

## **GOING INTO THE SEA:**

**The Relationship of Socio-Economic Developments and Changes  
to the Developments and Changes in the Education and Training of Adults  
in China and the UK,  
with Comparative Aspects in Hong Kong  
(1978-1996)**

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#### **Abstract**

By using qualitative methodology, mainly through documentary analysis supported by a large number of semi-structured interviews, this study explores the relationship of socio-economic developments and changes to the developments and changes in the education and training of adults in the two countries and one region. The thesis argues that, as with other aspects of education, the education and training of adults can never be developed in isolation but always reflects, and is influenced by, socio-economic development and changes. On the one hand, socio-economic development and changes are driving forces for the development of the education and training of adults. On the other hand, in response to changes in the socio-economic context, management models for the education and training of adults will change.

The study suggests that such management models can be illustrated as a triangle with orientations towards the three corners, that is, academic, planning and market orientations. The main finding of the study is that, despite their differences, the management models for the education and training of adults in the two countries and the region of Hong Kong, in various degrees, are moving together towards the market orientation because of the movement of international privatisation since the late 1970s. However, they will not move to the top position of the market orientation, but will continue to be a mixture of the three orientations.

As an adult learner, educator and researcher, with a unique experience of being a graduate and university teacher in both China and the UK, the writer has attempted to contribute to mutual understanding in the important field of the education and training of adults in the two countries, with Hong Kong aspects as a comparison, and to the study of comparative adult education.

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## Contents

Abstract.....	ii
Acknowledgements.....	iii
Contents.....	v
List of Appendices.....	viii
List of Figures.....	ix
List of Tables.....	x
Abbreviations.....	xi
<b>CHAPTER 1</b>	
<b>INTRODUCTION.....</b>	<b>1</b>
Contents.....	2
Management Models.....	4
Definitions.....	5
The Focus and the Limitation.....	12
Methodology: the Inside Story.....	13
<b>CHAPTER 2</b>	
<b>NEW LONG MARCH.....</b>	<b>40</b>
Historical Background.....	42
Changes in Political Aspects.....	44
Changes in Economical Aspect.....	53
Conclusions.....	70
<b>CHAPTER 3</b>	
<b>GOLDEN AGE:</b>	
<b>THE DEVELOPMENT IN THE EDUCATION AND TRAINING OF ADULTS</b>	
<b>IN CHINA SINCE THE LATE 1970s.....</b>	<b>72</b>
Introduction.....	73
The Growing Demands for the Education and Training of Adults.....	74
The Development in the Education and Training of Adults since the late	
1970s.....	78
Conclusions.....	102
<b>CHAPTER 4</b>	
<b>'RICE IN THE BIG POT':</b>	
<b>THE PLANNING ORIENTED MODEL.....</b>	<b>103</b>
Strengthening the Administration of the Education and Training of Adults.....	104
The Planning Model in Education for Qualifications.....	110
The Planning Model in Adult Basic Education.....	114
The Planning Oriented Model in Training.....	117
The Planning Model in Professional Continuing Education.....	123
Conclusions.....	126

<b>CHAPTER 5</b>	
<b>GOING INTO THE SEA</b>	
<b>DEVELOPMENT IN THE PRIVATE SECTOR</b>	
<b>AND THE MARKET ORIENTED MODEL .....</b>	<b>128</b>
The Emergence of the Private Sector.....	129
Development in the Private Sector.....	132
The Market Oriented Model in the Private Sector.....	142
The Market Orientation of the Public Sector .....	147
Conclusions.....	154
<b>CHAPTER 6</b>	
<b>'FREE ECONOMY AND STRONG STATE'.....</b>	<b>157</b>
Dilemma of Consensus Politics after 1945 .....	159
Economic Reform: Decentralisation.....	161
Political Reform: Centralisation .....	175
Conclusions.....	186
<b>CHAPTER 7</b>	
<b>'WE CANNOT HIDE FROM CHANGES':</b>	
<b>THE DEVELOPMENT IN THE EDUCATION AND</b>	
<b>TRAINING OF ADULTS IN THE UK.....</b>	<b>188</b>
Changes and Demands.....	189
The Development in the Education and Training of Adults .....	195
Conclusions.....	214
<b>CHAPTER 8</b>	
<b>CHANGES IN GOVERNMENT POLICY.....</b>	<b>215</b>
The Departments of State.....	217
From the MSC to TECs .....	220
Changes in the Further Education Sector.....	235
Changes in the University Sector .....	242
Conclusions.....	245
<b>CHAPTER 9</b>	
<b>CHANGES IN INSTITUTIONAL POLICY .....</b>	<b>246</b>
Changes in the University Sector .....	247
Changes in the Further Education Sector.....	260
Private Providers in Training Markets.....	272
Conclusions.....	280
<b>CHAPTER 10</b>	
<b>THE EDUCATION AND TRAINING OF ADULTS IN HONG KONG.....</b>	<b>288</b>
Background.....	289
The Education and Training of Adults in the Market.....	291

Conclusions.....	311
<b>CHAPTER 11</b>	
<b>COMPARATIVE ANALYSIS AND CONCLUSIONS .....</b>	<b>313</b>
Socio-Economic Contexts and Impacts.....	314
Management Models .....	325
Implications and the Future .....	335
Conclusions.....	351
<b>REFERENCES.....</b>	<b>353</b>
<b>APPENDICES .....</b>	<b>381</b>

## **List of Appendices**

Appendix I	Research Approach	381
Appendix II	Research Framework: Chinese Aspect	383
Appendix III	General Proposed Questions for Interviews in the UK	385
Appendix IV	Interview List (China)	387
Appendix V	Interview List (UK)	396
Appendix VI	Interview List (Hong Kong)	407
Appendix VII	Interview with Mr. Dong Mingchuang	411
Appendix VIII	Interview with Sir Geoffrey Holland	416
Appendix IX	Observation List	427
Appendix X	Key Notes of Interview UKTUC	429
Appendix XI	List of Publications, Seminars and a Lecture Based on the Study	431



## **List of Figures**

Figure 1.1:	Management Models for the Education and Training of Adults	4
Figure 1.2:	The Tree of the Research	20
Figure 1.3:	Research Network	26
Figure 1.4:	Working in Two Languages	32
Figure 2.1:	China Opens its Door: the Map of China	61
Figure 3.1:	The Parallel Educational Systems in China	79
Figure 3.2:	Enrolments in Higher Education and Adult Higher Education in China (1980-1995)	80
Figure 3.3:	Adult Higher Education in China in 1995	84
Figure 3.4:	Enrolments in Specialised Secondary Education and Adult Specialised Secondary Education in China (1985-1995)	89
Figure 4.1:	The Administrative System of Adult Education in China in the 1980s	109
Figure 4.2:	The Administrative System of Continuing Professional Education in China in the Early 1990s	125
Figure 7.1:	NVQ Model	211
Figure 10.1:	The Structure of the VTC in Hong Kong	309
Figure 11.1:	Major Factors Having Impacts on the Education and Training of Adults	321
Figure 11.2	Students Who Left Hong Kong to Study Overseas	349

## **List of Tables**

Table 1.1:	Distinctions between Education and Training	11
Table 3.1:	Various Types of Adult Higher Education in China	82
Table 3.2:	Various Types of Adult Specialised Secondary Education in China	90
Table 3.3:	Numbers and Enrolments in Adult Specialised Secondary Schools in China (1993)	92
Table 3.4:	Levels and Forms of Adult Secondary Education in China	94
Table 3.5:	Various Types of Adult Training Schools in China	95
Table 3.6:	Various Levels and Forms of Adult Primary Education in China	96
Table 6.1:	The Main Privatisation Sales Since 1979	167
Table 6.2:	Proceeds from the Sale of Public Assets	168
Table 10.1:	Enrolments in Adult Education in Hong Kong (1982-91)	293
Table 10.2:	Major Institutions in Hong Kong and their Enrolments	301

## Abbreviations

### *Chinese Aspect:*

ABECZ	Along Border Economic Collaborative Zones
ABOCTs	Along Border Open Cities and Towns
ABTVS	Agricultural Broadcasting TV School
AESFEC	Adult Education Section of Fujian Education Commission
AG	Assessment Group
AHESUs	Adult Higher Education Sector of Universities
AROCs	Along River Open Cities
ASTs	Associations of Science and Technology
BAEB	Beijing Adult Education Bureau
BAERI	Beijing Adult Education Research Institute
BSSEHEs	Boards of Self-Study Examinations in Higher Education
BTVUs	Broadcasting TV universities
BZ	Bounded Zone
CACEE	Chinese Association of Continuing Engineering Education
CAST	Chinese Association of Science and Technology
CCCCP	Central Committee of Chinese Communist Party
CCCCYL	Central Committee of Chinese Communist Youth League
CCGCAE	Chinese Co-ordination Guidance Committee of Adult Education
CCP	Chinese Communist Party
CCYL	Chinese Communist Youth League
CEOZs	Coastal Economic Open Zones
CMCs	Colleges of management cadres
COCs	Coastal Open Cities
CSU	Chinese Social University
DAE	Department of Adult Education
DEWP	Department of Education for Workers and Peasants
DLRSEC	Department of Laws and Regulations of State Education Commission
DOCCCCP	Department of Organisation of Central Committee of Chinese Communist Party
DOPCs	Departments of Organisation of Party Committees
DP	Department of Personnel
DPCCCCP	Department of Propaganda of the CCCCCP
DPCSEC	Department of Planning and Construction of State Education Commission
DPESICAB	Department of Personnel and Education of State Industrial and Commercial Administrative Bureau
DST	Department of Science and Technology
EC	Education Commission
ECFP	Education Commission of Fujian Province
EIs	Education institutions

ETDZs	Economic and Technological Development Zones
FAEC	Fujian Adult Education Centre
GBL	General Bureau of Labour
GRE	Graduate Record Examinations
HCICESTC	Hubei Correspondence Information Centre for Education, Science and Technology in the Countryside
HCU	Hubei Correspondence University
HTDZs	High-Tech Development Zones
ICC	Independent Correspondent College
LJC	Labour Judgement Committee
MA	Ministry of Agriculture
MAPF	Ministry of Agriculture, Pasture and Fishery
MBFT	Ministry of Broadcasting, Film and Television
ME	Ministry of Education
MF	Ministry of Finance
ML	Ministry of Labour
MLP	Ministry of Labour and Personnel
MP	Ministry of Personnel
NACWE	National Administrative Committee of Worker Education
NBSSEHE	National Board of Self-Study Examinations in Higher Education
NGCSSEHE	National Guidance Committee of Self-Study Examinations in Higher Education
NPC	National People's Congress
NTU	National Trade Union
NUEEAHE	National United Entrance Examinations for Adult Higher Education
NUEEHE	National Unified Entrance Examinations for Higher Education
NWA	National Women's Association
PBCCCCP	Political Bureau of Central Committee of Chinese Communist Party
PCs	Party Committees
PGBC	People's Government of Beijing City
PNZ	Pudong New Zone
PRC	People's Republic of China
PUs	Peasant universities
QCCE	Qianjin College of Continuing Education
SACTC	Shanghai Adult Communication Training Company
SC	State Council
SCPBCCCCP	Standing Committee of the Political Bureau of Central Committee of Chinese Communist Party
SEC	State Education Commission
SEcC	State Economic Commission
SERC	State Economic Reform Commission
SESBAEB	Social Education Session of Beijing Adult Education Bureau
SEZs	Special Economic Zones
SGCTTEMC	State Guidance Committee in Training and Test for Economic Management Cadres

SICAB	State Industrial and Commercial Administrative Bureau
SPCB	Shanghai Post-Communications Bureau
SPCWC	Shanghai Post-Communications Worker College
SSEHE	Self-Study Examinations in Higher Education
SSESSE	Self-Study Examinations in Specialised Secondary Education
SSTC	State Scientific and Technological Commission
SSTCB	State Scientific and Technologic Cadre Bureau
TDHE	Third Department of Higher Education
TOEFL	Test of English as a Foreign Language
TUs	Trade Unions
WAs	Women's Associations
WUs	Worker universities

***UK Aspect:***

ACACE	Advisory Council for Adult and Continuing Education
ADAC	Accredited Development Assessment Centre
ALBSU	Adult Literacy and Basic Skills Unit
ALRA	Adult Literacy Resource Agency
ALU	Adult Literacy Unit
BAB	British Airways Board
BGC	British Gas Corporation
BNOC	British National Oil Corporation
BT	British Telecom
BTEC	Business and Technician Education Council
CBI	Confederation of British Industry
CCT	compulsory competitive tendering
CHES	Centre for Higher Education Studies
CVE	Continuing Vocational Education
DACE	Division of Adult Continuing Education
DE	Department of Employment
DES	Department of Education and Science
DFE	Department for Education
DfEE	Department for Education and Employment
DLE	demand led element
DTI	Department of Trade and Industry
FEFC	Further Education Funding Council
GCE	General Certificate of Education
GLC	Great London Council
GNVQs	General National Vocational Qualifications
GREAs	grant-related expenditure assessments
HEFC	Higher Education Funding Council
ILEA	Inner London Education Authority
ITOs	Industry Training Organisations
LEAs	local education authorities

LECs	Local Enterprise Councils
LFS	Labour Force Survey
MSC	Manpower Services Commission
NAFE	non-advanced further education
NCVQ	National Council for Vocational Qualifications
NEDC	National Economic Development Council
NHS	National Health Service
NIACE	National Institution of Adult Continuing Education
NVQ	National Vocational Qualification
OU	Open University
PCFC	Polytechnics and Colleges Funding Council
PICKUP	professional, industrial and commercial updating
RSA	Royal Society of Arts Examination Board
SCOTVEC	Scottish Vocational Education Council
TC	Training Commission
TECs	Training and Enterprise Councils
TEED	Training, Enterprise and Education Directorate
TOP	Training Opportunities Programme
TUC	Trade Union Congress
TUs	trade unions
UACE	University Association for Continuing Education
UCACE	University Council for Adult Continuing Education
UCAE	University Council for Adult Education
UFC	University Funding Council
UGC	University Grants Committee
UWCC	University of Wales College Cardiff
WEA	Workers' Education Association
YOP	Youth Opportunity Programme
YT	Youth Training
YTS	Youth Training Scheme

***Hong Kong Aspect:***

CAHE	Caritas Adult and Higher Education
ED	Education Department
HKTC	Hong Kong Training Council
ITAC	Industrial Training Advisory Committee
OLI	Open Learning Institute
SPACE	School of Professional and Continuing Education
UGC	University Grants Committee
UPGC	University and Polytechnic Grants Committee
VTC	Vocational Training Council

**CHAPTER ONE**  
**INTRODUCTION**

# **CHAPTER I**

## **INTRODUCTION**

The period since the late 1970s has been of great historical importance in China, Hong Kong and the UK, with tremendous changes taking place. China started its new revolution under the leadership of Deng Xiaoping, the chief representative of the second generation of the Chinese Communist Party (CCP), in 1978. The Conservative Government of Mrs. Margaret Thatcher began to move towards market solutions and away from the consensus that had characterised much of British politics since the Second World War after the election in 1979. During the same period, Hong Kong, a colony of the UK for over a century, was on the way to returning to China. During this period the education and training of adults developed vigorously in the above countries and the region of Hong Kong with the world wide spread of the concept of life-long education. This study aims at examining the relationship of socio-economic developments and changes to the education and training of adults. In discussing how socio-economic changes have had impacts on the developments and changes in the education and training of adults, the thesis traces the trends in developments and changes in the education and training of adults in the above countries and the region of Hong Kong since the late 1970s. These form the main objectives of this study.

### **Contents**

The thesis contains eleven chapters. Chapter 1 introduces the purpose, definitions, limitations, significance and methodology of the study. Chapters 2 to 5 discuss those issues in Chinese contexts. The period since the late 1970s has been of great importance in contemporary Chinese history. The Downfall of the Gang of Four in late 1976 and the return of Deng Xiaoping in 1977 gave opportunities to the Chinese people to start a new Long March, socialist economic reform. There have been many changes in the political and economic situations since then. As far as political issues are concerned, the leadership of the CCP, together with the political ideology and the political line have all changed, the Government has been restructured, the Constitution has been revised. As far as the economic situation is concerned, the door that had been shut since 1949 has been reopened toward the outside world, a series of economic reforms has been carried out, and the economic system has been gradually transformed from the socialist planned economic system toward a socialist market economic system. Chapter 2 focuses on



discussing such radical socio-economic changes which have had a great impact on the development and changes in the education and training of adults in China. Chapter 3 presents a picture of the enormous development in the education and training of adults in the same period. Chapters 4 and 5 discuss changes in governmental and institutional policies, gradually changing the management model for the education and training of adults from a planning orientation towards a market orientation, in response to changes in socio-economic contexts.

Chapters 6 to 9 explore British aspects since 1979, when Mrs. Margaret Thatcher moved into Downing Street. The Thatcher administration brought tremendous changes in British policies. With a policy of a free economy and a strong state, 'the state is to be simultaneously rolled back and forward' (Gamble 1988: 28), decentralising in the economy and centralising in politics. On the one hand, with privatisation and a general preference for individualism over collectivism, the Government pushed the economy away from a planned system towards a market system. On the other hand, the Government tried to weaken not only the trade unions, but also the Labour Party and local government. As a result, the welfare state, which was built after the Second World War was weakened. Chapter 6 will discuss these radical changes that have had an impact on the developments and changes in the education and training of adults in the UK. Chapter 7 will give a general picture of developments in the field of the education and training of adults. Chapters 8 and 9 will focus on the changes in governmental and institutional policies, and analyse how socio-economic changes have influenced the changes in the education and training of adults in the UK, pushing towards a market orientation.

Chapter 10 deals in a similar manner with the experience in Hong Kong. Since the late 1970s the open-door policy in China has had a great impact on development and changes in Hong Kong. As a bridge between China and the outside world, Hong Kong has played an important role in facilitating China's open-door policy, in direct and indirect ways. The chapter will consider the trends of socio-economic development and changes in Hong Kong since the late 1970s and their impacts on the development and changes in the education and training of adults in Hong Kong: with the freest economy in the world and the minimum government interference and regulation, the market in the education and training of adults in Hong Kong has been well developed.

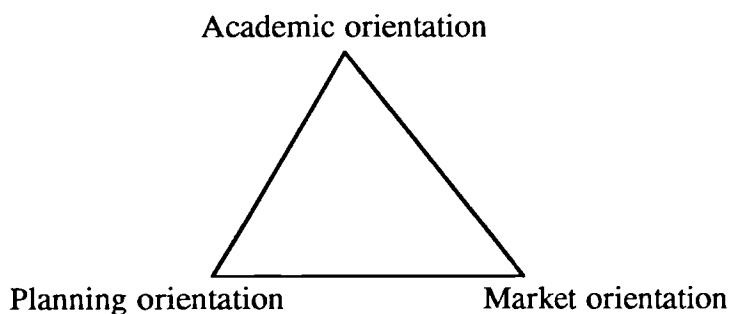
Chapter 11 provides a comparative study of the two countries and Hong Kong. Based on Engels' theory of the relationship between economic basis and superstructure that he

introduced in the famous letter to J. Bloch, it will argued that among those social factors which have direct and indirect impacts on the education and training of adults, the economy is the decisive one. The Chapter will then focus on a discussion of trends in changes in management models for the education and training of adults in the two countries and Hong Kong. Following Foucault's theory of 'discourse', changes in language which indicate the transmission of powers in the two countries, with the situation in Hong Kong as comparison, will be analysed. The Chapter will then consider the implications of such changes and future developments.

### **Management Models**

To make a comparative analysis, management models for the education and training of adults may be illustrated as a triangle with orientations towards the three corners: academic orientation, planning orientation, and market orientation (see Figure 1.1).

Figure 1.1: Management Models for the Education and Training of Adults



In the academic orientation, where the principle of the service provided might be termed as 'I will teach what I like', courses are provided according to academic interest, where providers have the power to provide whatever courses they see fit to teach. In the planning orientation, 'I will teach what they (the State) say(s)!' courses are provided according to Government requirements, where the Government has the power to decide what courses should be provided. In the market orientation, 'I will teach what you pay for': courses are provided according to buyers' demands and requirements, where customers have the power to decide what courses should be set up. In practice, however, no kind of management system for the education and training of adults would fit any of the above archetypal models but would be a combination or mixture of these three models, which could be illustrated by one position within the triangle that could move in response to the changes in the socio-economic context.

The trends in the developments and changes in education and training of adults in China, Hong Kong and the UK since the late 1970s can also be illustrated with this triangle. It is argued that, on the one hand, due to the difference of socio-economic situations, the management models for the education and training of adults, as a whole, in the two countries and in the region have their own characteristics; on the other hand, the trends in changes of the management models in the two countries and the region, to some degree, are similar: they are moving in the same direction, towards a market orientation. These movements are linked to the relevant socio-economic trends, which, to various degrees, have also moved in the same direction, that is, a market orientation. Nevertheless, none of these cases has reached the pinnacle of the market oriented model. Whilst the trends in the developments and changes in the education and training of adults in China, Hong Kong and the UK are moving towards a market orientation, the remaining combination of academic and planning models is considered necessary.

### **Definitions**

To discuss the comparative aspects of the two countries and the region being discussed, it is necessary to clarify the reasons for using, and the meaning, of the term 'education and training of adults' in this study.

#### ***Reasons for Using the Term 'Education and Training of Adults'***

The term 'education and training of adults', rather than others, for example, 'adult education and training' or 'continuing education and training', is used in the topic to avoid the confusion that different definitions of the existing terms in different countries may cause. There is a Chinese saying: 'Though a thing is definable, the definition is changeable'. The definition of a term can be changed due to the changes of time and space. For instance, the definition of 'adult education' in one country could be different from that in another country. It could also have different meanings in the same country during different periods.

The definitions of adult education in the UK and in other countries are different. The traditional British definition of adult education is rather narrow. During the late nineteenth century and the first decades of the twentieth century in the UK, the use of the term 'adult education' became in practice attached to liberal education, excluding vocational education. Dominated by the British concept of adult education, the international

conference on adult education at Elsinore (Denmark) organised by UNESCO in 1949, accepted the definition of adult education as follows:

Adult education is taken to mean those forms of education which are undertaken voluntarily by mature people ( in the United Kingdom meaning persons above the age of 18) and which have as their aim the development without *direct* regard to their vocational value, of personal abilities and aptitudes, and the encouragement of social, moral and intellectual responsibility within the framework of local, national and world citizenship. As used both in the United Kingdom, and e. g. in the Scandinavian countries, the term presupposes a general standard of literacy resulting from compulsory childhood education (Hutchinson 1949: 54).

However, at the second and third international conferences on adult education (Montreal, 1960; Tokyo, 1972), more delegations came from outside Western European countries. As a result, the limitation of the narrow Elsinore definition was criticised, whilst a broad view of adult education was recommended and adopted. At Montreal the term 'adult education' was recognised as an all-embracing term covering all organised provision for the education of adults, whatever the level and whatever the motivation and purposes. The tasks of adult education, as seen by the delegates at Montreal, 'illustrated the need for a breakdown of the rather artificial separation between the vocational and non-vocational aspects that had unfortunately characterised adult education in the past' (Hely 1962: 75). A comprehensive function for adult education was discussed at Tokyo. Life-long education, a concept which was formed in the *Final Report* by the Adult Education Committee, Ministry of Reconstruction in Britain in 1919 (known as *The 1919 Report*), was also discussed at both conferences. In order to give effect to the conclusions, declarations and recommendations formulated by both conferences, UNESCO drafted a recommendation on the development of adult education in 1976. It stated:

...the term 'adult education' denotes the entire body of organized educational processes, whatever the content, level and method, whether formal or otherwise, whether they prolong or replace initial education in schools, colleges and universities as well as in apprenticeship, whereby persons regarded as adult by the society to which they belong develop their abilities, enrich their knowledge, improve their technical or professional qualifications and bring about changes in their attitudes or behaviour in the twofold perspective of full personal development and participation in balanced and independent social, economic and cultural development (UNESCO 1976: 160)

The term 'adult education' was not widespread in China until the late 1970s. The broader definition of the term recommended by UNESCO, therefore, was accepted by the Chinese

Government. The comprehensive framework of adult education in China in practice includes various kinds and levels of organised provision of education and training for adults: literacy classes, secondary and higher education for adults, technical training in the countryside and at factories, and professional continuing education.

It is apparent that China has such a broad definition of adult education, whilst Britain has rather a narrow one and that, on the contrary, the definition of continuing education is rather restricted in China but broad in the UK. After the conferences of Montreal and Tokyo, British adult educators realised the limitation of their traditional definition of adult education. They, however, did not extend the definition of adult education as did UNESCO. Instead, they started to use the term continuing education to overcome the limitation and to develop the concept of life-long education, continuous education throughout life, which was encouraged in the *1919 Report* and was strongly recommended by the Conferences of Montreal and Tokyo. Since the 1970s, many Departments of Extramural Studies in British universities have changed their name to the 'Department (or Division) of Adult (and) Continuing Education'. The name of the National Institute of Adult Education was changed into the 'National Institute of Adult Continuing Education' in the mid-1970s. The definition of continuing education in the UK seemed to be defined as broadly as possible. In a Circular, the Department of Education and Science (DES) defined continuing education as 'anything that follows' initial education, whilst the latter 'can be defined as the continuous prepared period of formal study, to whatever level, completed before entering main employment' (DES 1980: 1). The Advisory Council of Adult and Continuing Education (ACACE) stated:

Our definition of continuing education is therefore a broad one. We do not think that it is useful to draw artificial boundaries between education and training, between vocational and general education, or between formal and informal systems of provision. We include systematic learning wherever it takes place: in libraries, in the work place, at home, in community groups, and in educational institutions (ACACE 1982: 2).

This definition of continuing education seems to be as broad as the definition of the term of adult education that was recommended by the conferences of Montreal and Tokyo.

The Chinese definition of continuing education, however, has a different scope due to the different background. The terminology of 'continuing education' was introduced into China in 1979, when Professor Zhang Xianhong, a Chinese representative from Qinghua

University in Beijing, attended the First World Conference on Continuing Engineering Education (Interview CACEE). The Chinese definition of the term of continuing education, which was based on the American term 'continuing engineering education', was restricted to post-college continuing professional education and then extended to post-specialised secondary education (see Pan & Fang 1993). In 1987 the State Education Commission (SEC), the State Science and Technology Commission (SSTC), the State Economic Commission (SEcC), the Ministry of Labour and Personnel (MLP), the Ministry of Finance (MF), and the Chinese Association of Science and Technology (CAST) stated:

The beneficiaries of post-college continuing education are those who are working as professional technicians and managers, holding higher education qualifications or with middle professional technician titles...The task is to broaden and to update their knowledge and competence, to readjust their knowledge structure to meet the needs of their work and to promote the development of technology, economy and the society of our country (SEC, SSTC, SEcC, MLP, MF and CAST 1987: 406, translated by the writer).

In 1988 the SEC, the SSTC and the CAST stated:

The beneficiaries of continuing education at enterprises are those scientists and technicians who are working in the fields of productive construction, scientific research, design, scientific management and others, holding secondary specialist educational qualifications or above, or with middle technician titles or above (SEC, SSTC and CAST 1988: 229-230, translated by the writer).

In 1989 the General Office of the Ministry of Agriculture (MA) confirmed that the beneficiaries of agricultural continuing education were those scientists and technicians working in the agricultural field, holding specialised secondary education qualifications or above, or with primary professional titles (General Office of the MA 1989).

The above documents show that the focus of continuing education in China is continuing professional education from which mainly those professionals who are in employment and who hold certain educational qualifications or professional titles get the benefit. Obviously, neither the terminology of adult education nor the definition of continuing education has the same scope in China as that in Britain. Adult education seems to cover all aspects of learning opportunities for adults in China, whilst Britain has its rather narrow definition. Nevertheless, while continuing education refers to restricted continuing

professional education in China, it is supposed to cover all aspects of learning opportunities for adults in Britain.

Although Hong Kong accepts the British approach, in practice, its concept seems to be in between China and the UK. On the one hand, the definition of adult education in Hong Kong is not as narrow as that in the UK: the artificial boundaries between vocational and non-vocational courses have not been as strict as they have been in the UK. More and more vocational oriented courses have been provided by the Departments of Extramural Studies in universities and colleges in Hong Kong since the 1980s. On the other hand, following the British definition, continuing education in Hong Kong, in practice, seems to cover equally broad aspects as those covered in the UK. In the early 1990s, following British institutions, some Departments of Extramural Studies of universities and colleges in Hong Kong changed their names into the 'School (Centre) of (Professional and) Continuing Education' while an ever-increasing variety of courses for adults was provided.

To avoid any ambiguity in using the term 'adult education' or 'continuing education', the term 'education and training of adults', rather than the terms 'adult education and training' or 'continuing education and training', is used to cover all aspects of learning opportunities for adults in the two countries and the region of Hong Kong.

### *The Definition of 'Education and Training of Adults'*

In the *Collins Dictionary of English Language*, 'adult' is defined as 'a person who has attained maturity' (Hank 1979: 19). In the same dictionary, education is defined as 'the act or process of acquiring *knowledge*, esp. systematically during childhood and adolescence' (Hank 1979: 466, emphasised by the writer). Here, education seems to be related to *knowledge* only. In *A Dictionary of Education*, education is defined as 'a process of learning aimed at equipping people with *knowledge and skills*' (Hills 1982: 137, emphasised by the writer). Here, education is related to both *knowledge and skill*. In the *Chinese Dictionary of Adult Education*, education is defined as:

Education is a kind of social phenomenon used as a means to pass on *experience* of production and social life. In a broad sense, it indicates all activities which enrich *knowledge and skill*, maintain health and fitness and influence people's ideology. In a narrow sense, it is an aimed, planned and organised activity to pass on knowledge and skill, to modify ideology and morality for *personal* intellectual and physical *development*. It is conducted by educators according to the social

requirement and the regulation of the physical and psychological development of youth (Guan 1990: 440, translated and emphasised by the writer).

Here, the definition of education is related to *knowledge, skill and personal development*.

Training was defined in the *Collins Dictionary of English Language* as 'the process of bringing a person, etc., to an agreed standard of *proficiency*, etc., by *practice* and instruction' (Hank 1979: 1539, emphasised by the writer) In *A Dictionary of Education*, training is defined as follows:

It may be said that training is a process using a wide range of techniques to modify attitude, knowledge or *skill behaviour* so as to achieve *effective performance* (usually defined as experienced worker standard) in a *particular task* or set of tasks (Hills 1982: 273, emphasised by the writer).

Some writers have discussed the nature of education and training. Drawing on a number of sources, particularly the Department of Employment 'Glossary of Training Terms' (1978, 2nd Edition), Buckley and Caple suggest that the definition of training is as follows:

A planned and systematic effort to modify or develop knowledge/skill/attitude through learning experience, to achieve *effective performance* in an *activity* or range of *activities*. Its purpose, in the *work* situation, is to enable an individual to acquire *abilities* in order that he or she can *perform* adequately a given *task* or job (1990: 13, emphasised by the writer).

An OECD document, which was provided by British authorities, stated:

Training provided by employers may be defined as 'the process of acquiring the knowledge and skills related to the *work requirements* by formal, structured or guided means' (OECD 1990: 46, emphasised by the writer).

While using the words '*proficiency*', '*practice*', '*behaviour*', '*performance*,' '*experience*', '*activity*', and '*work requirement*', the above definitions indicate training to have a specific and practical orientation rather than a general theoretical orientation. Relatively, 'training is more *job-orientated* than person-orientated. Education, on the other hand, is more *person-orientated*' (Buckley and Caple 1990:14, emphasised by the writer).



Although distinguishing between the purposes and methods of education and those of training is not always possible, as the two overlap, distinctions between these two concepts have been discussed by a number of writers. Following Kenny and Reid (1986), Buckley and Caple (1990) discuss the distinctions between these two concepts with regard to process, orientation, content, effects and the degree of precision involved. Reid, Barrington and Kenny (1992) examine those distinctions with regard to objectives, time, methods and content, and context.

For the purpose of this thesis, following the above writers, the distinctions between education and training are examined in terms of their aims, contents, as well as outcomes as shown in Table 1.1.

Table 1.1 Distinctions between Education and Training

	Education	Training
Aims	Acquiring knowledge and skill, improving personal development	Seeking for proficiency, modifying attitude and behaviour related to particular task or work
Contents	General studies, theoretical orientation	Specific learning, practical orientation
Outcomes	Long term effect on personal development	Immediately effective in achieving particular performance related directly to work

As discussed above, although education and training overlap, they can be distinguished to some extent. If education is likened to a meal, training could be likened to a snack: the first provides long-term sustenance, whilst the second satisfies an immediate need. They complement each other and cannot be separated completely: training can never take place effectively without the necessary foundation of education. They, therefore, should not be divorced, but should live and work together.

Through the above analyses, it can be suggested that the education and training of adults is an organised learning process aimed at enabling mature people to enrich knowledge, to develop skills, abilities and competence, to modify attitudes and behaviour, and to improve personal qualifications and development in a variety of ways: formal or informal, school based or work-place based, face to face teaching or distance learning, short-term or long-term, full-time or part-time. This broad definition covers all aspects of learning opportunities for adults, from basic education to higher education, from vocational

technical training to continuing professional education, from political and moral education to leisure and recreative education.

### **The Focus and the Limitation**

Due to limited time, the study has its focus on the experience in China, the UK and Hong Kong. The reason of such a focus is partly related to writer's biography, partly related to political issues in Hong Kong, and partly related to the characteristics of the two countries and the region of Hong Kong. First of all, as the writer's biography will show, her unique experience as a graduate and university teacher in both China and the UK has led to her special interest in comparative study and has contributed to mutual understanding in the field of adult education and training in the two countries through the comparative study.

Secondly, China and the UK, are so different and independent of each other that if Hong Kong had not been put between them, as a bridge, such a comparative study would not make much sense. As a part of China, Hong Kong became a British colony in the 1840s and it has been greatly influenced by the UK. Its education system, for instance, has been a copy of the British system. The education and training of adults in Hong Kong also has been influenced by British experience. For instance the Extramural Department, a British model of university adult education, was first introduced into Hong Kong University in the mid-1950s, with its own characteristics (Interview SPACE1), and following the model of the Manpower Services Commission in Britain, the Hong Kong Vocational Training Council (VTC) was set up in the earlier 1980s. On the other hand, as a part of China, Hong Kong has a long history of Chinese traditional culture. Influenced by traditional Chinese culture and the Chinese system of values, the education and training of adults in Hong Kong has been developed with its own approach under the free market economy. Furthermore, Hong Kong will return to China on 1 July 1997. Hong Kong, in transition, has become even closer to China. At the same time, Hong Kong has been playing a more and more important role in the open door policy and the economic reform of China since the late 1970s. A lot of Hong Kong experience has been, and will continue to be, introduced into Special Economic Zones (SEZs) and spread into other places in China. As a result, some British experience, for instance, the system of civil servants, has been indirectly introduced into China, through Hong Kong as a bridge, without being noticed.

Thirdly, the management mode for the education and training of adults in China, the UK and Hong Kong happened to be at the three corners of the management models for the

education and training of adults: influenced by the former Soviet model, the Chinese model used to be closer to the planning orientation; with a liberal democratic tradition, the British model used to be closer to the academic orientation; under the free market economy, the Hong Kong model has been at the corner of the market orientation. The study will show how the Chinese model and the British model have been moving away from their original corner towards the Hong Kong corner in line with development in the market economies since the late 1970s. Such an international comparative study may well show the international trends of the development and changes in the education and training of adults under the international movement of privatisation.

Meanwhile, the study has its limitation. The relationship between socio-economic developments and changes and the developments and changes in the education and training of adults should cover two sides: on the one hand, socio-economic developments and changes have an impact on the education and training of adults; on the other hand, the developments and changes in the education and training of adults also have an impact on socio-economic developments and changes. Due to the limited time, however, the study concentrates on one side only, focusing on the impact of socio-economic developments and changes on the developments and changes in the education and training of adults. The title, therefore, is 'The Relationship of Socio-Economic Developments and Changes *to* (rather than *between*) the Developments and Changes in the Education and Training of Adults in China and the UK, with Comparative Aspects in Hong Kong'.

### **Methodology: the Inside Story**

The methodology adopted for the study is documentary analysis supported by a large number of interviews and some observations. Data is obtained mainly by:

- Analysis of government documentation available, including government white papers, acts, regulations, reports, statistics in each country and the region of Hong Kong;
- Reviews of newspapers, magazines, yearbooks and other publications, including the *Selected Works of Deng Xiaoping*, *The Downing Street Years* by Margaret Thatcher, and other books;
- Interviews with key figures at national and local, as well as institutional levels, including governmental and institutional policy makers, professors and other experts in the two countries and the region of Hong Kong;

- Observation of some institutions, conferences and daily life in the two countries and the region of Hong Kong.

Although the methodology is relatively straightforward, it is worth discussing the following issues which occurred during the study:

### *Biography*

Apart from the above resources, the writer's own experience forms an important background to the study. She was born, and brought up, in Fuzhou in the south-east of China, one of the fourteen coastal cities opened to the outside world in the 1980s. Though she graduated with top grades from one of the key secondary schools in her province in 1966, her further studies were interrupted by the Cultural Revolution for eleven years. Like millions of teenagers of her generation, she was sent to work in the countryside for over three years. It was there that she tasted the self-sufficient life style and hard work of peasants in the countryside of a developing country. She was then assigned to a job in the city transport company in her home town. Being a secretary in the General Office of the company and then in General Office of the Fuzhou Transport Bureau, she was responsible for writing newsletters and annual reports. In order to collect data, she went to work sites throughout the city talking to leaders at various levels, clerks, drivers, conductors and other workers. Thus, she built up her abilities to establish information networks and developed her skills in communicating, observing, analysing and writing. In 1977, as one of fifty-seven million applicants, she took the first National Unified Entrance Examinations for Higher Education (NUEEHE) since the Cultural Revolution, and, as a *mature* student with high scores, she entered Xiamen University, one of the key universities in China. Like other people of her generation, being excluded from education for more than a decade due to the disaster of the Cultural Revolution, she was eager to obtain knowledge. Although she was an undergraduate student in the Department of Chinese Language and Literature, she spent all her holidays and weekends learning English: she was sure that, one day, it would become a tool to help her to understand what was happening in the world. After graduation with a transcription of fourteen 'Grade As' and three 'Grade Bs', she became an assistant, teaching English reading in the Chinese Department of the University until 1984. However, not everyone of her generation was as lucky. Most of her friends did not seize the chance to take the entrance examination for universities in 1977 or 1978, in which the pass mark for older school leavers was set much higher than those for younger applicants. the Government was in favour of the latter and wanted at least 90% of undergraduates to be fresh school leavers. Starting from 1979, in particular from 1980, the generation which

graduated during the Cultural Revolution was almost totally excluded from the higher education system; they had to go through the adult higher education system, which forms one of major issues being discussed in this study.

In 1984, invited by the late Professor A. Taylor, the then dean of the Education Faculty, University College Cardiff (UCC) of Wales University, she was seconded to the UCC to help in the setting up of the China Studies Centre. While lecturing in Chinese Studies for *adult* students, as a University *staff member*, she started her research for a M.Ed. Degree entitled, *Trends of Educational Development in China (1977-1986)* in 1986, and was awarded the M.Ed. Degree by the University of Wales in 1988. Due to limited time and space, the aspects of the system of *adult education*, an important part of China's education was *not* discussed in detail in her M.Ed. thesis. She, therefore, built up her particular interests in *comparative* research in the *education and training of adults*. She returned to Xiamen University in 1988 and started to work, as a lecturer, a researcher, and then as an editor, in the Research Institution for Higher Education Science, Xiamen University in 1989. It was there that she started her journey of research in the education and training of adults.

Between 1989 and 1993, in order to understand a complicated picture of the education and training of adults in China, she spent her own savings and made several trips to visit various adult education authorities and institutions in Beijing and Tianjin as well as Fujian Province. She met and interviewed key policy makers at national, provisional (city), county, township and institutional levels. At the national level, she talked to Mr. Zou Shiyan, the then deputy director of the State Education Commission (SEC) and Mr. Xing the then head of the Department of Educational Technology of the SEC, who used to be chief policy makers in the education and training of adults in China in the early 1980s, and who told her a long story about the development of adult education in the early 1980s. She visited Mr. Dong Mingchuang several times. Mr. Dong has been a chief policy maker since the mid-1980s: he was the former deputy head and the acting head of the Third Department of Higher Education, which was responsible for adult higher education, between 1984 and 1986, and the head of the Third Department of Higher Education between 1986 and 1990. He has been the head of Department of Adult Education (DAE) since 1990, when the Third Department of Higher Education merged with the original DAE to form a new DAE. Mr. Dong has shown his strong personal support for her research. In 1991, he kindly invited her to observe national preparation meetings for the First National Conference on Adult Higher Education. Invited by him, she worked in the

DAE for over two weeks, where she was able to access documents and reports from all over the country and wrote a report on readjustment work in adult higher education for the DAE. Working in the DAE, she met and talked to most staff members at various sections of the DAE to get a general picture of adult education in the country. In addition, she visited several senior staff members at various Departments of the SEC and the National Board of Self-Study Examinations in Higher Education (NBSSEHE) and the Chinese International Educational Exchange Association. She interviewed Zhuang Yingqiao, the Chief Secretary of the Chinese Association of Continuing Engineering Education (CACEE), who explained the history, and gave her a picture of the comprehensive system, of continuing engineering education, that is, continuing professional education across the country. She visited Wang Yunji, the Director of the Education Section of the Department of Personnel and Education of the State Industrial and Commercial Administrative Bureau (SICAB), who explained how the training system was operated under a ministry and how the training system of a ministry co-ordinated with the SEC, the Ministry of Labour and Personnel (MLP), and the Department of Organisation of Central Committee of Chinese Communist Party (DOCCCCP), which were major government and Party departments responsible for various aspects of the education and training of adults.

At provincial and city level, she visited You Wen, the then head of Beijing Adult Education Bureau in Beijing, the capital of China. In Tianjin, one of the cities directly controlled by the State Council (SC), she visited several heads and some senior staff members of the Second Education Bureau in Tianjin, which was responsible for adult education. In Fujian Province, she visited, on several occasions, Mr. Ye Pingqiao, the then Acting Director of the Education Commission of Fujian Province (ECFP), and Mr. Wang Xin, the then Deputy Director of ECFP, who was responsible for adult education. She frequently visited Mr. Tong Daoquan, the then Director of Adult Education Section of the ECFP, now the Director of Fujian Adult Education Centre (FAEC). Both Mr. Wang and Mr. Tong explained the comprehensive system of adult education controlled by education authorities in detail. She also visited the Training Section of the Personnel Bureau of Fujian Province, which was responsible for continuing professional education in various fields across the whole province.

