encounter various obstacles in property rights trading. Third, the protection of mixed ownership rights is not perfect. The property rights system is the core issue of the construction of mixed-ownership institutions, such as the property rights structure and the mode of capital contribution, which are relatively difficult issues. In the mixed ownership system, there are still no clear legal provisions on how to effectively protect state-owned assets, social assets, other property rights, and how to prevent the loss of state-owned assets. When asset assessment, asset flow, and rights relief policies are not introduced, the involvement of capital and technology will be affected.

3.2 The differentiation of property rights subjects affects the development momentum of mixed ownership reform

The subjects of mixed ownership in the education field are normally derived from the education and business circles. The fields involved are relatively broad, and the management of the competent departments also has certain complexity. So far, no framework has been formed to solve the problems of the reform of mixed ownership. Under the current system, the realization of cooperation between departments is extremely difficult. Besides, the sources of the main body of the school are different. Enterprises are mainly based on profit, so the investment must have a return. For higher vocational colleges, this kind of education Institutions are non-profit. How to define the rights and standards of capital after mixing? It is necessary to formulate programs and plans for mixed ownership reform in the field of higher vocational education to meet actual needs, so that the road to mixed ownership reform can be smoother. How to find a balance between the rights and interests of property rights differentiation, capital-led or administrative-led? This has a great impact on different subjects, and also affects the development momentum of reform.

3.3 Governance structure adjustment affects operational performance of mixed ownership reform

The involvement of diversified property rights can provide capital support for the operation of higher vocational colleges, and also promote the diversification of governance subjects. The diversification of property rights structure will inevitably change the corresponding governance structure, so that it can adapt to the objective needs of the pluralistic mixed ownership system. However, the current property rights and laws are still not complete and clear. It is very difficult to adjust the governance structure of higher vocational colleges. The adjustment of governance structure is based on property rights, and the construction of a sound governance structure is also a long stage. Most importantly, the governance structure affects the performance of higher vocational colleges. The adjustment of the governance system should solve some problems of the internal operation system: such as the management culture. The state-owned units pay attention to the normative, and the decision-making review process is many and the procedures are more complicated, while the private economy focuses on efficiency and decision-making is more flexible. Although this cultural difference is complementary in terms of advantages, there is a possibility of conflict after "mixing". In addition, in the regulatory system and regulatory standards, the state-owned economy is much higher than the private economy, and if it is followed by "mixing" With the requirements of the state-owned economy, it is difficult to adapt and satisfy the private economy, and its effect is not satisfactory. Various problems show that it is difficult to reconcile the governance structure adjustment and governance mechanism of the mixed ownership reform.

4. The Way Out for the Reform of Mixed Ownership in Higher Vocational Colleges

4.1 Establish the legal person status of mixed ownership higher vocational colleges

First of all, from the perspective of legal principles, we must establish the value of the concept of running a mixed ownership system and break the old idea that "non-public is private". Judging from the three modes of mixed ownership in vocational colleges, there are both public schools and social capital. The "discriminatory" scruples and prejudice against social capital make it difficult to introduce the investment of social capital to vocational education. Next, we must establish the legal personality of mixed-ownership higher vocational colleges. There is a view that the mixed-ownership university should be established as a third-class university in addition to public and private. More scholars believe that mixed-ownership higher vocational colleges should be determined to be institutional entities in accordance with the relevant provisions of Articles 87 and 88 of *the General Principles of Civil Law*, regardless of the nature of their contributions. In matters such as finance, taxation, credit, land, etc., *the Private Education Promotion Law* can be used to give appropriate discounts to non-profit private schools and even the same treatment as public schools.