In terms of city, county and township levels, in 1990, the International Literacy Year, she visited the Adult Education Section of the Education Commission of Xiamen City and Adult Education Branch of Tongan County, and spent one week in Maxiang Town of

Tongan County, a countryside area in Xiamen, in order to understand the work of literacy in the countryside. She visited primary schools and evening schools, interviewed people and observed classrooms. At the end of the visit, she wrote an article, 'the ILY (International Literacy Year) in Xiamen', for *ALBSU News Letter* published in London.

Between 1989 and 1993 she visited various forms of institutions of education and training of adults, including Broadcasting TV Universities (BTVUs), worker universities (WUs), adult higher education sectors of universities (AHESUs), colleges of management cadres (CMC), independent training centres, training centres of manufacturing, cultural and technical schools in countries, agricultural broadcasting schools and vocational schools. Gradually, she was able to draw a comprehensive picture of the system, from the top to the bottom, of education and training of adults in China, which contributed to the general background and formed an important part of her current studies.

During the same period, in order to build up her knowledge of the development and changes in the education and training of adults in the UK, she spent her own savings on visiting the UK twice. The first visit was between the end of April and the beginning of July in 1990. Invited by Professor Lalage Bown, she visited the Department of Adult and Continuing Education, University of Glasgow, observing classrooms and using libraries there for two months. During the same trip, she also visited the Research Centre for Post-Compulsory Education of the University of Lancaster, the University of Manchester and the University of Wales College Cardiff (UWCC). At the end of the visit, she moved on, attending international conferences in Finland and the former Soviet Union. It was at the Meeting in Finland 1990, an international conference in adult education, that she extended her international contacts and met many colleagues in the UK, including Professor William Hampton, her current supervisor; Ms. Judith Summers, the Chair of the National Institute of Adult Continuing Education (NIACE); Mr. Howard Fisher, the then Associate Director of the NIACE; Mr. Nick Moore, the Head of the Training for Employment Continuing Education and Training Service of Croydon; Mr. Andrew Lewis, the then Acting Head of the Department of Continuing Education, City University; Professor Gordon Roderick, Department of Adult Continuing Education, UWCC; Dr. J. R. P. Evans, Ebbw Vale Community Education Centre, Gwent; and Mr. Geoffrey Hollett, the then the director of the Tredegar Centre, Education Centres Association, Gwent. She visited all of them when she returned to this country two years later, in 1992.

During the second visit, she spent nine months in this country, invited by Professor M. J. Bruton, the then Vice-Principal and Registrar of the UWCC and Professor B. Davies, the Head of the School of Education, University of Wales College Cardiff. Based in the School, she visited dozens of authorities, organisations and institutions concerned with the education and training of adults in this country. She interviewed over forty people from various organisations at national and local levels, including the Training, Enterprise and Education Directorate (TEED) of the Department of Employment (DE), the Scottish Vocational Education Council (SCOTVEC), NIACE, NIACE CYMRU, the Training and Enterprise Council in South Glamorgan of Wales, the Local Education Authority in Mid-Glamorgan of Wales, Worker Education Association South Glamorgan Branch of Wales, the Division of Adult Continuing Education (DACE) of the University of Sheffield, the Department of Adult Continuing Education of the University of Glasgow, the Centre for Research into the Education of Adults of the University of Nottingham, the Department of Continuing Education of the City University, the Faculty of Educational Technology of the Open University (OU), the Macclesfield College of Further Education and its adult education centres, the Continuing Education and Training Service of Croydon, the Ebbw Vale Community Education Centre in Gwent, the Tredegar Centre of Education Centres Association in Gwent and the Kerr Forster Chartered Accounts in Cardiff. She attended and observed masters degree courses in continuing education and in training and development in the University of Sheffield and in the UWCC and Access Courses in the Macclesfield College of Further Education. She collected first-hand data by talking to the people in the field, reading and collecting governmental and institutional documents. All these research activities help her to understand the policy and practice in the UK, based on which she was able to develop her current research.

She also visited the University of Hong Kong on the way to, and back from, the UK. She met Dr. John Holford, a then senior lecturer of the School of Professional and Continuing Education (SPACE), who is now a senior lecturer of the Department of Educational Studies of the University of Surrey, and Dr. Cheng Kai Ming, who is now a Professor, the Dean of the Faculty of Education. Both of them gave her a brief picture of developments and changes in Hong Kong in the past two decades and showed their kind support when she expressed her intention of doing comparative research. By using the Library of the University of Hong Kong, the best library in Hong Kong, she was able to access the Education Commission's reports and other relevant information.



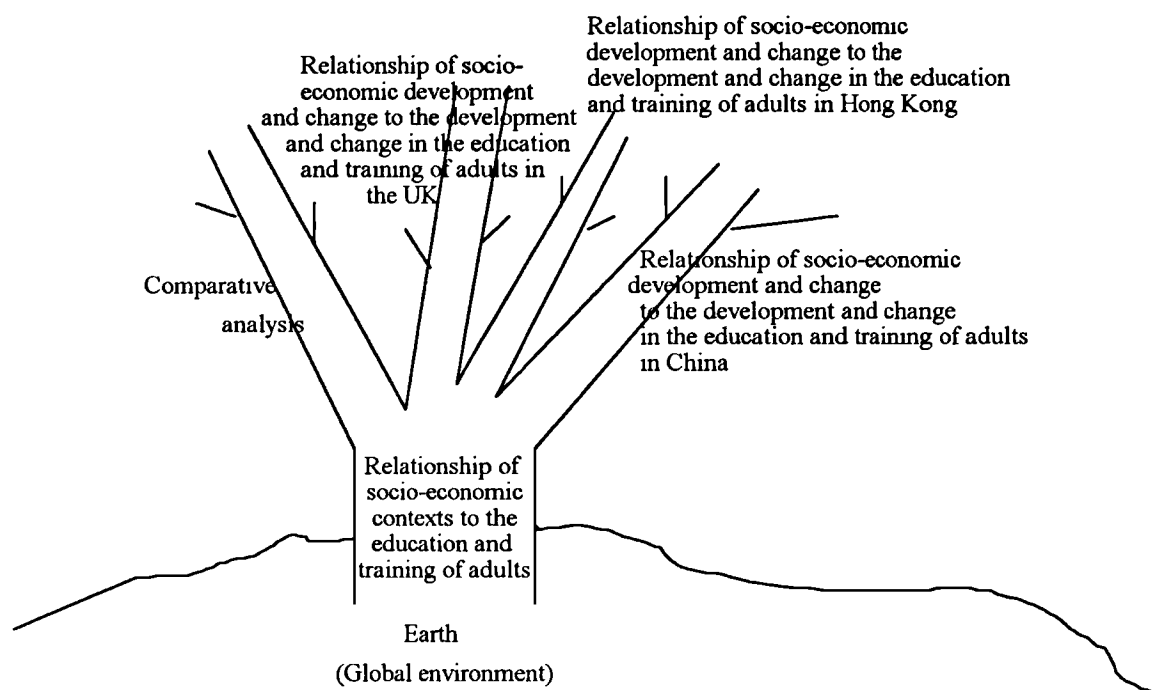
Thus, she was able to feel the pace of the global changes, to hear the tide of rapid development and radical changes in the fields of the education and training of adults in both the East and the West, and to develop her main argument before starting the current research. In February 1993, during her second visit to Professor William Hampton of the DACE of the University of Sheffield, she developed her abstract of the proposal for her doctoral research. Seven months later, she came back to Sheffield to start her three years study with an ORS (Overseas Research Students) Scholarship from the CVCP (Committee of Vice-Chancellors and Principals) and a Research Student Scholarship from the University of Sheffield. One year later, selected and recommended by the University's Higher Degrees Committee, she received a Edward Boyle Research Scholarship, an award for outstanding overseas students in receipt of ORS award, from the Edward Boyle Memorial Trust.

### *Seed and Tree*

At a Chinese National Symposium of Adult Educators held in Beijing in May 1993, the writer presented a paper, 'On the Transformation of Mechanism of Adult Education System and its Operation under the Socialist Market Economic System' (see Fang 1993c), in which, a triangular diagram, which is similar to Figure 1.1 in this study, was developed to illustrate the management system models for the education and training of adults. It is argued that any management model for the education and training of adults could be represented by some point within the scope of the triangle, which, however, is not permanently fixed, but can move from one orientation towards another in accordance with the socio-economic development and changes of regional, national and even international events. It is also argued that the management system of the education of adults in China is in transition from a planning orientation towards a market orientation alongside the national economic system which is being transformed from a socialist planning system to a socialist market system. When the writer started her doctoral research, the above triangular diagram and the related arguments formed the core of the conceptual basis of the study, although no more than the seed of an idea.

However, she wondered what kind of tree the seed would turn into. One evening, while she was having her dinner, sitting at a table near a window of the dining room in Earnshaw Hall, the university residential hall where she stayed, and looking at a huge tree with four big branches outside the window, suddenly, she realised, 'That is it! That is my tree!' She rang up her supervisor immediately and then rushed to her room and drew the following picture in her folder (see over page):

Figure 1.2. The Tree of the Research



### ***Research Approach***

Based on the above seed and the tree of the research, the researcher started her three years journey of research. In order to show the way in which the research has been approached, the brief research approach, which is quoted from the writer's research log named UKMETHOD, is attached in Appendix I. In addition, some key issues of the research, including research framework and research network, as well as ethical and language issues, will be explained in detail.

### ***Research Framework***

Based on the above tree, with the triangular diagram as a seed, she soon developed a comprehensive research framework with aspects in China, the UK and Hong Kong. Its total size is about a square metre. As it is too big to be attached, a sample of its second part of the Chinese aspect, which was drafted by pencil on 23 October 1993, is now duplicated by computer, without amending its contents, of course, but with a reduced size (see Appendix II). In this part of the framework, on the basis of her knowledge of socio-economic context and the development and changes in the education and training of adults in China in the past decade, she is examining how the socio-economic development and

changes have had an impact on the development and changes in the education and training of adults, focusing on two parts: first, the impact of political changes on the education and training of adults; and second, the impact of economic development and changes on the education and training of adults. Using the deductive method, she is examining how the changes in political line, in which the Party has decided to turn the focus of the work of the Party and the nation to the socialist construction, has led to great demands for the education and training of adults, how the influence of the leadership of the country has encouraged the development in the education and training of adults, and how the new Constitution has promoted the development in providers of the education and training of adults, including the private sector, which indicates that the management model for the education and training of adults has been moving towards the market orientation. She is also examining how economic development and changes have had an impact on the education and training of adults. On the one hand, the open door policy has led to changes in economic composition, increasing individuals' and enterprises' choice and decreasing government decision; on the other hand, economic reform has led to changes in the economic system from a socialist planning system towards a socialist market system. These changes have brought changes in both sides of the education and training of adults: on the one hand, participators, with increasing choice in the manpower market, have increasingly become customers of the education and training; on the other hand, instead of waiting for government planning, providers, who now see themselves as enterprises, have been seeking the market and have been trying to meet the needs of customers. Furthermore, due to economic development, people's living standards and life quality had been raised. They, therefore, would like to buy and can afford to buy education and training. Thus, the market for the education and training of adults has been formed: on the one hand, participators have become buyers, on the other hand providers have become sellers. In this case, the management model for the education and training of adults in China has been moving from a planning orientation towards a market orientation.

A similar deductive method was used to develop the British and Hong Kong aspects of the research framework.

### ***Proposed Questions and Interview Lists***

Based on the research framework, the researcher developed her proposed questions for interviews and proposed interview lists in the two countries and the region of Hong Kong. In the case of the UK, for instance, she designed general proposed questions (see Appendix III), based on which specific questions were developed for each interviewee

according to his (her) position. As the study is looking at issues that have been happening in the field since the late 1970s, the researcher has tried to keep on updating information. Like a bee, in order to produce honey, she has kept on flying into fields to collect pollen. She has made six visits to China and seven trips to Hong Kong and has travelled across Britain. She has conducted 100 interviews involving over eighty key figures at national, regional, and institutional levels, who are accessible and can provide the relevant information that she needs (see Interview Lists in Appendix IV, V & VI).

### ***Research Network***

In order to conduct such an extensive research, it is necessary to develop a broad research network. As mentioned earlier, the researcher had established her own research network long before starting the current research. Based on her previous research network, she was able to develop her current research network according to various situations in the two countries and the region. In China, a centralised country, the system for the education and training of adults is operated from the top to the bottom. According to this situation, she developed her research network, from the top to the bottom, with key people at various levels as key 'net-points', the key positions within the network. At the national level, Mr. Dong Mingchuang, the chief policy maker in the education and training of adults in China, forms the chief 'net-point', the most important key position, within the network in China for two reasons. First, as he himself is the chief policy maker in China, his interview reflects the general policy and trends in the developments of the education and training of adults in the country, which provide the most important evidence for the argument of this study. Second, as a chief policy maker, he has connections to policy makers and experts at various levels. Through him, the researcher was able to access not only other senior staff members of various sections of the DAE, but also key policy makers at provincial (city) and institutional levels.

As education authorities at provincial (key city) level are responsible for the local policy for adult education, it is important to select major policy makers as key 'net-points', through which the research network will be capable of expansion. At this level, the researcher focused on Fujian Province, where she came from, and Beijing, the capital of China. In Beijing, Mr. You Wen, the former Head of the Beijing Adult Education Bureau (BAEB), now the Head of Beijing Adult Education Research Institute (BAERI), forms a key 'net-point' of the Beijing group within the network for two reasons. First, as a former key policy maker, Mr. You, together with Mr. Dong, has conducted some national research projects in the education and training of adults in China. His interview provides

not only local experience but also important data across the country. Second, through him, the researcher was able to access staff members in both BAEB and BAERI and relevant institutions in Beijing. In Fujian, Mr. Wang Xin, the former deputy head of the ECFP, and Mr. Tong Daoquan, the former director of Adult Education Section of the ECFP, who were in charge of adult education in Fujian Province, form the key 'net-points' of the Fujian group within the research network.

At the institutional level, there are some key net-points who are either policy makers, or academics with wide contacts. For instance, Professor Pan, the former Vice-President of Xiamen University, the former Director of the Research Institute for Higher Education Science, Xiamen University, and the former Chair of the Examination Research Group of the National Board of Self-Study Examinations in Higher Education (NBSSEHE), forms a key net-point for two reasons. First, as a distinguished expert, he is well known in the field of higher education and has wide contacts at various levels. At the national level, he has many contacts in the SEC and the NBSSEHE: it was through him that the researcher knew Mr. Dong. At Provincial and city level, he has connections with Mr. You Wen, the key 'net-point' in Beijing, and Mr. Wang Xin in Fujian. At institutional level, as a former leader and an expert in higher education, he has not only contacts with leaders in Xiamen University but also those in other institutions. At international level, he has contacts with academics in Hong Kong and the UK. Second, as an expert in higher education, he has contributed to the theory of higher education science. He argues that there are two important laws of higher education: first, the external law, that is, higher education should be influenced by, and should reflect, socio-economic contexts; the second, internal law, that is, higher education should not only bring benefit for economic development but also contribute to personal development. On the basis of his argument, the researcher has been able to develop her key argument in the field of the education and training of adults.

In the UK, the current research network has also been developed on the basis of the previous research network. At the institutional level, Professor William Hampton, the supervisor of the researcher, forms the most important key 'net-point' to access other key 'net-points' for several reasons. First, through him, the researcher met and observed a group of his M.Ed. students. Among them, Mr. Dave Cliff, a former staff member of the DE, forms a key 'net-point' of the research network: through Mr. Cliff and his wife, Rose Cliff, a staff member of the DE (now DfEE), the researcher was able to access and interview seven staff members of the former DE.

Second, on behalf of the researcher, Professor Hampton wrote to Sir Geoffrey Holland, the former Chief Executive of the Manpower Services Commission (MSC), the former Permanent Secretary of the Department of Employment, the former Permanent Secretary of the Department for Education, and now the Vice-Chancellor, University of Exeter, who had been awarded his honorary Ph.D. Degree in Sheffield University. With experience of both the rise and the fall of the MSC and his experience as chief policy maker of both DE and Department for Education (DFE), Sir Geoffrey Holland forms a very important key 'net-point' of the research network at the national level. His interview produced a comprehensive picture of the development and changes in Government policy in the education and training of adults and generated important evidence to support the main argument of this study. His interview led to the interview with Dr. Ian Johnston, the former Director of the Training Division of the MSC, the former Chief Executive of the Vocational Education and Training Group of the MSC, the former Deputy Director-General for the Training Agency and the Former Director-General of the TEED of the DE, and now the Deputy Principal of Sheffield Hallam University. The interview with Dr. Johnston describes in detail the development in training and the changes in Government policy in the past two decades. These two interviews with former chief policy makers in Britain together with interviews with seven former staff members from the DE, comprise a comprehensive picture of changes in government policy for the education and training of adults since the late 1970s.

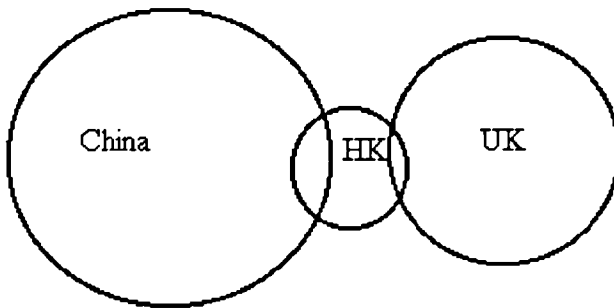
Third, Professor Hampton also wrote to other key figures at both national and institutional levels, including, Professor Chris Duke, the Head of the Department of Continuing Education and the former Pro Vice-Chancellor of the Warwick University, the former Secretary, University Council for Adult and Continuing Education (UCACE) and Vice-Chair of the Universities Association for Continuing Education (UACE); Professor Richard Taylor, the Director of the Department of Adult Continuing Education, University of Leeds, Secretary of the UACE; Professor Andrew Gamble, the Head of the Department of Politics and the Pro Vice-Chancellor of the University of Sheffield; Mr. Robert Lochrie, the Chief Secretary of the National Workers' Education Association (WEA); Mr. Malcolm Ball, TUC (Trade Union Congress) Education Officer in North Yorkshire & Humberside and Mr. Alan Baldwin, a Higher Education Development Manager, Sheffield College. In addition, through Professor Hampton, the researcher was able to access Mr. Edward Hartley, the District Secretary of the WEA Yorkshire South District.

Fourth, Professor Hampton brought the researcher to DACE in Sheffield, where the researcher has been based and where she has been able to meet other key policy makers and colleagues, and to contact them frequently. It was in DACE that the researcher met and interviewed Mr. Geoffrey Mitchell, the former Director of DACE and the former head of the liberal education group of UCACE, who described the history of DACE and explained the changes in governmental and institutional policy since the late 1970s. It was in DACE that Professor Hampton introduced the researcher to Professor Geoff Chivers, a member of the Council of UCACE, now UACE, who forms a key net-point of the research network. As an expert in continuing education, Professor Chivers started his career in the field of continuing education in the mid-1970s. He was appointed as a professor in continuing education in Sheffield in the mid-1980s. The researcher discussed her framework and main arguments with, and sought advice from, him. She interviewed him twice, the first one was conducted at his office; the second one took place at the Hallam Hotel, a public bar in West Street near the Division, while he was having his lunch. In these interviews, he discussed the reasons why the education and training of adults has been able to develop rapidly; he provided evidence to show that the management model for continuing vocational education, an increasingly important part of university adult education, has changed, moving towards a market orientation in response to the changes in British socio-economic context. This evidence contributes to the key argument of the research. In addition, his interview led to the interview with Mr. Ken Nixon, a former senior training adviser of the MSC and the DE, now a part-time staff member of the Division, and Martin Vimpany, a part-time staff member of the Division. Both of them contributed to knowledge of development in the private training sector in the UK. The researcher also interviewed Professor Robert Cameron, the Director of DACE, twice. Professor Cameron explained the latest Government funding policy and the changes in institutional policy in response to the changes in Government policy. He argued that the management model for the education and training of adults should take account of the academic, planning and market orientations outlined above. The researcher also visited Dr. David McConnell in DACE, who explained the development of the third generation of distance learning by using computer networks. It was in DACE that the researcher interviewed Professor Hampton himself. As a former head of the Division and an expert in local government studies, he not only described a picture of changes in institutional policy in the past two decades but also explained changes in socio-economic policy of the Government and its social consequences, which contribute to the main theme of the study. In addition, in DACE the researcher was able to observe residential courses of distance learning and other programmes, to attend lectures in research methodology of a M.Ed.

course, and seminars and conferences. Based in the Division, she was able to attend SCUTREA (Standing Conference on University Teaching and Research in the Education of Adults) and other events to present her papers for national and international conferences, and gave seminars in DACE, the Universities of Hong Kong, and Xiamen University to develop her research arguments (see Appendix IX & XI).

As the research covers China and the UK with Hong Kong as a bridge, it has been necessary to build a research network across the two countries with Hong Kong as a link. In Hong Kong, therefore, key 'net-points' of the research network fall in the overlap between China and Hong Kong and that between Hong Kong and the UK (see Figure 1.3).

Figure 1.3: Research Network



In terms of the overlap between China and Hong Kong, Mr. Wong Xinqiao, who used to be a senior staff member of the Xiamen University, and has been the Head of the Education Department of Xinhua Agency in Hong Kong since the late 1980s, forms a key 'net-point'. As a senior officer from the Chinese Government and as an academic from China, he has a good knowledge of the education and training of adults in Hong Kong with a comparative perspective, and has wide contacts in Hong Kong. With his guidance, the researcher was able to develop her contacts in Hong Kong, including not only people from mainland China but also local key policy makers. Under his guidance, the researcher visited Professor Chen KeKun, a former professor from the Xiamen University, who happens to be a friend of the researcher's family, and has been the Chief editor of the *Hong Kong Economic Directory* since the late 1970s. With his strong knowledge, Professor Chen drew a comprehensive picture of socio-economic development and



changes in Hong Kong since the late 1970s, which have contributed to the background of the research in Hong Kong.

There are links between the two areas of overlap. Professor Pan Maoyuan, for instance, falls in the overlap between China and Hong Kong. Through him the researcher was able to contact Dr. C. C. Wan, the former Dean of the School of Continuing Education of Hong Kong Baptist College (now Hong Kong Baptist University), now the Dean of the School of Continuing Studies of the Chinese University of Hong Kong. Dr. Wan is a key 'net-point' falling into both areas of overlap. She not only provided a brief history of the development of the education and training of adults in Hong Kong, but also organised an International Conference on Developments in Continuing Education: An East-West Perspective in November 1993. It was this conference that brought together many adult educators from both the East and the West, including China, Hong Kong and the UK. It was at this conference that the researcher heard so many stories about the development in the education and training of adults in Hong Kong and was able to further extend her research network in the two countries and the region of Hong Kong. After the conference, she visited several participants including Professor You Qingquan, Mr. Tam Shu Wing and Professor Peter Jarvis. Professor You is the Principal of Hubei Correspondence University, a private adult higher education institution in central China, which was established in the mid-1980s. He gave her a picture of the development in private higher education in China. Mr. Tam Shu Wing, a senior lecturer of the School of Continuing Education of the Chinese University of Hong Kong, told her the thirty years history and explained the institutional policy of the School of Continuing Studies of the Chinese University of Hong Kong. Professor Peter Jarvis is the former Head of the Department of Educational Studies of the University of Surrey in the UK, an expert on adult and continuing education. He argued that although the education and training of adults would continue to move towards the market orientation, it would not go to the end of the market orientation. His arguments have contributed to the main theme of the study.

In terms of the overlap between Hong Kong and Britain, Dr. John Holford, a former senior lecturer of the School of Professional and Continuing Education of the University of Hong Kong, now a senior lecturer at the Department of Educational Studies of the University of Surrey, forms a key 'net-point'. Seven years ago, Dr. John Holford went to work for SPACE from the UK; he came back to work in England in 1996. With experience, knowledge and contacts in the world of education and training of adults in both Britain and Hong Kong, he gave the researcher a comparative picture of Hong Kong

and the UK. He told her the story about SPACE from his perspectives both *within* and *outside* SPACE. In addition, through him, the researcher was able to access Professor Cheng Kai Ming, who forms an important key 'net-point' overlapping China, Hong Kong and the UK. Born in Yangzhou in China, Professor Cheng was educated in Hong Kong and got a Ph.D. degree from the London Institute of Education in 1987. As an adviser of UNESCO, he has conducted several research projects in China and published a book, *Chinese Educational Reform: Development, Limitation and Trends* (Cheng 1992). As an expert in education, Professor Cheng not only gave the researcher a general picture of education in Hong Kong, but also introduced her to other key policy makers in the education and training of adults, including Mr. Horace Knight, the Chief Executive of the Vocational Training Council (VTC) of Hong Kong, who, together with Mr. Leung Kam Fong, his deputy, explained the history and development of the VTC, an important aspect of government intervention in training. Introduced by Professor Cheng, the researcher also visited Mr. Andrew Wong, the Associate Director of the Open Learning Institute (OLI) of Hong Kong and Father Michael Yeung, the Director of Education Service of Caritas in Hong Kong. Both of them explained their institutional policies in the market place for the education and training of adults in Hong Kong.

In addition, Dr. Holford led to another key 'net-point' within the overlap between Hong Kong and the UK, that is, Professor Richard Taylor. In 1991, Dr. Holford visited Leeds University. One of the outcomes of his visit was that Professor Richard Taylor, the head of the Department of Adult Continuing Education was invited and became an External Advisor of SPACE in the University of Hong Kong. As an External Adviser, Professor Taylor has two roles: one is to give information on what is happening in the UK; the second role, more importantly, is to look at the programmes in terms of quality assurance, and on the basis of that, makes suggestions about future development strategies (Interview UKLURT). As a key 'net-point' falling within the overlap between the UK and Hong Kong, Professor Taylor has two important roles in the research network: first, as a Head of Department and the current Secretary of UACE in the UK, from both institutional and national perspectives, he described a picture of changes in university adult education *within* the British socio-economic context; second, as an External Advisor of SPACE, he explained recent rapid changes in SPACE as an *outsider* and provided relevant information gained from *within*. His interview has contributed to the research in Hong Kong and to a discussion in policy changes in the UK, as well as to an international comparative analysis.

It is clear that key 'net-points' have played important roles in the research network of this study and have great contributions to the comparative study.

### ***Ethical Issues***

In order to respect interviewees, letters, in some cases together with proposed questions, were sent to them before making appointments. During an interview, before using a tape recorder, the researcher always asked the interviewee whether he (or she) would mind her using a tape recorder. However, interviewees with different positions and different cultural backgrounds had different reactions. In China, interviewees with senior positions, including heads of government departments, heads of higher education institutions, normally responded positively, whilst others, including officers with middle and lower ranks, tended to respond negatively. Reasons for different responses might be: first, senior officers get used to speak publicly through either microphone or being taped. With authority status, they are confident to choose right words to answer questions from the public. They, therefore, are confident to be responsible for what they are saying. Second, in contrast to senior officers, with the traditional Confucian philosophy of modesty, Chinese officers with relatively lower ranks prefer to talk informally. They may feel nervous of being taped because, for them, it sounds too formal to be accepted. Third, the Chinese people may still remember that during such historical political movements as the Cultural Revolution, notes and journals became evidence for being criticised as 'anti-revolutionary'. Some people, therefore, may worry that tape records would become 'iron evidence' for being criticised some days in the future, and, therefore, are very cautious about what they are saying and what will be recorded. Considering this ethical issue, most interviews conducted in China, including interviewing Chinese officers in Hong Kong Xinhua Agency, were recorded by hand instead of being tape-recorded. Exceptions are the interviews with Dong Mingchuang, the head of Department of Adult Education of the SEC; Professor Sun Tianzheng, Vice-Chancellor of the Chinese Broadcasting TV University; Mr. Xu Yaping, Deputy Head of the Special Economic Zone Office of the State Council; Professor Pan Maoyuan, the former head of the Research Institute of Higher Education Science of Xiamen University; Professor Zheng Xuemeng, Vice-President of Xiamen University; Mr. Fang Linian, Director of the Shanghai Post & Telecommunication Training Centre, President of the Shanghai Post & Communications Worker's College (SPCWC) and Chairman of the Shanghai A D Telecom Training Service Company; Mr Xia Qinyun, Director of the Principal Office of the SPCWC; Professor You Qingquan, Principle of Hubei Correspondence University, and Mr. Cao Huiyi., Assistant to Principal of Qianjin College of Continuing Education in Shanghai.

In the UK and Hong Kong, however, due to the relatively open culture, people were happy to be taped. Only in one case in the UK, had the interviewee a little hesitation: he worried that he might talk too much. However, when the researcher promised that she would send the transcription to him for verification before finally using it, he agreed to do so. As promised, she soon sent him not only the transcription, but also the direct quotations that were going to be used in the thesis, for verification. He felt satisfied about this.

When the researcher sent transcriptions or notes to interviewees for verification and for formal permission to use them, either direct or indirect quotation, most of interviewees spent a lot of time in checking details of transcriptions. In China, two most senior officers who sent their responses back had the transcripts amended and typed. In one of the amended transcripts, some original details and informal language were omitted. As a result, it looked like an official speech published in a newspaper. In the UK, interviewees from the former DE, which had merged with the former DFE into DfEE, not only checked through transcriptions but also provided updated information. One officer enclosed two pages of revision with the latest information, which actually formed another interview. One of the interviewees, who used to work in the former Statistics Section of the DE, had transferred to the Department of Trade and Industry (DTI) when the transcription was sent to her. Her successor responded to the researcher providing two pages of updated information and became an additional interviewee. To avoid ethical problems, in addition to seeking permission for using interviews from these government officers, the researcher asked them whether they would prefer their name to appear in the thesis or not. As a result, three out of seven chose to be anonymous, whilst four of them were happy to cite their names as the sources of information. Dr. Ian Johnston, the former Director-General, TEED, checked through and annotated the transcription in detail. In his letter, he agreed for the researcher to use the amended transcription with a footnote to ensure that it cannot be reproduced or copied without his permission. In response to his letter, both Professor Hampton, the supervisor, and the researcher wrote to him and guaranteed that a footnote would be inserted to any quotation from his interview stating that his permission should be obtained before any copy was made or quotation used from these quotations. As can be seen in Chapter 7, the researcher kept her promise when she used the relevant direct quotations.

When the researcher sought the permission to use the interview from a staff member in a Chinese university, he preferred her *not* to *quote* his interview. The researcher guessed that there might be two possibilities: first, he might prefer her *not quoting* the transcript but *using* it; second, he might dislike the whole interview being used at all. When the researcher visited him some months later, however, she got his permission to use the information in the interview *without quoting* it. In Britain, after the researcher sent a transcription to a senior member of a British organisation, he rang her and told her that some paragraphs sounded very odd to him and that he might ask his assistant to revise it, although he did not want to deny what he had said. The researcher expressed her understanding and gratefulness. In addition, she sent him the direct quotations that were going to be used in the thesis. So far, she has not heard from him and assumes that his silence means agreement.

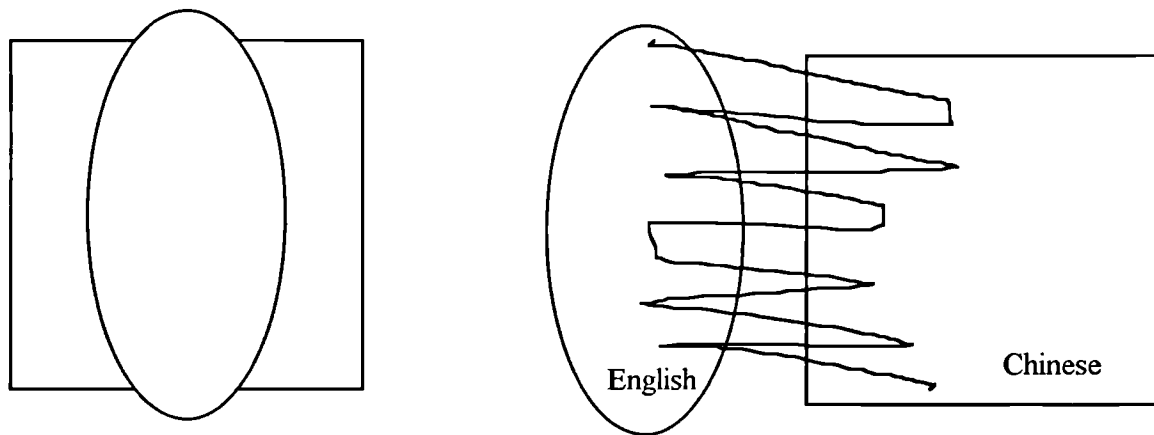
### ***Language Issues***

The research has been conducted in both Chinese and English. All interviews in China and interviews with Chinese policy makers who happened to be in the UK and Hong Kong, were conducted in Chinese and notes taken in Chinese. Two key transcriptions were fully translated into English: one is an interview with Mr. Dong Mingchuang; the other is the interview with a senior staff member in the SEC, who preferred his interview to be used anonymously. The Chinese transcriptions were sent back to China for verification. Mr. Dong kindly invited one of his assistants to check through his interview. When the transcription was returned to the researcher, it had been edited and was typed with a Chinese word-processing programme. The English version, therefore, had to be revised accordingly and checked through by the supervisor. The extracts of other Chinese notes or transcriptions were translated into English only when they were used, normally, with indirect quotations. Nevertheless, those transcriptions which are not translated into English, also contribute to knowledge of the Chinese aspects, which forms the background of the study

It is not easy to work in two very different languages at the same time: written Chinese is a formalised pictorial language presented by hundreds of thousands of characters with square shapes, whilst written English is a phonetic language presented by 26 characters, most of which have oval shapes. In the following diagram (see Figure 1.4 over page), therefore, the square picture represents Chinese whilst the oval picture represents English. As can be seen, the two languages do not always match each other. Although, in some cases, it is possible to translate word for word directly (from one point within the square

to one point within the oval in the diagram), in many cases, however, due to different cultures, there is no single appropriate English word or sentence to express the Chinese expression. In this case, in addition to the direct translation, more words or sentences may have to be used to explain what the translation exactly means in English (from one point within the square to a line within the oval in the diagram). For example, within the Chinese adult education system, 'Chengren Zhongzhuang', is translated into 'adult specialised secondary education' in English. However, there is no such system in Britain, and people in Britain could not understand what the translation means without further explanation. Therefore, it is necessary to explain, 'Adult specialised secondary education is the professional education at senior secondary education level for adults. Alongside the system of normal specialised secondary education, it was launched in the mid-1950s following the Soviet model'.

Figure 1.4: Working in Two Languages



The problems caused in translations, therefore, not only because they were time demanding, but also because of difficulties in expressions due to different cultures. Sometimes even if sentences were translated into English word for word, the meaning might be different. Under such circumstances, in most cases, indirect quotations, rather than direct quotations, from Chinese transcriptions, were used. When the method of indirect translation was being used, the writer was looking at an image in the mind, which was drawn from the original Chinese text, then she sought relative sentences to express it from the English perspective. In this way, people might find it easier to understand from the English perspective.

As mentioned earlier, in addition to data collected through interviews, governmental and institutional documents have formed important data sources. Most documents and books obtained in China, and some from Hong Kong, are in Chinese. As can be seen in Chapters 2 to 5, many quotations have been translated from Chinese into English by the writer. For documentary translation, normally, the method of *direct* translation rather than that of indirect translation has been used. These have also raised similar language problems and have cost extra time.

Most professional people in Hong Kong can speak three languages, that is, Chinese (Mandarin), Cantonese (local dialogue) and English. As the researcher does not speak Cantonese, interviews in Hong Kong were conducted either in English or in Chinese (Mandarin), depending on whichever language made interviewees and the researcher feel more comfortable in communication. For instance, the interview with Professor Cheng Kai Ming and Mr. Andrew Wong, who were born in China and who could speak Chinese fluently and beautifully, were conducted in Chinese. Interviews with the people with English as their first language were conducted in English. Some interviews with local people with Cantonese as their first language might start with Chinese (Mandarin), but, very often, were carried on in English at the end, because, in many cases, both sides felt more comfortable to communicate with each other in English rather than in Chinese.

All interviews with British policy makers and experts were conducted in English. All interviews were taped. Most of them were either fully, or almost fully, transcribed, whilst a few were turned into key notes. As English is the researcher's second language, it was very time demanding for her: it took her a much longer time than for home students to provide such transcriptions. Sometimes, with the interviewee's lower voice, or with a noisy background, the tape recordings were not clear. The researcher had to ask her critical friends or her supervisor to help her to catch the meaning and to check through the transcriptions. Before being sent back to interviewees for verification, all the transcriptions were seen and checked by her supervisor to make sure that there was no misunderstanding. When transcriptions were returned by interviewees, the researcher checked them through again before finally using them.

### *Interview Code*

Each interview has its reference code. In the case of China, a code is normally formed by the abbreviation of an organisation, if only one person has been interviewed in the organisation. For instance, Interview HCU, is the interview with Professor You Qingquan,

the head of Hubei Correspondence University. In some cases, the abbreviation of an organisation is followed by a number or letter(s) representing an interviewee. In the case that an interviewee has been interviewed more than once, the number or letter (s) representing a person is followed by a letter, such as A or B, to identify his (her) first or second interview. For instance, Interview SEC1B, is the second interview with Mr. Dong Mingchuang, the head of the Department of Adult Education of the SEC. Within this code, letters 'SEC' represents the organisation; '1' represents Dong; and 'B' represents his second interview. In the case of UK, all codes begin with 'UK' representing the country, which is normally followed by letters representing interviewee's organisation, and then letters representing the interviewee. In the case that a person has been interviewed more than once, personal name may be followed by a number to show the order of his interview. For instance, Interview UKSURC2, is the second interview with Professor Robert Cameron in Sheffield University in the UK. However, in the case of the former Employment Department, five interviews involving six people were conducted on the same morning. To avoid the ethical problem that public servants may prefer to be anonymous, a number, instead of letters that normally come from the first letters of a person's names, is used to represent an interviewee. For instance, Interview UKDE1 is the first interview conducted in the former DE and the interviewee happened to prefer to be anonymous.

Similar to British pattern, all codes of interviews in Hong Kong begin with letter 'HK', which is followed by letters representing either organisation's or a person's names. In some case, letters representing a organisation's name may also be followed by letters or a number representing a person.

### *Data*

The data that the researcher has been collecting throughout the research includes not only interview notes taken by hand or by a tape recorder, but also internal documents and published material such as books, government documents, newspapers and magazines, which have filled her two tall bookshelves. All material in Chinese and Hong Kong aspects being used in this thesis have been brought back, either by hand or by post, to this country from China and Hong Kong. Immediately after each interview, key notes, sometimes, including observations and further reading lists, were developed by using computer. To give an example, the key notes with observation of the Interview UKTUC is attached (see Appendix X). Relevant information about each interview, including questions, original notes, key notes, transcriptions and correspondence, has been put into plastic sleeves.



They were then grouped and kept in relevant folders with different labels, such as 'Chinese interviews', which contains information about interviews in China; 'Chinese Documents', which contains key documents collected through interviews in China; 'Hong Kong Interviews', which contains information about interviews conducted in Hong Kong; 'UK Government', which contains information about interviews with present or former British public servants; 'UK Further Education', which contains information about interviews conducted in the further education sector and other national organisations in the UK; and 'UK University', which contains information about interviews conducted in the university sector.

Furthermore, when the relevant transcriptions were developed for further analysis by using a computer, key data of interviews was highlighted and catalogued to form new files, such as UKFUND, which indicates funding policy in the UK, UKMARK, which means the market orientation in the UK, and UKCHANGE, which means changes in government policy in the UK. Based on key findings of these files, outlines of key chapters, including headings and subheading, were then developed.

### *Writing up*

Whilst an inductive method was used to analyse data step by step, a deductive method, which had been used to develop the research framework, was also used to write up the thesis. In developing an outline for British aspects, for instance, codes of relevant files and interviews were placed in relevant parts of the outline. As the text was further developed, relevant key data, either indirect or direct quotations (within a direct quotation, as a printing rule, the mark [ ] was used to identify writer's expressions, if necessary), together with other evidence, such as documents, quotations from articles and books, were used as evidence to support arguments which were drawn from the research.

However, in order to focus on key arguments of the research, instead of starting from the beginning, the writer has always started her writing from the key part of a section, which usually locates in the middle part of the section. Like an onion, it starts to grow from the centre towards the outside, although people may start to pare it from the outside towards the inside while eating it. For instance, while writing the Chinese aspects, she started at Chapter 5 to examine the market orientation of the education and training of adults, which contributes to key arguments of the research. She then moved back to write Chapter 4 to explain the planning oriented model, and Chapter 3 to discuss the development in the education and training of adults. Finally, she developed Chapter 2 to look at the relative

socio-economic context that had an impact on the development and changes in the education and training of adults in China. In each chapter, she also started from the key part of the chapter rather than starting from the beginning. Both British and Hong Kong parts were also developed in a similar way. A hat and shoes were then put on when a body was completed. In order to develop the conclusions of the thesis, the writer read through each chapter, using *italic* lettering to highlight key words for further discourse analysis to support her key arguments. In this stage, both inductive and deductive methods were used.

### ***Becoming a Reflective Practitioner***

Throughout the study, reflective practice has been contributing to the research, in particular to the research methodology. Manen suggested:

...the students are encouraged to reflect on their learning experiences... Researchers, too, have found that keeping a journal, diary or log can be very helpful for keeping a record of insights gained, for discerning patterns of the work in progress, for reflecting on previous reflections, for making the activities of research themselves topics for study, and so forth (1990: 73, cited in Hampton 1993: 9).

The researcher has kept her research logs to reflect her own learning experience since she started this study. In the first term, for instance, when she was at the stage of developing the research framework, she wrote down every idea that occurred to her whenever she was talking, reading, walking, watching TV programmes, having meals, or even sleeping, by using a pen, a pencil or a computer. The research tree, the research framework and the research approach being attached to this thesis are quoted from her original research logs. Detail discussions of other issues in this section are also based on her research logs. As mentioned earlier, key notes with observations and further reading lists were developed immediately after each interview. She also made notes for supervision. Immediately after each supervision, she always used a computer to create a supervision file, which contained not only her supervisor's comments and suggestions, but also her further arguments, which contributed to her further writing.

### ***Insider and Outsider***

The researcher has conducted the research from perspectives of both *insider* and *outsider*. In regard to Chinese aspects, for instance, on the one hand, as an *insider*, she experienced socio-economic changes *within* China in the past decades; on the other hand, based in an

institution of the UK, she has conducted the research as an *outsider*, although she has developed a research network and collected data from *within*. Thus, she has taken both advantages of being an *insider* and an *outsider*. Being an *insider*, she enjoyed privileges going into the headquarters and staying (even working) there for a few days, to examine changes happening closely. As an *insider*, she was clear about where she should go, what data she should collect and how to get it. Thus, as an *insider*, like a fish, she could test changes in temperature of the water. As an *outsider*, on the other hand, she stood back looking at the whole picture from a distance with a farther view and without the bias of the *insider*. As Chinese sayings express, 'The outsider could see thing clearly', and 'Standing at a higher point, one could have farther views': as an *outsider*, she could climb up the bank of a river, where, with a farther view, she could see clearly the direction in which the river was running.

Such extensive research covers two countries and one region with contrasting backgrounds and complicated systems. It could not have been done, if the researcher had not had such wide experience *within* and *outside* the two countries and the region, which has helped her to understand what has been happening in the socio-economic context and in the field of the education and training of adults in the two countries and the region. Such challenging research with great difficulties and time pressure could not have been done, if she had not had personal experience as an adult student, an adult educator, and an adult and higher education researcher, which led to her great academic interest and enthusiasm in the research topic even before she started the study. It could not have been done without encouragement and strong support from the academic communities in the two countries and the region, where she has sought help, comments, discussions and advice.

The research has brought to life a picture of what has been happening within the socio-economic context and in the field of the education and training of adults in the two countries since the late 1970s. It could not have been done, if the researcher had not built up a widespread research network offering access to elite key policy makers and experts at national, local and institutional levels in the two countries and the region, and if there had not been such strong support from them. To show such strong support, full transcripts of two key interviews from both countries are attached: one is an interview with Mr. Dong Mingchuang, the chief policy maker for the education and training of adults in China since 1986 (see Appendix VII); the other is the interview with Sir Geoffrey Holland, the chief

policy maker for the education and training of adults in Britain in 1980s and the earlier 1990s (see Appendix VIII).

Finally, this very large scale study has generated not only a thesis of over 130,000 words (not including appendices and references) but also several hundred thousand words of notes and transcriptions of 100 interviews in both Chinese and English, and the translation of transcriptions and quotations. In addition, to contact interviewees, hundreds of letters were sent, and hundreds of telephone calls were made. As happens to all adult research students, it could not have been completed within three years and two months without encouragement, support, best wishes and sacrifices from her family, including her husband, parents, brothers, sisters and other members, and from her friends all over the world, particularly from the two countries and the region.

The above explanation of how the research has been carried out reveals the strengths and the limitation of the study. Because of limited time and space, it has been limited to a discussion of the initially stated objectives: its focus is on the relationship of the socio-economic development and changes to the development and changes in the education and training of adults in the two countries and the region of Hong Kong since the late 1970s. Other aspects, therefore, are not discussed in detail.

This introduction has attempted to indicate the significance of the study. First of all, the period since the late 1970s is a most significant historical period for any comparative study in the two countries and the region of Hong Kong. During this period, while China and the UK have been moving towards the market orientation, Hong Kong, with more experience in the truly free market system, is on the way to returning to China. In this case, it is extremely important for China to understand the experiences of Hong Kong and the UK, since Hong Kong has been a colony of the UK for over a century and has been greatly influenced by the latter. Secondly, in discussing the relationship of the socio-economic developments and changes to the developments and changes in the education and training of adults in the above two countries and the region of Hong Kong, it is possible to trace the important trends. They have, to some extent, moved in the same direction, towards a market orientation, yet the remaining combination of academic and planning orientations, though weakened, are still much in evidence. It is considered impossible for them to reach the archetypal model of all over market orientation. Obviously, a discussion of the experiences of China, Hong Kong and the UK will be valuable to policy makers, and

educators and researchers in the field of education and training of adults in other countries too, and will form a contribution to the study of international comparative adult education.

**CHAPTER TWO**  
**NEW LONG MARCH**

## **CHAPTER 2**

### **NEW LONG MARCH**

Starting from this chapter, we are going to discuss the issues in China. The main theme of this chapter is to examine the great socio-economic changes, which have had a great impact on the development and changes in education and training of adults in China since the late 1970s. In Chapter 3, the focus will be the development in education and training of adults in China, whilst in Chapters 4 and 5, the issues in the changes in education and training of adults in China will be discussed in detail. Apart from interviews conducted in China, most of the sources rely on the writer's own experience and original material printed in China, including books, documents, magazines and newspapers, of which most are in Chinese. In addition, in order to reduce the cultural and language barriers and to help people from the English speaking countries to understand the situation in China, some books in English published in both China and other countries form important references.

It has been a dramatically changing period in China since the late 1970s. As far as political changes were concerned, the downfall of the Gang of Four in October 1976 marked the end of the Cultural Revolution. The return of Deng Xiaoping in 1978 brought the Chinese people a new leadership to start a new revolution. Following the debate on 'Practice is the sole criterion for judging truth' in the late 1970s, 'seeking truth from facts' became the dominant ideology of the Party and the country. The Third Plenary Session of the Eleventh Central Committee of Chinese Communist Party (CCCCP) in December 1978 was to be the most important session since 1949. It decided that socialist modernisation should become the focus of work of the Party and the country. Since then, reforms and opening up have formed the main strategy of economic development in China. The reforms of the economic management system started in rural areas in the late 1970s and then moved into urban areas in the mid-1980s. In 1992 when Deng visited the southern part of China, he made important speeches on speeding up economic reforms. In October 1992, the Fourteenth National Congress of the Chinese Communist Party (CCP) decided to establish a socialist market economic system as the target of economic system reform in China. As a result, the economic system has gradually been moving away from a planning

orientation towards a market orientation. Meanwhile, the personnel system has changed in accordance with the economic reform.

People's living standards have been raised to a certain extent alongside the economic growth and the introduction of new technology, and their life styles and their systems of values have also changed. At the same time, education as a whole, in particular the education and training of adults has developed and changed greatly. Millions of young people, who lost their chances to receive the standard of education that they should have had during the Cultural Revolution, returned to study with great enthusiasm. Millions of employees have been retrained to meet the standard requirements of their work positions. Hundreds of thousands of professionals carried on their continuing education to update their knowledge and skills. The system of education and training of adults with various types and levels of institutions was built up to meet great demands for the education and training of adults. Meanwhile, the management system of the education and training of adults was gradually moved from a planning orientation towards a market orientation.

### **Historical Background**

Located in the eastern part of Asia, on the west coast of the Pacific ocean, China has a total land area of 9,600,000 square kilometres. It had a total population of 1,211,210,000 in 1990 (SSBPRC 1996: 2). The density was 105.5 people per square kilometre in 1981, which was about three times the world average (Wang, Xue & Jiang 1992: 62).

In 1949, with the victory of the third Civil War of the CCP, the People's Republic of China (PRC) was established under the leadership of the CCP. There were great changes and developments in China after that. As far as the economy was concerned, a socialist planning system following the former Soviet Union was then introduced in China. By 1956, the private sector, which used to be dominant before 1949 and existed together with the public sector after 1949, was reformed and was replaced by the public sector, either nationalised or collectively-owned enterprises. During that period, successes were achieved in spite of serious setbacks. By 1966, the value of fixed industrial assets, calculated on the basis of their original price, was four times greater than in 1956 (CCCCP 1981). In terms of the political aspect, however, there were serious faults and errors in the guidelines of the Party's work, which led to the inauguration of the 'Cultural Revolution' (CCCCP 1981).



The Cultural Revolution was launched by Mao Zedong in May 1966 and then was taken advantage of by Lin Biao, Jiang Qing and company until October 1976. It brought the Chinese people a great disaster, which had long term impacts on Chinese history. As a result, the whole country suffered from anarchy, and the national economy came to the brink of collapse. Four of the ten years saw economic deficits. A deficit first occurred in 1967, and it recurred for three successive years in 1974, 1975 and 1976. The national expenditure exceeded revenue by a total of 1,900,000,000 yuan in the ten years (Li & Zhang 1984). As education was one of the main targets to be attacked, the loss in the education field at that period was extremely serious. It is described in one of the official publications in China as follows:

Lin Biao, Jiang Qing and company reviled schools under the leadership of the Communist Party as old-type schools controlled by the bourgeoisie. By maligning the majority of teachers and students as bourgeois intellectuals who had been trained in the old-type schools, they subjected them to ruthless persecution and attack. They abolished all rules and regulations that had been proved effective during the previous 17 years on the ground that they were revisionist, and they put an end to the entrance examination system in higher education, the system for training postgraduates and the working rules for all schools. During the period 1966 to 1969, there was no new enrolment in all institutions of higher learning and secondary specialised schools; a number of secondary and primary schools suffered the same fate. Altogether one hundred and six institutions of higher learning, plus a large number of secondary specialised schools, were either abolished outright or broken up by merger, move, or dispersal....The part-work and part-study education came to an end; so did agricultural and other secondary vocational school. After schools were reopened in 1970, Jiang Qing and company played up the theory that workers, peasants and soldiers 'should attend, administer and reform the universities'. under the pretext that one must oppose 'what the teachers say goes', they preached anarchism to undermine school discipline and stirred up ill-feeling between teachers and students. As a result, teaching in all schools became chaotic (CHEC 1983: 21-2)...

Between 1972 and 1975, when Deng returned to work as a Vice-Premier, some schools started to teach mathematics and science. This, however, was soon criticised as Right Reversing Wind. Teachers who tried to pass on more knowledge were criticised. A student who handed in a sheet of blank examination paper was highly appreciated as a national hero by Jiang Qing and company. For the whole decade, education became a tool of class struggle and was replaced by class struggle instruction across the whole country.

While education was destroyed, knowledge was devalued under the logic 'expert = white': the more knowledge one has, the more reactionary he (she) is. Thousands of outstanding intellectuals, including professors, head teachers, doctors, scientists, engineers and others were criticised as Bourgeois Reactionary Academic Authorities and were attacked and persecuted. They were forced to leave their jobs and were sent to either the countryside or factories to be 're-educated' by poor peasants and workers with lower education qualifications. In this case, learning were regarded as useless. As a result, while other countries in the world were becoming modernised, moving forward with new technology and reformation, China, a country with a civilisation of more than four thousand years, was almost turned into a cultural desert.

### **Changes in Political Aspects**

Shortly after the death of Mao Zedong on 9 September 1976, came the fall of the Gang of Four (Jiang Qing, Zhang Chunqiao, Yao Wenyuan and Wang Hongwen). On 7 October 1976, the Gang of Four were arrested and Hua Guofeng was elected as the Chairman of the CCCCPC by the politburo. With the demise of the Gang of Four, the political situation has changed greatly since then (Wang, Bai & Zhao 1992).

### ***Criticising the Gang of Four***

In the two years following, all efforts were concentrated on the exposure and repudiation of the Gang of Four in all fields. Waves of criticism of the Gang of Four swept across the country at political meetings and in the mass media, whilst people were moved to set things right. With regard to education, the main charges that were made against the Gang of Four, were: first, their opposition to intellectual education and experts; second, their opposition to the study of basic theories in science and technology; third, destruction of teacher-student relations and school discipline; fourth, their 'two appraisals' (the first, during the seventeen years prior to the start of the Cultural Revolution, the bourgeoisie exercised dictatorship over the proletariat in the educational sphere; the second, the majority of the teachers and students trained during the seventeen years were 'bourgeois intellectuals') (Fang 1988: 29). Doubtless, the trials of the Gang of Four held from late November 1980 to late January 1981, pushed the exposure and repudiation of the Gang of Four to the highest wave (Wang, Bai & Zhao 1992).

### ***Return of Deng***

Meanwhile a number of the central and regional leaders were removed. The consolidation of the Party and state organisations and the redress of wrongs suffered by those who had been unjustly, falsely and wrongly charged during the Cultural Revolution was begun in some places. In July 1977, the Third Plenary Session of the Tenth CCCCP adopted a resolution restoring Deng to all his former posts: member of the Political Bureau of Central Committee of Chinese Communist Party (PBCCCCP) and member of the Standing Committee of the PBCCCCP, Vice-Chairman of the CCCCP, Vice-Chairman of the Military Commission of the CCCCP, Vice-Premier of the State Council (SC) and the Chief of General Staff of the Chinese People's Army (Wang, Bai & Zhao 1992). In December 1978, at the Third Plenary Session of the Eleventh CCCCP, the two resolutions of the CCCCP on Deng's activities in 1975 and 1976 were formally rescinded: the wrong verdict on Deng during the Cultural Revolution was formally reversed.

### ***Debate on the Criterion of Truth***

Between 1976 and 1978, however, there still existed in the Party a tendency to ideological dogmatism. Hua Guofeng, then the Chairman of the CCCCP, promoted the 'two whatever' policy, that is, 'We firmly uphold whatever policy decisions Chairman Mao made, and we unswervingly adhere to whatever instructions Chairman Mao gave' (Wang, Bai & Zhao 1992: 843, translated by writer). The 'two-whatever' policy seemed to be very faithful to Mao Zedong. It, however, meant that Mao Zedong continued to be put in the position of a God, and his mistakes of later years, including the theories, policies and slogans of the Cultural Revolution could not be criticised. This dogma was in obvious contradiction to the basic principle of Mao Zedong's Thoughts of 'seeking truth from facts' (cited in Deng 1978d: 130). Deng argued that the 'two whatever' were unacceptable:

If this principle were correct, there could be no justification for my rehabilitation... We cannot mechanically apply what Comrade Mao Zedong said about a particular question to another question, what he said in a particular place to another place, what he said at a particular time to another time, or what he said under particular circumstances to other circumstances... This is an important theoretical question, a question of whether or not we are adhering to historical materialism... Neither Marx nor Engels put forward any 'whatever' doctrine, nor did Lenin or Stalin, nor did Comrade Mao Zedong himself... We would use genuine Mao Zedong Thought taken as an integral whole in guiding our Party, our army and our people... Mao Zedong Thought is an ideological system (1977a: 51-2).

On 11 May 1978, an article, 'Practice Is the Sole Criterion for Testing Truth', written by a special commentator of the *Guangming Daily*, was published in *Guangming Daily* newspaper (Wang, Bai & Zhao 1992). From then on discussions on the criterion of truth were carried on for over a year. The focus of the debate was whether to promote the 'two-whatever' policy or to carry out the principle of 'seeking truth from facts' that was originally promoted by Mao Zedong in the early 1940s. Mao said:

'Facts' are all the things that exist objectively, 'truth' means their internal relations, that is, the laws governing them, and 'to seek' means to study. We should proceed from the actual conditions inside and outside the country, the province, county or district, and derive from them, as our guide to action, laws which are inherent in them and not imaginary, that is, we should find the internal relations of the events occurring around us (cited in Deng 1978d: 130).

On 2 June 1978, in his speech at the All Army Conference on Political Work, Deng explained the above principle of 'seeking truth from facts' raised by Mao Zedong:

There are other comrades, however, who talk about Mao Zedong Thought everyday, but who often forget, abandon or even oppose Comrade Mao's fundamental Marxist viewpoint and his method of seeking truth from facts, of always proceeding from reality and of integrating theory with practice. Some people even go further: they maintain that those who persist in seeking truth from facts, proceeding from reality and integrating theory with practice are guilty of a heinous crime. In essence, their view is that one need only parrot what was said by Marx, Lenin and Comrade Mao Zedong - that it is enough to reproduce their words mechanically (1978d: 128).

He urged:

We must eliminate the poisonous influence of Lin Biao and the Gang of Four, set things right and cast off our mental shackles so that we can really emancipate our minds (1978d:132).

In September 1978, while hearing a work report by members of the Standing Committee of the Jilin Provincial Committee of the CCP, Deng argued:

Comrade Mao Zedong wrote a four-word motto for the Central Party School in Yan'an: 'Seek truth from facts.' These four words are the quintessence of Mao Zedong Thought (1978e: 141).

On 13 December 1978, Deng made a speech at the closing session of the Central Working Conference, which made preparations for the Third Plenary Session of the Eleventh CCCCPC that immediately followed. Deng, a winner of the debate, made a conclusive comment on the debate:

In fact, the current debate about whether practice is the sole criterion for testing truth is also a debate about whether people's minds need to be emancipated. Everybody has recognised that this debate is highly important and necessary. Its importance is becoming clearer all the time. When everything has to be done by book, when thinking turns rigid and blind faith is the fashion, it is impossible for a party or a nation to make progress. Its life will cease and that party or nation will perish. Comrade Mao Zedong said this time and again during the rectification movements. Only if we emancipate our minds, seek truth from facts, proceed from reality in everything and integrate theory with practice, can we carry out our socialist modernisation programme smoothly, and only then can our Party further develop Marxism-Leninism and Mao Zedong Thought. In this sense, the debate about the criterion for testing truth is really a debate about ideological line, about politics, about the future and the destiny of our Party and nation (1978g: 154).

As Deng pointed out, the debate about the criterion for testing truth, which lasted for over one year, was really a debate about ideological line, about politics, about the future and the destiny of the Party and the nation. Its main contributions can be analysed as follows:

First of all, the ideological line of the Party turned from 'two-whatever' into 'seeking truth from facts'. Such a more practical ideology formed the foundation of reform theory in China.

Secondly, the debate finally turned into a movement of emancipating minds: people's minds, which used to be rigid due to the Cultural Revolution, were gradually emancipated through the debate. Deng argued:

Lin Biao and the "Gang of Four" set up ideological taboos or "Forbidden Zones" and preached blind faith to confine people's minds within the framework of their phoney Marxism. No one was allowed to go beyond the limits they prescribed; anyone who did was tracked down, stigmatized and attacked politically (1978g: 152).

In this situation, people dared not to think, or, as Deng pointed out, to 'say a word or take a step that isn't mentioned in books, documents or the speeches of leaders: everything has

to be copied' (1978g: 153-4). After suffering from such ideological taboos for a dozen years, people now, finally, were encouraged to emancipate their minds and to use their heads in thinking questions through and taking action on them. This formed the precondition of the reforms in China from the late 1970s.

Thirdly, as a winner of the debate, Deng won himself not only the debate but also his great influence within the Party and the nation. His speech at the closing session of the Central Working Conference, *Emancipate the Mind, Seek Truth from Facts and Unite as One in Looking to the Future*, served as the keynote address for the Third Plenary Session of the Eleventh CCCCP. In this way, he won his authority on the ideological line, which formed firmly the foundation of his status as the core of the collective leadership of the CCCCP of the second generation, although he was still in the position of 'Vice-Chairman'. On the contrary, Hua Guofeng, who was nominated as Mao's successor by Mao Zedong himself in the mid-1970s and was now the loser of the debate, gradually lost his authority within the Party, although, in name, he was still called 'Chairman'.

Finally, through the debate, Mao Zedong was turned from the position of a 'God' into the position of a human being with both merits and mistakes. Only in this situation, could Mao's later mistakes during the Cultural Revolution be re-assessed. It provided the possibilities for the Party to correct the 'leftist' errors of the Cultural Revolution and earlier and to change its political line from 'taking class struggle as the key line' into 'shifting the focus of all Party work to the socialist modernisation' (CCCCP 1978: 2303, translated by the writer).

### ***The Great Turning Point***

The Third Plenary Session of the Eleventh CCCCP, which was held between 18 and 22 December 1978, marked a crucial turning point in the history of the Party since the birth of the PRC: it declared that, from 1979 on, the focus of all Party work would be shifted to socialist modernisation. It put an end to the situation in which the CCP had been advancing haltingly in its work since October 1976 and began to correct conscientiously and comprehensively the 'leftist' errors of the Cultural Revolution and earlier. The Plenary Session resolutely criticised the erroneous 'two-whatever' policy and fully affirmed the need to grasp Mao Zedong's Thoughts comprehensively and accurately as a scientific system. It praised the discussions on the criterion of truth and decided the principles of emancipating the minds, using intelligence, seeking truth from facts and uniting as one in looking forward to the future. It firmly discarded the slogan of 'taking class struggle as the

key line', which was now considered unsuitable for a socialist society, and made the strategic decision to shift the focus of party work to socialist economic construction. It stressed that, in order to realise socialist modernisation, productive forces were required to increase and that it was necessary to change those relations of production and the superstructure that did not suit productive forces and all unsuitable modes of management, activities and ideology. It pointed out that the most serious demerit of the economic management system in China was that the powers were over-concentrated. It declared that attention should be paid to solving the problem of the serious imbalances between the major branches of the economy and drafted decisions on the acceleration of agricultural development. It emphasised raising people's living standards. It stressed the task of strengthening socialist democracy and the socialist legal system. It examined and redressed a number of major unjust, false and wrong cases in the history of the Party and settled the controversy on the merits and demerits of some prominent leaders. As a result, a different climate was brought about in both the economic and political spheres (drawn from CCCCPC 1978 & 1981).

The key contributions of the Third Plenary Session of the Eleventh CCCCPC were: firstly, it achieved the strategic shift that turned economic development into the focus of the work of the Party and the nation; secondly, it stated, 'Practice is the sole criterion for judging truth' (CCCCPC 1979: 2306, translated by the writer), and as Ethridge suggested, its decisions on determining truth and rejecting the 'two-whatever' gave the Party and the Government much more flexibility for reform and innovation (Ethridge 1988: 6); thirdly, it began the process of rehabilitation of other victims of the Cultural Revolution and added some former senior leaders to the politburo and the CCCCPC. On the basis of such changes in political, ideological and organisational lines, China launched its new Long March.

### ***Historical Resolution***

In June 1981 the *Resolution on Certain Questions in the History of Our Party since the Founding of the PRC (Adopted by the Sixth Plenary Session of the Eleventh CCCCPC on 27 June 1981)* was issued by the CCCCPC. It examined the history of the CCCCPC since 1921. It confirmed the main achievement of the socialist transformation and the socialist construction in the first seventeen years after the birth of the PRC. It criticised the Cultural Revolution:

The Cultural Revolution between May 1966 and October 1976 was responsible for the most severe setbacks and the heaviest losses suffered by the Party, the State,

and the people since the founding of the People's Republic. It was initiated and led by Comrade Mao Zedong (CCCCP 1981: 757, translated by the writer).

The Resolution refuted Mao Zedong's wrong theory of launching the Cultural Revolution:

Chief responsibility for the grave 'leftist' error of the Cultural Revolution - an error comprehensive in magnitude and protracted in duration - does indeed lie with Comrade Mao Zedong, but after all, it was the error of a great proletarian revolutionary... In his later years, however, far from making a correct analysis of many problems, he confused right and wrong and the people with the enemy during the Cultural Revolution (CCCCP 1981: 762, translated by the writer).

The Resolution also reversed the verdict on Liu Shaoqi, who was criticised as the 'No. 1 Capitalist-Roader' during the Cultural Revolution, when Deng was criticised as the 'No. 2 Capitalist-Roader'. Now, the Cultural Revolution was refuted down to the last point: from its foundation of theory to its key targets. The Resolution also reviewed other 'leftist' errors after 1949, including extension of the policy of against-rightists in 1957. As a result, verdicts on all victims of the Cultural Revolution and other 'leftist' errors were reversed. Richard Evans, the former British ambassador in Beijing made a comment that it enabled the removal of discriminatory class and political labels from several million people. He (1993: 257) pointed out, 'Former landlords and capitalists ceased to be described as such and became citizens. So did large numbers of "rightists" and "capitalist-roaders", including some who had worn their "hats" for over twenty years'. As the mental shackles were cast off, people now dared to think, to say and to do what they dared not before. Private life, which had more or less disappeared in the cities during the Cultural Revolution, came into being again. People's life styles were changing: dark uniforms were replaced by colourful fashions. As Evans noticed, 'Hobbies that had been condemned as "bourgeois", such as stamp-collecting and flower-arranging, were allowed to flourish again' (1993: 257). People sought a quality of life that was gradually enriched.

### *New Leadership*

In June 1981, the Sixth Plenary Session of the Eleventh CCCCPC accepted Hua's resignation as the Chairman of the CCCCPC. Hua became Vice-Chairman of the CCCCPC. Deng became the Chairman of the Military Commission of the CCCCPC, while Hu Yaobang became the Chairman and Zhao Ziyang became the Vice-Chairman of the CCCCPC (CCCCP 1981). After September 1982, Hua disappeared from all forms of



leadership. Under the new leadership, China now speeded up its political and economic reforms.

### ***Political Reform***

With the lesson of the Cultural Revolution, political reform in China was carried out cautiously and slowly. In August 1980, Deng made a speech titled 'On the Reform of the System of Party and State Leadership', which formed important guidelines for the political reform in China throughout the 1980s and the early 1990s. The main targets of the political reform were to overcome the problems of 'bureaucracy, over-concentration of power, patriarchal methods, life tenure in leading posts and privileges of various kinds' (Deng 1980f: 309). Ethridge (1988) summarised the three main goals pointed by Xinhua Agency, the Chinese news agency: first, separating Party responsibilities and prerogatives from the government's - the critical change mentioned in all discussions; second, strengthening and improving the Party's leadership; third, delegating power to the lower levels and restructuring organisations. Evans (1993) interpreted the political reforms in China as three phases: first, from 1978 to 1982; second, from 1982 to 1986; third, starting in 1986. He suggested that during the first phase, Deng's chief concern was 'to restore the institutional patterns which had existed during the mid-1950s, but whose functioning had been disrupted during the Great Leap Forward and again during the Cultural Revolution'. He continued, 'This entailed redefining the roles of the party, the army and the government, in a manner which limited the role of the first two and enlarged the role of the last' (Evans 1993: 256). During the Cultural Revolution, Mao had to use the army to control government at local levels and most schools, especially higher education institutions. At the end of the Cultural Revolution, all representatives of the army who had been sent to control schools and government were withdrawn. The Party, however, had far more power than it should have had. This situation was pointed out by Deng in his speech at the closing session of the Central Working Conference that made preparations for the Third Plenary Session of the Eleventh CCCC:

Strengthening Party leadership is interpreted as the party's monopolising and interfering in everything. Exercising centralised leadership is interpreted as erasing distinctions between the Party and the government, so that the former replaces the latter. And maintaining unified leadership by the Central Committee is interpreted as 'doing everything according to unified standards' (1978g: 153).

Deng tried to set up an exemplar 'to distinguish between the responsibilities of the Party and those of the government and to stop substituting the former for the latter' (Deng

1980f: 303) by changing the leadership of the Government. In 1980, Zhao took over Hua's post as Premier, whilst Hua continued to be the Chairman of the CCCCPC. At the same time, Deng himself and other four senior leaders ceased to serve concurrently as Vice-Premier (Deng 1980f: 302). He urged:

...a truly effective work system will be set up for the State Council and the various levels of local government. From now on, all matters within the competence of the government will be discussed and decided upon, and the relevant documents issued, by the State Council and the local governments concerned. The central committee and local committees of the Party will no longer issue directives or take decisions on such matters. Of course, the work of the government will continue to be carried out under the political leadership of the Party. Strengthening government work means strengthening the Party's leadership (1980f: 323).

Meanwhile Deng (1980f: 304-5) urged the Party to 'discover, train, employ and promote large number of younger comrades for modernisation, cadres who adhere to the four cardinal principles [that is, keeping to the socialist road, upholding the dictatorship of the proletariat, upholding the leadership of the Communist Party, and upholding Marxism-Leninism and Mao Zedong Thought - noted by the writer] and have professional knowledge'.

During the second phase, some efforts were made to rejuvenate all the institutions of the state. As Evans pointed out, 'In 1984, about two million party members who had become officials before 1949 were still in office. By the end of 1986, however, over three-quarters of these had retired, though on their full final salaries and without the removal of most of the perquisites' (1993: 257-8).

During the third phase, as Evans suggested:

Deng raised his sights. There were some old themes in what he said. One was that the party needed leaders, at every level, who were 'more revolutionary, younger, better educated and more competent professionally'. Another was that the party was trying to do too much, duplicating the work and cramping the style of the government and preventing experts from contributing as much as they could to development. But there was also a new theme: the need to develop 'socialist democracy' by allowing 'grass-roots units' and individuals to participate more actively in decision-making and management (1993: 258).

In 1987, Deng intimated that he did not want to be re-elected to the central committee. He, was, however, reappointed Chairman of the Military Commission. At its first meeting, the new Central Committee decided that although Deng had withdrawn from the Committee, his status as a Party and State leader had not altered (Evans 1993). In November 1989, Deng resigned from the position as a Chairman of the Military Commission, and Jiang Zemin, who was elected as the General Secretary of the CCCCPC in 1989, became the Chairman of the Military Commission (Wang, Bai & Zhao 1992). Deng, however, continued to serve the cause of the Party and the nation.

In 1992, Deng visited Wuhan, Shenzhen, Zhuhai and Shanghai and made important speeches on speeding up reform and carrying out the open-door policy. He urged:

China must guard against rightism, but should mainly guard against 'leftism'. Rightist things do exist. The turmoil was a rightist thing. 'Leftist' things also exist. The opinion which equates reform and opening to ushering in and developing capitalism, and which holds that the danger of peaceful evolution mainly comes from the economic field, precisely represents 'leftism' (cited in Evans 1993: 307).

This actually marked the beginning of the fourth phase of the political reform. In October 1992, in Jiang's report to the Fourteenth National Congress of the CCP, Deng was respected as 'the general architect of socialist reform and opening policy, and of the modernisation drive' in China (Jiang 1992: 16, translated by writer). By that time, although Deng had completely retired, as an architect his 'theory of building socialism with Chinese characteristics' became the guideline of the Party and the nation to quicken the pace of reform, opening up and modernisation (Jiang 1992: 2, translated by the writer).

From the above discussion, we can see the great changes in the political aspects of life in China since the late 1970s. Among them the consolidation of the status of Deng and the changes of the political, ideological and organisational lines, as well as political reform, form the main changes.

### **Changes in Economical Aspect**

Since the late 1970s, in accordance with the changes of political and ideological lines, economic development has become the focus of the party and the nation, bringing great changes within the economic aspect. Economic reform and opening up have been the two major issues.

### *Open Policy*

Howell suggested that China had pursued a strategy of reform and opening up for well over a decade. The definition of the open policy in China was defined by Howell as follows:

The Open Policy refers to the set of policies adopted by the reformist leadership since the Third Plenum of the Eleventh Central Committee in December 1978 to promote the expansion of economic relations with the capitalist world economy. It consists of a set of subpolicies in the spheres of foreign trade, foreign direct investment and foreign borrowing... The Open Policy also embraces the set of policies adopted to manage China's Special Economic Zones (SEZs)... The Open Policy can be distinguished both quantitatively and qualitatively from the 'isolationist' policies and practices towards the external economy adopted during the Cultural Revolution and the 'traditional' policies and practices pursued in the 1950s and to a certain extent in the Hua Guofeng era (1993: 3-4).

Open policy has been developed through the following main strategies: first, passing the *Law of Sino -Foreign Joint Ventures*; second, setting up SEZs; third, opening coastal cities, fourth, developing Coastal Economic Open Zones (CEOZs); fifth, developing and opening the Pudong New Zone (PNZ) in Shanghai; sixth, opening cities along the Yangzi River and the border; seventh, opening inner provincial capital cities.

*Law of the Sino -Foreign Joint Ventures* In 1 July 1979, the Second Session of the Fifth National People's Congress (NPC) passed a *PRC's Law of the Sino-Foreign Joint Ventures*. The Law stated:

In order to promote international economic co-operation and technological exchanges, the PRC allows foreign companies, enterprises and other economic organisations or individuals (called 'foreign co-operators') to run co-operative enterprises together with Chinese companies, enterprises or other economic organisations (called 'Chinese co-operators') in the territory of the PRC, with the permission of the Chinese Government according to the principle of equal mutual benefit (cited in Gao, Wang & He 1993: 2339, translated by the writer).

This was the first Law of Sino-foreign joint ventures in China, which marked the official sanctioning of foreign direct investment in China (Howell 1993). The Law was followed by other laws and regulations concerning Sino-foreign joint ventures, including *PRC's Law of Income Tax of Sino-Foreign Joint Ventures* (passed by the Third Session of the Fifth NPC on 10 September 1980), *Regulations on Labour Management of Sino-Foreign Joint Ventures* (issued by the SC on 26 July 1980) and *Regulations on Registration of the Sino-*

*Foreign Joint Ventures* (issued by the SC on 26 July 1980). In order to encourage joint ventures, the income tax of new enterprises of joint ventures could be waived in the first year after profits began and could be reduced for 50% in the second and the third year according to the law of income tax of Sino-foreign joint ventures. In order to attract high technology, those enterprises introducing advanced technology could apply for waivers of income taxes in the second and the third year according to the law of Sino-foreign joint ventures (Gao, Wang & He 1993). In 1983, the Revision of the *Law of Income Tax of Sino-Foreign Joint Ventures* offered foreign investors more privileges. According to the Revision, the income tax payable by new enterprises of joint ventures that remain joint ventures for over ten years, could be waived in the first and the second year after profits began and could be reduced for 50% between the third and the fifth year (Gao, Wang & He 1993).

Further more, the *Law of Income Tax of Foreign Ventures* issued in 1981 and the *Law of Foreign Ventures* issued in 1986 marked the official ratification of foreign companies with 100% ownership (Gao, Wang & He 1993). Doubtless, this had an important impact on the change in the Chinese economic component, into which the foreign private sector was introduced and enlarged.

***Special Economic Zones*** The promulgation of the law on Sino-foreign joint ventures in July 1979 was paralleled by two other important milestones in China's open policy. Firstly, both Guangdong and Fujian provinces were granted 'special policies and flexible measures' in managing their external economic activities in 1980. Secondly, selected areas in Fujian and Guangdong provinces were designated as SEZs open to foreign direct investment (drawn from Howell 1993, Interview SEZO1 & SEZO2). According to Mr. Xu Yaping, the deputy head of the Special Economic Zone Office of the SC, in 1979 when discussing the issue of open policy in Guangdong and Fujian Provinces, Deng was determined to open 'Special Zones' in the selected cities of both provinces towards the outside world. The term '*Special Zones*' was developed from the original term of '*Soviet Zones*' that was used to describe areas occupied by the CCP during the Civil Wars between the 1920s and the 1940s. The term of '*Special Zones*' were changed into '*Specialist Economic Zones*' in 1980 (drawn from Xu 1995 and Interview SEZO2). In August 1980, the *Regulations on SEZs in Guangdong Province*, which was proposed by the SC and adopted by the Fifteenth Meeting of the Standard Committee of the Fifth NPC, decided to establish SEZs within specially designated areas in Shenzhen, Zhuhai and Shantou. The Regulations encouraged various forms of foreign direct investments and

trades in SEZs, including wholly owned foreign enterprises and enterprises of joint ventures and joint operation. In the same year, Xiamen SEZ was established in Fujian. Starting in small designated areas, SEZs were extended. Xiamen SEZ, for instance, covered an area of only two point five square kilometres in 1980. In June 1985, however, after Deng visited Xiamen and suggested the speeding up the development of SEZ, Xiamen SEZ was extended to cover the whole Island of Xiamen together with Gulanyu Island, covering an area of 131 square kilometres. Zhuhai SEZ was only six point two square kilometres in 1980. In 1983, however, it was extended into fifteen point one six square kilometres. By 1988, it covered an area of 121 square kilometres. Shantou SEZ covered a small area of one point six square kilometres in 1980. It was extended into fifty-two point six square kilometres in November 1984. By 1991, it covered an area of 234 square kilometres and became the third largest SEZ, whilst Shenzhen with an area of 327.5 square kilometres was the second largest SEZ, and Hainan SEZ, the newest, was the largest one (SEZOSC 1993).

In 1988, Hainan Island and the group of islands of Xisa, Zhongsa and Nansa nearby Hainan Island, former parts of Guangdong Province, became the thirty-first province and the fifth SEZ, with 19 cities and counties, covering an area of over 34,000 square kilometres with population of 6,560,000 (SEZOSC 1993: 71). As Ethridge pointed out, 'It will be able to offer investors a variety of special privileges and conditions available nowhere else in China' (1988: 121). Mr. Xu confirmed that its privileges included creating a large market of selling the right to use lands for up to seventy years to foreign investors, who at the same time could transfer their possessions according to the laws concerned. Besides, foreign investors were encouraged to invested in banking, commerce and trade, while special privileges were offered for those who invested in fundamental and agricultural projects (Interview SEZO1).

Ethridge suggested:

SEZs offer many economic pluses such as these: enterprise income tax and other taxes may be waived or reduced for several years after profits begin; export taxes are waived; import duties and some business taxes are waived on a wide variety of imports needed to establish or operate an enterprise; land is available on favourable terms, after-tax profits can be repatriated without penalty (if the investor can get foreign exchange); and under some circumstances special zone products can be sold in the Chinese market (1988: 120).

The income tax of foreign investors in SEZ is reduced to 15%, compared with 33% in other areas (Interview SEZ01) Ethridge pointed out:

In China's SEZs, however, the objective is not only to create jobs and generate foreign exchange but to build, from the ground up, completely modern cities that are also comprehensive economic development areas, with a high proportion of technology-intensive, knowledge-intensive, and capital-intensive enterprises, from these, skills and technology are expected to flow to the rest of China (1988: 120).

Deng, in his strategic perspective, gave strong support to SEZs. In 1984, Deng visited Shenzhen, Zhuhai and Xiamen SEZs to encourage the speeding up of the development of SEZs. He pointed out, 'SEZ is a window: a window of technology, a window of management and a window of knowledge. It is also a window of international policies' (1984: 51-52, translated by the writer). He (1985j) stated that SEZ was an experiment and that all the methods that were helpful to the development of socially productive force, including using foreign investment and introducing new technology, should be used. He (1985i) believed that the policy of setting up SEZs was correct. In 1992, He visited Shenzhen and Zhuhai SEZs and confirmed that the nature of SEZs was not '*capitalist*' but '*socialist*'.

The special policies and management system instituted in SEZs are described in *Book of Chinese Economic Events on Reforming and Opening* as follows:

Firstly, the development of SEZs relies normally on attracting and using foreign capital whilst most products of SEZs are export oriented. The economy in SEZs is a comprehensive body with a variety of economic components, with socialist economy as its leadership and the enterprises of Sino-foreign joint ventures and Sino-foreign joint operation, and wholly owned foreign enterprises as its main components. Secondly, the main economic operation in SEZs is based on market adjustment. This is different from the situation in inner areas where main economic activities are based on guidance planning. Thirdly, the foreign investors in SEZs are offered special privileges and conditions of taxes, import and export, and entrance and exit. Finally, the management systems that suit the market economy are instituted in SEZs. For instance, the responsibility of director (general manager) under the leadership of the board is carried out in the enterprises of SEZs. With the reform of the systems of labour and wages, the enterprises have the power of recruitment and dismissal of employees according to the laws concerned, whilst the system of staff contract is instituted (Gao, Wang & He 1993: 1413, translated by the writer).

Here, we can see that SEZs are a great experiment of open policy in China: an experiment for not only attracting foreign capital but also for economic reform. Taking Shenzhen SEZ as an example, by the end of 1991, the registered enterprises of foreign direct investments, including the enterprises of Sino-foreign joint ventures and Sino-foreign joint operations, and the wholly foreign owned enterprises, reached 4,053, with the total investment of \$11,194,000,000 and the total registered foreign capital of \$3,117,000,000. The development of enterprises of foreign direct investments led to changes in the economic structure. In 1979, the total industrial products of the state owned enterprises were as high as 69.2 % of the total industrial products of the Shenzhen City, while those of the collective owned enterprises were 30.7%. In 1991, however, the total industrial products of the state owned enterprises covered only 32.5% of the total industrial products of the City, whilst those of the collective owned enterprises dropped to 8.2%. Nevertheless, the total industrial products of the enterprises of the foreign direct investments reached as high as 58.9%. The market economy developed, whilst these enterprises of foreign direct investments were becoming the most important component of the SEZ's economy. As a result, various markets were gradually developed. In term of the commercial market, 90% of living and productive material was provided through markets. In term of the monetary market, a monetary system was formed with the China Bank in Shenzhen providing the leadership, national specialised banks as a mainstay, foreign banks and local banks coexisting. Meanwhile, the monetary market with a combination of bond market, stock market and foreign exchange market, was set up and developed. In terms of the labour market, a manpower service centre and labour service companies were set up to meet the needs of the mobility of labour forces. In terms of the property market, the estate market and the land market were set up to promote the commercialisation of using land and housing. At the same time, the technological market and information market were also set up.

The privileges of investing in SEZs have attracted not only foreign investors but also domestic companies from inner regions. By the end of 1989, over forty ministries and group companies from the Central Government, thirty provinces and autonomous cities and regions directly under the Central Government, and 112 cities and prefectures set up their agencies in Shenzhen (Gao, Wang & He 1993: 2171-2) At the same time, the investments from SEZs to the interior have also increased. As a result, the experiment in SEZs has spread into the interior.



***Coastal Open Cities (COCs)*** In April 1984, the CCCCPC and the SC decided to open fourteen coastal cities, including Dalian, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Fuzhou, Guangzhou, Zhanjiang and Beihai to the outside world. On the one hand, the powers in development of extra economic activities have been extended to these cities; on the other hand, some of privileges of foreign investors operating in SEZs have been extended to COCs, especially to the Economic and Technological Development Zones (ETDZs) in these COCs, as each COC was allowed to set up one ETDZ. COCs were relatively advanced regions covering a total land area of over 100,000 square kilometres, with a total population of 45,380,000. Fourteen COCs together with five SEZs formed key open areas towards the outside world (drawn from SEZOSC 1993 and Gao, Wang & He 1993).

***Coastal Economic Open Zones*** In 1985, three CEOZs were developed: Yangtzi Delta surrounding Shanghai, Pearl River Delta nearby Hong Kong and Macao, and the South Fujian Triangle Zone (with Zhangzhou, Quanzhou and Xiamen as its apexes) opposite to Taiwan. By that time, the total area of coastal economic open regions, which including fourteen COCs and three CEOZs, covered 417,000 square kilometres with a population of 210,000,000. In April 1988, according to the strategy of economic development in the coastal line, the scope of the CEOZs was extended to Shangdong Peninsula and Liaodong Peninsula. According to special policies of the Government, some powers to approve the use of foreign capitals were distributed not only to local government at city level but also to local government at county level in CEOZs, and some of privileges of foreign investors operating in SEZs were also extended to CEOZs (Gao, Wang & He 1993). The income tax of foreign investors was 24% in COCs and CEOZs, while it was reduced to 15% in the ETDZs, which was the same as that in the SEZs. With the development of the COCs and the CEOZs, economic open regions were now extended from five areas of SEZs to the entire coastal line: from Liaoning Province in the North to Hainan Island in the South.