4.2 Guarantee the procedural justice to ensure the process of mixed ownership reform in higher vocational colleges

No reform is perfect, and the proper performance of the program guarantees the normalization of the benefits of reform. It is necessary to establish the legitimacy of supporting regulations and policies to ensure asset valuation, asset flow, and rights relief. The purpose of integrating the reform of the mixed-ownership system in the vocational education field is to mobilize more resources of the society to participate in running schools and improve school-running. The formulation of sound laws and regulations and access rules is actually to protect the interests of all parties. In the asset evaluation, it is necessary to introduce third-party evaluation and fairness mechanism to avoid the loss of state-owned assets caused by malicious acquisitions such as hostile takeovers, and to strengthen and promote the fair, just and orderly implementation of mixed ownership reform in higher vocational colleges.

4.3 Explore a model that is suitable for “mixing” and strengthen the integration of school and enterprise

From the current three models of mixed ownership reform in higher vocational colleges, there are only cases in which individual institutions try to reform, but they have not explored mature models and experiences that can be copied or promoted. When China does not introduce the laws and regulations on mixed ownership of higher vocational colleges, the practice of mixed ownership is only a "generally mixed" state, and in fact encounters various problems. Hence, in this context, higher vocational colleges should be more pragmatic in the reform of mixed ownership schooling. You can first implement the "small mix" mode, select an experienced school-enterprise cooperation department and a company with a good background and a certain reputation and influence in the industry to participate in the cooperation. On this basis, the school investment, talent training and the combination of teachers and other aspects will be carried out. In this way, during the cooperation, the two sides can find the most reasonable management mode through continuous integration, exploration and improvement. Through the university's charter, coordinating the interests of all parties, including the student's right to participate, can stimulate the enthusiasm of all parties and mobilize the participation of social capital.

4.4 Establish governance structure and management mechanism to prevent the loss of state-owned assets and improve the "mixed" effect

The property rights of mixed-ownership higher vocational colleges can not only follow the system of public schools, but also simply follow the system of private schools. In the end, according to the principal responsibility system or the board system under the leadership of the party committee, there are many disputes in the academic circles. . The first option is to learn from the mature experience of running schools in the West, implement the governance model of the board of directors, and implement the system of president responsibility under the leadership of the board of directors. The dean is employed by the board of directors and can also be responsible for his actual work. In personnel management, the system management of higher vocational colleges can be carried out with reference to the personnel management model of mixed ownership enterprises, and the personnel management system with performance target management as the core is formulated. In terms of the distribution of income, the principle of mutual benefit and risk is shared, and a reasonable division is made according to the proportion of investment. The second option is the principal responsibility system under the leadership of the Party committee, and the board of directors is a negotiating body. The benefits of such a scheme can avoid institutional disputes, ensure the participation of major investors, and ensure the preservation and appreciation of state-owned assets. This model is not a simple copy of the management model of the enterprise. It is necessary to integrate the enterprise system with the school system according to the actual situation, improve the governance institutions such as the board of directors and management, and construct the separation and integration of property rights and power, and weigh the advantages and disadvantages of the two. Prevent the

governance model from being neglected because of the pursuit of maximum benefits. No matter what mode is adopted, higher vocational colleges must always adhere to the Party's policies and guidelines, effectively display the role of academic committees, teaching committees and board of directors, and integrate them according to the actual situation, students' ideological and political work, teaching work, personnel training work, personnel management, teacher evaluation and other aspects of the work are all completed by the school and completed independently.

5. Conclusion

To sum up, the reform of mixed ownership in higher vocational colleges is the main trend in the future development of education, and is also the actual demand for economic system reform at this stage. How should we mobilize the enthusiasm of social resources to participate in running schools, control the risk of state-owned assets, complete and ensure the system and internal system construction, improve and standardize the management system, and build a school-running system that always adheres to the Party's education policy and line are the main questions worth thinking and facing in the current reform of mixed ownership in higher vocational colleges. Government, school, society and other fields must actively participate in the education reform. Through long-term practice and exploration, the reform of mixed ownership system in higher vocational colleges will eventually become a highlight of modern vocational education, and can also promote the deepening and reforming of the vocational education system as well as achieving a qualitative leap.

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