***Pudong New Zone in Shanghai*** In April 1990, the Chinese Government decided to develop and open Pudong, a triangular area located at the East of Huangpu River in Shanghai, covering an area of 350 square kilometres. The target of the PNZ was to develop Pudong as an important base to promote the opening of Shanghai, as well as China as a whole, towards the outside world. It would contribute to developing Shanghai as the biggest centre of economy, trade and banking on the western coast of the Pacific. A series of policies were instituted to attract foreign investors, in particular big foreign companies, to develop undertakings of banking, foreign trades, high technology and

information, and processing industries with an export orientation. They included: policies on industrial structure; advantages to foreign investors; approval of foreign investment; selling and management of lands; and the management of the Waigaoqiao Bounded Zone (BZ) in Pudong, a bounded zone with duty free, which is similar to the Free Trade Zone in other countries (drawn from Gao, Wang & He 1993 & Interviews SEZO1 & SEZO2). The PNZ will be developed as the 'head of the dragon', of which the regions along Yangtzi River form the 'body': when the head moves forward, the body will follow the head.

*Open Cities along Border and River* In 1992, five cities along the Yangtzi River, including Wuhu, Jiujiang, Yueyang, Wuhan and Chongqing were open. By June 1993, Huangshi became the sixth Along River Open Cities (AROCs). In 1992 thirteen cities and towns along the inner border over 20,000 kilometres became Along Border Open Cities and Towns (ABOCTs), including Heihe and Suifenhe in Heirongjiang Province; Huichun in Jilin Province; Manzhouli and Erenhot in Inner Mongolia Autonomous Region; Yining, Tacheng and Bole in Xinjiang Autonomous Region; Ruini, Wanding and Heko in Yunnan Province, Renxiang and Dongxing in Guangxi Autonomous Region. In the same year, thirteen Along Border Economic Collaborative Zones (ABECZs) were established. Meanwhile, some powers of using foreign capital were also extended to all capital cities of inner provinces. ETDZs were also permitted to be set up in AROCs and inner capital cities. Income tax of foreign investors in these areas was also 24%, the same as that in the COCs and the CEOZs (Interview SEZO1). By 1994, apart from 32 ETDZs which were established with the formal permission of the SC, around 2,000 local ETDZs were developed in various areas. There were thirteen BZs, including six in the five SEZs (there are two in the Shenzhen SEZ, and one in every other SEZs) (Interview SEZO1). There were 52 High-Tech Development Zones (HTDZs) in various cities (SEZOSC 1993). By January 1994, economic open regions extended to more than 500,000 square kilometres, covering 339 cities and counties, with a population of over 300,000,000 (SEZOSC 1993).

Now we can see clearly the whole map (see Figure 2.1) of the strategy of opening up in China: five SEZs - fourteen COCs - five CEOZs - PNZ - six AROCs - thirteen ABOCTs - interior capital cities, plus BZs, ETDZs, ABECZs and HTDZs in the economic open regions. The trends in development strategy are very clear: from the South towards the North, from the East towards the West, from the coastal line towards the interior, from the border towards the centre. It started from spots, then extended to a line and then expanded to the sides. There is a Chinese saying, 'A single spark can star a prairie fire'.

Starting from the 'sparks' of SEZs, the 'prairie fire' of opening up has now spread into the whole China: China has now opened all its doors.

Figure 2 1: China Opens its Door: the Map of China



### ***Economic Reform***

Under the influence of the socialist model of the Soviet Union, the planning economic system that was highly centralised was formed throughout the First Five-Year Plan in the 1950s. It continued in the following decades with reforms starting in the late 1970s. As we discussed earlier, the Third Plenary Session of the Eleventh CCCCP in 1978 was a turning point of Chinese economic reform. Since then, as Gao suggested, 'reform has been a keynote of the nation, and it has adopted a strategy of taking a market-oriented direction and pushing forward in a gradual way' (Gao 1993a: 129).

***Socialist Market Economic System*** One of the key issues of economic reform in China is to transfer the economic system from a planning orientation toward a market

orientation. Due to the influence of the Soviet Union's economic model and the 'leftist' errors, the concept of 'market economy' used to be seen as a theoretical forbidden zone contravening socialist economy in China. In the early 1960s, Liu Shaoqi, the Chairman of the State of the PRC tried to promote free markets in the countryside for some agricultural products of peasants. His policy, however, was criticised as a 'capitalist tail' during the Cultural Revolution when he was criticised as the 'No 1 Capitalist Roader' and became one of the victims who lost their lives due to the Cultural Revolution. At the same time, Deng, one of his supporters was also criticised as the 'No 2 Capitalist Roader'. Historically, therefore, the concept of '*market economy*', used to be related to the '*capitalist economy*', whilst '*planned economy*' used to be related to the '*socialist economy*'. Such a theoretical forbidden zone concerning the market economy was not challenged until the late 1970s. In 1978, the Third Plenary Session of the Eleventh CCCCPC adopted a draft *Decision on Acceleration of Agricultural Development* which stated that countryside *market* trade (which was called '*free market*' in the early 1960s) was 'the necessary complementary part of the *socialist economy*' (CCCCPC 1978: 2305, translated and emphasised by the writer). In September 1979, the final Decisions adopted by the Fourth Plenary Session of the Eleventh CCCCPC confirmed that the countryside *market* trade was 'the subsidiary and complement of the *socialist economy*, which should not be criticised as 'capitalist tail' (CCCCPC 1979. 2313, translated and emphasised by the writer). Thus, the *market*, in practice, was now formally accepted to be related to the *socialist economy*.

In theory, however, it took about fourteen years to develop the concept of 'market economy' in China. Deng, of course, was a pioneer in relating the concept of '*market economy*' to the theory of the *socialist economy*. In November 1979 when meeting an American guest, Deng argued, 'It was certainly incorrect to consider that *market economy* can only exist in the capitalist society and that there is capitalist market economy only. Why could not *socialism* develop a *market economy*?' (Deng 1979b: 236, translated and emphasised by the writer). From his point of view, in terms of methods, the *socialist market economy* was basically similar to the capitalist market economy, whilst there were also some differences between them, in terms of *ownership* (ibid.).

This was a pioneer challenge to the traditional theoretical forbidden zone concerning the socialist market economy. On October 1985, when meeting a senior delegation of businessmen from America, Deng argued:

There are no fundamental conflicts between *socialism* and a *market economy*. The question is how to promote the development of social productive forces. We were operating a planned economy in the past. The practice of many years shows that a pure planned economy can fetter productive forces. *Combination of planned economy and market economy* would promote the emancipation of the productive forces and acceleration of the development of the economy (1985p: 148, translated and emphasised by the writer).

Once again, Deng raised the issue of '*market economy*'. Doubtless, Deng's challenge established the theoretical basis to promote the Chinese economic reform moving toward the *market orientation*, although at this stage, Deng's conception of '*socialist market economy*' was still beyond the full understanding and official acceptance of the Party. As Jiang (1992), the General Secretary of the CCCCPC, confirmed at the Fourteenth National Congress of the CCP, it took several stages to develop the theory of the *socialist market economy*.

First, in September 1982, the Twelfth National Congress of the CCP decided to develop various economic forms with state-owned enterprises as the mainstay. The Congress also decided to institute the policy of 'maintaining the planned economy as a main body and making *market adjustment* as its subsidiary' (Jiang 1992: 21, translated and emphasised by the writer). This was the first step for China to break the traditional planned economy of the Soviet pattern and to move the Chinese economy slightly away from the planning orientation towards a *market orientation*, although, by this stage, only the term of '*market adjustment*', rather than the concept of '*market economy*', was adopted and promoted.

Second, in October 1984, the CCP's *Decisions on the Reform of Economic System* adopted by the Third Plenary Session of the Twelfth CCCCPC decided to 'develop a *socialist commodity economy*' and defined that 'socialist planned economy... is a *planned commodity economy* based on public *ownership*' (CCCCPC 1984: 2442, translated and emphasised by writer). Ethridge pointed out:

"*Commodity economy*" is a political rather than an economic term. It might more understandably be translated "*market-oriented economy*", i.e., an economy in which people direct their labour to goods and services others wish to purchase, and purchase their own needs in the same *marketplace*. In China, however, the *market* is not totally free, as state planning plays, and will continue to play, a role (1988: 58, emphasised by the writer).

Obviously, compared with the previous explanation of 'maintaining the planned economy as a main body and making *market adjustment* as its subsidiary', the term of '*planned commodity economy*' moved a little bit further towards the *market* orientation, although it was still linked with 'planned' and was using the term of '*commodity economy*' rather than the concept of '*market economy*'.

Third, the Thirteenth National Congress of the CCP which closed on 1 November 1987 stated, 'The socialist planned *commodity* economy should be a system with the *inner unity of planning and market*' (Jiang 1992: 21, translated and emphasised by the writer).

Fourth, after the Fourth Plenary Session of the Thirteenth CCCCPC held in June 1989, the target was 'to establish the economic system and operating mechanism, which *combine* a planned economy and *market adjustment* and would suit the development of a *planned commodity economy*' (Jiang 1992: 21, translated and emphasised by the writer).

By this stage, Deng's concept of '*market economy*' was still not fully accepted by the Party. In early 1992, Deng made his final challenge when he visited the South of China. His following remark formed an important contribution to the theory of the socialist market economic system in China. He argued:

The aim of the revolution is to emancipate the productive forces, so does reform... After setting up a socialist system, it is necessary to change the economic system, which fetters the development of productive forces, to build up a vigorous socialist economic system and to promote the productive forces...

The fundamental difference between socialism and capitalism does not lie in the question of whether planning or *market* plays a larger role. The *planned economy* does *not* equal *socialism*, as planning also exists in capitalism; *neither* does the *market economy* equal *capitalism*, as the *market* also exists in *socialism*. Both planning and *market* are *economic means*. The nature of socialism is to emancipate and develop the productive forces, to eliminate exploitation and polarisation, and finally to achieve the goal of common affluence. This should be explained to everybody (1992: 370-3, translated and emphasised by the writer).

Deng's concept of '*market economy*' was finally accepted by the Party. In October 1992, the Fourteenth National Congress of the CCP adopted Deng's theory and declared that the 'target of economic system reform is to establish a *socialist market economic system*' (Jiang 1992: 22, translated and emphasised by the writer). Thirteen years had passed since

Deng challenged for the first time the theoretical forbidden zone concerning the concept of '*market economy*' and tried to promote a market economy in China in 1979. By this stage, his design was eventually understood and accepted by the Party and the nation.

The above analysis shows how Deng's concept of '*market economy*' forms the theoretical basis that was gradually developed into the target of establishing a *socialist market economic system* in China. As Gao suggested, 'The target is doubtless the continuation and development of the past 15 years of reform that has taken a *market orientation*' (1993a: 133, emphasised by the writer).

**Reform Stages** Gao Shangquan (1993a), the former Deputy Director of the State Commission for Restructuring the Economic System, suggested that China's reform has roughly undergone four stages. First, from the end of 1978 to October 1984, reform was implemented in the rural areas, and was then conducted in cities on a trial basis. Second, from October 1984 to September 1988, the focus of reform was shifted from rural areas to urban areas, and the reform was carried out in the country on an overall basis. Third, from September 1988 to the end of 1991, it was a period of readjustment which 'was highlighted by the government's effort to clean the country's economic environment and rectify its economic order so as to create a better condition for deepening reform' (1993a: 130). Fourth, starting from the early 1992, influenced by Deng's important speeches on speeding up reform, Chinese economic reform moved into a new stage: building up a socialist market economy became the target of the economic reform in China.

**Rural Reform** As early discussion shows, the economic reform started first in the countryside in the late 1970s. The Third Plenary Session of Eleventh CCCCP discussed and adopted the draft of *Decision on Acceleration of Agricultural Development*. Ethridge suggested that it 'allows compensation linked to production and thus makes responsibility system possible'. (Ethridge 1988: 316). In September 1979, the Decision was adopted by the Fourth Plenary Session of the Eleventh CCCCP. It stated that peasants had the right to grow crops according to their own choice and to refuse the command or order from higher authorities, and that the principle of receiving payment according to labour should be adopted. It stressed that peasants should not be criticised or called 'capitalist tail' for using private plots and selling in free markets. The Decision was the key guidance to the rural economic reform, which was spontaneous at the first stage. It was launched by peasants themselves, from the bottom of the countryside, rather than planned by the Government from the top. Peasants created various forms of responsibility systems,

including the household contract system. In September 1980 the Government issued *Certain Questions on Further Strengthening and Complementary Agricultural Responsibility System: Memorandum of the Meeting of the First Secretary of Provinces and Cities between 14 and 22 September 1980*. It approved various forms of responsibility system, in particular, the specialised contract responsibility system that related compensation payment to the outcome of production. Under this system, peasants signed contracts for farming, forestry, fishing and businesses, which could last for certain years, with the collective productive teams, according to the variety of their own capabilities. The reform spread over the whole country and became very successful in three years (drawn from PRC 1980 and Deng 1985e).

The rural reform brought great changes to the Chinese countryside. Firstly, the management system was decentralised, as the approval was to use the household contract system to move responsibility and incentive to the lowest, smallest, and most personal units of the production system (Ethridge 1988: 149). Instead of obeying the orders of higher authorities, which they had used to do, and which normally did not suit local conditions, peasants had now more freedom and democracy to manage their own farming or businesses. Secondly, the standard of living was improved. Under the contract responsibility system, contracting families had the right to all net income from their crops - the ultimate incentive. Peasants were encouraged to work hard and earn more. As Deng confirmed, 'living standards of 90% of the people have been improved' (1985e: 117, translated by the writer). Meanwhile, due to the government's policy of 'allowing some people to become rich first' (Deng: 1983a: 23, translated by the writer), large numbers of households with incomes of more than 10,000 yuan appeared in rural areas, although they formed only a very small proportion of the large population in the countryside. Thirdly, the specialisation of agriculture led to the further social division of labour. Millions of 'specialised households' appeared due to the specialised contract responsibility system. As a result, some peasants became specialised in business, whilst others became specialised in animal husbandry, forestry, fisheries and farming. Finally, due to the government's policies of opening to the outside world and invigorating the domestic economy, and due to the development of social divisions of labour and the new demands of economic development, millions of rural enterprises, including township enterprises and private enterprises owned by individuals or groups of people, emerged. This brought industrialisation into the Chinese countryside.



**Urban Reform** The urban reform, which is much more complex, has been conducted cautiously on various trial bases since the late 1970s and has been carried out in the country on an overall basis since the mid-1980s. The key issue of the urban reform is also decentralisation. In June 1979, the SC issued *Certain Regulations on Expanding Decision-Making Powers in Management of State-Owned Industrial Enterprises*. By the end of 1980, over 6,000 state-owned enterprises, which covered 15% of the total number of state-owned enterprises and produced 60% of the national industrial income of the country, were involved in the trial. In May 1984, the SC issued *Provision Regulations on Expanding Decision-Making Powers of State-Owned Industrial Enterprises*. According to the Provision Regulations, the decision-making powers in ten aspects were extenuated (Gao, Wang, & He 1993).

As decision-making powers were extended, various forms of the contract responsibility system, a creation of peasants under rural reform, were moved into the cities. In the early 1980s, some enterprises began the trial of the contract responsibility system. The trial was conducted in eight enterprises of big and medium sizes and then extended to over ninety more. It, however, was not promoted by the end of the 1986. In mid-1987, the SC decided to use the contract responsibility system widely. By the end of 1987, various forms of the contract responsibility system were conducted in over 90% of state-owned enterprises (Gao, Wang & He 1993: 136). Ethridge made a comment:

Some agreements may be "based on increasing profits, some on decreasing deficits (for the money-losing factories), and some on cost and output value indexes." Either a factory as such, an individual factory director, or a group of individuals who manage the factory may be contractors, with the state in all cases being the opposite party. A contract is drafted through negotiations (1988: 131).

By 1989, most contracts were reaching the end of the term of contracting. In 1990, the second term of contracting started in most enterprises. By the end of 1990, over 90% of state-owned enterprises reached agreement for their second term contracts (Gao, Wang & He 1993: 136).

Meanwhile, as Gao pointed, 'Some of the medium and small-sized state-owned enterprises have been either leased, transformed, or sold' (1993a: 130). Ethridge also suggested:

*Leasing* is becoming an increasingly common way for provincial and local governments to withdraw from involvement with tens of thousands of small

enterprises. Lease terms generally have these standard features: first, the lease is required to turn over to the state an agreed-on amount or proportion of earnings; second, the lease must make a substantial personal investment in the enterprise that usually means mortgaging family possessions, to ensure a commitment to success (1988: 131-2).

In recent years, various forms of stock system have been introduced into a great number of state-owned enterprises. By the end of 1992, more than 3,700 enterprises with the stock system had been set up throughout the country, of which shares of 92 such enterprises appeared on the market of the stock exchanges in Shenzhen and Shanghai (Gao, Wang & He 1993).

***Private Business*** Private business is one of the products of economic reform. Ethridge (1988: 132) suggested, 'Starting from almost no private businesses at all in 1976 there are now millions'. The Third Plenary Session of the Eleventh CCCCP restored the ideological line of 'seeking truth from facts' and decided to institute the policy of opening to the outside world and invigorating the domestic economy. Since then, the Government has decided to develop various forms of economic components, whilst maintaining publicly-owned enterprises as the main body. Under this principle, private business emerged and developed gradually in the early 1980s. As we discussed earlier, some specialised household businesses appeared as one of the outcomes of the rural reform. In accordance with the development of the commodity economy, these individual businesses grew up gradually and started to employ workers. By 1981, they were allowed to hire not more than five workers. By 1984, however, each private enterprise was allowed to hire over five workers. By 1985, private investment in large projects was permitted, and peasants were allowed to run private businesses in urban areas (See Yang, Wang & Wills 1992: 13). By 1987, according to the statistics available, the total number of private enterprises hiring over eight persons reached about 225,000, with employment, including employees and investors, of 3,607,000 (Gao, Wang & He 1993: 1721). In 1988, the Government issued *PRC's Provision Regulations on Private Enterprises*, which provides legal protection for the private sector that had not existed in China for more than two decades. By 1991, there were 108,000 private enterprises registered with the total employees of 1,598,000 and the total registered capital of 12,330,000,000 yuan. The average employment per enterprise was 14.8 person, and the average registered capital was 114,000 yuan. There were 602 private enterprises with more than 100 employees. The private enterprises with a registered capital of over 1,000,000 yuan reached 662. Over 100 private enterprises were Sino-foreign joint ventures or enterprises of Sino-foreign joint operation. The features of

private enterprises were: first, most of them were small businesses; second, most of them were wholly owned by one person rather than joint ventures; third, 60% of private enterprises were in rural areas; fourth, the enterprises involved in transport, industry and building construction covered 70%; fifth, 80% of private enterprises were located in relatively developed areas, such as coastal areas or provincial capital cities (Gao, Wang & He 1993: 1722).

In a word, the reform and opening up in China has brought profound changes in the Chinese economic system, which were summarised by Gao:

The original structure of the country's economic ownership has been broken. While publicly owned enterprises still contribute to the bulk of the nation's economy, various other economic forms including collectively-owned, private-operated, and foreign-invested enterprises have emerged, and they have coexisted and developed well together with state-owned enterprises. Currently, 53 per cent of the nation's total industrial output is turned over by state-owned enterprises, 35 per cent by collectively-owned enterprises, and 12 per cent by joint ventures with foreign investment, privately-owned enterprises and individuals; of the total retail volumes of social commodities, state-run commercial enterprises account for 40 per cent, the collectively-owned for 30 per cent with the balance to be held by individuals, privately-owned enterprises and joint ventures (1993a: 130).

Apart from the changes in economic structure, other changes were also summarised by Gao. First, operational mechanisms of state-owned enterprises were now being transformed and they were gradually being pushed into the market under the principle of separating the government from the Party and the ownership from the operational autonomy. Second, prices of commodities were now determined largely by the market, rather than by the state, whilst various markets including the securities market, foreign exchange market, labour market, technology market, and land market had developed quickly. Third, the direct interference in the nation's economy by the government largely by administrative means was gradually replaced by its indirect control of its economy chiefly with economic means and laws. Fourth, while distribution according to work still dominates the country's social distribution system, many other distribution forms appeared. Fifth, foreign funds and technology as well as advanced managerial experiences became an indispensable part in driving China towards modernisation (Gao 1993a).

## **Conclusions**

From the above discussion, we can see that, with the Third Plenary Session of the Eleventh CCCCP held in late 1978 as the turning point, there have been tremendous political and economic changes in China since the late 1970s.

First, the end of the Cultural Revolution, the return of Deng and the debate on the criterion of the truth form a background of change in the leadership of the CCP. Deng was recognised as a core leader of the second generation of the CCP. The debate also led to the changes in the ideological line from a 'two-whatever', dogmatist one, into 'seeking truth from facts', an historically materialist one. As a result, people's minds were emancipated. This formed the precondition of the reform.

Second, the focus of the work of the Party and nation shifted from 'taking class struggle as the key line' into socialist economic construction.

Third, as socialist economic construction became the focus of work of the Party and nation, open policy and economic reform became the key strategy of the 'New Long March', the new era under the leadership of Deng. In terms of open policy, starting from the SEZs, economic open regions were extended to fourteen COCs, five CEOZs, the PNZ, six AROCs, thirteen ABOCTs and interior capital cities. Starting from the 'sparks' of SEZs, a 'prairie fire' of opening up has now spread into the whole of China.

Fourth, economic system reform was the key issue of the economic reform. With the influence of the Soviet pattern, a planning economic system had been seen as the unique acceptable socialist economic system in China, whilst the market had been related to the capitalist economy. However after 1978, the planning economic system was challenged in several stages. As Deng's concept of 'market economy' was gradually introduced and accepted, the socialist economic system was finally decided to be the target of economic system reform.

Fifth, under the principle of 'opening to outside world, invigorating the domestic economy', the economic system was transferred gradually from a planning orientation towards a market orientation. Gao suggested that reform was pushed forward in a gradual way:

Reform was first implemented in the country's rural areas, then gradually carried out in cities... it was first carried out in SEZs, then in coastal areas, then in the interior; the market mechanism was first introduced into rural industrial enterprises privately-operated enterprises, and joint ventures with foreign investment, then was gradually introduced into the state-owned economy; reform was first carried out in a microscopic way, such as by granting state-owned enterprises more autonomy in production and operation, then was conducted on a macroscopic basis, such as by gradually reforming the country's planned economy, its fiscal and financial systems (1993a: 132).

In accordance with the reform and opening up, the economic structure changed: various other economic forms, including, privately-operated, and foreign-invested enterprises emerged and developed, whilst the publicly-owned enterprises were maintained as the mainstay. Meanwhile, a variety of markets including securities markets, foreign exchange markets, labour markets, technology markets, and land markets were developed. With the socialist market economy as its target, China has now moved towards the new starting point of the New Long March, which has a great demand for the education and training of adults.

**CHAPTER THREE**

**GOLDEN AGE:**

**THE DEVELOPMENT IN THE EDUCATION AND TRAINING  
OF ADULTS IN CHINA SINCE THE LATE 1970s**

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**Introduction**

Education, as a part of the whole social structure, can never be developed in isolation but always reflects and is influenced by politics, economics and other factors (Fang 1988). Adult education, as an important component of education is not an exception. Indeed, it has more direct and closer links with other social sectors than other aspects of education. It is influenced more directly by socio-economic changes. As we discussed in Chapter 2, there have been great changes in China since the late 1970s. Political powers have changed and Deng Xiaoping has become the leader and designer of Chinese reforms. The ideological line has been changed from the dictum of 'doing whatever Chairman Mao said' into 'seeking truth from facts' (see Deng 1977a & 1978e). The direction of the political line of the Party has been shifted from 'taking class struggle as the key line' to 'focusing on the socialist economic construction' (see Wang, Bai & Zhao 1992: 894). The open policy has been instituted. Following the successful system of agricultural responsibility in the rural areas, the economic system has started to change gradually from a socialist planning system into a socialist market system. The economic component has changed from the monopoly public system into a combination of a variety of economic components. The policy of 'some people are allowed to become rich first and some areas are allowed to become rich first' has been carried out (see Deng 1983a: 23). The principle of 'distribution to each according to work' has been instituted instead of equalitarianism (see Deng 1978b). The personnel system has changed; the living standards of the people have been raised, especially in the economic relatively developed areas. The system of values of the people has changed. There have also been great changes within educational fields other than adult education. All these changes have influenced the development and changes in the education and training of adults in China. Starting by discussing the great demands for the education and training of adults, this chapter will present the contents and the rapid development in the education and training of adults after the Cultural Revolution. Chapter 4 will go on to analyse the original planning oriented model operated in the public sector in the 1980s and the early 1990s. Chapter 5 will move on first to analyse the emergence and development of the private sector and then to analyse the market oriented model

operated in both private and public sectors to show the trends of changes since the late 1970s.

### **The Growing Demands for the Education and Training of Adults**

Adult education in ancient China can be traced back as early as more than two thousand years ago, when Confucius had three thousand students: most of them were adults. For over 1,000 years, people prepared for civil service examinations through self-study. In the early twentieth century, basic education for adults, including agricultural night-classes for peasants, business night classes for businesspersons and part-time women's schools, was introduced by some pioneer educators. According to the statistics by the Department of Study in 1911, there were 16,314 literacy schools with 255,477 students in China. In 1912 the Ministry of Education set up the Department of Social Education. In the 1920s and 1930s, more evening schools for workers and peasants were set up in China, whilst the CCP set up the Red Army School and the Military Medical School in the 'Red Areas' that were occupied by the CCP. During the War of Resistance Against Japan (1938 - 1945): the 'Kanri' (Resistance Against Japan) Military and Administrative University and Yan'an University were set up by the CCP to train cadres to meet the needs of the War Resistance Against Japan. During the Revolutionary Civil War (1946 - 1949), the Northeast Military and Administrative University and the Baiqiuen Medical University were set up by the CCP to train cadres. In the 1940s, the CCP launched a campaign of cadre learning in the Liberated Areas to train large numbers of cadres to greet the victories of the War of Resistance Against Japan and the Revolutionary Civil War.

After 1949, the new Government, under the leadership of the CCP, paid great attention to the education of workers and peasants. In the 1950s, a massive literacy campaign was launched throughout the country; millions of workers and peasants learnt to read and write. As a result, the illiteracy rate dropped from over 80% at the end of 1949 to 43% in 1959 (SEC 1986). In addition to the literacy campaign, spare-time middle schools or colleges were established alongside the regular education system in the late 1950s and the early 1960s. Thus, adult education was basically established as a complete parallel instructional system under the policy of 'walking on two legs', a policy which had been promoted by Liu Shaoqi, the former Chairman of the State (Fang 1988).

In the decade of the Cultural Revolution, adult education was dominated by pure 'political studies', whilst regular education was seriously destroyed. As discussed earlier, all



universities were closed for several years at the end of the 1960s due to the Cultural Revolution. As a result, evening programmes and correspondence programmes, which had been developed since the 1950s, were destroyed.

After the downfall of the Gang of the Four, the ridiculous theory 'study is useless' was criticised whilst knowledge was again respected. The whole educational system that was destroyed during the Cultural Revolution was soon recovered. In 1977, National United Entrance Examinations for Higher Education, which was suspended for eleven years during the Cultural Revolution was restored. Millions of young people aged between sixteen and thirty rushed into examination halls with great hopes. People across the country were stimulated to learn about culture, science and technology to catch up what they had lost during the decade of the Cultural Revolution. In the early morning, for instance, you could see a lot of adults who were studying in the parks before going to work (Interview XUP). The 'study-fever' (a Chinese word used to describe the situation in which study becomes very popular) was soon spread over the whole country. After the Third Plenary Session of the Eleventh CCCCP in 1978, economic construction became the focus of the Party and the country and the open policy was instituted. The government realised that China had to begin to catch up with the most advanced countries in the world by tackling science and education (see Deng 1977d). China, therefore, paid close attention to science and education and laid heavy stress on the training and selection of talented people (see Deng 1978d). At a National Science Conference on 18 March 1978, Deng urged, 'Education is not just the concern of the educational units; party committees at all levels must treat it as a major issue. Every trade and profession should support it and try to establish its own schools' (1978a: 111). As a person who volunteered to take charge of education, Deng emphasised the policy of 'walking on two legs'. Deng urged, 'In higher education, colleges and universities constitute one leg, while work-study universities and spare-time universities constitute the other' (1977d: 67). He stated, 'We should co-ordinate the development of various types and levels of educational institutions' (1978c: 124). Deng's thoughts on education contributed to the guidance of general policy on the development in the education and training of adults from the late 1970s.

In November 1978, the Ministry of Education did a survey of worker education in over 260 enterprises in Beijing, Tianjin, Sichuan and Harbin. They found that the educational levels of workers were quite low: only about 3 to 5% of the total number of workers had higher education qualifications; 10 to 15% had received senior secondary education; 40% had received junior secondary education; 30% had received primary education; while

about 5% were illiterate or semi-illiterate (see Liu 1993: 1862). The surveys also found that the skill levels of workers and professional levels of managers were low and that the supply of technicians was short. In September 1979, a National Conference of Worker Education was held in Zhengzhou. The Conference decided that the focus of worker education in the coming years was to raise the political, educational and scientific levels of young workers who had been recruited since the Cultural Revolution. The Conference proposed that, by 1985, the junior secondary education and basic technical training of workers should be compulsory and that all those who had not actually reached the standard for graduation from the secondary schools should be prepared for such qualifications (see Liu 1993).

In February 1981, the CCCCPC and SC issued a document, *Decision on Strengthening the Work of Education for Workers by the CCCCPC and the SC*. The document emphasised that the education for workers was an important method of human resources development and manpower training, and that it was necessary to institute full employees' training in a planned way. It stated that due to the disaster in the decade of the Cultural Revolution, the educational levels of 80% of workers were below junior secondary education and that workers' technical skill levels and managers' professional levels were also low. It claimed that all staff should be trained in turn and in a planned way during the period of the Sixth Five-Year Plan, between 1981 and 1985. The document decided to focus worker education on training leaders and developing political education and on the complementary (topping up) courses in basic education and technical training for those young and middle-aged workers who had been recruited since the Cultural Revolution. These complementary courses should be completed in two or three years. The targets were:

Young and middle-aged workers should become literate within two or three years. About 80% of those workers, who have not reached the standard for graduation from junior secondary education, should be prepared for such qualifications by 1985. One third of workers with qualifications of graduation from junior secondary education should be prepared for graduation from senior secondary education or specialised secondary education. A certain amount of workers with senior secondary education or specialised secondary education should achieve qualifications at higher education diploma level. Those technicians and managers with a higher education diploma should also plan to extend their knowledge of science, technology and modern management... All young and middle-aged workers should try their best to raise their practical skills into the first or the second technical grade in five years... By 1985, key leaders of enterprises,

undertakings and administrative departments should be trained in turn. They should study business and management of enterprises, and technical knowledge of related enterprises and become experts in leading economic work gradually. The SC and concerned government departments in provinces, autonomous regions and cities directly under the Central Government will be responsible for training the key leaders of enterprises in turn. The leaders of party members will be trained in either central or local Party Schools in turn in a planned way (CCCCP & SC 1981: 356, translated by the writer).

The document decided,

While enterprises and undertakings run workers' education, a variety of social forces, such as trade and profession departments, education departments, and mass organisations should be stimulated to run schools. Educational techniques of TV and broadcasting, and correspondence should be fully utilised. The full-time universities, secondary and primary schools should be brought into full play to run radio/TV universities and secondary schools, correspondence universities and secondary schools, night universities and various local worker schools (CCCCP & SC: 358, translated by the writer).

In January 1982, the National Administrative Committee of Worker Education (NACWE), the Ministry of Education (ME), the General Bureau of Labour (GBL), the National Trade Union (NTU) and the Central Committee of Chinese Communist Youth League (CCCCYL) issued a document *A Joint Circular on Remedial Courses in Both Basic Education and Technical Skills for Young and Middle-Aged Workers*. It stated that all workers who graduated from junior and senior secondary schools between 1968 and 1980 but had not actually met the standards for graduation from junior secondary schools and all workers with the third technical grade or below, who had not received any training, should take complementary courses in basic education or technical training (see Liu 1993).

As a result, a big campaign of 'double complementary courses' (that is, complementary courses in both basic education and technical training for workers) which was launched in 1979, was developed in the early 1980s. Across the whole country, 30,000,000 young and middle-aged workers were required to take the 'double complementary courses'. By 1985 the success rate of complementary courses in basic education reached 75.9%, while the success rate of complementary courses in technical training reached 74.4% (see Liu 1993).

At the same time, the CCCCCP instituted a cadre policy of 'revolutionisation, youthisation, knowledgeablisation and professionalisation' (that is, becoming more

revolutionary, younger, better educated and more competent professionally). In October 1982, the CCCCPC and the SC issued a document, *Decision on Education for Cadres in the Central Departments of the Party and the Government by the CCCCPC and the SC*, which stated:

In the central departments of the Party and the Government, those cadres aged forty or below who have not actually met the standards for graduations from junior secondary schools should take complementary courses in basic education to be prepared for such qualifications; those cadres who have qualifications of junior secondary education or above but lack professional knowledge, should achieve the qualifications of specialised secondary education or higher education within three or five years... In about five years, all cadres in the central departments of the Party and the Government should reach the standards for graduation from senior secondary schools or specialised secondary schools and above; the proportion of cadres with qualifications of higher education should increase; a certain proportion of the senior leaders of ministries and departments, should achieve qualifications of higher education (CCCCPC & SC: 12, translated by the writer).

Thus socio-economic developments have placed great demands on the rapid development in the education and training of adults in China.

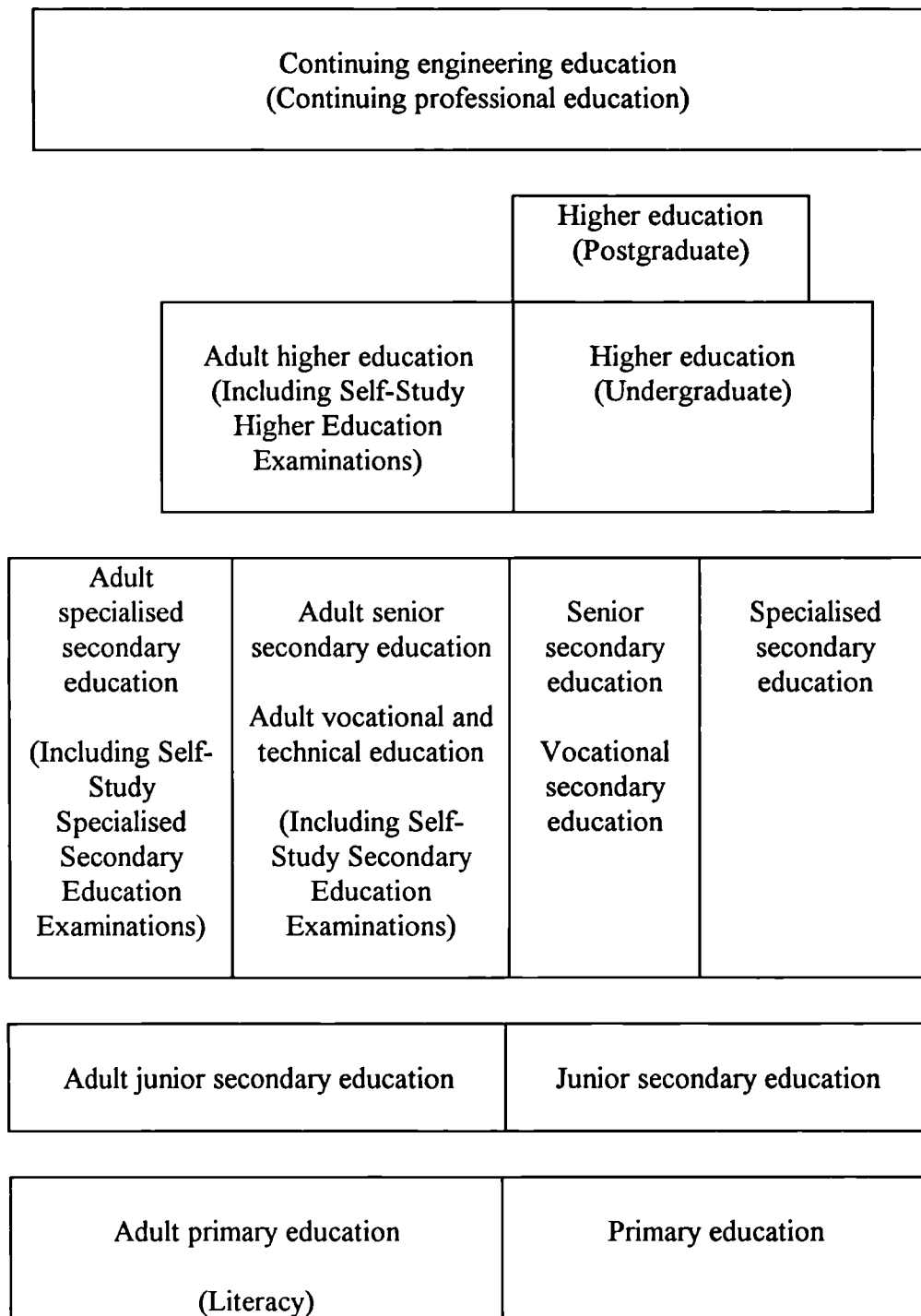
### **The Development in the Education and Training of Adults since the late 1970s**

In order to meet the needs of socio-economic developments, various forms of education and training of adults have been developed since the late 1970s. During this period, the development in the education and training of adults included five aspects: first, 'Ganwei' training, that is, on-job training for employees aimed at raising their working capabilities; second, basic education for adults; third, adult qualification education, that is, the education leading to qualifications of higher education and specialised secondary education; fourth, professional continuing education aimed at updating knowledge and skills; fifth, social, cultural and leisure education (Li 1986).

#### ***School Equivalency: a Parallel System***

During this period, under the policy of 'walking on two legs', a comprehensive adult education system, which is a parallel system with the regular system of primary, secondary and higher education, has been restored and developed (see Figure 3.1 ).

Figure 3.1: The Parallel Educational Systems in China



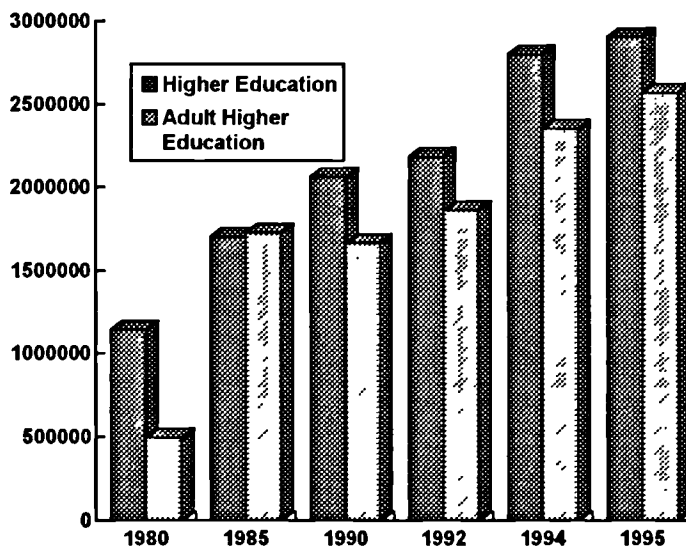
The two systems are complementary to each other. In practice, however, as Mr. Dong Mingchuang confirmed, as the formal education system is highly planned with such

requirement of recruitment as age limitation, school leavers from the adult education system can hardly get into the normal higher education institutions, whilst school leavers from the formal education system can now move up to higher education institutions in both system.

### *Developments of Adult Higher Education*

As discussed earlier, the higher education system was destroyed during the Cultural Revolution. For the whole decade, most school leavers had no chance at all to receive higher education. When the National United Entrance Examinations for Higher Education was restored in the late 1970s, the existing system of higher education could not meet the great demand: in many areas, only 1% of applicants could get a chance to enter higher education institutions, although new enrolment in higher education had already expanded to more than 400,000 per year. To respond to such a great demand within the normal higher education system, the parallel system of adult higher education was also restored and rapidly expanded. As a result, as Figure 3.2 shows, between 1980 and 1995, the total enrolment in adult higher education increased fivefold. It increased from 497,480 in 1980 to 2,570,000 in 1995, exclusive of enrolments in non-qualification short courses. The total enrolment in higher education more than doubled: it increased from 1,144,000 to 2,906,000 during the same period (drawn from DPCSEC 1986 & SSB 1996).

Figure 3.2: Enrolments in Higher Education and Adult Higher Education in China (1980-1995)



Sources: Based on statistics of DPCSEC (1986) and SSB (1996).

The distinctions between the two higher education systems are quite clear. First of all, they have different recruitment focuses: the undergraduate courses in the normal higher education system have been focused on fresh school leavers and have excluded people aged over twenty-five since 1980, whilst adult higher education institutions focus on the people with working experience and excluded fresh school leavers until recently. Secondly, they have different provision focuses: the regular higher education system focuses on long-term full-time diploma and degree courses at both undergraduate and postgraduate levels, whilst the adult higher education system concentrates on full-time or part-time sub-degree courses, mainly diploma courses. Thirdly, there are different entrance examination systems: applicants for undergraduate courses in the regular higher education system are required to take the National Unified Entrance Examinations for Higher Education (NUEEHE), whilst applicants for diploma courses in the adult higher education system are normally required to take the National United Entrance Examinations for Adult Higher Education (NUEEAHE), in which the standard is relatively lower than that of the former. Fourth, graduates from the two systems have different guarantees of their careers: whilst graduates from the regular higher education system are guaranteed to get jobs - either taking jobs assigned by the state or searching for jobs from the manpower markets, graduates from adult higher education institutions can either return to their previous job positions, if they are employed, or have to hunt for new jobs themselves.

During this period, various adult higher education institutions (Table 3.1) were restored and developed.

Table 3.1: Various Types of Adult Higher Education in China

<i>Classification</i>	<i>Run by</i>	<i>Controlled by</i>	<i>Aims</i>	<i>Lengths and forms</i>
Colleges of management cadres (CMC)	-Ministry -Provincial & city government department	-SEC -Provincial EC (Education Commission)	-First degree based on diploma -Diploma for second profession -Diploma  -Certificate of professional qualification -Certificate of subject -Professional continuing education -In service training	-Part-time/2 years  -Part-time/2-3 years  -Full-time/2 years or part-time/3 years  -Full-time/1 year -Part-time/2 years  -Part-time
Worker university (WU)	-Trade union -Enterprise	-SEC -Provincial EC	-First degree based on diploma -Diploma for second profession -Diploma  -Certificate of professional qualification -Certificate of subject -Professional continuing education -In service training	-Part-time/ 2 years  -Part-time/2-3 years  -Full-time/3 years or part-time/4 -5 years  -Full-time/1 year -Part-time/2 years  -Part-time
Peasant university (PU)	-County -Province	-SEC -Provincial EC	-Diploma  -Certificate of subject -Training	-Full-time/2 years or part-time/3 years -Part-time
Education institution (EI)	-Province -City	-SEC -Provincial EC	-First degree based on diploma -Diploma for second profession -Diploma  -Certificate of professional qualification -Certificate of subject -Professional continuing education -In service training	-Part-time/2 years  -Part-time/2-3 years  -Full-time/2 years or part-time/3 years -Full-time/1 year -Part-time/2 years  -Part-time



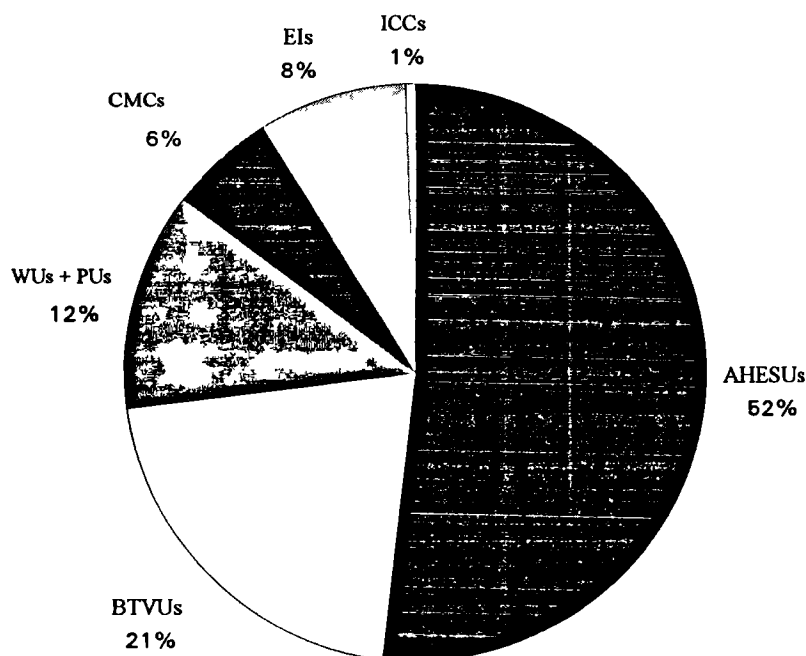
Table 3.1: Various Types of Adult Higher Education in China (Continued)

<i>Classification</i>	<i>Run by</i>	<i>Controlled by</i>	<i>Aims</i>	<i>Lengths and forms</i>
Independent correspondence college (ICC)	-Ministry, -Province -City	-SEC -Provincial EC	-First degree based on diploma -Diploma -Certificate of subject	(Correspondence) -2 years -3 years -Short-time
Others	Voluntary organisation	-SEC -Provincial EC	-Diploma  -Certificate	-Full-time/2 years or part-time/3 years -Part-time or full-time
Adult higher education sector of university (AHESU) (Including evening school, correspondence and cadre programmes)	University	-SEC -Provincial EC	-First degree -First degree based on diploma -Diploma for second profession -Diploma  -Certificate of professional qualification -Certificate of subject -Professional continuing education -In service training	-Part-time 5 years -Part-time/2 years  -Part-time/2-3 years -Full-time/2 years or part-time/3 years  -Full-time/1 year -Part-time/2 years -Part-time
Broadcasting TV university (BTUVU)	-Central Government -Local government at Provincial, prefecture/ city levels	-SEC -Provincial EC	-First degree based on diploma -Diploma for second profession -Diploma  -Certificate of professional qualification -Credit certificate -Certificate of subject -Professional continuing education -In service training	-Part-time/2 years  -Part-time/2-3 years  -Full-time/2 years or part-time/3 years  -Full-time/1 year -Part-time/2 years  -Part-time
Self-Study Examinations for Higher Education (SSEHE)	Tutorial programmes in various adult education institutions	-SEC -Provincial EC -SSEHE Board	-First degree based on diploma -Diploma for second profession -Diploma -Credit certificate	-Full-time or part-time (no limitation)

Sources: Drawn from BAEB (1989 AE045), EOBAEB (1990 AEE01), ME & SPC (1984 EP024), ME, SPC & MF (1984 EP086), SC (1980 S228), SC (1982), SC (1983 S87), SC (1987 S59), SC (1988 S15), SEC (1987 EH002), SEC (1987 EP179), SEC (1988 EP040), SEC (1988 EHT001), SEC (1988 EHT002), SEC (1988 EHT006), SEC (1992), Liu (1993); Interview SEC1A, SEC4, CCRTVU, XUZ, XUW & FAES; and personal experience.

In terms of providers of adult higher education, as the above table shows, they can be classified as the adult higher education sector of universities (AHESUs), broadcasting TV universities (BTVUs), and such independent adult higher education institutions as colleges of management cadres (CMCs), worker universities (WUs), peasant universities (PUs), education institutions (EIs) and independent correspondence colleges (ICCs) form the main providers for adult higher education. As Figure 3.3 shows, AHESUs, including evening schools (called 'evening universities'), correspondence programmes, and cadre training programmes, form the biggest provider for adult education leading to higher education qualifications in China. In 1995, the total enrolment for AHESUs, excluding non-qualification programmes, reached 1,339,000, covering 52% of the total enrolment in qualification programmes of various forms of adult higher education institutions (SSB 1996: 120).

Figure 3.3: Adult Higher Education in China in 1995



Sources: Based on the statistics of SSB (1996).

Notes: AHESUs: adult higher education sector of universities  
 BTVUs: broadcasting TV universities  
 CMCs: colleges of management cadres  
 EIs: education institutions  
 ICCs: independent correspondence colleges  
 PUs: peasant universities  
 WUs: worker universities

The BTVUs form another major sector of providers for adult higher education in China, and cover 21% of the total enrolment in adult higher education in China in 1995. According to statistics, during the period between 1982 and 1989, the BTVUs produced 1,176,000 graduates, which was equal to 40% of the total number of graduates from general higher education institutions during the same period. At the same time, there were 773,000 students obtaining certificates for particular subjects (see Liu 1993: 1995 & 1997). According to Professor Shun Tianzheng, Vice-Chancellor of the Central BTVU, in 1995, apart from the Central BTVU, there were forty-four provincial-level BTVUs, 690 prefecture/city-level BTVUs and 1,600 county-level branches and working stations with a total enrolment of 542,000. The Central BTVU does not recruit any students but provides services of teaching guidance and material for local BTVUs. It is responsible for national teaching planning within the BTVU system, of which 70% of courses have a united curriculum and examinations. It is also responsible for equipment and other support. As with students in other adult higher education institutions, students registered in normal qualification programmes of BTVUs should also pass the NUEEAHE. Since 1995, however, open learning programmes have been introduced by BTVUs. People who have graduated from senior secondary schools can register in open learning programmes without passing an entrance examination. By self-study, watching TV and video programmes, and necessary tutorials, students can take external examinations to 'earn' credits. They will finally get qualifications as long as they 'earn' a certain amount of accumulated credits as required. It may take them two to eight years to obtain qualifications for graduation (Interview CCRTVU).

Whilst AHESUs and BTVUs provide courses for the public, most independent adult higher education institutions which are run by relevant government departments, organisations and enterprises mainly provide courses for the employees from the relevant organisations. Among them, WUs, which were reformed in the late 1970s and the beginning of 1980s (see Liu 1993), are major providers of qualification programmes of adult higher education for workers. They also provide various short training courses for enterprises and local communities. In 1993, the total number of WUs reached 714 with a total enrolment of 275,000 in qualification courses, of which 42% of learners were registered on full-time programmes (drawn from DPCSEC 1994: 53-4). EIs, which were restored in the late 1970s (see Liu 1993), mainly provide qualification programmes for teachers from secondary schools without higher education qualifications. In 1993, there were 249 education institutions with a total enrolment of about 217,000 on qualification

courses, of which 33% were registered on full-time programmes (drawn from DPCSEC 1994: 53-4). In order to meet the need for rapid development of the economy, various CMCs were launched in the early 1980s to train management cadres (managers) in all economic aspects of their responsibilities. In 1993, there were 166 colleges of management cadres with a total enrolment of 93,000 in qualification programmes, of which 79% were registered on full-time programmes (drawn from DPCSEC 1994: 2). In 1995, the total enrolment of CMCs reached 148,000 (SSB 1996).

The Self-Study Examinations for Higher Education (SSEHE) is an independent external examination system for adult learners developed in the 1980s. To promote self-study, a *Government Report*, which was passed by the First Session of the Fifth NPC in February 1978, stated, 'We should establish a proper test system, in which those who take self-study in their spare time could take tests to prove that they are equivalent to the graduates from higher education institutions' (cited in Liu 1993: 2014, translated by the writer). By 1983, based on the pilot experience in Beijing, Tianjin, Shanghai and Liaoning, the system of SSEHE was established across the country with the National Board of SSEHE (NBSSEHE) at the central level and Boards of SSEHE (BSSEHEs) at provincial level. SSEHE is organised twice a year by BSSEHEs at provincial level, while an enormous number of tutorial courses are run by various adult education institutions. Between 1981 and 1990, about 15,000,000 candidates took examinations. Among them, about 530,000 persons completed examinations and obtained qualifications of higher education graduation (Liu 1993: 2014-2016). In 1992, 2,120,812 out of 2,880,064 applicants took examinations in the first half year. Among them, 1,124,472 people passed examinations with a pass rate of 55%. In the second half year, 1,962,323 out of 2,711,739 applicants took examinations. Among them, 1,120,228 people passed examinations, with a passing rate of 57%. By the end of 1992, the total number of people who completed examinations and obtained qualifications of higher education graduation reached 757,046 (drawn from SEC 1994: 55-56).

In terms of the administrative system, all adult higher education institutions that offer qualifications recognised by the state are under the control of education commissions, including the SEC and EC at provincial level. At the same time, in the case of independent institutions run by government departments and organisations other than education authorities, they are also under the control of education departments of relative ministries. New adult higher education institutions, which offer higher education qualifications recognised by the Government, cannot be established unless they get permission from the

SEC. In order to set up new qualification courses, an institution must get permission from the education commission at provincial level. Each institution is allowed to recruit a certain number of students in programmes leading to diplomas or degrees. When students graduate from institutions, they will get certificates of graduation stamped by both institution and education commission at provincial level (drawn from SEC 1988 EHT001, SEC 1988 EP040, SEC 1988 EP130, Interview SEC4 & FAES).

In terms of provision, as enrolments in degree courses are highly controlled in China, most courses in adult higher education institutions are at sub-degree level, offering diplomas for a second profession, diplomas, higher education certificates of professional qualification, credit certificates and non-credit certificates. Since the late 1980s, however, a certain number of first degree programmes, which are normally required to recruit diploma holders, have been run in adult higher education sector of universities and in education institutions with special permission (drawn from SEC 1992, Interview XUW & FAES). Starting from 1986, in order to take programmes leading to state recognised diplomas, students must pass NUEEAHE, which takes place once a year. Thus the Government can control the recruitment into adult higher education. By 1992, most applicants for adult higher education institutions were required to have a working experience of at least two years, whilst only a small number of school leavers who had passed NUEEHE but fail to be recruited by universities were allowed to registered in qualification programmes of adult higher education. However, according to Professor Zheng Xuemeng, the Vice-President of Xiamen University, the proportion of new school leavers has tended to increase since 1992 when government policy in adult higher education tended to be relaxed (Interview XUZ). Although students are required to pass the national examination before taking diploma courses, students who take programmes leading to a diploma for a second profession are not required to take the examination, because they had passed the examination before taking the programme leading to the first diploma or degree. As far as certificate courses are concerned, it is not necessary for students to pass a national entrance examination. However, only those students, aged thirty-five and over, and who have relevant working experience of at least five years can get into the programme leading to higher education certificates of professional qualifications, which would certify that the holders have reached higher education level in relevant professions (SEC 1988 EHT006). As the credit transfer system has not yet been fully developed in China, most certificates, including certificates of subjects offered by most independent adult higher education institutions and adult education sections in universities are non-credit, whilst BTVUs have

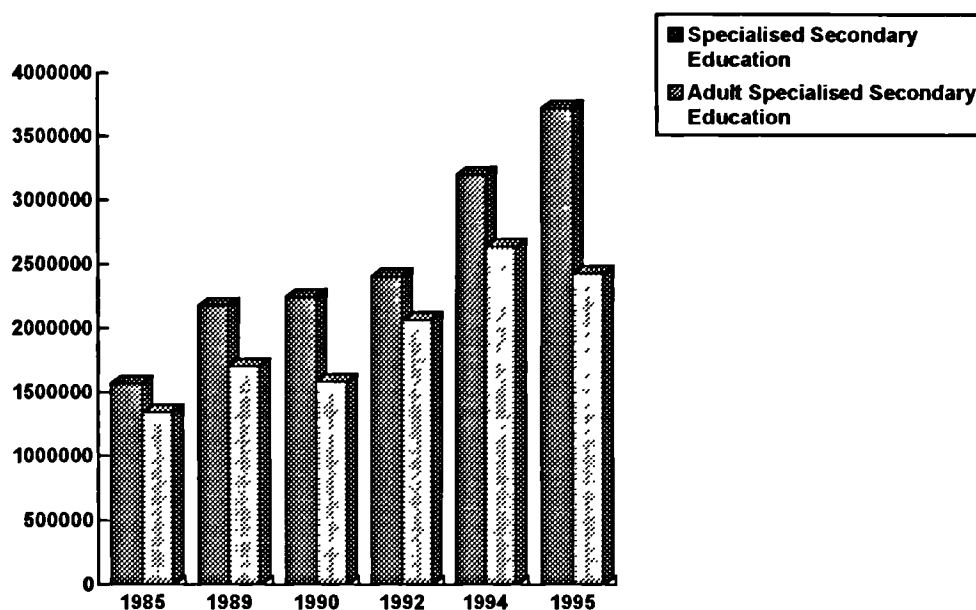
recently developed an external examination system that offers credit certificates for students who take open learning programmes.

In terms of forms of programmes, most independent adult higher education institutions offer courses through face-to-face teaching, whilst distance-learning programmes are mainly run by BTVUs, independent correspondence institutions and correspondence programmes in universities. For the purpose of quality assurance, however, at least one-third of the contents in a distance learning programme leading to a higher education qualification must be taught through face-to-face teaching. As the modularised system has not been introduced into the Chinese higher education system, each programme has fixed the length of study. For programmes offering first degrees based on diplomas, it normally takes students two years by part-time study to complete courses. To complete a diploma programme, it normally takes students two to three years by full-time study or three or more years by part-time study. In the case of programmes offering a diploma for a second profession, however, as students are degree or diploma holders and have already taken a certain number of fundamental courses, it normally takes them two or three years by part-time study to complete courses. As far as programmes leading to higher education certificates of professional qualification are concerned, it usually takes students one year by full-time study or two years by part-time study. After graduation, however, they can carry on self-study and take SSEHE to get relevant diplomas or degrees.

#### ***Adult Specialised Secondary Education***

Adult specialised secondary education is the professional education at senior secondary education level for adults. With the system of normal specialised secondary education, it was launched in the mid-1950s following the Soviet model. During the Cultural Revolution, however, it was destroyed. As with specialised secondary education, it was restored in the late 1970s and developed in the early 1980s to meet the great needs of socio-economic developments. As Figure 3.4 (see over page) shows, the total enrolment in adult specialised education was increased from 1,347,000 in 1985 to 2,429,000 in 1995, exclusive of enrolments in non-qualification short programmes, whilst the total enrolment in specialised education was increased from 1,571,000 to 3,722,000 during the same period (SSB 1996).

**Figure 3.4: Enrolments in Specialised Secondary Education and Adult Specialised Secondary Education in China (1985-1995)**



Sources: Based on the statistics of SSB (1996).

By the mid-1980s, as Table 3.2 shows, various types of specialised secondary schools for adults, including cadre specialised secondary schools, teacher training schools, worker specialised secondary schools, peasant specialised secondary schools, correspondence specialised secondary schools and various broadcasting TV specialised secondary schools, had been developed. Meanwhile, the system of the Self-Study Examinations for Specialised Secondary Education (SSESSE) was also set up to meet great demands from adult learners.

Table 3 2: Various Types of Adult Specialised Secondary Education in China

Classification	Run by	Control by	Aim	Length & Forms
Cadre specialised secondary school (class)	-Ministry -Local government departments -Enterprise	-SEC -Provincial EC -Education section in relevant ministry	-Diploma for specialised secondary education -Certificate of professional qualification	-Full time/1.5 -3 years -Part-time/2-4 years -Full time/1 year -Part-time/2 years
Teacher training school	-Local education authority	-SEC -Provincial EC	-Diploma for specialised secondary education -Certificate of professional qualification -Certificate of subject	-Full time/1.5-3 years -Part-time/2-4 years -Full time/1 year -part-time/2 years -Correspondence
Worker specialised secondary school	-Relevant government departments at central/ local levels -Enterprise	-SEC -Education section of ministry -Provincial EC	-Diploma for specialised secondary education -Certificate of professional qualification	-Full time/1.5-3 years -Part-time/2-4 years  -Part-time
Peasant specialised secondary school	-Local government	-SEC -Provincial EC	-Diploma for specialist secondary education -Certificate	-Full-time/1.5-3 years -Part-time/2-4 years  -Part-time
Broadcasting TV specialised secondary school	-Central and local BTVUs -Ministry of Agriculture -Local government department	-SEC -Education section of ministry -Central BTVU -Provincial EC	-Diploma for specialised secondary education -Certificate of subject	-Full-time/1.5-3 years -Part-time/2-4 years -Self-study
Correspondence specialised secondary school	-Local government -Education institutions -Enterprise	-SEC -Provincial EC	-Diploma for specialised secondary education -Certificate of subject	Correspondence/2-4 years
Self-Study Examinations for Specialised Secondary Education (SSESSE)	Tutorial courses run by various institutions	-SEC -Provincial EC  -SSESSE Board	-Diploma for specialised secondary education -Credited certificate of subject	Self-study (no time limitation)

Sources: Drawn from SC (1982 S119), MA (1988), MA (1990), ME & SPC (1984 EP024), ME, SPC & MF (1984 EP086), SEC (1987 EA003), SEC (1985 EE013), SC (1987 S59), (Liu 1993), and Interview FAES.



As Table 3.2 shows, adult specialised secondary education, most schools of which are run by enterprises or relevant government departments, is under the control of SEC, education commissions at provincial level and education sections in relevant ministries. In order to get into adult specialised secondary education institutions, applicants should pass the united entrance examinations organised by education commissions at provincial level. There are certain requirements for each programme. Applicants should at least hold qualifications of graduation from junior secondary schools together with working experience of at least two years. For full-time studies, there is an age limitation: students should normally be under thirty-five whilst, in the cases of cadres and peasants, they could be under forty-five. However, there is no age limitation for part-time programmes. Students with qualifications of graduation from senior secondary schools are required to take one and a half to two years of full-time study to get a diploma for specialised secondary education. Students with a qualification of graduation from junior secondary schools are required to take two to three years of full-time study: about 2,700 teaching hours for science study and 2,400 teaching hours for social science study (drawn from SC 1982 & SEC 1987 EA003). For part-time study, study length is relatively longer. In some programmes, those of the Agricultural Broadcasting TV School (ABTVS) for instance, students are required to take part-time study for three years.

Table 3.3 shows that worker specialised secondary schools, broadcasting specialised secondary schools and teacher training schools are large providers of adult specialised secondary education.

Table 3 3: Numbers and Enrolments in Adult Specialised Secondary Schools in China (1993)

	Numbers of Schools	Graduates	New Entrants	Total Enrolments
Broadcasting TV specialised secondary schools	124	104,200	215,000	562,300
Worker specialised secondary schools	1,880	130,800	253,300	560,100
Cadre specialised secondary schools	243	18,600	46,200	88,500
Peasant specialised secondary schools	369	40,600	67,000	144,100
Correspondence specialised secondary schools	67	60,200	76,100	218,000
Teacher training schools	2,100	185,900	199,100	494,600
Total	4,783	540,300	856,700	2,067,600

Sources: Based on the statistics of DPCSEC (1994).

People in rural areas are more likely to undertake specialised secondary schools than adult higher education due to relatively lower levels of both economic development and education conditions in such areas. Distance learning in adult specialised secondary education, which is more suitable for rural areas, is encouraged, by the Government, mainly through broadcasting TV secondary schools, correspondence schools and in correspondence programmes in teacher training schools and other schools. For instance, the Central ABTVS was set up by the Ministry of Agriculture, co-ordinated with eleven other ministries and government organisations, in 1980. By 1990, it was developed into a national network with fifty-six ABTVSs at provincial level, more than 300 branches at prefecture level, more than 2,600 branches at county level and more than 18,000 township teaching classes. By watching TV and video programmes, listening to broadcasting programmes and tapes, correspondence material studies, face-to-face teaching and tutorials, students take courses in agricultural skills and community economics. In ten years, the total enrolment reached 1,710,000, with more than 560,000 students graduating with a diploma of specialised secondary education. ABTVSs also run various vocational training courses lead to a 'Green Certificate', a vocational qualification in agriculture, through open learning programmes (drawn from MA 1988 & MA 1990).

The Self-Study Examinations for Specialised Secondary Education (SSESSE) also forms an important part of adult specialised secondary education. In 1983, the SSESSE was launched in Liaoning province by the permission of the ME. In 1985, the SEC issued a document, *Circular on Certain Questions Regarding Developing the SSESSE*, which urged the development of the SSESSE in a planned way. By 1990, the SSESSE was developed in twenty-eight provinces. Between 1984 and 1990, the total number of

certificates of passing a single examination reached 2,608,287; there were 19,073 candidates who obtained certificates of professional qualifications whilst there were 100,504 candidates who obtained qualifications of graduation from specialised secondary education (see Liu 1993: 2023). By 1992, 162,015 people had obtained qualifications of graduation from specialised secondary education (SEC 1994: 6).

### *Development of Adult Basic Education*

Adult basic education covers adult secondary schools, adult primary schools, including literacy classes, and adult technical training schools. Each of these types of provision will be considered in turn.

### *Adult Secondary Schools*

The types of secondary schools for adults (Table 3.4), include mainly secondary schools for staff and workers and the general secondary schools for peasants.

Table 3.4: Levels and Forms of Adult Secondary Education in China

<i>Classification</i>	<i>Run by</i>	<i>Controlled by</i>	<i>Aims</i>	<i>Length &amp; Forms</i>
Adult senior secondary school	-Local government department -Local government -Enterprise -Voluntary organisation	-County EC	-Certificate of Graduation -Certificate of subject	Full-time or part-time
Self-Study Examinations for Senior Secondary Education	Tutorial courses run by various schools	-County education authority	-Certificate of graduation -Certificate of subject	Self-study (no time limitation)
Adult junior secondary school	-County -Enterprise -Voluntary organisation	-County EC	Certification of graduation	-Full-time or part-time

Sources: Drawn from BAEB (1986 AE047), ME (1985 EA005), SC (1987, S59), DLRSEC (1992), DPCSEC (1986), DPCSEC (1992), Liu (1993), and Interview FAES.

***Secondary School for Staff and Workers*** As we discussed at the beginning of this chapter, the big campaign of 'double complementary courses' was launched in the late 1970s and developed in the early 1980s. Since then, thousands of secondary schools for staff and workers have been set up by local government, public enterprises, undertakings and social organisations. The total enrolment of secondary schools for staff and workers reached 2,906,500 in 1980. It decreased to 2,711,100 in 1985 and subsequently reduced to 481,600 in 1991 (DPCSEC 1986 & DPCSEC 1992). By 1993, there were 2,371 secondary schools for staff and workers with a total enrolment of 347,100 (DPCSEC 1994: 2). The main reasons for such a reduction are: first, as earlier discussed, the success of the campaign of 'double complementary courses' in the early 1980; second, the achievement of reform of the general education system, including introducing nine-year compulsory education which began in the mid-1980s. Third, in line with the success of adult basic education and the economic development since the late-1980s, the focus of Government policy on adult education has shifted from basic education into 'Ganwei' Training, that is, on-job training for all employees. Details will be discussed in the following section.

***Secondary Schools for Peasants*** In November 1979, the Second National Conference on Education for Peasants announced that about 24,500,000 graduates from the primary schools in the countryside could not enter secondary schools between 1969 and 1978 and

that those who had graduated from junior secondary schools during the Cultural Revolution did not actually reach the standard level of graduation from secondary schools. The Conference urged that they should continue to study to reach the standard of graduation from secondary schools in some main subjects, such as literature and language, mathematics, physics and chemistry. The total enrolment of secondary schools for peasants reached 644,400 in 1980. It increased to 1,411,700 in 1985, and then reduced to 417,100 in 1991 (DPCSEC 1986 & DPCSEC 1992). By 1993, there were 3,508 secondary schools for peasants with a total enrolment of 339,300 (DPCSEC 1994: 2). The reasons for such a reduction were similar to those for secondary education for workers.

### ***Adult Technical Training***

Apart from secondary schools for workers and peasants, there are technical training schools for staff, workers and peasants (Table 3.5).

Table 3.5: Various Types of Adult Training Schools in China

<i>Classification</i>	<i>Run by</i>	<i>Controlled by</i>	<i>Aims</i>	<i>Length &amp; Forms</i>
Technical training school for staff and workers	Enterprise	-County EC	Vocational training	Part-time
Peasant cultural technical school	Town	-County EC	-Vocational training -Basic education -Cultural education	-Full-time or part-time
Liaoyuan Broadcasting TV School	Central/ local BTVUs	-Central BTVU -Provincial EC -Prefecture/city EC	Certificate	-Part-time
Agricultural broadcasting school	Ministry of Agriculture	Ministry of Agriculture	-Certificate of graduation	Part-time 3 years

Sources: Drawn from SEC (1987 EA007), SC (1987, S59), Liu (1993), DPCSEC (1986), DPCSEC (1992), and Interview FAES.

***Technical Training Schools for Staff and Workers*** During the campaign of 'double complementary courses', thousands of technical training schools for staff and workers, were restored or established to provide basic education and basic training for workers. By 1992, there were 2,954 technical training schools for staff and workers with a total enrolment of 364,800 (SEC 1994: 6). The figure is relatively modest, as most training did not take place in the training schools but training centres or work places.

***Technical Training Schools for Peasants*** In 1979, the Second National Conference on Education for Peasants urged that the focus of education for peasants should switch from

general education into scientific and technological studies and that technical education should be developed. In 1985, the ME held a meeting on vocational technical education for peasants in twelve provinces. The meeting encouraged the development of village (township) cultural and technical schools for peasants. In December 1987, the SEC issued a document, *Provisional Regulations on Village (Township) Cultural and Technical Schools for Peasants*, which stated that village (township) cultural and technical schools for peasants were comprehensive and multi-functional bases of adult education in the countryside. By 1992, there were 271,453 technical training schools for peasants with a total enrolment of 33,445,100 (SEC 1994: 6).

### ***Adult Primary Education***

Adult primary schools include primary schools for staff and workers, and primary schools for peasants (Table 3.6).

Table 3.6: Various Levels and Forms of Adult Primary Education in China

<i>Classification</i>	<i>Run by</i>	<i>Controlled by</i>	<i>Aims</i>	<i>Length &amp; Forms</i>
Adult primary school	-Town -Village -Enterprise	-Local government	Certificate of graduation	Part-time/3-5 years
Literacy class	-Village -Enterprise	-Local government	Certificate of Literacy a	Part-time/2-4 years

Sources: Drawn from SC (1988 S8), Liu 91993), DPCSEC (1986), DPCSEC (1992), Fang (1990), and Interview FAES.

***Primary Schools for Staff and Workers*** Primary schools for staff and workers were developed in the campaign of 'double complementary courses'. In 1980, the total enrolment was 741,300. As nine-year compulsory education started to be instituted in most cities, the demand for adult primary education for staff and workers who are normally located in urban areas, has decreased. As a result, by 1992 the enrolment in primary schools for staff and workers dropped down to 128,300 (SEC 1994: 6-7).

***Primary Schools for Peasants*** In 1980, a national meeting on education for peasants decided to develop spare-time primary schools for peasants while developing agricultural technical education (Liu 1993). Literacy education forms an important part of primary education for peasants. According to *Working Regulations on Literacy Education*, issued by the SC in 1988, all illiterate or semi-illiterate citizens deemed capable of being educated and aged between fifteen and forty should receive compulsory literacy education. At the same time, illiterate people above forty were also encouraged to take literacy education.

Individual literacy standards were the understanding of 1,500 Chinese characters for peasants and the understanding of 2,000 Chinese characters for workers and staff of enterprises and undertakings. Obviously, such personal standards of literacy are much higher than standards set by literacy campaigns in some other developing countries. To some extent, they are similar to functional literacy that emphasises capabilities and skills linked to employment in some developed countries. According to the Regulations, the first target of literacy standards for the community was that, in rural areas, at least 85% of population aged between fifteen and forty should become literate, and that, in enterprises and urban areas, at least 90% of the same age group should become literate by 1995. The second target was that 95% of illiterate population aged between fifteen and forty should become literate (SC 1988 S8).

The total enrolment in primary schools for peasants reached 15,719,700 in 1980. It dropped down to 8,222,100 in 1985 and increased to 22,349,100 in 1990, the International Literacy Year. In 1993, there were 157,476 primary schools for peasants with a total enrolment of 7,718,100, of which there were 106,439 literacy classes with a total enrolment of 5,074,200 (DPCSEC 1994). In 1995, the total enrolment in primary schools for peasants was 7,167,000, out of which 4,417,000 registered in literacy classes (SSB 1996).

Apart from the above aspects of adult education, which are actually copies of formal education system, other aspects of education and training of adults have also been developed since the 1980s.

### ***Development of 'Ganwei' Training***

'Ganwei', a Chinese word, means work position. The definition of the term "'Ganwei' (work position) training' was given in a document, *Opinions on Some Issues on Developing 'Ganwei' Training*, which was jointly issued by the SEC, the Ministry of Labour and Personnel (MLP), the State Economic Reform Commission (SERC) and the NTU in December 1989, as follows:

'Ganwei' training is an orientation training according to the needs of positions of employees. Its aim is to raise the levels of political ideology, work capabilities and productive skills of employees, based on certain political and educational foundations. It includes mainly training that qualifies a person to take a position by transferring or receiving promotion within the organisation. People already in post are expected to reach the standard requirement of the position through in service

training. It also includes updating training according to the needs of production (jobs) (SEC, MLP, SERC & NTU 1989: 50, translated by the writer).

Clearly, the objectives of 'Ganwei training' are strictly for employees rather than for those who are unemployed.

'Ganwei' training was not developed as the focus of education and training in China until the late 1980s, although its theoretical background was formed in the early 1980s and the mid-1980s. In January 1982, the CCCCPC and the SC issued a document, *Decision on Adjusting the State Industrial Enterprises*, which stated, 'To raise their ideological, political and technical levels, all staff should be trained in turn in a planned way... In future, all new staff or the staff who are going to transfer to new jobs should not take their jobs unless they have taken training and passed tests' (see Hua 1991: 240). In October 1983, the State Economic Commission (SEcC) issued a plan to institute the decision on the examinations for managers of enterprises by the SC (see Hua 1991). In the mid-1980s, some authorities and enterprises, for example, the Ministry of Railways, started to train their staff according to the requirements of their work positions. In May 1985, a key document, *Decision on the Reform of Educational Structure by the CCCCPC* was issued. The document decided:

While reforming the educational structure, we should reform the system of labour and personnel and institute the principle of 'taking training before employment'. As drivers should not be allowed to drive unless they have taken tests and gained licences, all employees would not take their positions unless they have passed tests and got qualifications. The government departments concerned should establish regulations to institute such a kind of system (CCCCPC 1985: 5, translated by the writer).

In March 1986, the 'Ganwei' training was raised at a National Conference on Worker's Education. In his speech, Yuan Baohua, the Director of the NACWE, stated that, 'Taking oriented training according to the requirement of work positions is orientation revolution' (cited in Liu 1993: 1880, translated by the writer). In December 1986, in his speech at the National Conference on Adult Education held in Yantai, Li Peng, the then Deputy Premier and Director of the SEC, stated that 'Ganwei' training, which intended to improve working capabilities, was the focus of adult education (Li, 1986). In June 1987, *The SC Circular Approving the Decision by the SEC on the Reform and Development of Adult Education* was issued. The document decided that 'Ganwei' training would become the focus of adult education. It stated,



To develop 'Ganwei' training and to focus on raising the working capabilities and productive skills of employees according to the requirement of their work positions, is the important reform of adult education and the important means to improve labour productive rates and work efficiency. Various kinds of employees should take training before taking positions according to the standard requirement of their work positions. After taking positions or before transferring into new positions, they should take training regularly to meet the new requirements of production and their work. 'Ganwei' training should be developed systematically and gradually according to various situations. Training for key positions should be standardised and systematised (SC 1987 S59: 368-369, translated by the writer).

The above Decision was one of the key documents on the reform of adult education in China. It showed that the Chinese Government intended to shift the focus of adult education from general qualification education into 'Ganwei' training, which would have a more direct effect on the economy (Interview SEC2). Some 23,650,000 out of over 90,000,000 staff and workers spent more than fifty hours in various forms of study and training in 1987. Among them, 17,794,000 received 'Ganwei' training (see Hua 1991: 268). In 1992, there were 111,415,214 staff and workers. Among them, 35,428,308 out of 41,702,391 persons, who received various forms of education and training, received various kinds of 'Ganwei' training (SEC 1994: 59). These figures illustrate the rapidly growing field of vocational training and study within adult learning provision.

### ***Development of Continuing Professional Education***

As we discussed in Chapter 1, continuing education in China is the continuing education for those professionals who are in service and hold certain educational qualifications, such as graduation qualifications from higher education or specialised secondary education, or professional titles, such as engineer, doctor and lecturer. Such continuing education was not introduced into China until 1979, when Professor Zhang Xianhong attended the First World Conference on Continuing Engineering Education. In April 1981, the General Office of the CCCCP and the General Office of the SC approved and issued a document, *Trial Regulations on Management in Scientific and Technological Cadres by the State Scientific and Technologic Cadre Bureau (SSTCB)*, which decided that scientific and technological cadres, such as associate researchers, engineers, lecturers and other technicians should receive continuing education for three or six months (Interview CACEE). In 1983, the First National Meeting on Continuing Engineering Education was held in Hebei to discuss the establishment of the Chinese Association of Continuing Engineering Education (CACEE). In November 1984, CACEE was established (Interview

CACEE). In 1986, in his report on the Seventh Five-Year Plan, Zhao Ziyang, the then Premier, stated that the system of continuing education for scientific and technological professionals should be established and developed. In December 1986, in his speech on the National Conference on Adult Education, Li Peng, the Deputy Premier and the Director of the SEC then, stated that continuing education in new knowledge and new technology was one of the five aspects of adult education (Li 1986). In June 1987, the document, *The SC Circular Approving the Decision by the SEC on the Reform and Development of Adult Education*, decided that post university continuing education would play an important role in raising the quality of professionals and in improving the levels of development and management in new and high technology, and that government departments should establish and develop the system of continuing education. In May 1989, the Fourth World Conference on Continuing Engineering Education was held in Beijing. Doubtless, the conference promoted the development of continuing professional education in China. The year of 1991 was designated the 'Year of Continuing Education' by the Ministry of Personnel (MP). By 1992, 40% of 11,000,000 scientific and technological professionals had received various forms of continuing education (Jiang 1992).

#### ***Development of Social, Cultural and Leisure Education***

To establish the spirit of civilisation, social, cultural and leisure education has formed an important part of adult education in China since the 1950s. Social, cultural and leisure education, which was replaced by political study during the Cultural Revolution, has been restored and developed since the late 1970s, especially since the 1980s, when political study was extended to include broader ranges of studies, including moral education, aesthetic education and health education. In December 1982, the *Government Report on the Sixth Five-Year Plan* stated that education in history, ideology, morals, legislation, aesthetic conception and socialist life style should be popularised. In June 1983, a Government Report stated that the departments of culture, arts, news, publishing, broadcasting and TV should organise various cultural, leisure and physical activities to meet the needs of the people and to enrich people's lives, and that radio broadcasting, TV, films, publications, libraries, scientific and technological palaces, museums, archives, youth palaces and gymnasiums should be developed to meet people's needs (see Liu 1993). In June 1987, *The SC Circular Approving the Decision by the SEC on the Reform and Development of Adult Education* decided that developing various forms of social, cultural and leisure education to establish a civilised, healthy and scientific life style to meet people's increasing needs in their spiritual and cultural lives should become one of the important tasks of adult education.

***Political Studies*** Political studies remained as regular studies in most public enterprises, undertakings, army, government departments, social organisations and communities in the 1980s and the early 1990s, although the contents of these studies were very different from those during the Cultural Revolution. Staff and workers were normally required to attend political studies for half a day per week. Instead of studying Mao Zedong's work, they studied documents from the Government, read books and newspapers, and discussed policies of the Government and their own units. There are about 100,000,000 staff and workers in China. All of them are involved in such political studies in one way or another. Peasants, however, may have fewer opportunities to be involved in such organised studies. Citizens in the urban areas can attend various kinds of informal meetings and studies organised by their communities or their organisations.

***Mass Physical Education*** Chinese people have their traditional hobbies including taking physical exercises. In the early morning, millions of people rush into the parks of various cities and towns to take part in various kinds of Chinese exercises, such as 'Qigong' (meditation), 'Taiji' and 'Gongfu', to keep themselves fit. In accordance with the open-door policies, western dances, such as discos and the waltz, have also become popular and have formed part of the morning exercises in parks since the 1980s. People organise themselves: they may join courses run by masters or teachers or learn from each other. However, there are no statistics available to show how many people attend such kinds of widely open adult education courses every day.

***'Qigong' (Meditation) Courses*** 'Qigong' courses have become the most popular mass physical education in China since the mid-1980s. Hundreds of 'Qigong' masters run courses to introduce various schools of 'Qigong'. Some famous masters give seminars in gymnasiums or big assembly halls, where hundreds or thousands of people attend courses to learn how to relax themselves and to protect themselves from illness. Again, there are no statistics available to show how many people attend such leisure courses every year.

***The Elderly People's University*** In May 1983, Shandong Red Cross Elderly People's University, the first elderly people's university in China, which is similar to the University of the Third-Age in the UK, was established with courses in health, psychology, physical education and science. In September 1984, the Chinese Elderly People Education Association was established. Its task was to run elderly people's universities and to do research on elderly people's education. According to statistics available, by 1987 there

were 217 elderly people's universities with 103 branches, whilst there were 172 other forms of elderly people's schools. The total enrolment reached 100,000. Courses in the elderly people's universities included ideology, literature, history, painting and calligraphy, gardening, opera, photography, health and 'Qigong'. By 1990, there were over 2,000 elderly people's universities with a total enrolment of 220,000. Such schools were run not only by the government, but also by enterprises, undertakings and individuals (see Liu 1993). By 1993, there were 5,000 elderly people's universities run by enterprises, undertakings, social organisations and individuals (Interview SEC2).

## **Conclusions**

From the above discussion, we can see an enormous development in the education and training of adults in China since the late 1970s. During this period, in parallel with the great changes in the political situation, China has moved away from the 'Left line' towards a more realistic orientation. Economic construction has become the focus of the work of the Party and the nation. Doors have been opened with reforms carried out in all fields. Such great socio-economic developments have become the main driving force for the development of the education and training of adults. As a result, a complex framework with various forms of education and training of adults have been developed (Interview SEC1A). Within this framework, 'Ganwei' training has now become the focus with successful basic education as its precondition. Meanwhile, adult qualification education, including adult higher education and specialised secondary education, together with continuing professional education and social, cultural and leisure education have also been rapidly developed and form important parts of the education and training of adults. As a country with the biggest population in the world, China has provided an enormous volume of education and training for adults with the biggest participation rate in the world. Out of the cultural desert, China has now marched into a golden age of the education and training of adults.

**CHAPTER FOUR**

**'RICE IN THE BIG POT':**

**THE PLANNING ORIENTED MODEL**

## CHAPTER 4

### 'RICE IN THE BIG POT':

#### THE PLANNING ORIENTED MODEL

In the last Chapter, we discussed the enormous development in the scale of the education and training of adults since the late 1970s. In this chapter and the next chapter we are going to discuss the changes in policy and provision for the education and training of adults in China during the same period.

'Rice in the big pot' is a term used to describe the planning management system in China. As Mr. Dong Mingchuang pointed out, in the 1950s and the early 1960s, in accordance with the planning economic system, education in China as a whole, including adult education, was operated on a planning oriented model. So it was during the period after the Cultural Revolution and before 1992: the administration of adult education had been strengthened (Interviews SEC1B & SEC2) and the plan of adult education formed an important component of the plan for the national socio-economic development (ME & SPC 1984 EP024). By issuing mountains of documents such as regulations, opinions and circulars, the Government tried to control adult education, in particular the education for adults leading to qualifications recognised by the state. In some aspects, for instance in adult higher education, the planning system was so centralised that, very often, courses were run according to the orders of the Government and might not meet local needs.

#### **Strengthening the Administration of the Education and Training of Adults**

As far as the administration of the education and training of adults was concerned, a united administrative system was developed across the country in the early 1980s. In February 1981, in the document *Decision on Strengthening the Work of Education for Workers by the CCCCPC and the SC*, the CCCCPC and the SC called on the Party Committees (PCs), the Trade Unions (TUs), the Chinese Communist Youth League (CCYL), the Women's Associations (WAs) and the Associations of Science and Technology (ASTs) at various levels to strengthen the administration of education of workers, according to the principle of 'strengthening leadership, uniting administration, devising responsibilities, and giving full co-operation'. According to the Decision, the NACWE should be established as an office for the SC to guide the education of workers

in China with the aim of discussing important policies and planning. Every ministry under the SC should be responsible for the worker education within its own system. The NTU should be responsible for general research and for guiding worker universities within the system of the TUs. The ME should be responsible for general research and for the guidance of educational management and teaching in worker schools. It should be concerned with policy decisions, the publication of teaching materials, teacher training and operating BTVUs, correspondence universities, spare-time universities, worker continuing education courses and local worker schools. The GBL should be responsible for research and guidance in worker technical training and the training for fresh workers. The CCYL should strengthen the political and ideological development of youth workers to stimulate them to join formal training and self-study in their spare time. Other Government departments and organisations should also contribute themselves to worker education. Local government in all provinces, autonomous regions and cities directly under the Central Government should set up an Administrative Committee of Worker Education, or should enhance the original Worker and Peasant Education Commissions. Special offices should be set up in large and medium sized enterprises, while certain staff should be appointed in smaller enterprises to be responsible for worker education.

In this 1981 document, 'worker education' covered actually not only the education for workers but also the education for all staff, including professionals, managers and key leaders. It, therefore, was not only the most important guidance for the development in the education system for workers, but also the most important guidance for the development of the whole system of the education and training of adults in China in the early 1980s. The Decision on strengthening the administration of worker education, therefore, formed a basic framework of a united administrative system of adult education in China. It indicated that under the leadership of the SC, the ME was a comprehensive educational authority to be responsible for the administrative direction of a variety of adult education institutions, including policy making, and it also indicated that the GBL was responsible for research and guidance in worker technical training and the training for fresh workers, while various ministries of the SC were in charge of the education of staff within their own system.

On the basis of the above pattern, the administration system of the education and training of adults in China was developed. However, it was difficult for the ME to deal with the educational work comprehensively (Li 1985a). In June 1985, to ensure the united leadership, guidance and administration of education, the SEC was established to become

the comprehensive institution of the SC to be responsible for education in all aspects across the whole country. It would monitor the implementation of major principles and policies concerning education, make overall arrangements for the development of educational undertakings, co-ordinate the educational work of various government departments, and provide general plans and guidelines for educational reform (CCCCP 1985). At the same time the original ME was abolished (Li 1985a). Li Peng, the then Deputy Premier, worked as the Director of the SEC, with He Dongchang, the original Minister of Education, as the Deputy Director (Fang 1988). As a comprehensive institution of the SC to be in charge of education, the SEC, with a Deputy Premier as its director, had obviously higher status and more power than the original ME. Thus, it would offer leadership, guidance and assistance for various government departments (Li, 1985b). In his speech at the National Conference of Adult Education held in December 1986, Li Peng claimed that in terms of the administration of adult education in the central government, the SEC was the general institution to be in charge of education, mainly making policies and co-ordinating a variety of Government departments, and that it also was in charge of the control of education for adults leading to the qualifications recognised by the state. He said that while local government would be the main body that was responsible for adult education, the departments in the Central Government were responsible for guidance with the following different tasks: the MLP was responsible for worker training; the SEC was responsible for worker education and in-service training in enterprises; the Department of Propaganda of the CCCCPC (DPCCCCP) and the MLP were responsible for the education for cadres of the Party and the Government; the Ministry of Agriculture, Pasture and Fishery (MAPF) was responsible for the training of cadres and professional technicians in the countryside; other departments of various professions and trades were responsible for adult education in their own systems (Li 1986). In June 1987, the SC issued the *SC Circular on Approving the Decision by the SEC on the Reform and Development of Adult Education*. The Decision confirmed:

Under the leadership of the SC, the SEC, with the co-operation of other Government departments, is responsible for making the policies and regulations for adult education. It co-ordinates other ministries and commissions of the SC in the work of adult education. It is responsible for the standard of a variety of qualifications that are recognised by the state, while it also is in charge of the establishment of adult higher education. Every ministry or commission is responsible for the administration of the adult education within its own professional system by setting the training requirement, editing teaching materials, training teachers, exchanging experiences and providing information. The local government of provinces, autonomous regions and cities directly under the



Central Government should enhance the leadership of adult education by developing administrative offices, co-ordinating the work concerned and strengthening the macro administration. The various levels of administrative authorities of adult education should also be enhanced, while the guidance and management of adult education in details should be developed. The local government at county level should co-ordinate the basic education, vocational education and adult education while the adult education offices and staff in education department should be increased. TUs should take part in the administration of worker education to protect the worker's rights and welfare and to run worker schools of TUs. The CCYL, WAs and the ASTs should continue their work in adult education (SC 1987 S59: 372, translated by the writer).

Mr. Dong Mingchuang confirmed that, in February 1986, in order to strengthen the administration of adult education in a comprehensive way, the Chinese Co-ordination Guidance Committee of Adult Education (CCGCAE), which was chaired by the SEC and had members from various ministries, was established to co-ordinate all aspects of adult education in China:

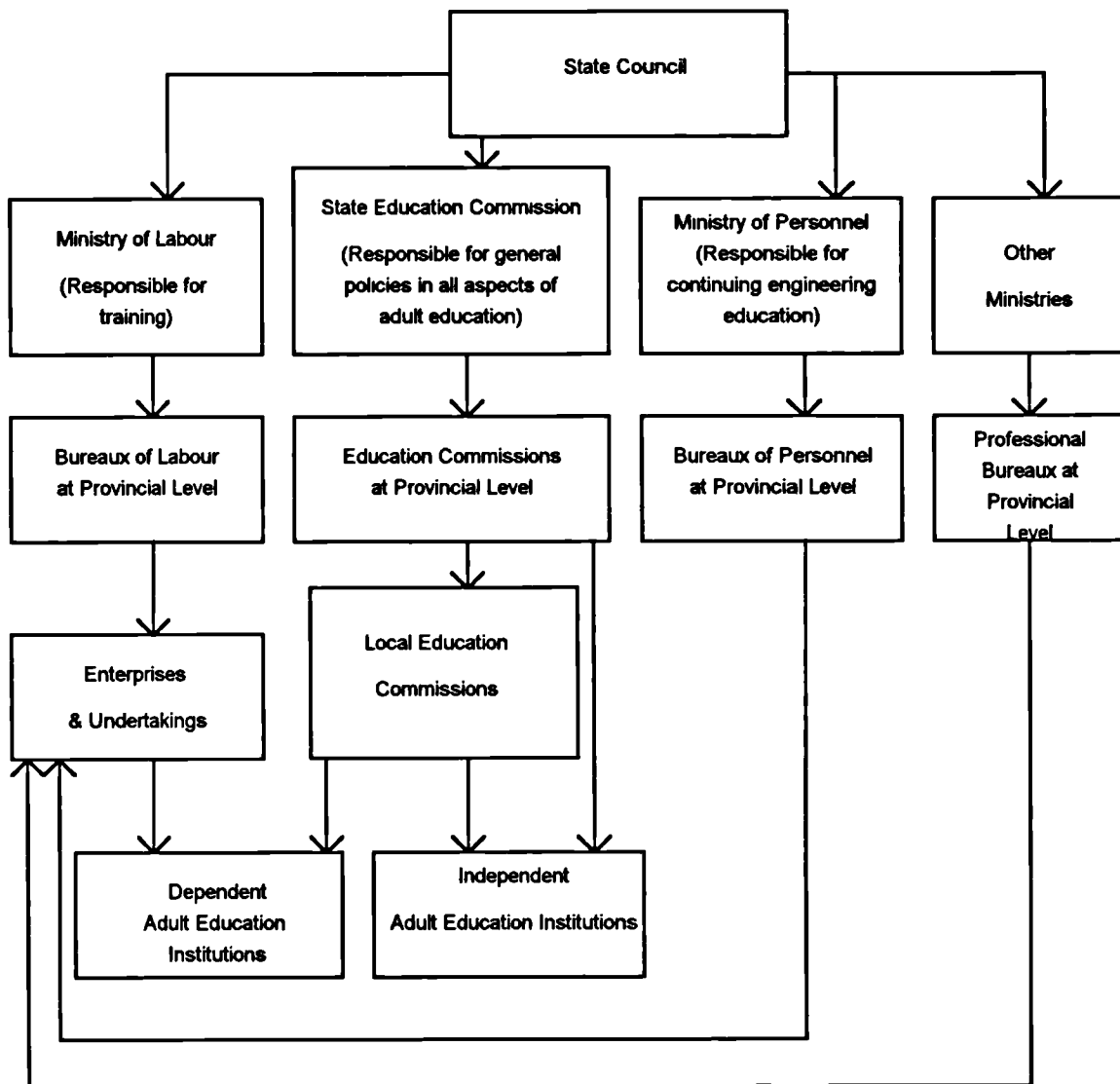
Its members included: the Ministry of Labour and Personnel, the State Planning Committee, the Ministry of Agriculture, the State Economic Commission, the Central Committee of the Communist Youth League, the National Trade Unions, the Organisation Department and the Propaganda Department of the Central Committee of the Chinese Communist Party. The aim of the Co-ordination Committee was to promote the reform and development of adult education in China (Interview SEC1B, translated by the writer).

The aim of the Committee was: first, to co-ordinate and to carry out the policies and regulations for adult education made by the CCCCP, the SC and the SEC and to review the work; second, to co-ordinate and to guide the various ministries, Government departments and provinces in the work of adult education, under the leadership of the SEC; third, to do surveys and research in the key issues of adult education and to make suggestions for improvement; fourth, to organise quality evaluation in adult education; fifth, to exchange relevant information and experiences (SEC 1986 EA002). In the early 1990s, the CCGCAE was merged with the Chinese Co-ordination Committee of Vocational and Technical Education, which was set up in late 1986, due to the close relationship between adult education and vocational and technical education and the similar membership composition of the two Committees (Interview SEC1B)

In the late 1970s and the early 1980s, the Department of Education for Workers and Peasants (DEWP) of the ME was in charge of adult education. When a delegation led by the ME visited the USA in the early 1980s, the term '*adult education*' was accepted by the Chinese Government. The name DEWP, therefore, was changed into the Department of Adult Education (DAE) in 1982. A new department, the Third Department of Higher Education (TDHE) was set up in 1984 to strengthen the administration of adult higher education. These two Departments were the main departments to be in charge of adult education until 1990, when they were merged into the new DAE, with Mr. Dong Mingchuang, the former head of the TDHE as the head of the new DAE. The relationship between the new DAE of the SEC and other government departments concerning education and training for adults within other ministries was one of co-ordination and co-operation (drawn from Interviews SEC1B and SEC2).

Thus, a unified administrative system of adult education, which was operated from top to bottom, from the Central Government Departments to local authorities, enterprises and institutions, was gradually developed in the 1980s (see Figure 4.1).

Figure 4.1: The Administrative System of Adult Education in China in the 1980s



Meanwhile, mountains of documents outlining policies and regulations on the education and training of adults were produced by such a huge system. In the book *Comprehensive Collection of Important Documents on Educational Laws and Regulations of the PRC (1949-1990)* published by the SEC in 1991, seven out of eight documents of policies on adult education were issued by the SC, while one was jointly issued by the CCCCP; six out of twenty-nine documents of regulations on adult education were issued by the ME, five jointly by the ME and other government departments, eleven by the SEC, five jointly by the SEC and other governmental departments, one by the National Guidance Committee of Self-Study Examination in Higher Education (NGCSSEHE) and other

organisations. Apart from the general policies on adult education, the documents set up the rules and regulations on administration and management of adult education, such as the establishment and approval of institutions, schools and courses in higher education, and specialised secondary education for adults.

### **The Planning Model in Education for Qualifications**

Under the united administrative system, adult education, in particular the education for adults leading to qualifications of higher education and specialised secondary education, was mainly operated on the planning oriented model in the 1980s and the early 1990s (Interview SEC2). In 1984, the ME and the SPC issued a document, *Provisional Regulations on Strengthening the Planning Administration of Higher Education and Specialised Secondary Education for Adults*. The Regulations emphasised that the plans of higher education and specialised secondary education for adults should become an integral component of national economic and educational planning. The Regulations required every region or government department to make long-term and annual plans on adult higher education and adult specialised secondary education. The plans would then be reviewed and readjusted by the ME and be brought into line with national plans in adult higher education and adult specialised secondary education. The scope of 'being brought into line with state planning in adult higher education' was indicated as the number recruited in two-year (or more) programmes leading to the qualifications of diploma or the first degree in BTVUs, WUs, PUs, CPCs, EIs, ICCs, and the correspondence and evening programmes in general higher education institutions, that had, according to the regulations issued by the SC, been approved by provincial government and were registered in the ME. Students were required to hold qualifications of graduation from senior secondary education except the students in short training courses. In the case of adult specialised secondary education, the scope of 'being brought into line with the planning' was indicated as the recruitment numbers of students into the programmes of two-year or more leading to the qualifications of specialised secondary education in broadcasting TV specialised secondary schools, and specialised secondary schools for cadres, workers and peasants that had been approved by provincial governments and relative departments of the Central Government, according to the regulations issued by the SC and the ME. The Regulations emphasised that the assessing procedure for plans was restricted and that recruitment should not be arranged unless the enrolment plans were approved in line with state plans and were issued formally. It was not allowed to arrange recruitment without formal approval.

Examining the *Circular by the SEC on Making the Planning of Adult Higher Education in 1988* (SEC 1987, EP179) and the *Circular by the SEC on Making the Planning of Adult Higher Education in 1989* (SEC 1988 E130), we can see that the planning of adult higher education is strict, not only in regarding to numbers recruited but also in the direction of courses and the requirements for students. For instance, both Circulars stated that, in principle, WUs, CMCs, and EIs should recruit employed people rather than unemployed young people or immediate school leavers from the secondary schools. In principle, the trial courses leading to qualifications of the first degree should be restricted to courses that produced urgently needed professionals, such as, in finance, law and management. The enrolment, however, should not be extensive. In principle, adult higher education institutions should not recruit students from other provinces. According to the *Regulations on Recruitment in Various Types of Higher Education Institutions in 1988* (SEC 1988, EHT001), the institutions that were not brought into line with the state planning of adult higher education were not allowed to join the national united recruitment. If they did recruit students, their qualifications would not be recognised by the state. According to the above Regulations, WUs and worker spare-time universities could only recruit employed people with working experience of at least two years, who, in principle, should apply only for the courses related to their jobs. CMCs could only recruit cadres in-service with working experience of at least five years. While the BTVUs and correspondence and evening programmes in the universities recruited mainly employed people, they could take in a certain number of unemployed young people according to the decision of educational authorities and departments of labour and personnel at provincial level. At that time, the enrolment plan was very strict: if the SEC set an enrolment plan of forty for a programme in an institution, it could not take forty-one students. In order to make sure that institutions only issued the certain number of certificates of graduation to match their targets, the education commission at provincial level was required to examine their certificates one by one. Therefore, when students graduated from institutions, they would get certificates of graduation stamped by both institution and education commission at provincial level respectively. Thus, the numbers of 'products' in adult higher education qualification programmes were strictly controlled at both ends of input and output.

As discussed in Chapter 3, the establishment and approval of the adult higher education institutions were strictly controlled by the SEC. According to the *Provisional Regulations on the Establishment of Adult Higher Education Institutions* by the SEC, the establishment of adult higher education institutions, including EIs, CMCs, WUs, PUs,

independent spare-time universities and correspondence colleges, which mainly recruited employed people, should be approved by the SEC:

The establishment of the courses leading to diplomas in these institutions should be approved by provincial education authorities or by the educational departments in the relative ministries of the SC and registered in the SEC. The establishment of the courses leading to the qualifications of first degrees should be examined by the provincial educational authorities or the educational departments in the relative ministries of the SC and be approved by the SEC (SEC 1988 EP040: 413, translated by the writer).

According to the above Regulations, the establishment of BTVUs should be assessed by the provincial government and approved by the SEC. In addition, the Regulations set the standard requirements for the heads of new institutions. It also stated that the maximum rate between part-time and full-time teachers should be 2:3, whilst in diploma and degree programmes, the rate should not be more than 1:3. It required that new institutions should have certain numbers of lecturers and associate professors and that the minimum number of students in qualification and non-qualification programmes should reach 800. In addition, there were certain requirement for the necessary facilities, such as the size of lands, libraries and equipment.

According to the *Circular by the SEC and the MP on Certain Regulations on the Trial System of the Professional Certificate of Adult Higher Education*, the establishment of courses of adult higher education leading to the certificates of professional education should be approved by the provincial education authorities; the establishment of courses leading to the certificates of professional qualification that recruited students from other regions should be approved by the SEC; the professional departments in provincial government or the education departments in the related ministries of the SC should organise teachers, professionals and managers of enterprises to discuss the teaching planning and the curricula of courses leading to certificates of professional qualifications (SEC 1988 EHT006). In the late 1980s, however, in principle, establishment of no more new higher education institutions would be approved (SEC 1987 EP179).

In terms of courses, as discussed in Chapter 3, the forms and the lengths of study were also decided by the Government. Starting from the mid-1980s, for instance, distance learning programmes run by universities were so popular that the SEC was afraid that they were out of controlled. During the period of readjustment at the end of the 1980s and the

early 1990s, distance learning programmes run by most universities became the objects of readjustment, and most branches outside the areas where universities located were closed. For the purpose of quality assurance, it was decided that at least one-third of the contents in a distance learning programme leading to higher education qualification must be taught through face-to-face teaching in the main university campus rather than in branches.

There was a similar situation in the field of specialised secondary education, although the control in this field was not as strict as that in the field of adult higher education. According to the *Provisional Regulations on Adult Secondary Specialised Schools* (SEC 1987 EA003), the establishments of local adult secondary specialised schools should be assessed by the provincial educational authority, approved by the provincial government and then registered with the SEC. The establishment of the adult secondary specialised secondary schools run by the ministries of the SC or their constituent units should be assessed by the education departments of the relative ministries and approved by the relevant ministries. The readjustment or establishment of new courses should be approved by provincial education authorities or the education departments in the relevant ministries under the SC.

From the above discussion, we can see that, by the early 1990s, adult education leading to qualifications was generally operated on a planning oriented model, that is, following the concept 'I should teach what they said': courses were run according to the requirements set by education authorities in the Central Government and provincial government rather than by institutions. Institutions were established according to state planning; the enrolment was brought into line with state planning; the requirements for recruitment were set up by the SEC, the courses were set up with the approval of the education authorities; furthermore, in some cases, the planning of teaching and the curricula were decided or approved by central or local education authorities. Thus, through planning, education authorities controlled the whole procedure of the production of adult qualification education, in particular of adult higher education: *who* could apply for qualification education, *where* they should come from, *how many* people should be taken, *what* kind of courses they should apply for, *when* and *what* kind of entrance examination they should take, *how many* and *what* kind of institutions should be set up and could take students, *what* kind of courses should be run, *how long* the programmes should last for, *where* and *what* forms of the courses should take place, *what* qualifications could be recognised by the state, and *where* and *how many* qualifications should be issued.

## **The Planning Model in Adult Basic Education**

As discussed in Chapter 3, the average educational levels of staff, workers and peasants were quite low in the late 1970s and the early 1980s due to the disaster of the Cultural Revolution. By the mid-1980s, the basic education of adults, which was then a part of the focus of education and training of adults in China, was developed in a planned way.

### ***Literacy Education***

The campaign for literacy from the late 1970s was developed in a planned way. In November 1979, the Second National Conference on Peasant Education stated that the main object of peasant education was young and middle-aged peasants and cadres. In October 1980, a national meeting on peasant education stated that the main objects of literacy education were teenagers and cadres of grassroots units. As discussed in Chapter 3, in the *Working Regulations on Literacy Education*, the SC (1988) stated that all illiterate and semi-illiterate citizens deemed capable of being educated, aged between fifteen and forty, should receive compulsory literacy education. The Regulations set up the personal standard and national target of the literacy campaign. It also stated the policy in administration, assessment and funding of literacy education. As far as administration was concerned, the Regulations required local government to enhance the leadership on literacy education, to set up the plan and measures for its own region and to fulfil its task according to the plan. According to the Regulations, the education authorities should be responsible for the administration of literacy education, whilst the leaders of grassroots units in urban and rural areas were responsible for literacy education within their units under the leadership of local government. Township government, community committees, enterprises and undertakings were responsible for appointing teachers for literacy education. Local schools and cultural centres should also provide literacy education. The Regulations decided that teaching materials should be examined by the education authorities at provincial level. The leaders of counties, townships, and relevant units should be responsible for literacy education in their areas and units. This should become one of the important pieces of evidence for the assessment of their work. Local government at various levels should regularly report their work in literacy education and receive regular assessments and supervisions from the authorities at higher levels. In terms of funding, apart from the support from local government, other resources included: first, funding from village committees, township government and relevant grassroots units; second, the fees for literacy education from the budget of worker education in enterprises and undertakings; third, a part of the extra agricultural tax for education that was used as literacy education funding.



From the above evidence, we can see that literacy education, which was organised from the top to the bottom, was operated in a planning oriented model: courses were set up according to the government planning and requirements. The Government decided *who* must take the compulsory literacy education, *what* standard they should reach, *when* and *what* targets the nation and regions should fulfil, *what* contents of teaching materials should be, *who* should be responsible for *what* task, *who* should be appointed to teach for literacy education and *where* the funds should come from.

### ***Double Complementary Courses***

As discussed in Chapter 3, in the late 1970s and the early 1980s, the big campaign of 'double complementary courses', was launched and organised from the top to the bottom according to government requirements. In September 1979, a National Conference of Worker Education proposed that, by 1985, the junior secondary education and basic technical training of workers should be compulsory and that, all those who had not actually reached the standard for graduation from the secondary schools should be prepared for such qualifications. In February 1981, the *Decision on Strengthening the Work of Education of Workers by CCCCPC and the SC* stated that government at all levels should bring the education of workers into line with the planning of the national economy and education. It claimed that various regions, departments, enterprises and undertakings should set up long-term plans and detail planning schedules, whilst the 'double complementary courses' for young and middle-aged workers who had been recruited since the Cultural Revolution should form a part of the focus of worker education. As discussed in Chapter 3, the Decision required that young and middle-aged workers should become literate in two or three years and that 60 to 80% of workers who had not reached the standard for graduation from junior secondary education should be prepared for such qualifications by 1985, whilst one-third of workers with qualifications of graduation from junior secondary education should be prepared for graduation from senior secondary education or specialised secondary education. In November 1981, the ME issued the *Circular on Some Issues of Complementary Courses of Junior Secondary Education for Workers*, which set up the requirements of complementary courses in basic education for workers, in terms of contents, forms and teaching materials. It required that all those who had been employed since the Cultural Revolution and did not reach the standard level of graduation from secondary education in Chinese, mathematics, physics and chemistry, should, in principle, take complementary courses. In particular, key members and those who worked at key positions should first take such courses. It emphasised that all those

who did not reach the standard level of secondary education in Chinese and mathematics should take compulsory complementary courses, whilst the requirements of taking complementary courses in physics and chemistry could be varied in various professional trades and work positions. The document required those concerned to organise the complementary courses in various forms, such as, full-time, part-time, '6 & 2' (six hours of working plus 2 hours of studying) and '7 & 1' (seven hours of working plus 1 hours of studying). The document also stated that the text books edited by the ME could be used as teaching materials for complementary courses whilst the materials edited by professional departments at provincial level or by departments of the SC could be used for certain professions and trades (see Liu 1993). In January 1982, the NACWE, the ME, the GBL, the NTU and the CCCYL issued the *Joint Circular on Achieving the Complementary Courses of Basic Education and Technical Training*, which stated that various regions, departments, enterprises and undertakings should set up their own targets and requirements of 'double complementary courses' for young and middle-aged workers and realistic planning schedules. The Circular required that the results of examinations in 'double complementary courses' of workers would become one of the main forms of evidences for their promotion (see Liu 1993).

Thus, the campaign of 'double complementary courses' was planned and organised from the top to the bottom. As with the literacy campaign, the Government decided *who* should take compulsory courses, *what* courses should be taken, *what* standards should be reached, *when* and *what* targets should be fulfilled, *what* kind of text books should be used.

### *Senior Secondary Education*

Senior secondary education for workers which, to some extent, was not compulsory was also operated under a planning oriented model, in terms of enrolment requirements, teaching materials, the arrangement of courses, certificates, examinations, and approval for establishing schools. In 1985, the ME issued the *Provisional Regulations on Certain Questions Regarding Senior Secondary Education for Workers*. In terms of courses, according to the Regulations, students who studied social sciences should take courses of 820 hours, including politics (100 hours), Chinese language and literature (300 hours), mathematics (180 hours), history (140 hours) and geography (100 hours), and students who studied science should take courses of 940 hours, including politics (100 hours), Chinese language and literature (180 hours), mathematics (300 hours), physics (210 hours) and chemistry (150 hours). Apart from the above basic requirements, schools could

decide whether courses of foreign languages and other subjects, such as biology, should be taken. In terms of text books, the People's Education Press and education departments at provincial level could edit teaching materials according to the united curriculum issued by the ME. In terms of the requirements of recruitment and assessment, the Regulations stated that those who graduated from junior secondary schools or equivalent, could apply for adult senior secondary education if they passed the entrance examination organised by education authorities at prefecture or city level. The education authorities at provincial level would set up the measures of graduated examination, whilst the education authorities at county level organised final examinations. Furthermore, the education authorities at provincial level could decide the regulations and measures for approval in regard to establishing schools (ME 1985 AE005).

From the above analyses, we can see that basic education for adults was normally operated on a planning oriented model. In terms of the campaign of literacy education and the campaign of 'double complementary courses', they were organised from the top to the bottom. On the one hand, 'I teach what they (the State) say(s)': courses were organised according to the government's requirements, in terms of contents, forms and time schedules; on the other hand, under 'I want you to study', peasants and workers had to take the courses in turn according to the requirements and planning of government and units, no matter whether or what they wished to study or not. Senior secondary education for workers, to some extent, was also operated in a planning oriented model, in terms of arrangement of courses, teaching hours and teaching materials, enrolment requirement, examinations, and the approval for establishing schools.

### **The Planning Oriented Model in Training**

'Ganwei' training, which was launched from the top to the bottom, was very well organised and developed in a planning way. As discussed earlier, in June 1987 the *SC Circular on Approving the Decision on the Reform and Development of Adult Education by the SEC* decided that 'Ganwei' training should become the focus of adult education. It stated that 'Ganwei' training should be developed step by step in a planning way and that the training for key positions should be standardised and systematised. The document stated:

Professional trades are the main bodies to develop 'Ganwei' training whilst relevant government departments should be clear about the division of their responsibilities and should co-operate with great enthusiasm. Various departments of the Central

Government and local government should set up *general planning* and standard requirements of main work positions for their professional trades and regions. They should set up *guiding training planning* and curricula and should edit teaching materials, provide the support for teaching and organise assessment. They should also set up 'Ganwei' training assessment institutes in central and local levels, in which engineers, professional experts and academic organisations should play their full roles (SC 1987 S59: 369, translated and emphasised by the writer).

The *Opinions on Some Issues on Developing 'Ganwei' Training* stated that the relevant departments under the SC should provide macro-controls on 'Ganwei' training and make policies and measures within their own scope of responsibilities:

The SEC is responsible for guiding and promoting 'Ganwei' training. It is responsible for making working policies and regulations co-ordinating with relevant departments. It is responsible for reviewing the work of Ganwei training across the country and exchanging information and experiences of 'Ganwei' training.

The SERC, the Ministry of Labour (ML) and the MP are responsible for the planning of 'Ganwei' training for management cadres in enterprises, workers, and professionals respectively. They are also responsible for producing relevant guiding documents and making policies in training, assessment and outcome.

The professional departments under the SC are responsible for organising and administration of the 'Ganwei' training in their own systems.

TUs should take part in the administrative work of 'Ganwei' training, such as investigation, inspecting and promoting training (SEC, MLP, SERC & NTU 1989 EA013: 52, translated by the writer).

One of the key issues of 'Ganwei' training is the training for leaders in large and middle sized enterprises, which was very well planned and organised by the Central Government. In the *Decision on the Reform of the Economic System by the CCCCP*, the CCCCP (1984) decided to reorganise the leaderships of large and medium sized enterprises, and to train five types of key leaders and professionals in enterprises, such as, the heads or the managing directors of enterprises, chief engineers, chief economists, chief accountants and general secretaries of PCs in the near future. Following the Decision, the reorganisation of the leaderships of 6,300 large and medium sized enterprises was fulfilled by 1985. As a result, more than 80% of key leaders in enterprises now hold qualifications of higher education in comparison with 20% in the early 1980s. At the same time, the SEcC and the DOCCCCP (1987) issued the *Planning Outline of the Position Training for Leaders*

*in Large and Medium Sized Enterprises during the Period of the Seventh Five-Year Plan (1986-1990)*. The document decided that during the period of the Seventh Five-Year Plan, all the leaders, including heads, deputy heads, general secretaries of PCs, chief engineers, chief economists and chief accountants, in large and medium sized enterprises, should take part in systematic training to meet the needs and requirements of their work positions. The Plan covers three aspects: first, the task and requirement of the training; second, policy and measures; third, leadership and administration.

As far as the tasks and requirements were concerned, the main contents of the training were planned to be the foundation theory of Marxism and Leninism, modern management, science of leadership, economic legislation and regulations, and international economics, aiming at raising the level of political ideology and professional abilities of leaders. The target of the training was: firstly, to train about 35,000 leaders of large and medium sized enterprises by turn in about four years, starting from the second half year of 1986; secondly, to select 14,000 candidates to be new leaders, aged about forty, who held higher education qualifications, to take one year of training, or the courses of the second Bachelor degrees; thirdly, to select and train 1,000 young candidates to be senior managers in large sized enterprises, aged around 35, with higher education qualifications and working experience of at least five years, to take MBA courses or to study abroad.

As far as policy and measures were concerned, during the period of the Seventh Five-Year Plan, all the leading cadres who held higher education qualifications or had specialised secondary education qualifications or middle professional positions with working experience of fifteen years should take compulsory full-time training of four and a half months. According to the plan, all those leaders in large and medium sized enterprises who succeeded in Ganwei training would obtain the 'Certificate of "Ganwei" Training' issued by the State Guidance Committee in Training and Test for Economic Management Cadres (SGCTTEMC). Such a certificate would become one of the preconditions of being appointed. From 1988 onward, those who did not take training and did not obtain the above certificate, in principle, would not continue to be appointed. According to the plan, all training courses should follow the teaching plan and curricula set by the SGCTTEMC, which had members from the SEC, DOCCCCP, SEcC together with experts and professors from higher education institutions and enterprise leaders. The united text books edited by the SEcC could be used as united training text of core training courses for five type leaders and professionals, whilst various ministries could organise additional text books according to the needs of various professions and trades. In addition, all the

institutions in which the training was going to be taken place should be selected and assessed by relevant ministries of the Central Government and departments in local government who ran training, whilst five universities were selected by the SEcC to run MBA courses.

As far as the leadership and administration was concerned, the Plan decided that the SGCTTEMC were the leading body for the training; the SEcC and the DOCCCCP were responsible for setting up training planning, whilst SEcCs and the Departments of Organisation of PCs (DOPCs) at provincial level and the various departments of the Central Government were responsible for setting up training planning. The SEcCs and DOPCs at provincial level should set up united local training plans whilst various departments of the Central Government should also set up their training plans for their system.

Apart from the training for leaders in larger and medium sized enterprises, training for the team leaders in enterprises, which formed another important strategy of 'Ganwei' training, was also to take place in a planning way. In November 1986, the SEcC, the MLP, the NACWE, and the NTU issued the *Opinions on Strengthening the Training for the Team Leaders in Enterprises*. According to the Opinions, comprehensive economic departments and various authorities at various levels in charge of enterprises should be responsible for research and guidance in setting up training planning; departments of labour at various levels should be responsible for research and guidance in setting up standard requirements of work positions for team leaders in enterprises; departments of vocational education at various levels should be responsible for organising the work in developing teaching planning, curricula, teaching materials, teacher training and exchanging experiences of training; co-ordinating with various departments, TUs at various levels should be responsible for using facilities of workers' palaces, clubs, educational technical centres, technical training centres, worker schools and cadre schools to develop the training for team leaders.

Following the above Plan and Opinions, with the guidance of the *Decision on the Reform and Development of Adult Education by the SEC* and *Opinions on Some Issues on Developing 'Ganwei' Training*, various departments in the Central Government and local government set up general planning of 'Ganwei' training and standard requirements for key positions in their systems and regions. Between 1987 and 1991, fifty-four departments of the Central Government and thirty-six provinces and key cities issued 164 documents on 'Ganwei' training for their own professional systems or regions. Between 1989 and

1991, for instance, the State Industrial and Commercial Administration Bureau (SICAB) issued four documents, including the *Opinions on Developing 'Ganwei' Training for Cadres* (SICAB 1989 ICP45), *Circular on Strengthening 'Ganwei' Training for Industrial and Commercial Administrative Cadres by the SICAB and the MP* (SICAB & MP 1990 IC6), *Certain Opinions on Carrying out 'Ganwei' Training by the SICAB* (SICAB 1990 IC24) and *Circular on Issuing Operating Procedure of Ganwei Training of Industrial Commercial Administration by the Department of Personnel and Education of the State Industrial and Commercial Administrative Bureau* (DPESICAB 1990 P56). The above documents covered the purposes, aims, objectives requirements, tasks, planning, organisation management, contents, forms, funding, measures, assessment and certification of the 'Ganwei' training for industrial, commercial and administrative cadres. According to the documents, 'Ganwei' training should be developed at various levels: the state Bureau was responsible for training the heads and deputy heads of division at provincial bureaux, and the heads and deputy heads of prefecture bureaux; the bureaux at provincial level were responsible for training heads and deputy heads of county bureaux, and the heads of branches; the bureaux at prefecture level were responsible for training team leaders; the bureaux at county level were responsible for training other cadres. The tasks and plans were:

- 1) By the end of 1990, the SICAB should fulfil:
  - Setting up and issuing the standard requirements of various work positions at various levels;
  - Setting up and issuing united teaching planning, curricula, and preparing standard questions and answers of examination papers;
  - Organising editing, examining and publishing united teaching materials of training, including video tapes;
  - Running trial training courses for the heads of division of personnel and education and the heads of schools;
  - Running training courses for the teachers of provincial bureaux.
  
- 2) By the end of 1990, the provincial bureaux at provincial level should fulfil:
  - Setting up the planning and proposal measures of 'Ganwei' training for cadres in their regions;
  - Preparing training bases and running teacher training for prefecture bureaux;
  - Organising relevant studying documents and regulations according to requirements;

- The trial units could arrange one or two training courses according to the requirements and united teaching planning of SICAB.
- 3) By March 1991, the bureaux at prefecture level should fulfil:
- Preparing training bases and teaching facilities;
  - Organising studying regulations;
  - Trial training for main work positions.
- 4) Training would start right after preparation. By the end of 1995, training for most staff should be fulfilled (see SICAB 1990 IC24: 93).

According to the documents, the common courses should follow the arrangements of local departments of personnel whilst the professional courses, including foundation economic management, working regulations in industrial commercial administration, general introduction of industrial commercial administration and relevant seminars, should be run according to united teaching planning. Various specialised secondary schools in industrial commercial administration, specialised secondary schools for staff and workers, and cadre schools (courses) were the bases to run training courses, whilst industrial, commercial and administrative authorities were responsible for organisation, leadership and management. The bureaux at various levels should set up the Eighth Five-Year Plan and annual training plan, which included courses, the number of trainees and their distribution, number of courses, arrangement of teacher forces and bases, and measures of assessment. Before training, the bureaux at provincial and prefecture levels should set up enrolment proposal according to annual planning schemes and fix the proposal number of trainees in each local bureau. The local bureaux then would select trainees according to the fixed proposal number and fill the application forms according to the requirements. After being examined according to the standard requirement of various work positions, trainees would be enrolled to be trained. All cadres within the scope of training were required to take training, whilst those who had not meet the standard educational qualifications should prepare for academic qualifications before taking training. Those who had finished all courses of training as required and had passed tests would obtain the 'Certificate of "Ganwei" Training', whilst their transcripts would become important evidence for appointment, promotion and assessment. From 1992 onward, those who did not obtain the certificate would not be appointed whilst the system of 'taking positions with certificates' would be on a trial base.



From the above discussion we can see that 'Ganwei' training, which has become the focus of adult education since the late 1980s, was very much planning oriented, that is, 'I will teach what they said'. Schools, as training bases, were at the bottom of the management system. They would run training courses according to the planning schedules and requirements set up by authorities at the top, who decided: *who* and *how many* people should take courses; *what* courses with *what* kind of curriculum should be taken, *what* kind of text books should be used; *when* and *where* the training should take place. Under such a planning oriented model, the 'Ganwei' training was compulsory: 'I want you to study' rather than 'I want to study': people had to learn what they were required to learn without choice.

### **The Planning Model in Continuing Professional Education**

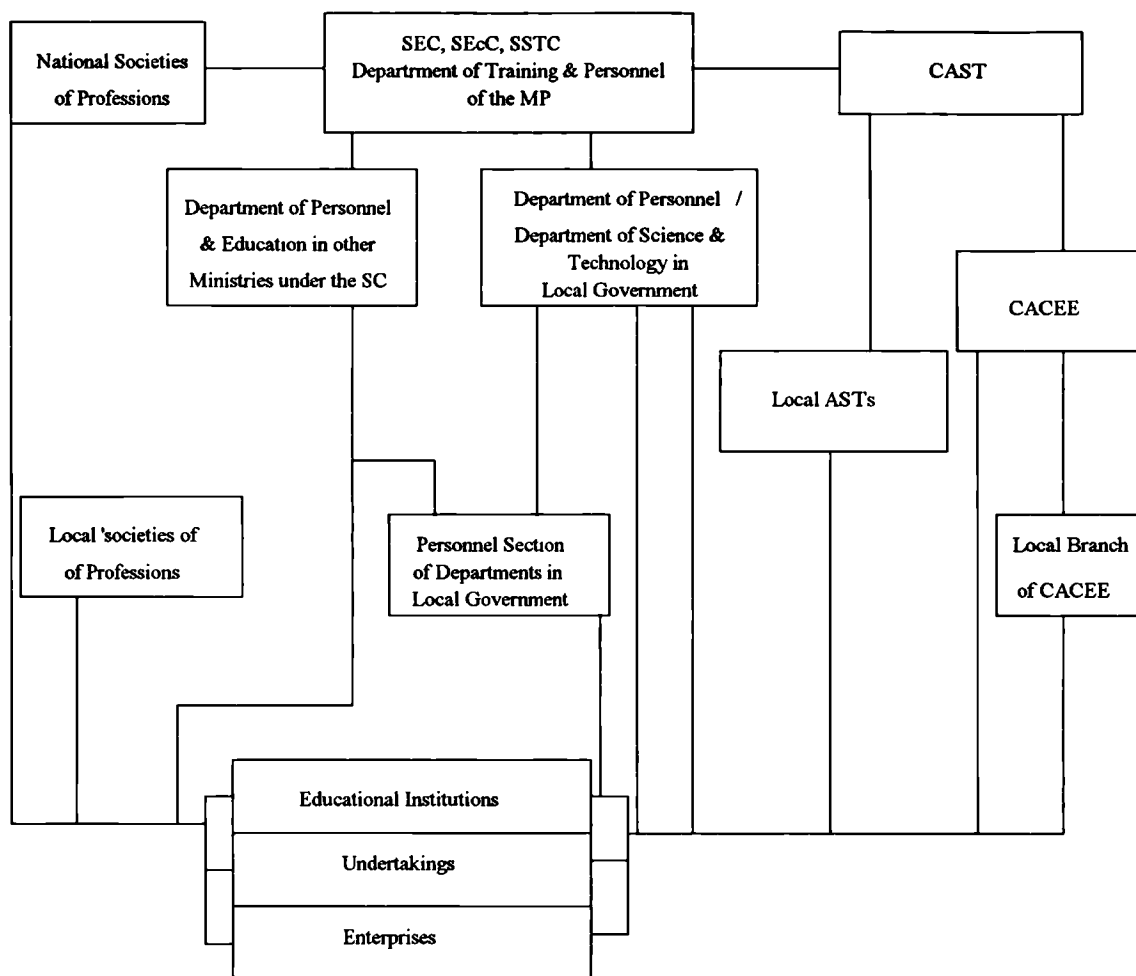
'Continuing education' in China, which is similar to continuing professional education in the UK, was also developed from the top to the bottom in a planned way in the 1980s and the early 1990s. According to Mr. Zhuang Yingqiao, the Chief Secretary of the CACEE, in the early 1980s the State Scientific and Technological Cadre Bureau (SSTCB), which was soon transferred to the MLP and then the SSTC (State Scientific and Technological Commission), was responsible for developing continuing professional education in China. Starting from 1988, the MLP, now the MP, became the main authority that was responsible for continuing professional education (Interview CACEE). In December 1987, the SEC, the SSTC, the SEcC, the MLP, the MF and the CAST issued the *Provisional Regulations on Developing the Post-University Continuing Education*, which stated that departments of education, science and technology, economy, and labour and personnel, should co-operate each other to develop continuing professionals education. In October 1988, the SEcC, SSTC and the CAST issued the *Provisional Regulations on Continuing Education for Scientists and Technicians of Enterprises*, which stated that the Co-ordinating Group of Continuing Education of Enterprises, which had members from the SEcC, the SSTC and the CAST, would guide and co-ordinate the work of continuing (professional) education of enterprises. The SEcC should be responsible for guiding the continuing (professional) education of enterprises and for policy making. The SSTC should be responsible for the continuing (professional) education in the field of science, and it would set up the targets for continuing (professional) education, according to the national planning of scientific and technological development. The CAST should be responsible for organising various national societies to develop continuing (professional) education in enterprises, whilst it should help industrial departments to design the planning

and contents of continuing (professional) education courses. It should also be responsible for editing teaching materials in various fields and the assessment of continuing (professional) education. The various departments of the SC should be responsible for the planning of the continuing (professional) education in their own systems, whilst the SEcC, the SSTC and the ASTs at various levels should strengthen the leadership of continuing (professional) education in enterprises and develop centres of continuing (professional) education for various professional trades. One of the chief leaders of enterprise should be responsible for continuing (professional) education. Divisions of personnel, education, science and technology, and the ASTs of the enterprises should set up planning for continuing (professional) education, which should be carried out by various divisions of enterprise. CMCs, economic management training centres, EIs, and WUs should become the bases of providing continuing (professional) education. Following the above Regulations, by 1991, eighteen government departments and local government in sixteen provinces and cities set up planning of continuing professional education, whilst twenty departments in the Central Government and the local government in nineteen provinces set up regulations on continuing professional education. Through making policies, the Government provide guidance for grassroots units to provide continuing professional education and to encourage professionals to receive continuing education. For instance, according to relevant regulations, continuing (professional) education should form a part of the targets of responsibilities of the heads of enterprises and undertakings, whilst continuing (professional) education should form a part of the planning of enterprises and undertakings, and the outcomes of continuing education of professionals could become one of the forms of evidence for their promotion (Zheng 1991).

By the early 1990s, a management system of continuing professional education, which had been run from the top to the bottom, was formed (see Figure 4.2 over page). In this system, MP was in the leading position to be in charge of continuing professional education across the country, whilst the SEC, the SSTC, the SEcC were involved in general policy making. The Department of Personnel (DP) or Department of Science and Technology (DST) at provincial level was responsible for continuing professional education in local areas. Departments of Personnel and Education at ministry level were in charge of continuing professional education in the relevant professional trade system, with departments of professional trades at provincial level as bridges. The CAST and other national societies, through local associations or societies, and CACEE, were responsible for organising activities of continuing professional education. Educational institutions, including adult higher education institutions and training centres run by relevant ministries

and government departments, together with enterprises and undertakings, form the grassroots that provide continuing professional education.

Figure 4.2: The Administrative System of Continuing Professional Education in China in the Early 1990s



Sources: Drawn from SEC, SSTC, SEcC, MLP, MF & CAST (1987 EHT020), SEcC, SSTC & CAST (1988), Interview CACCE, and personal experience.

From the above discussion, we can see that the management system of continuing professional education which was operated from the top to the bottom, was formed gradually and systematically. Although continuing professional education was not as compulsory as 'Ganwei' training, it was carried out, to some extent, according to government planning (Zheng 1991).

## Conclusions

From above analysis, we can see that the education and training of adults in China was normally operated in a planning model in the 1980s and the early 1990s, that is, following the concept that 'I should teach what they said'. In terms of adult education leading to qualifications of adult higher and specialised secondary education, the institutions were established according to the very strict planning of the Government. The enrolment was brought into line with state planning; the requirements of recruitment were decided by the SEC; the courses were set up with approval of educational authorities; in some cases, the teaching planning and the curricula were decided or approved by central or local education authorities. Thus, the Government controlled the whole procedure of educational production: *who* could apply for qualification education, *where* they should come from, *how many* people should be taken, *what* kind of courses they should apply for, *when* and *what* kind of entrance examination they should take, *how many* and *what* kind of institutions should be set up and could take students, *what* kind of courses should be run, *how long* the programmes should last for, *where* and *what* forms of the courses should take place, *what* qualifications could be recognised by the state, and *where* and *how many* qualifications should be issued.

In terms of adult basic education, the campaigns of literacy education and 'double complementary courses' were organised from the top to the bottom. On the one hand, 'I teach what they said': courses were organised according to government's requirements, in terms of contents, forms and time schedules. On the other hand, under 'I want you to study': peasants and workers had to take the courses in turn according to the requirements and planning of government and units, no matter whether they would like to study or not. As far as literacy education was concerned, the Government decided *who* should take the compulsory literacy education, *what* standard they should reach, *when* and *what* targets the nation and regions should fulfil, *what* contents of teaching materials should be, *who* should be responsible for *what* task, *who* should be appointed to teach for literacy education and *where* the funds should come from. As far as the campaign of 'double complementary courses' was concerned, The Government decided *who* should take compulsory courses, *what* courses should be taken, *what* standards should be reached, *when* and *what* targets should be fulfilled, and *what* kind of text books should be used. As far as senior secondary education for workers was concerned, although it was not compulsory, it also was operated in a planning model to some extent, in terms of the arrangement of courses, teaching hours, teaching materials, enrolment requirements, certificates and the approval of establishing schools.

In terms of 'Ganwei' training, which had become the focus of adult education in China, it was developed from the top to the bottom: education institutions, the training bases, were on the bottom of the management system and would run training courses according to the planning and requirements set up by authorities at the top, who decided: *who* and *how many* people should take courses; *what* courses with *what* kind of curriculum should be taken, *what* kind of text books should be used; *when* and *where* the training should take place. Under such a planning oriented model, the 'Ganwei' training was compulsory: 'I want you to study' rather than 'I want to study': people had to learn what they were required to learn without choice.

In terms of continuing professional education, which was not as compulsory as 'Ganwei' training, it also was developed from the top to the bottom and was carried out according to government planning. In such a planning oriented model, everyone has to eat the same amount and same kind of 'rice' in the 'big pot' without other choice, no matter if he (she) wished or not.

**CHAPTER FIVE**

**'GOING INTO THE SEA':  
DEVELOPMENT IN THE PRIVATE SECTOR  
AND THE MARKET ORIENTED MODEL**

## CHAPTER 5

### 'GOING INTO THE SEA': DEVELOPMENT IN THE PRIVATE SECTOR AND THE MARKET ORIENTED MODEL

In the previous chapter, the planning oriented model of the education and training of adults in China up to the early 1990s was analysed. In this chapter, the development of the private sector and changes in the management model of the education and training of adults will be discussed.

During the last decade, in particular after 1992, the management model of the education and training of adults in China was on the way to moving from the planning orientation towards the market orientation, alongside the step-by-step development of the market economic system. Whilst the education and training of adults was mainly operated on the planning model, the market oriented model, represented by schools run by the social forces, the private sector, emerged and developed in line with the reform of the economic system.

#### **The Emergence of the Private Sector**

The long tradition of Chinese private adult education goes back over two thousand years, when Confucius ran his private school (Fang 1991). In the early 1950s, there were still some private schools that were set up before 1949. During this period, the Government implemented a policy of 'maintaining vigorously, reforming gradually and subsidising focally', which encouraged the combination of the public and private education sectors (drawn from Interviews BAEB1 & SEC3). Soon, however, following the former Soviet Union model, the Chinese Government took over the whole educational system in the 1950s. By 1952, all *private* higher education institutions were *taken over* to become *public* institutions (drawn from Wei 1991, Interviews SEC3 & BAEB1). By September 1952, all specialised secondary education institutions were transformed into public ones. By 1956, when the Chinese Government finished its socialist reform in the private industrial and commercial sector, all private secondary and primary schools were taken over and transformed into public ones (see Liu 1993). During the Cultural Revolution in the 1960s, when the remaining sections of the *individual economy* were *cut off* as a

'*capitalist tail*', a few remaining *private* vocational *schools* were *closed* down. As a result, by 1978, there were *no private* adult education facilities available at all across the whole country (Interview BAEB1).

As discussed in Chapter 2, the Third Plenary Session of the Eleventh CCCC in 1978 restored the political line of 'seeking truth from facts' and decided to institute the policy of 'reform, open door and stimulating the economy'. It decided to develop various types of economy while the public economic system was maintained as the main component. Under such a policy, the private economy emerged and developed gradually to become a complementary component of the socialist economy. In the early 1980s, when some *private enterprises emerged* and developed gradually in accordance with the *restoration* and development of the *individual economy*, some *private schools* were *restored* (drawn from Interview BAEB1 and Gao, Wan & He 1993). As discussed earlier, in 1981, after the *Decision on Strengthening the Work of Education for Workers by the CCCC and the SC* was issued, the big campaign of 'double complementary courses' was launched. According to the decision, not only enterprises and undertakings but also a variety of *social forces*, such as professional departments, education departments and mass organisations were *encouraged* to *run schools* for worker education. Chen Jixia, the then Director of the Social Office, Beijing Adult Education Bureau, confirmed that during that period, the People's Government of Beijing City (PGBC) *encouraged* professional citizens in Beijing to run *private schools* and to provide complementary courses in both basic education and technical skills to meet the people's great demand for learning. In April 1981, the PGBC issued the *Provisional Management Measures on Schools Run by Private Individuals in Beijing City*. It was the first governmental document in China to *encourage* the development of the *private sector* of adult education after the Cultural Revolution (Interview BAEB1). In May 1982, the fifth NPC passed a new Constitution, Article 19 of which stated:

The state *encourages* collective economic organisations, state enterprises, undertakings and other *social forces* to run various types of educational undertakings according to laws and regulations (PRC 1982: 116, translated and emphasised by the writer).

The Constitution formed the legal basis for the development of schools run by social forces in the 1980s. In his report on the draft revision of the Constitution, Peng Zhen, the then President of the NPC, defined '*social forces*' as follows:



The state must invest enough resources to run educational undertakings. At the same time it should arouse various *social forces*, including collective economic organisations, organisations of the state enterprises and undertakings, other social organisations and those who run *private schools* with the permission from the state to run educational undertakings in various forms, relying on the support from the masses (see Zou, 1989: 59, translated and emphasised by the writer).

Following the promulgation of the Constitution, the PGBC issued a document, *Provisional Measures on Schools Run by Social Forces in Beijing*, in April 1984. It stated:

*Schools run by social forces are an important component part of the socialist education cause. They are an important supplement to the schools run by the state, collectives, enterprises and undertakings. The state has a long-term policy to encourage social forces to run schools. ... we should encourage social forces, including parties, organisations and individuals to run educational undertakings in various forms, levels and standards in a variety of ways (PGBC 1984 BG63: 5, translated and emphasised by the writer).*

This was the first government document on schools run by social forces, which, for the first time, used officially the term 'schools run by social forces' (Interview BAEB1).

The definition of the term 'schools run by social forces' had different meanings during different periods. Zou (1989: 49) suggested that normally, it indicated non-governmental private schools that are in contrast to government public schools. In the PGBC's document of 1984, the definition of 'schools run by social forces' is indicated as follows:

Varieties of educational undertakings run by various democratic parties, mass organisations, social organisations, academic organisations, and individuals, were formally approved to be established, (PGBC 1984 BG63: 7, translated by the writer).

Here, the social forces include 'democratic parties', 'organisations' and 'individuals', whilst the state enterprises and undertakings and collective economic organisations are excluded.

In July 1987, the SEC issued the *Certain Provisional Regulations on Schools Run by Social Forces*, which also confirmed that schools run by social forces were a '*component part of the Chinese education cause*' (SEC 1987 EHT014: 14, translated and emphasised by the writer). Following the Constitution, this document defined *social forces* as follows:

Those organisations of state enterprises and undertakings, democratic parties, people's organisations, collective economic organisations, social organisations, academic organisations with legal recognition and those individuals who run schools with the approval of the state (SEC 1987 EHT014: 15, translated by the writer).

According to the Constitution passed by the fifth NPC in May 1982, with the exception of schools run by the government, all of the schools run by enterprises, democratic parties, academic organisations and individuals could be regarded as schools run by social forces. A senior staff member from the SEC explained that 'at that time, however, because enterprises were not separated from government, people's organisations, such as TUs and WAs, were not much different from government organisations. Schools run by state enterprises and people's organisations, therefore, in practice, were not counted as schools run by social forces'. He continued, 'nowadays, schools run by social forces include mainly schools run by social organisations, such as academic associations and societies, and schools run by individuals'. He pointed out that in some areas, for instance, in Beijing and Shanxi, the non-qualification educational systems run by state enterprises and people's organisations that were open to the public were also counted as schools run by social forces. He, therefore, suggested that the term '*schools run by social forces*' could be defined as:

the organisations and activities of non-qualification education and training run by state organisations, armies, state-run schools and state enterprises and undertakings, which are open to the public and are *self-financed*, mainly by fees; and qualification and non-qualification education run by social organisations, collective economic organisations and individual citizens (Interview SEC3, translated and emphasised by the writer).

This definition actually includes two component parts: the first part could be regarded as non-governmental private courses within the public sector; the second part, an independent non-governmental private sector.

### **Development in the Private Sector**

Schools run by social forces have developed according to the needs of social economic development. There have been four development periods since 1978: first, from 1978 to 1982, a launching stage; second, from 1982 to 1986, a developing stage; third, from 1986 to 1991, a stage of setting up regulations, strengthening administration and readjustment;

fourth, starting from 1992, a stage of new development (drawn from Interviews SEC2, SEC3, & BAEB1).

During the first period, as discussed in Chapter 2, with the demise of the Gang of Four, the general policies of the Party and the Central Government changed radically. Since the Third Plenary Session of the Eleventh CCCC in 1978, the dictum of the ideology of 'seeking truth from facts' was promoted in the place of dogmatism. Socialist economic construction became the focus of work of both Party and country. The open policy and economic reform were implemented. As a result, a different climate was brought into both the economic and political spheres. During this period, as discussed in Chapter 3, education was given great attention by the leadership of the Party and the Government. Deng Xiaoping, the architect of the Chinese reforms, volunteered to take charge of education. The role of education was changed from being the object of 'proletarian revolution' and the tool of the 'dictatorship of the proletariat' into 'the key to achieving modernisation' (see Deng 1977b: 53). People across the country were stimulated to study culture, science and technology. Millions of young people, who lost their chance to learn during the decade of the Cultural Revolution, thirsted for knowledge. On the one hand, the campaign of 'double complementary courses' placed *great demands* on the system of education and training of adults. On the other hand, due to the disasters of the Cultural Revolution, the existing educational systems, especially the adult educational systems, were too *weak* to meet such great demands. In this case, the private sector of the education and training of adults emerged, whilst the public systems developed.

During this period the main courses in the *private sector* were short courses in *basic education*, including preparation courses for the higher education entrance examination, self-study examinations and the 'double complementary courses' for young and middle-aged workers in both basic education and technical skills. At the same time, a few *private vocational schools* were *restored* (drawn from Interviews SEC3 & BAEB1).

In the mid-1980s, however, with the achievement of the campaign of 'double complementary courses', the *demand* for *basic education* *decreased*. As a result, the number of students for short courses in basic education radically decreased. Those schools that failed the challenge of the market place had to be closed: they went under in the increasingly strong *competition*. For instance, in the Eastern District of Beijing, thirty out of ninety-four private schools were *closed* (Zhang 1989: 119).

Meanwhile, during this second stage, in accordance with the policy of 'allowing some people to become rich first', the economic system of agricultural responsibility was carried out in the countryside successfully. Various forms of agricultural business and farming with scientific measures were encouraged. Farmers, particularly those graduates from secondary schools who were sent or returned to work in the countryside during the Cultural Revolution, yearned for the *knowledge and vocational skills* to develop various types of agricultural businesses based on their own land. However, as Professor You Qingquan, the Principal of the Hubei Correspondence University (HCU), pointed out, most public adult education institutions, including BTVUs, correspondence universities and vocational universities normally served the enterprises and undertakings in urban areas rather than the countryside. To meet the *needs* of the economic development in rural areas, some *private vocational courses* were developed (Interview HUC). For instance, with his own money, You, then a lecturer in the Huazhong Science and Technology University, set up the Hubei Correspondence Information Centre for Education, Science and Technology in the Countryside (HCICESTC) in Wuhan in June 1984. He sent more than sixty part-time teachers, who were full-time staff from various higher education institutions in Wuhan, to different corners of Hubei Province to do marketing. In six months, they trained over 7,000 people through both face-to-face teaching and correspondence courses.

Furthermore, as Professor You pointed out, when the students became *rich*, they sought the opportunity for *higher education for self-development*. Most of those young people who graduated during the Cultural Revolution, however, had no chance to enter the normal higher educational institutions, which from 1980 mainly recruited fresh graduates from secondary schools under twenty-five years of age (Interview HCU). In this case, on the one hand, there were *great demands for adult higher education*: there were millions of young or middle-aged people seeking higher education; on the other hand, the number of *providers* of adult higher education institutions were *limited*. The *demand* was far *beyond the provision*. As a result, not only the *public sector* but also the *private sector of adult higher education* developed rapidly. During this period, private adult higher education institutions, which ran long-term courses at higher education level, *emerged and developed* to meet the increasing demand (drawn from Interviews SEC3 & BAEB1). In Beijing, for instance, the Chinese Social University (CSU), the first private adult higher education institution, was established by some famous intellectuals in March 1982 (Interviews CSU & BAEB1). In the following year, four private institutions were set up (Interview BAEB1). By 1985, the total number of private higher education institutions in

Beijing reached about forty, including sixteen institutions offering face-to-face courses with total enrolments of 10,000, and twenty-four correspondence institutions, which recruited students across the whole country, with a total enrolment of about 1,280,000 (Wei 1994). According to the available statistics, the total number of private higher education institutions across the country reached over 200 by 1985 (Interview SEC2).

These institutions mainly recruited graduates from secondary schools. However, only a few institutions had the approval of the SEC to issue qualifications recognised by the state. This means that the *qualifications* issued by most private higher education institutions were *not recognised* by the *state*. These institutions introduced a principle of *self-governance* in recruiting and set courses to meet social needs. Students sought jobs themselves. Most of them were employed by joint-venture or foreign venture enterprises. Normally, they were *not* employed by state organisations as their qualifications were not recognised by the state. The management systems of these schools, including recruiting, course setting and student's employment, were market oriented. Unlike those institutions run by the state, they would *not* have been able to exist *without markets* and the *market economy*.

A senior staff member from the SEC confirmed that the background of this period was a *combination* of the *planned* economy and the *market economy* and that schools run by social forces were strongly supported by the chief leaders of the Chinese Government (Interview SEC3). Some of them used personal calligraphy to write the institutions' names or personal notes of encouragement for the private institutions (it is a great honour in China for a leader to use personal calligraphy in this way). For instance, in 1984, Deng Xiaoping wrote the name of the institution for the Beijing Self-Study University. Hu Yaoban, the former General Secretary of the CCCCPC wrote the name for the Chinese Peasant University. Peng Zhen, the former President of the NPC, wrote the name for the CSU. In 1985, Li Xiannian, the former President of the PRC, wrote the institution's name for the HCU. In the same year, Wang Zhen, the Vice-President of the State, wrote the name for the Beijing Human Correspondence University. Other famous leaders, such as Bo Yibo, Wang Shoudao, Fu Jie, Wu Nanfu also wrote similarly for some private higher education institutions, including the Peili Vocational University, Chinese Communication Correspondence University, the Chinese Science Technology and Management University and the Beijing Nationality University, the Beijing Qi Baishi Art Correspondence College (drawn from Interviews BAEB1, HCU & CSTMU).

During the third period, the general economic policy of '*readjustment*' of the CCCC led to the policy of '*readjustment*' as the key policy of the SEC (drawn from Interviews SEC3 & SEC4). A senior staff member from the SEC confirmed that *schools run by social forces* were the main *targets* to be *readjusted* (Interview SEC3). In July 1987, the SEC issued the *Certain Provisional Regulations on Schools Run by Social Forces*, which stated that the education authorities at provincial level should enhance the leadership and administration for schools run by social forces, and that schools run by social forces should be regularised. According to the Provisional Regulations, schools run by social forces were not allowed to be established or to advertise without the approval of the relevant education authorities. Schools of various types at various levels run by social forces that were not approved to issue qualifications recognised by the state were not allowed to issue certificates of graduation. They were only allowed to issue certificates to validate the courses taken by students and their transcripts. Students would have to take SSEHE if they wanted to have qualifications recognised by the state.

In December 1987, the SEC and MF issued jointly the *Provisional Regulations on Financial Management in Schools Run by Social Forces*. According to the above two documents, the Beijing Adult Education Bureau (BAEB) required all schools (courses) run by social forces to be *regularised* and *registered* (Interview BAEB1). In October 1988, the SEC issued the *Circular on Some Issues about Schools Run by Social Forces*. The Circular claimed that schools run by social forces were local education undertakings and should be under the control of local education authorities. Schools were *not allowed* to be established without *approval* of local education authorities. In addition, the Circular stated that other departments had *no right* to approve the setting-up of these kinds of schools. The Circular also stated that schools run by social forces were *not allowed* to set up branches *outside* their own *regions*. According to the Circular, existing branches should register with the local authorities of their own regions to become independent schools. Otherwise, they should be *readjusted* or *suspended* or even *closed*. The Circular emphasised the need to control the standard of qualifications recognised by the state.

In October 1988, the SEC issued the *Provisional Regulations on the Management of Teaching in Schools Run by Social Forces*. The Regulations tried to control the establishment of courses, aims, programmes, teaching materials, staff employment, building and studentship management of schools run by social forces. For instance, according to the Provisional Regulations, schools run by social forces should set their

training aims to meet the '*actual needs*' of socio-economic development. Otherwise, their recruitment could be *terminated* by the educational authorities.

In August 1990, the PGBC made the *Order of the PGBC* (1990 No. 26) issuing the *Management Measures on Schools Run by Social Forces in Beijing City*. According to the *Order*, the school enrolment planning for short courses should be *approved* by the education authorities of districts or counties, while the enrolment planning for long-term courses of higher education lasting for one year or more should be approved by the BAEB. Furthermore, schools run by social forces were *not allowed* to advertise their recruitment without the approval of the relevant education authorities. Otherwise, the schools might be *warned* or be *suspended*. According to the *Order*, the schools were not allowed to get benefit *illegally* or to run a business under the pretext of running the school. They had to charge standard fees that were approved by the Price Bureau, a government department. They should accept supervision from government departments, such as departments of education, finance, price and accounting. They were *forbidden* to use fees collected to do business other than teaching. Using the negative words of '*order*', '*not allowed*', '*be warned*', '*be suspended*', '*illegally*' and '*forbidden*', *Order No. 26* showed the extremely *strict* policies on schools run by social forces during this period.

Between 1986 and 1990, the BAEB was *extremely strict* in approving the establishment of new private adult higher education institutions. In 1989, for instance, only two institutions were approved to be established. One was the Beijing Military and Local Manpower Training College, which was run by Zhu Min, a daughter of Zhu De, one of the former leaders of the Chinese People's Liberation Army and the former Chairman of the NPC. The other was Beijing Construction University, which was run by the Central Committee of the '93 Society', one of the democratic parties in China. Obviously, the governmental policies on schools run by social forces during this period were *strict* rather than relaxed, *controlling* rather than encouraging, with the economic policy of '*readjustment*' as their background (Interview BAEB1).

During the fourth period, as discussed in Chapter 2, the year 1992 was a turning point of Chinese reforms. In his speech while visiting the southern part of China, Deng emphasised the need to seize important opportunities to *speed up* reform and to make the economy leap forward a new step every few years. His argument that both planning and market are economic means formed the basic theme of the Fourteenth National Congress of the CCP, which defined the establishment of a *socialist market economy system* as the target of

economic reform in China (Jiang 1992). Since then the general policy of the Chinese Government has moved from 'readjustment' towards '*speeding up reforms*'.

In accordance with economic reform, the reforms in the field of adult education were also *speeded up*. In August 1992, a National Conference on Adult Higher Education was held in Beijing. As Mr. Zhang Ke the former Head of the Division of Adult Higher Education of the DAE pointed out, it was the first national conference on adult higher education in China, which marked a turning point for reform in the field of adult education (Interview SEC4). The preparations for the Conference started in 1991. The writer was invited to observe the first preparation meeting held in Beijing in April 1991. At that time, the proposed theme of the Conference was strongly suggested to be '*readjustment*' rather than 'development' due to the general governmental policy of 'readjustment', although most representatives from local education authorities and adult higher education institutions argued that adult higher education should be developed while being readjusted. In April 1992, however, after Deng Xiaoping visited the southern part of China and made important speeches, another preparation meeting was held in Shanghai. The theme of the Conference was changed from the original 'readjustment' into '*speeding up* reform and *developing* adult higher education vigorously' (Interview SEC4). The final main documents of the Conference decided to establish a *decentralised* system of administration and responsibility. Under this system, local government, enterprises and undertakings had *more powers* to decide their own training targets (Interview SEC1B). The conference announced that local education authorities should have *full rights and duties* to adjust school distributions, to plan training, to decide programmes, forms of running schools, and enrolment planning and requirements, and to administer non-qualification education, whilst the SEC strengthened regulations, general planning, macro guidance, co-ordination, supervision and examinations, and concentrated on controlling the standards and quality of qualification education. Meanwhile, local education authorities should make sure that their schools had *full rights* to run themselves (SEC 1992: 42).

Schools run by social forces were part of the content of the Conference. The Conference, therefore, was also the turning point for schools run by social forces. During the preparation meeting held in April 1991, it was emphasised that the policies on schools run by social forces should be an area to be '*regularised*' and subject to '*readjustment*' rather than 'encouraging' and 'supporting'. The attitudes toward schools run by social forces at that time, therefore, was more *negative* than positive. At the Conference, nevertheless, the



government's attitudes were totally *different*: changing from being negative towards a more *positive* orientation. In his report at the Conference, Zhu Kaixuan, one of the deputy directors of the SEC, confirmed that since the Third Plenary Session of the Eleventh CCCCP, and according to the *Constitution*, schools run by social forces had *emerged* and *developed* as the reforms and 'open-door' policy *required*. He stated:

So far, there are over ten thousand schools of various types at various levels run by social forces, which train millions of students every year. Among them, there are about fifty higher education institutions run by social forces or jointly with governmental departments with approval of or registration with the SEC. They issue qualifications recognised by the state. There are over 500 higher education institutions approved by provincial educational authorities, which offer training, continuing education and tutorial courses. They have formed a *component* of the higher education undertakings of our country...

The development in schools run by social forces is the *product* of the *demands of socio-economic development* for manpower of various levels and of various types. It also reflects the desires of members of society to study and to become knowledgeable and skillful people. It enriches the educational undertakings and creates a new way of running schools through the different channels of 'walking on two legs' and 'people run their own education'. Schools run by social forces broaden the road of study to offer more opportunities for members of the society. They play an active role in tutorial courses for youth, continuing education for staff, general courses in science and cultural knowledge, as well as in forming the social environment of seeking study and making progress and socialist spiritual civilisation...

...Schools run by social forces form a *necessary complement* for the schools run by the state. Their development benefits both the state and the people. We should continue to implement the policy of 'supporting vigorously, supporting strongly, guiding correctly and strengthening administration' (Zhu 1993: 22, translated and emphasised by the writer).

In his speech at the closing ceremony of the Conference, Li Tieying, a member of the Political Bureau of the CCCCP and the SC, the then Director of the SEC, stated that the requirements of running schools and learning symbolised the *awakening* and *civilisation* of a nation. He claimed that seeking opportunities to study was the basic right of a citizen and that 'running schools had made *contributions* to the society'. He confirmed that adult higher education and schools run by social forces were an *important* part of the education cause in China, and that they would develop more rapidly in the near future (Li: 1992). At the Conference, Li Tieying said to Lu Jialing, the Principal of the CSU, 'You used to be

the "*Kucaihua*" (Flower of a Bitter Vegetable), you are now the "*Yingchunhua*" (Flower Welcoming the Spring). Please feel free to spit out all of your "bitter water" '(Interview CSU1).

During the fourth period, like flowers blooming in the spring, schools run by social forces marched into a new stage of development with the following distinguishing features (Interview SEC3). First of all, there were rapid increases in the number of schools run by social organisations. By the end of 1991, the total number of various kinds and levels of schools run by social forces across the country was less than 30,000. These were mainly schools for adult education and private higher education institutions. Out of 600 private higher institutions, only ten institutions were able to issue qualifications recognised by the state. The total number of schools run by social forces doubled in 1992: it reached more than 60,000. In Beijing, for instance, the total number was only 551 by the end of 1991. By the end of 1992, however, it had doubled, the total number reaching 1,200. In 1993, it reached 1,600. During this period, the number of schools of general education run by social forces in the whole country also increased (Interview SEC3). According to Mr. Dong Mingchuang, in 1994, the total number of schools run by social forces reached over 60,000, including 18,284 kindergartens, 1,078 primary schools, 888 secondary schools, 392 vocational secondary schools, over 100 specialised secondary schools, over 800 institutions offering non-qualification higher education courses, eighteen private higher educational institutions offering qualifications recognised by the state, and over 35,000 schools providing short training courses in non-higher education and social cultural studies (Interview SEC1C).

Second, as a senior staff member from the SEC pointed out, schools run by social forces were first launched in the field of adult education and then spread into the field of general education, including primary, secondary and general higher education (Interview SEC3). In Beijing, for example, the number of private primary schools increased from zero to twenty-one in 1994. Most of them are called '*aristocratic* schools' with high fees (BAEB1).

Third, as the senior staff member from the SEC suggested, there has been a *new recognition* of the role of schools run by social forces, which used to be regarded as a *complement* to the public schools run by the government. Their role, however, was redefined by policy makers (Interviews SEC3). In his speech at the National Conference of Adult Higher Education held in Beijing in August 1992, Li Tieying, the then director of

the SEC, claimed that schools run by social forces were 'an important *component part*' of education in China (Li 1992: 10). In his speech at the Fourteenth Congress of CCP in October 1992, Jiang Zemin, the General Secretary of the CCCCPC, stated that the Government should encourage a variety of social collective funding and non-governmental bodies to run schools in various ways. He emphasised that the Government should change the situation in which the state ran the whole educational system. In his Governmental Report to the Eighth NPC in March 1993, Li Peng, the Prime Minister, stated that the system whereby the state ran all educational undertakings should be changed: whilst the Government would be responsible for the main part of education, various *social forces* which ran schools would *join* with the Government to run schools. From then on schools run by social forces were no longer 'a *complement*' but 'an important *component part* of education cause'. We could see that the Government had a new recognition of schools run by social forces.

Furthermore, to meet the development of the socialist economic system and needs of social progress in all aspects, the Government encourages various social forces to become *reliable forces* to run schools in the field of the education and training of adults. In February 1992, the SC issued the *Development Outline of Chinese Education Reform*, an important guiding outline document for the development and reforms of Chinese education at the turn of the century. It stated:

The system of providing education should be reformed. The situation whereby the Government used to run the whole education system should change. We should establish a system, in which, with the Government as the main body to provide education, various social groups are encouraged to run schools jointly. At present, in terms of general education, local government is the main body providing education. In terms of higher education, with both the Central Government and local government as main bodies to run schools, various social groups run schools together. In terms of vocational education and *adult education*, we should *mainly rely* on professional trades, enterprises and undertakings, together with various social groups, to provide education (see SEC 1993, translated and emphasised by the writer).

At the National Conference on Education held by the CCP and the SC in June 1994, Li Peng, the Prime Minister, made his speech to institute the *Development Outline of Chinese Education Reform* issued by the SC. He confirmed that a new system of running schools should be set up step by step: in this system, the Government should be the main body to provide education, whilst various social groups collected funding in various ways

to run schools. He claimed that, under the administration of the Government, schools of vocational education and adult education should mostly rely on and be run by professional trades, enterprises, undertakings and social organisations, or could be run jointly by the various social groups and individual citizens with some support from the government (see *Zhongguo Jiaoyu Bao*, 15 June 1994: 1).

After the Conference, the SC issued *Instituting Opinions on the 'Development Outline of Chinese Education Reform'* on 28 August 1994. The document stated:

With the general administration of the Government, vocational education and adult education should meet social needs and should mainly rely on and be run by professional trades, enterprises and undertakings, social organisations and individual citizens. Various social groups are encouraged to run such schools jointly. The Government should offer the necessary support through either special projects or long-terms loans (SC 1994: 2 translated by the writer).

From the above documents and speeches, we can see that the Chinese Government now urges reform of the system of providing education and the establishment of a new system, in which the education and training of adults would *mainly rely on* and be run by *social forces*, that is, professional trades, enterprises and undertakings, social organisations and individual citizens. We can also foresee that schools run by social forces would become the *mainstream* in the field of the education and training of adults in China in accordance with the development of the socialist market economic system.

### **The Market Oriented Model in the Private Sector**

Chen Jixia suggested that schools run by social forces are classified into four types: first, institutions at higher education level, in which graduates from secondary schools study for an extra two or three years; second, vocational schools that run vocational training courses, such as typing, clothes designing and tailoring; third, basic education courses and courses in arts; fourth, foreign language courses (Interview BAEB1). They have operated on a *market* oriented model. The senior staff member from the SEC made the comment, 'If we talk about "going into the sea" (which means doing business within the market economy), they have *never* "gone ashore": they have *never* tasted what "*shore*" means' (Interview SEC3, translated by the writer). Their management systems, including financing, recruiting, setting courses, students' fees and employment, and personnel management, are *market oriented* (drawn from Interviews SEC3, BAEB1, HCU, USTMC & CSU).

As discussed earlier, schools run by social forces include non-governmental private courses within the public sector and the independent non-governmental private sector. In terms of the private sector, institutions implement a principle of *'self-governance: self-financing, self-responsibility for profits or losses, self-organising, self-managing, self-development, paying one's own fees and hunting for one's own job'* (Interview USTMC, translated by the writer). As *self-financing* schools, most of them have been invested in partially by organisations, partially by enterprises and partially by individuals. Only a few of them have received subsidies from the Government. On the basis of these investments and the *reliance on fees*, they have been 'rolling snow balls' (drawn from Interviews SEC3, BAEB1, CSU, QCCE, USTMC & HCU). As discussed earlier, in Wuhan, for instance, You Qingquan, set up the HCICESTC with 150 yuan of his own money in June 1984. He and his colleagues borrowed a room of twelve square meters with some chairs and tables. They ran agricultural vocational courses that were urgently needed by local peasants. Students paid their own fees. Fees for correspondence courses were twenty-five yuan per year whilst fees for face-to-face courses were forty yuan per month. Over 200 teachers, who were full-time staff in over thirty universities in Wuhan, signed contracts with the Centre: 60% of the fee generated income was used to pay for teachers' salaries whilst 40% became the capital of the Centre (Interview HCU). Such a small room produced a market for education. On the one hand, peasants, who sought knowledge to produce more and to increase their incomes under the new agricultural responsibility system, became *customers (buyers)*: they *needed* knowledge; they could *afford* education; they *wanted to buy* it. On the other hand, teachers, who had the knowledge, became *producers (sellers)*: they had knowledge to *sell*; they *wanted to sell* it to show their own value; and they were *allowed to sell* it under the new policies of reforms. Within six months, the HCICESTC set up eighteen classes on short courses that recruited 7,000 students. As a result, the capital of the HCICESTC increased from the original 150 yuan to more than 150,000 yuan in the first six months. In December 1984, the HCICESTC was developed into the HCU. Over 100 part-time teachers were sent to 72 counties and cities to recruit students. Over 6,000 out of 20,000 applicants were recruited to higher education courses and specialised secondary courses after passing examinations set by the HCU in that year. The recruitment was limited at 3,000 in 1985 and 2,000 in 1986. From then on, the total enrolment remained around 6,000. The capital of the HCU reached 4,000,000 yuan in 1987. In 1993, its capital increased to 50,000,000 yuan, including its own buildings of 20,000 square metres. Seventy per cent of its capital came from fees, 20% from businesses and scientific and technological services and 10% from endowments (Interview HCU).

Thus, in less than ten years, a small 'snow ball' with 150 yuan as its original investment and a room of twelve square meters as its original base, was successfully rolled into a big 'snow ball' with a total capital of 50,000,000 yuan and buildings of 20,000 square metres.

Independent private schools *set standard fees* according to the *average costs*, including costs for teacher salaries, classrooms and administration. Fees were increased according to inflation. The standard fees in the HCU, for example, as Professor You confirmed, were more than 200 yuan per year in 1984. They increased to over 300 yuan in 1987, over 400 yuan in 1990 and over 500 yuan in 1992 (Interview HCU). The *income* from fees is normally a *little higher* than the *expenditure* (drawn from Interviews CSU, QCCE, USTMC and HCU). For example, as Lu Jialing confirmed, between 1982 and 1994, the income from fees of the CSU was about 11,000,000 yuan, whilst its total expenditure reached 9,510,000 yuan (Interview CSU).

Since independent private schools have *self-responsibility* for their own *profits or losses*, they have to *seek* their own *markets* and to run the courses according to the needs of the *market* (Interview SEC3). As Mr. Cao Huiyi, the assistant to the Principal of the Qianjin College of Continuing Education (QCCE) in Shanghai, explained, on the one hand, the bigger the *market* is, the more '*products*' the College will *produce*: the more students they will recruit; on the other hand, the smaller the market is, the fewer products they will produce: the fewer students it will recruit (Interview QCCE). For instance, due to the reform and open policy, foreign language studies have been *popular* in China since the 1980s. Because of the huge market for teaching foreign languages, a lot of private schools run courses in foreign languages. In Shanghai, for example, the QCCE is one of the most popular private schools offering courses in foreign languages. The College was set up by Cai Guangtian, a retired mathematics teacher from the Shanghai No. 51 Middle School, in 1983. He established his school with his own savings of 100 yuan. He rented a small room in the school as his office and borrowed some classrooms from the school at night for his 300 students. At that time, there were only two teachers, including Cai himself. The College, however, was developed according to the increasing need of the market. In 1985 and 1986, when 'going abroad' was getting *popular* in China, more and more people, including students, teachers, doctors and staff from enterprises and government departments, wanted to improve their foreign languages, especially English. From then on, the average enrolment of the College reached around 20,000 each term. The highest enrolment reached more than 26,000 each term. Most of them were studying for the TOEFL (Test of English as a Foreign Language) and GRE (Graduate Record

Examinations). The College adjusted its courses according to changes in the market. It planned and advertised its courses based on the courses of the previous term. If the number of students did not reach the minimum number of students for one class, they either suspended the courses or transferred the students to other courses (classes). They *foresaw* the *market* and took chances in developing new courses. By the end of the 1980s, following market trends, they set up new courses in computers, acupuncture and Chinese cuisine, whilst 95% of their courses were still in foreign languages. In the early 1990s, when stock markets appeared in China, they set up courses jointly with stock market agencies in Shanghai. The fee for a course of five days was 100 yuan, which was much higher than ordinary fees. However, there were more than 400 students who attended such courses in 1993 (details based on Interview QCCE). Apart from foreign languages, in accordance with the open door policy and the development of international business, courses related to international business, such as international finance, international trade and accounting, have become more and more *popular* since the 1980s. Most private colleges have run such courses. In Wuhan, for instance, the HCU established a School of Foreign Trade to recruit students across the country in the early 1990s (drawn from Interviews CSU, HCU & USTMC).

As *self-organising* and *self-managing* institutions, schools run by social forces have introduced the *responsibility system* and the *competitive system*, which were first introduced in rural areas and then spread into *enterprises* in urban areas in accordance with economic reform. They appoint full-time staff and part-time teachers according to the needs of teaching and the business development of schools. In the early 1980s, most staff, including teachers, of private institutions were *retired* government employees. In the 1990s, however, institutions tended to hire full-time staff from universities as their *part-time* teachers, whilst most of their full-time administrative staff were *retired* people (drawn from Interviews BAEB1 & CSU). They tried their best to select and to *attract excellent teachers* to raise their *teaching standards* to *win* increasingly *competitive* markets. Professors and teachers of a high standard were attracted by the higher salaries paid by such private schools. In QCCE, for instance, the average salary paid by the College was normally 30 or 40% higher than that paid by universities in Shanghai. Staff get 'red packs', sealed packs with different payment according to their contributions, responsibilities and quality of work. Teachers' salaries, which were decided by the president of the College, were based on the results of three main areas of assessment: first, appraisal by students ('satisfied', 'OK', or 'unsatisfied'); second, statistics of the participation rate of students; third, appraisal of teaching practice by senior staff. Since students had become *customers*,

their *benefit* became a *priority* of the College and their *appraisal* of teaching results became the *most important factor for assessment*. On the one hand, if they were not *satisfied* with the teaching of a teacher, the teacher might be fired. On the other hand, if the teaching result of a teacher was excellent, for instance, his (her) students got high scores in the TOEFL marks, he (or she) might receive an extra 'red pack' as a bonus, which sometimes could be as much as ten times the normal salary. At the same time, outstanding students could also win scholarships from the College. In addition, anyone whose TOEFL mark reached a score above 500 marks could win a scholarship from the College. The higher the mark, the more money would be awarded. A student whose TOEFL mark reached 670, won 2,000 yuan as an award from the College in 1988. In October 1988, the total given to students as scholarships reached 50,000 yuan. In this case, teachers tried their best to raise their teaching standards whilst students studied hard to achieve high scores. As a result, teaching quality was raised. Between 1986 and 1991, in the College, there were 1,826 students whose TOEFL marks reached over 600. Among them, 118 people achieved 650 or above. Between 1988 and 1991, 315 out of 1,220 students in the College got 2,000 scores or above for GRE. Among them 116 people achieved 2,100 or above. By 1990, 5,000 students from the College had gone to study in America with the recommendation of the QCCE. Due to the high teaching standards, the College is trusted by its customers. Students from the College are welcomed by their 'end-users' and are employed in different enterprises, schools and government offices all over Shanghai. As a result, it has won its own market. People from as far away as Guangdong, Fujian and Beijing, as well as people from Hong Kong and Macao come to study in the College. It has become one of the largest colleges in China: by 1993, there were twenty-three branches that ran more than one hundred courses in different corners of Shanghai, with over 16,000 students and more than forty full-time staff, together with more than 400 part-time teachers (details based on Interview QCCE and relevant internal documents).

To fulfil the principle of self-development, most private institutions run their own businesses to support education. In Shanghai, for instance, the QCCE ran the Qianjin Enterprise Group that comprised 12 enterprises and companies by the end of 1993. With special permission from the Government of Shanghai, the Shanghai Ruijin City Credit, a small bank, was set up by the College in 1992. The Credit had a profit of over 2,000,000 yuan in its first year. As a result, the total capital of the College had increased from the original 100 yuan at the starting point to over 40,000,000 yuan by the end of 1993 (Interview QCCE).



From the above analyses, we can see that the *independent non-governmental private sector* is operated on a *market oriented* model, following the concept that 'I would teach what you paid for'. On the one hand, students, who have become *customers*, need knowledge and would like to *buy* it; they can *afford* it and they *pay* for their studies. On the other hand, schools with teachers, as producers and sellers, would *like* to *sell* courses; they are *allowed* to *sell* courses and they have to produce courses according to the *needs* of the *market*. As self-managing and self-financing providers, schools are responsible for their own profits and losses. They therefore have to *rely on markets* and *search for new markets*. As a senior staff member of the SEC pointed out, 'if there is not a *market*, they cannot exist' (Interview SEC3). To develop their markets they have to ensure their quality control, which is judged according to not only their academic achievement but also the tastes of customers. As *self-organising and self-managing* institutions, they introduce the *responsibility system* and the *competitive system* into their personnel management system. Staff receive payments according to their various *contributions, responsibilities* and *quality* of outcomes. On the one hand, the better the service that teachers provide for customers, the higher the payment they may receive. On the other hand, the higher the scores that students obtain, the lower the fees they should pay. In this way both teachers and students are motivated to ensure quality control. Furthermore, to fulfil self-development, most institutions have been run as enterprises: teaching has become one of their *main businesses*, whilst institutions run various kinds of *enterprises and businesses*.

### **The Market Orientation of the Public Sector**

The market mechanism was initially introduced into the public sector in the mid-1980s, when the *commodity* economy was introduced in China (drawn from Interviews XUP & XUW). Following the example of the private sector, various short courses were set up by public institutions to increase their incomes. Since 1992, when Deng Xiaoping made a speech on speeding up economic reforms, the enthusiasm for '*going into the sea*' has spread over the whole of China. More and more public enterprises and undertakings, including companies, research institutions, state schools, people's organisations and government authorities, have been involved in the development of private courses that are open to the public. Some government authorities have established *non-governmental private* adult education (training) centres to deal with both information and training (drawn from Interviews SEC3, SEC3B & SEC2 & FAES). Some public enterprises and undertakings have developed training companies to *sell* their training, whilst some enterprises have set up united colleges of continuing education to provide training for not

only member enterprises but also local communities (drawn from Interviews SPCWC & SEC3B). Some institutions which used to be run by public enterprises and undertakings have been transformed into independent institutions, while some universities have developed their adult education sections into relatively independent colleges (schools) of adult (continuing) education (drawn from Interviews SEC3B, BAEB1, XUP & XUW). As in the private sector, such non-governmental private courses within the public sector are also operated in a market oriented model.

### ***Case Study: a Training Company***

The head of the Shanghai Post Communications Worker College (SPCWC), Fang Linian, explained how the College set up the Shanghai Adult Communications Training Company (SACTC) in 1992. This marked the beginning of *training markets* in China. The College was an adult higher education institution with the financial support and administrative planning of the Shanghai Post Communications Bureau (SPCB). Their aim used to be to provide courses of higher education for member enterprises of the SPCB. The management model used to be *planning* oriented. They had to run courses, which might not meet the needs of employers, according to the curriculum approved by the State. In 1989, they started their educational reforms and transformed the courses of general higher education into courses in *vocational higher education*, according to the *needs* of *employers*. In 1992, after Deng Xiaoping's speeches about speeding up reforms during his visits to the southern part of China, Fang Linian realised, 'If there is no training open to the public and abroad leading to *markets*, there will be no healthy *market economy*'. He also realised that it was a good opportunity for the College to achieve *self-development* under the *market economic system*. With the approval of the SPCB, the College set up the SACTC at the beginning of 1993. Fang believed that customers who imported modern communications equipment were their main *customers*. After the international loans and projects were arranged, the SACTC became contractors and signed contracts with their customers. They set up short courses lasting for one to three months and ensured *quality control* according to *contracts*. After finishing training, trainees would receive their international certificates signed by the director of the SACTC and an international professional institution. Fang believed that whoever realised that training was 'direct *productivity*' could become their *customers*. In 1994, the SACTC sent out six teams to do marketing and set up branches in the Northeast, the Southwest, and the South of China. They also searched for international markets. In that year they had trained trainees from 13 countries. In 1993, they had profits margin of \$20,000,000. The College also introduced the *contract system* into their internal management. For example, their catering and hotel

department had been contracted out by 1993. Furthermore, starting from June 1993, the contract system was introduced by their personnel department. Anyone had an equal right to *compete* for a suitable position in the College. The Labour Judgement Committee (LJC) and the Assessment Group (AG) were set up. The representatives of workers and Party members were invited to assess candidates. They also set up a scale of salaries for various positions. After being assessed by the LJC and the AG, some members of staff could take the positions that they had applied for. A former cleaner, for example, who had obtained a qualification from an accounting course at a worker specialised secondary school, applied to be an accountant. Judged by the LJC and the AG, her scores were higher than those of two former accountants. Eventually, she obtained the position, whilst the two former accountants had to be transferred to other enterprises. The principle of 'distribution to each according to work' was instituted in the College. From 1993 on, salaries and bonuses of staff were paid according to quality and quantity of their work. Apart from basic salaries, staff could get extra *payments* according to their *contributions*. They could also receive productivity bonuses, project bonuses and 'flexible bonuses', the bonuses that were usually delivered to working groups. Members got 'red packs', which were kept secret from each other, from the head of their group or directly from the principal. One teacher who took a job at a suburban branch where other colleagues did not want to go won double bonuses. Teachers might not be able to get bonuses without fulfilling minimum teaching tasks. Staff in the 'English Zone' of the SACTC dealing with international *business*, who usually worked longer hours, could get more than double payment (details based from Interviews SPCWC & SPCWC2).

#### *Case Study: an Adult Education Centre*

Some local government authorities, such as labour bureaux, personnel bureaux, finance bureaux and adult education sections, have also *'gone into the sea'* to set up independent adult education (training) centres to run some courses for the public (drawn from Interviews SEC3B & FAES). In early 1994, for instance, the Adult Education Section, Fujian Education Commission (AESFEC), set up an independent Fujian Adult Education Centre (FAEC), located in a *shopping area* near the Fujian People's Government in Fuzhou, with Tong Daoquan, the then head of the Section, as the director. In the first year, the FAEC received a subsidy of 100,000 yuan from the Fujian Government, whilst 90% of the total investment came from private sources. To keep the FAEC as an *independent private agency*, they *refused* to accept the government's offer of certain numbers of staff whose salaries could be paid by the government. Instead, some employees, such as accountants and managers, were selected and employed through the

local *manpower market*. Employees could *bargain* for their salaries when being interviewed. However, they should *sign contracts* with the FAEC when being employed. The FAEC set up boards with its investors as members. Anyone who would like to contribute to the Centre could become a consultant, who would get a certain amount of *commission* according to the *outcomes* of his (her) *contribution* to the relevant project. One of the tasks of the FAEC was to provide some *vocational courses*, such as foreign languages and computer training, according to the *needs of the market*. In co-operation with some other adult and higher education institutions, the FAEC was responsible for the *advertising* and recruitment of courses, whilst the other institutions were responsible for teaching facilities. They established an information network with local institutions in various cities and counties across Fujian province to provide them with information, on such areas as policies, projects and demand. As a *private* centre, they *charged* for their service. They also ran a *shop* where advertisements and the newsletter of the FAEC were exhibited. Whilst *visible goods*, such as tapes, greeting cards and books were sold at the shop, which was located on the ground floor of the Centre, the *invisible commodities*, such as courses and information, were negotiated for sale in the meeting room of the Centre upstairs. Their targets were: first, based on the principle of developing *business* to support education, the FAEC would set up companies to provide consultancy services in personnel and technological development; second, based on Fujian province, they would develop co-operation with other provinces and cities, such as Shanghai, where an International Continuing Education Centre was going to be set up in the PNZ; third, co-operating with foreign institutions, they would develop courses in international business to issue international qualifications (Interview FAEC). In June 1994, Tong Daoquan, who had worked as a government official in charge of adult education in Fujian province for more than eight years, retired from the AESFEC and became a full-time director of the FAEC. From a public policy maker and planner to a *private manager* and *market seeker*, his role changed: he jumped into the '*sea*' to pull the management system of the education and training of adults toward the *market* orientation in accordance with the development of the market economic system.

### *The Adult Education Sector in Universities*

As discussed in Chapter 4, by 1992, qualification programmes in adult higher education were strictly controlled by the SEC and the ECs at provincial level, with command planning from the top to the bottom. Since 1992, however, the qualification programmes in adult higher education have been controlled by the SEC and the ECs with decentralised planning from the bottom to the top. These preliminary plans are done by the ECs at provincial level according to the condition of each institution and then approved by the SEC. According to the *Opinion on Further Reforming and Developing Adult Higher Education* issued by the SEC (1992), the administrative system of adult higher education should be reformed:

The SEC should enhance legislation and regulations, general planning, and macro-guidance, co-ordination, inspection and supervision, focusing on the control of the standard and quality of qualifications. The administrative powers of provinces, autonomous regions and cities and departments under the SC should be extended. They should be gradually empowered and have responsibility for adjusting the location of institutions, setting up training planning and programmes, deciding forms of courses, enrolment planning, recruitment objectives and the administration of non-qualification programmes. Institutions should have guaranteed management powers in providing education.

... The SEC is responsible for the approval and registration of new adult higher education institutions and setting new adult higher education programmes in general higher education institutions. The SEC is responsible for setting and editing guidelines for teaching planning and curricula and teaching materials (SEC 1992: 42-3, translated by the writer).

In accordance with the decentralisation of adult higher education, institutions have had relatively more management powers than before. In terms of recruitment, as enrolment planning is now set up according to the abilities and conditions of institutions from the bottom to the top, institutions, in particular AHESUs, which have better facilities and adequately qualified teaching staff, can now propose quite reasonable plans according to the needs of the market and their own abilities. On the basis of institutional proposals, ECs at provincial level will set their proposal plans, which will then be approved by the SEC.

Universities have now become quite active in the *market* of adult higher education, although they are still controlled by the education authorities at both central and provincial levels. As Professor Zheng pointed out, they have noticed that the focus of the market has changed from the middle-aged people, who graduated from secondary schools in the

1960s and 1970s, to the young school leavers of the 1980s and the early 1990s (Interview XMZ). The demands of these two groups are different. As far as forms of studies are concerned, the middle-aged group, who normally have burdens of jobs and families, tend to take *part-time* or *distance learning* courses without leaving their jobs and families; on the other hand, alongside the implementing of the one-child policy, the younger group, with great hopes from parents for the only child in the family, prefer to complete adult higher education before taking jobs and tend to take *full-time face-to-face* teaching courses with residential facilities. As far as courses are concerned, the middle-aged group tend to take courses related to their own jobs, such as engineering, or to take courses in humanity studies, such as philosophy and literature, which are helpful to *self-development*; on the other hand, the younger group tend to take *popular* vocational courses, such as law, accounting, international trade and other business courses, to get qualifications which now become *passports* to get better jobs in the newly established *labour market*. This means that the nature of adult higher education as a whole has now changed from mainly providing opportunities for higher education for employees with working experience to mainly providing a second chance to get into universities for fresh school leavers. To respond to such changes, universities try to improve their facilities and provisions. Xiamen University, for instance, developed its Adult Education Section into the College of Adult Higher Education in 1993. The enrolment in long-term programmes of adult higher education, which was ten times that of the earlier 1980s, increased to 3,000 in 1995, including 1,600 students registered on diploma and over 1,000 students registered on tutorial courses in the SSEHE programme. In addition, there were thousands of students registered on other short-term non-qualification courses.

In terms of the forms of study, universities have to provide facilities according to the requirements of the market rather than the planning of education authorities. Professor Zheng explained that, according to the plan approved by the SEC, in 1995, 1,200 out of 1,600 students should be registered on correspondence programmes. Most students, have however, preferred to take full-time face-to-face residential courses. As a result, the University has built up four residential halls to meet their demands. Professor Zheng argued that, 'the form of studies cannot depend on the planning of the Government but the needs of the market'. However, on the other hand, he disagreed that there was such a thing as the market in education. He argued, 'education is education which is nothing to do with the market' (Interview XMZ).

In general higher education, as a result of the reform of the higher education system, instead of offering free higher education, universities started to charge fees from the early 1990s. Following the example of general higher education institutions, AHESUs also set fees for courses, which are much higher than those of the 1980s, according to the average fees charged in general higher education programmes. In Xiamen University, for instance, the adult higher education sector used to receive very modest annual grants from the Government in the 1980s according to the number of students: only 100 to 200 yuan per student, whilst students or employers paid similar modest fees. Nowadays, however, the College of Adult Higher Education does not receive a grant from the Government any more, whilst the University puts some 20,000 yuan into the College. In this case, the annual fee for qualification programmes of adult higher education is as high as 1,700 yuan, whilst in general higher education, the average fee for undergraduate courses is 1,900 in science, and 1,500 yuan in arts (drawn from Interviews XMZ & XMW).

Adult higher education has mainly to cover direct costs, which are much cheaper than those of the internal programmes of universities which have to cover the full-costs. In terms of accommodation, for instance, classrooms, the costs of which have been covered by grants and fees of general higher education programmes, are used by AHESUs without charge. In terms of teachers' salaries, most teaching staff, who are full-time staff members from internal departments, work as part-time members for AHESUs and receive extra payment according to teaching hours. As wages for part-time teachers do not have to cover welfare payments, such as medicine assurance and pensions as those of full-time staff do, they are much cheaper than full-time staff. As a result, AHESUs have now become the main channels for income generation of universities. In 1994, Xiamen University, for instance, received over 1,000,000 yuan from the College of Adult Higher Education, which could be seen as a return to its modest support and indirect investment, covering over 20% of the total fee income of the College, whilst the College kept the remaining 80% to cover its modest direct costs, and as its capital for further development (drawn from interviews XMZ, XMP & XMW). Professor Zheng believed that such a College has actually become a private one. In accordance with the development of a market orientation, AHESUs have expanded rapidly. The total enrolment doubled between 1992 and 1995, increasing from 660,000 to 1,339,000.

## Conclusions

In accordance with the development of the market economy, the private sector system for the education and training of adults in China, represented by schools run by social forces, has emerged and been developed since the early 1980s. With different economic policies and climates in different periods, the Government has had different policies on developing the private sector. In the early 1980s, alongside the recognition of private business as a component part of the economy, the private sector of education and training of adults emerged to meet the great demand for 'double complementary courses' in both basic education and technical training. In the mid-1980s, in accordance with the development of the combination of the planning economy and the market economy, and the policy of 'allowing some people to become rich first', the private sector of education and training continued to develop to meet the demand from people who could afford and preferred to buy knowledge and skills for their business and for self-development. During this period, private institutions at higher education level started to develop to meet the great demand for adult higher education from the people who lost their chance to receive higher education during the decade of the Cultural Revolution. In the late 1980s and the earlier 1990s, in accordance with the '*readjustment*' policy of CCCCPC, the private sector of the education and training of adults became the main target to be readjusted. As a result, government policy on the private sector of education and training of adults tended to be *negative*: governmental policy on schools run by social forces tended to be *strict* rather than relaxed, *controlling* rather than encouraging. Since 1992, however, in accordance with the government policy on developing the socialist market economy system, the general policy of the Chinese Government has changed from 'readjustment' towards '*speeding up* reforms'. As a result, reforms in the field of adult education have also been *speeded up*. The attitudes toward the private sector have become more *positive*. The role of schools run by social forces has changed from a small side complement to the public schools run by government into an important part of the education cause in China, in particular in the field of adult education and vocational education. During this period, the private sector of the education and training of adults has been rapidly developed. The number of schools run by social forces doubled in one year between 1991 and 1992.

In terms of the management model of the private sector, we now see institutions which implement a principle of 'self-governance: self-financing, self-organising, self-managing, self-development, self-responsibility for profits or losses, paying for one's own fees and hunting for one's own job'. They are operated on the market oriented model. On the one hand, students, who want knowledge, can afford and prefer to pay their own fees; they



have now become customers and buyers. On the other hand, institutions with teachers who want and are allowed to sell their knowledge become providers and sellers. Under the market oriented model, the survival of institutions depends on the market, if there is no market, they cannot exist. In this case, institutions have to seek their own markets and to run courses according to the needs of the market. To develop their markets, institutions have to provide courses according to student demand and requirements and have to ensure quality control, which is judged according to not only their academic achievement but also the tastes of customers. Furthermore, as self-organising and self-managing institutions, schools run by social forces have now introduced the responsibility system and the competitive system. Most institutions have been run as enterprises: whilst teaching has become one of their main businesses, institutions run various kinds of enterprises and businesses.

The non-governmental private courses run by the public sector are also operated on a market oriented model: 'I teach (train) what you pay for'. Courses are now set up according to the needs of the market. Although they have some public funding in one way or another, they also seek for markets to realise self-development. With the waves of 'going into the sea', they now provide training and education as a business: courses and service have been sold as commodities through contracts. The contractual and competitive mechanism has been introduced into management systems. The principle of 'distributing to each according to work' has been instituted. Staff have to sign contracts with the institutions and they are paid according to their contributions. With strong competition, jobs will no longer become permanent 'iron bowl', that is permanent jobs, as they used to be. In this case, some public property has been actually contracted out and has been privatised (Interview SPCWC). In the case of AHESUs, they have now become the main channel of income generation of universities, and have also become the private sector within the public sector. Instead of receiving modest public funding with lower fees, they now charge higher fees without Government subsidy. Thus, they are also put into the market, although they have to recruit students according to plans approved by the Government. In order to develop their market, they have to improve teaching facilities and set up more full-time, face-to-face, long term residential courses according to the new demands of their customers. As a result, the management model of adult higher education, which used to be highly centralised and planned by the Government is now on the way to moving towards the market orientation. Thus, alongside the reform of the economic system, moving from the planning orientation towards the market orientation, the

education and training of adults in China as a whole is also 'going into the sea', moving towards the market orientation.

## **CHAPTER SIX**

### **'FREE ECONOMY AND STRONG STATE'**

## CHAPTER 6

### 'FREE ECONOMY AND STRONG STATE'

In the previous Chapters, issues of the education and training of adults in China have been discussed. Starting from this Chapter, the British aspects will be discussed in detail, involving four Chapters. The focus of this Chapter will be socio-economic development and changes which have had an impact on the development and changes of education and training of adults in the UK since the late 1970s. The theme of Chapter 7 will be the development of education and training of adults in Britain during this period. In Chapter 8 and Chapter 9, the changes in Governmental and institutional policies on the education and training of adults in the UK during this period will be further explored.

Located in Western Europe, the UK has a total land area of 240,883 square kilometres (*Whitaker's Almanack: 1995 1994: 118*) with a population of 58,088,000 in 1994 (The World Bank 1996: 9). As an industrialised country, its GNP reached US\$1,069,457 million in 1994 (The World Bank 1996: 19). In 1979, the Conservative Party won the general election and Mrs. Margaret Thatcher became the Prime Minister of the Conservative Government in the UK. Since then there have been great changes in Britain. The dominance of the 'New Right' has led to the policy of a 'free economy / strong state' (see Gamble 1988: 28). Politically, the Government, mainly through legislation, has given itself more powers to make the state stronger, whilst it has fought to weaken its opposition, in particular the Labour Party, trade unions, which are the representatives of collectivism, and local government, which is now (1996) dominated by the opposition parties. Economically, the Government has made great efforts, through denationalisation, contracting-out and deregulation, to promote privatisation and free markets, and to make the economy freer of Government control. In addition, in order to promote the free market economy, the Government has tried to create an enterprise culture that has been used to combat traditional institutions, such as universities, the civil service, schools, and the media, which were seen as fostering an anti-enterprise culture (Interview UKSUAG). During this period, the Government has tried to reduce public expenditure and taxation and has tended to promote a movement towards a market tested provision of public services. As a result, the welfare state, which was built up after the Second World War, has been severely reassessed. The whole society has been driven towards the market orientation, while people's behaviour and values have changed towards a much more

individualistic, pro-market and pro-competitive ethos. During this period, international competition has been increased in the world economic market, and this has been affected by the tremendous changes in technology. Meanwhile, due to the recession and restructuring of the economy, and the changes in government economic policy, there has been increasing unemployment. To respond to these situations, the British Government has put a lot of resources into youth training and employment training to improve people's employment capabilities in the labour market and to meet the economic needs of the country. At the same time, as living standards have been raised, people's demands for education, particularly for higher education, have increased. Higher education, which is no longer seen as a privilege of elite people but the right of all citizens, has been expanded enormously. Universities are now seen not only as a paradise for young school leavers who come to enjoy themselves and seek degrees for their future ambitions but also as the platform for adults who seek qualifications as safety nets and to further their careers. All these changes form the background of the development and changes in education and training of adults in the UK during this period.

### **Dilemma of Consensus Politics after 1945**

As Professor William Hampton pointed out, the Second World War brought British people unity (Interview UKSUWH). Abercrombie and Warde suggest:

The 30 years following the end of the Second World War witnessed a period usually described as *consensus politics*: the two major parties, which attracted almost everybody's vote, pursued similar objectives and policies (1994: 552).

During this period, one of the notable economic policies that contributed to consensus politics was nationalisation, which was first introduced by the Labour Government between 1945 and 1951, covering industries such as coal-mining, railways, part of road haulage, gas, electricity and the Bank of England. It was then largely retained by the Conservative Governments between 1951 and 1964. In the 1960s and the 1970s, nationalisation was carried out in industries suffering some long-term decline, such as steel, shipbuilding and aerospace, whilst some individual firms, such as British Leyland and part of Rolls-Royce came into public ownership as a response by the Government to the threat of the extinction through bankruptcy of those firms (drawn from Morgan 1992 & Artis 1992). Artis (1992) argued that there had been a variety of attempts during the sixties and seventies to have government involvement in the co-ordination of economic activity, such as the establishment of a tripartite body, National Economic Development

Council (NEDC) in 1962; and the establishment of the Industry Act 1972, which provided powers for government to provide selective financial assistance to industry; and industrial strategy in the 1970s. Abercrombie and Warde also suggested that during this period the principle of direct state intervention and planning was instituted:

The pursuit of economic growth entailed considerable direct state intervention and planning. The state tried to regulate the behaviour of the multitude of economic agents - firms, unions, individuals - by setting policies for prices and incomes, providing selective incentives to firms, changing the value of the currency, imposing foreign exchange controls, establishing training schemes for workers, and developing long-term strategic economic plans. The state also exercised control through the nationalized industries (coal, electricity, rail, telecommunications, etc.), to which direct instructions could be given. In addition the state had control over enormous spending power and, in allocating public expenditure, it could also influence the general economic climate and levels of consumer demand (1994: 552).

During this period, building up a welfare state also contributed to the consensus politics. Professor Hampton suggested:

After the Second World War, the Labour Government was elected and introduced considerable measures of state provision, nationalised certain major industries, provided a welfare state with health, welfare and education provision for everybody without payment. In a number of other ways, they began to introduce a social system that was more equal in intention, though it was not the cheapest. When the Conservatives came into the Government in the 1950s, it was still linked to this national unity and supported this welfare state approach (Interview UKSUWH).

As Abercrombie and Warde summarised, the bases of consensus politics were:

economic growth; the coexistence of capitalist and state economic enterprises in a mixed economy; economic planning; institutionalized conflict between employers and workers; and expanded welfare services that sought to promote both material security and greater equality of treatment and opportunity to all citizens. In many respects, the consensus represented a political compromise between two parties acting as representatives of the interests of social classes (1994: 553).

Such political compromise, however, collapsed in the mid-1970s, for both economic and political reasons. Economically, the 'Oil Price Explosion' brought a heavy shock to the British economy when the world-wide economic recession occurred. Consequently, the rate of economic growth became insufficient to subsidise both industrial recovery and the

provision of expanding welfare services. Politically, Thatcher, the representative of the 'New Right', became the leader of Conservative Party in 1975. As Thatcher stated, in the 1979 election, she 'was again asking the Conservative Party to put its faith in freedom and free markets, limited government and a strong national defence' (1993: 15). In May 1979, Thatcher won the election and became the Prime Minister of the Conservatives Government and succeeded again in the 1983 and 1987 elections. She resigned in November 1990, and Mr. John Major became her successor. Leading the UK for the whole decade, Thatcher's challenge changed the whole basis of British society since 1945. She broke the post Second World War consensus politics and shifted the UK away from a welfare state. She launched the far-reaching 'Thatcherite programme' 'of ambitious social reform', 'to reform education, housing, local government finance, trade unions and for more privatisation and lower taxes' (Thatcher 1993: 572). In her book, *The Downing Street Years*, she gave her policies and philosophy the name of 'Thatcherism' (see Thatcher 1993: 13, 579, 599, 618, 620 & 623). As Morgan (1992: 437) argued, more than any change of government since 1945, 'Margaret Thatcher's election victory was taken as marking a decisive shift in the national mood, politically, intellectually, and culturally'. As Gamble (1988: 28) summarised, the core of the New Right doctrine that Thatcherism represented was 'free economy and strong state'. He continued:

The idea of a free economy and a strong state involves a paradox. The state is to be simultaneously rolled back and rolled forward. Non-interventionist and decentralised in some areas, the state is to be highly interventionist and centralised in others (Ibid.).

Professor Gamble argued that the policy of Thatcherism was on the one hand centralising in politics, on the other hand, decentralising in economy. He continued, 'the intention was to centralise power in order to decentralise later' (Interview UKSUAG). The free economy and the strong state, therefore, seemed to be contradictory concepts; but were, however, interrelated.

### **Economic Reform: Decentralisation**

The notable difference in the economic policy of the Thatcher Government from previous Governments was the promotion of a *free market economy* by minimising Government direct intervention. Professor Gamble explained that the definition of free market that Thatcherites used is:

a market, which has large number of buyers and sellers, in which there is a rule of law, which is held by the Government. But in other aspects the Government's functions are minimum. There is no direct intervention by the Government in influencing prices or subsidising any economic agents or in attempting to lead the market to a different direction. The market outcomes are results of exchanges between economic agents and markets (Interview UKSUAG).

Thatcher claimed that she adopted a practical economic philosophy from her father, a grocer:

I knew from my father's accounts that the free market was like a vast sensitive nervous system, responding to events and signals all over the world to meet the ever-changing needs of peoples in different countries, from different classes, of different religions, with a kind of benign indifference to their status. Governments acted on a much smaller store of conscious information and, by contrast, were themselves 'blind forces' blundering about in the dark, and obstructing the operations of markets rather than improving them (1993: 11).

She continued, 'The economic history of Britain for the next forty years confirmed and amplified almost every item of my father's practical economics' (Ibid.).

### ***Privatisation***

Where Thatcher put her faith in freedom and free market economy, *privatisation* became the central issue. She claimed:

Just as nationalization was at the heart of the collectivist programme by which Labour Governments sought to remodel British society, so privatization is at the centre of any programme of reclaiming territory for freedom (1993: 676).

She believed, 'Privatisation shifted the balance away from the less efficient state to more efficient private business' (1993: 672). As Professor William Hampton argued, she and the people who supported her, 'believed that in order for Britain to achieve economic growth, the public sector needed to be reduced in order to provide space for the private sector and private investments' (Interview UKSUWH).

In the Reader's Digest Universal Dictionary (1994: 1226), the word 'privatise' ('privatize'), as a verb, is defined as: 'To transfer or sell (public assets, such as national industries) to private ownership'. The term 'privatisation', as the noun, should have the same meaning. As Hastings argued, this 'sounds very much like denationalisation and in fact the two



terms are often used synonymously' (1983: 12). However, he suggested that in practice, privatisation covered:

- a. Selling off nationalised concerns, either to their management and/or workforce (National Freight Company); or to private shareholders (as is proposed for British Airways). A legal reconstruction of the public corporation as a public company is usually required before such a sale can take place.
- b. Public issue of a minority or a majority of shares on the Stock Exchange (e.g. British Aerospace, Cable and Wireless, and as proposed for the British National Oil Corporation). Again the concern must have previously been converted into a public company.
- c. Placement of shares with institutional investors (as with the Government's minority shareholding in the British Sugar Corporation).
- d. Sales of physical assets (such as British Rail's hotels, and New Town industrial and commercial properties).
- e. Joint public/private sector ventures (such as the setting up of Allied Steel and Wire, an independent company in the private sector formed by the British Steel Corporation and GKN; and the merger of British Rail's hovercraft service with Hoverlloyd)
- f. Allowing private competition where a public corporation previously had monopoly rights (as was done under the 1980 Transport Act for express coach routes and under the 1981 British Telecommunications Act for British Telecom).
- g. Making it possible, and encouraging, private contractors to tender to provide services previously provided within the public sector (such as catering and laundry services in the NHS, refuse collections for some local authorities).
- h. Setting up a scheme to introduce private finance into large scale construction projects (as with the proposals for private funding for road building drawn up by the Civil Engineering Economic Development Council - EDC) (1983: 12-3).

Artis (1992: 273) suggested that the term 'privatisation' had been used to cover a number of different policies and that 'It is convenient to distinguish three policies which have sometimes been included under the heading of privatisation': first, the sale of assets which the government had previously owned; second, contracting-out; and the third, deregulation or liberalisation. Dunn also suggested that the broad privatisation policy had involved three main areas:

1. *'de-nationalisation'* [-] - by the sale of publically [sic] owned assets and equity (shares) to the private sector, e.g. British Rail hotels, British Telecom, British Gas.
2. *'contracting-out'* [-] subcontracting the provision of government financed goods and services to private contractors, e.g. refuse collection, hospital cleaning.
3. *'de-regulation'* - removing inhibitions and regulatory restrictions on enterprise and competition, e.g. the opticians' dispensing monopoly, coach transport regulations (1990: 34, emphasised by the writer).

**Legislation and Deregulation** At the very beginning of privatisation, Thatcher realised that 'although government-owned shares in British Petroleum could be sold at once, the sale of state-owned assets on a really large scale would need legislation' (1993: 49-50). Therefore, at the first stage, accompanied by a relatively small scale of denationalisation and contracting-out, the Government concentrated on passing legislation which incorporated enabling provisions allowing privatisation to take place. Some samples of legislation related to privatisation that were passed in the early 1980s are as follows:

- *Industry Act 1980* - altering the status and financing of the National Enterprise Board. It added the content of 'promoting the private ownership of interests in industrial undertakings by the disposal of securities and other property held by the Board or any of their subsidiaries' (IA 1980: S1).
- *Housing Act 1980* - establishing a statutory 'right to buy' for tenants of houses and flats owned by local authorities.
- *Local Government Planning & Land Act 1980* - work on highway and housing maintenance to be offered to competitive tender to the private sector.
- *British Aerospace Act 1980* - Sole purpose of Act to rest all property, rights, etc. of British Aerospace in a company nominated by the Secretary of State.
- *Civil Aviation Act 1980* - reduction of public dividend capital of British Airways Board (BAB); dissolution of BAB and subsequent vesting of property etc. in a public company.
- *Transport Act 1980* - relaxation of traffic licensing on road passenger transport; conversion of National Freight Corporation into a public company.
- *Transport Act* - establishing a holding company to control the reconstituted British Transport Docks Board, to be known as Associated British Ports.

- *British Communications Act 1981* - under which British Telecom (BT) was established as a separate public corporation and allowing BT to operate through subsidiaries or in partnership with private firms. The Act gave the Government power to require BT to transfer activities to wholly-owned subsidiaries and then to dispose of them and allowed the Government to dispose of its shares in *Cable and Wireless*. Under the Act, the Secretary of State for Industry can license companies other than BT to run telecommunications system in competition with BT.
- *Oil and Gas (Enterprise) Act 1982* - under which the oil exploitation and production businesses of British National Oil Corporation (BNOC) were to be converted into a limited liability company, Britoil. The Act provided several methods for privatising parts of British Gas Corporation (BGC). BGC's monopoly position in buying gas, and in supplying it to large industrial and commercial consumers is removed by the Act.

By passing legislation, the Government not only gave itself powers to sell public assets and to contract out public services but also removed some of the restrictions on which firms could provide certain types of goods or services. This allowed the private sector to be eligible to run those goods or services that used to be a public monopoly. Thus powers were relocated: whilst the public sector was cut and had diminishing powers, the private sector was enlarged and empowered to take over the public sector.

Furthermore, through deregulation, the regulatory burdens on business were minimised. Thatcher recalled:

It was a different story with deregulation of business. Year after year - and with a further boost from David Young when he went to the Department of Trade and Industry in June 1987 - unnecessary regulations on business were identified and duly scrapped (1993: 671).

She believed, 'The importance of a continuing drive for *deregulation* is that otherwise reregulation is never far behind'. She argued that 'more regulation means higher *costs*, less *competitiveness*, fewer jobs and thus less wealth to raise the real quality of life in the long run' (1993: 672, emphasised by the writer).

Thatcherite policy has been continued by the Major Government. According to the White Paper *Competitiveness: Helping Business to Win* (1994: 134), in the early 1990s the

Government launched the Deregulation Initiative, pursuing four main programmes to minimise regulatory burdens on business:

- reviewing the existing regulatory system, in close consultation with business;
- bringing the *Deregulation and Contracting Out Bill* before Parliament;
- ensuring that future regulation is kept to the minimum and that all regulation is enforced *cost-effectively*; and
- developing a common approach to regulation with European partners.

According to the White Paper, by 1994 the Government had completed the first stage of a review of the 3,500 regulations affecting business. Over 500 measures had been identified for action. Meanwhile, the Government also reviewed company law to make it easier for companies to run as a group without undermining the legitimate interests of creditors and to simplify law for small, owner-managed companies; and to clarify directors' duties.

Finally, the *Deregulation and Contracting Out Act 1994* was passed 'to amend, and make provision for the amendment of, statutory provisions and rules of law in order to remove or reduce certain burdens affecting persons in the carrying on of trades, businesses or professions or otherwise, and for other deregulatory purposes'. Here, 'burden' includes a restriction, requirement or condition (DCOA 1994: S1). The 1994 Act 'provided a mechanism for removing unnecessary burdens in existing primary legislation. The power is far-reaching' (*Competitiveness: Helping Business to Win* 1994: 135). Thus, the policy of deregulation which had been launched by the Thatcher Government was continued by the Major Government.

**Denationalisation** As we discussed earlier, after the Second World War, with the political consensus, the policy of nationalisation was undertaken by the Labour Governments with consensus of the Conservative Governments for three decades, and the planning strategy was promoted in that period. After 1979, however, as Artis suggested, 'The present Government has displayed considerable hostility towards any idea of planning and government intervention' (1992: 272). He argued, 'The general trend in the direction of nationalization has been sharply broken over the past decade' (1992:273). The main privatisation sales since 1979 were listed by Dunn (1990: 36) as follows (over page):

Table 6.1 The Main Privatisation Sales Since 1979

<i>Date</i>	<i>Company</i>	<i>Proceeds (£ m)</i>
<b>A Sales by share offer</b>		
1981	Cable and Wireless (49%)	224
1982	Amersham International	71
	Britoil (51%)	549
1983	Associated British Ports (52%)	46
1984	Enterprise Oil	392
	Jaguar	294
	British Telecom (51%)	3,916
1986	British Gas	5,434
1987	British Airways	900
	Rolls Royce	1,363
	British Airports Authority	1,226
1989	British Steel	
	Water Boards (10)	5,240
<b>B Private sales</b>		
1980	Ferranti	54
1982	National Freight Corporation	7
1983	B.R. Hotels	45
1984	Wytch Farm	80
	Sealink	66
	Inmos	95
1985	Yarrow Shipbuilders	34
1986	Vickers Shipbuilding	60
	Royal Ordnance	201
	National Bus Company	250
1987	Unipart	30
1988	Rover Group	150
<b>C Flotations of government holdings</b>		
1979	British Petroleum	290
1981	British Aerospace	50
1983	British Petroleum	15
	British Petroleum	566
	Cable and Wireless	275
1984	Associated British Ports	52
	NEB/BTG	142
1985	British Aerospace	363
	Britoil	449
	Cable and Wireless	602
1987	British Petroleum	5,727

The proceeds from the sale of public assets were indicated by Artis (1992: 274) as follows:

Table 6.2 Proceeds from the Sale of Public Assets (£bn at 1989/90 prices)

1979/80 0.8	1980/91 0.4	1981/82 0.8	1982/83 0.7
1983/84 1.6	1984/85 2.7	1985/86 3.4	1986/87 5.4
1987/88 5.9	1988/89 7.5	1989/90 4.2	1991/92 4.9(est)

Source: Public Expenditure Analyses to 1993/94, Cmnd. 1520 (HMSO) (cited in Artis 1992: 274).

The above figures show that, whilst in the first term the Thatcher Government (1979-83) was concentrating on passing legislation preparing for privatisation, the receipts from privatisation were relatively modest. Starting from the second term (1983-87), the pace and the scale of privatisation sales were increased. They reached the peak points during the third term of the Thatcher Government.

With the continuation of privatisation policy by the Major Government, according to the White Paper, *Competitiveness: Helping Business to Win* (1994), between 1979 and 1994 the ownership of almost fifty major businesses was transferred to the private sector, and almost two-thirds of industries and nearly 1,000,000 public sector jobs were transferred from state control to the private sector.

***Contracting-out: Market Testing Services*** Whilst national industries and other public assets were the targets of denationalisation, some public goods and services of public bodies were also contracted out to the private sector. Contracting-out led to the whole scale movement of *market testing services*: it extended from local government to the health service and Central Government departments; it extended from 'blue collar' to 'white collar' services.

**Local Government** Market testing services were first introduced by the *Local Government, Planning and Land Act 1980*, which introduced competition for building and highways' construction and maintenance. The Act provided that local authorities' own workforces might not enter into a contract unless they had won it in fair competition. At that stage, individual local authorities were encouraged seriously to consider contracting out other services, including refuse collection, cleaning and catering, whilst school meals, housing management and even auditing were also put forward (Hastings 1983). In the late 1980s, in accordance with speeding up denationalisation of public sector industries,

competition was extended to most other local authority blue collar services by the provision of the *Local Government Act 1988*. The 1988 Act was 'to secure that local and other public authorities undertake certain activities only if they can do so competitively'. These activities include:

- (a) collection of refuse,
- (b) cleaning of buildings,
- (c) other cleaning,
- (d) catering for purposes of schools and welfare,
- (e) other catering,
- (f) maintenance of ground, and
- (g) repair and maintenance of vehicles (LGA 1988: S 2).

Thus, *compulsory competitive tendering* (CCT), which required all local authorities to *test the market* for certain services, was provided by the Act.

Furthermore, the White Paper, *The Citizen's Charter: Raising the Standard* stated that the Government 'is looking urgently at ways of extending competition further. We are examining how best to extend compulsory competitive tendering to professional local authority employees such as lawyers, accountants, architects and surveyors' (1991: 34). According to the White Paper, *Competing for Quality: Buying Better Public Services*, by 1991 the management of sports and leisure facilities had also become subject to CCT. Meanwhile, the Government was proposing to extend CCT to:

- direct public services, including library support services, management of theatres and arts facilities, and some parking services management;
- construction-related professional services, ie architectural, engineering and property management services;
- Internal services including administrative services, legal, finance, IT and personnel;
- home-to-school transport, and minor highway works (1991: 24).

The Government also considered the extension of CCT to various police support services and to the maintenance of fire service vehicles, and intended to introduce competition into housing management. Finally, the *Local Government Act 1992* made new provision by giving effect to proposals in the White Paper, *The Citizen's Charter* relating to publicity and competition, 'for securing economy, efficiency and effectiveness'. Under the Act, local

authority professionals, including lawyers, accountants, computer and personnel officers have to *bid* in *competition* with the private sector for the work of the council. According to the White Paper, *The Citizen's Charter: First Report: 1992*, local authorities were to be required to seek bids for a proportion of their work in each of the following areas:

- Construction related services  
(architecture, engineering and property management) 90%
  - Corporate and administrative services 15%
  - Legal services 33%
  - Financial [sic] services 25%
  - Personnel 25%
  - Computing 80%
- (1992: 65)

Thus the *market testing services* provided by local government were *widely extended* from 'blue collar' to 'white collar' activities.

National Health Service (NHS) In some areas, some services, such as cleaning and catering, had been contracted out for many years. In the early 1980s, there was deliberate pressuring of health authorities by the Government to contract out as many services as possible (Hastings 1983). Since 1983 the principle of market testing support services has been extended by the management requirement for regular market testing of domestic cleaning, catering and laundry activities. According to the 1991 White Paper, in 1989/90, about 14% of contracts for cleaning, catering and laundry were awarded to private companies, whilst 86% were won by in-house operations in open competition. By 1991, examples of services which had been put out to *tender* by some provider units of the NHS included:

- Building services and maintenance
- Engineering services and maintenance
- Domestic and cleaning services
- Equipment maintenance
- Computer hardware and software maintenance
- Hire of transport
- Catering
- Data processing
- Laundry and linen services
- Transport maintenance
- Grounds, gardening and farming
- Legal services



Car parks  
Audit  
Sterile services  
Waste disposal  
Window cleaning  
Pest control  
Management consultancy services (*Competing for Quality: Buying Better Public Services* 1991: 15)

Central Government Civil service reform was the first target for Thatcher after she became Prime Minister. She declared, 'Whatever the short-term difficulties, I was determined at least to begin work on long-term reforms of government itself' (1993: 45). She soon realised, however, how difficult it was and suggested that 'the idea that the civil service could be insulated from a reforming zeal that would transform Britain's public and private institutions over the next decade was a pipe-dream', but that 'it was only by encouraging or appointing individuals, rather than trying to change attitudes *en bloc*, that progress would be made' (1993: 48 & 49). Finally, in 1988, the Efficiency Unit published a report to the Prime Minister, entitled *Improving Management in Government: The Next Steps* (the Ibbs Report). It concluded that there were three main priorities for change:

- The work of each department must be organised in a way which focuses on the job to be done; the systems and structures must enhance the *effective* delivery of policies and services;
- The management of each department must ensure that their staff have the relevant experience and skills needed to do the tasks that are essential to effective government;
- There must be a real and sustained pressure on and within each department for continuous improvement in the *value for money* obtained in the delivery of policies and services.

The report recommended that agencies should be established to carry out the executive functions of government within a policy and resources framework set by a department. In response to the recommendations of the Ibbs Report, the Next Steps Initiative was launched by The Government in March 1988. Thatcher recalled:

It was only towards the end of my time in government that we embarked upon the radical reforms of the civil service which were contained in the 'Next Steps' programme. Under this programme much of the administrative - as opposed to policy-making - work of government departments is being transferred to agencies,

staffed by civil servants and headed by chief executives appointed by open competition. The agencies operate within frameworks set by the departments, but are free of detailed departmental control (1993: 49).

The Next Steps programme was continued by the Major Government. The Government announced that by the end of 1994 there were 102 agencies being operated, and that 'Sixty-two per cent of the Civil Service now work in agencies and the executive structures of the two Revenue Departments, with another 17 per cent in functions identified as definite or possible agency candidates' (*Next Steps: Agencies in Government: Review 1994* 1994: ii). The Government stated that the main aim of the Next Steps is 'to deliver services more efficiently and effectively, within available resources, for the benefit of taxpayers, customers and staff' (*Progress in the Next Steps Initiative: The Government Reply to the Eighth Report from the Treasury and Civil Service Committee, Session 1989-90, HC481* 1990: 11). The White Paper, *The Civil Service: Continuity and Change* identified the principles of the Next Steps as: 'maximum clarity about objectives and targets, delegation of management responsibility, a clear focus on outputs and outcomes' (1994: 13). The White Paper pointed out, 'A key theme of Next Steps has been the delegation of management responsibility to Agency *Chief Executives*, enabling management to design organisational structures and processes which match the needs of their particular task' (*ibid.*, emphasised by the writer). Under the Next Steps programme, executive functions were transferred to Agencies headed by Chief Executives who were set tough financial and quality targets and given the management and budgetary freedom to help them do their job more effectively. The Government believed that this gave *Chief Executives* a strong incentive to buy all the services they needed from the most advantageous supplier, whether within or outside the public sector, so that they could meet the quality and financial targets that Ministers had set (*Competing for Quality: Buying Better Public Services* 1991: 2). As a result, the Next Steps programme reorganised the business of government by further opening the gate for market testing services. The White Paper *Competing for Quality: Buying Better Public Services* listed the services which were bought in by departments and executive agencies from the private sector as follows:

- The management of the Royal Dockyards and, from October 1992, the Atomic Weapons Establishment.
- The great majority of building construction and refurbishment, worth around £3½ billion a year, is contracted out either by PSA Services, or by departments directly.
- Departments spend around £¾ billion a year on estate management and maintenance services, of which about half is contracted out.

- The bulk of the central government road programme, worth £2 billion in 1990-91 is contracted out.
- All departments are required to market test cleaning, laundry, catering, most security guarding and some forms of maintenance. For the most part, these are now routinely contracted out.
- Departments currently spend around £1.5 billion annually on IT equipment and services provided by the private sector. Over 95 per cent of CCTA's programme expenditure of £25 million is spent on bought in services.
- Major IT applications recently contracted out include the Government Data Network and the Northern Ireland Computer Bureau.
- The delivery of training and enterprise programmes has been transferred to private sector Training and Enterprise Councils (local enterprise companies in Scotland) responsible for contracts with training providers worth £2 billion in 1991-92.
- The Employment Service contracts out 80 per cent of Jobclubs.
- The Central Office of information places around 85 per cent of its £165 million spend with outside suppliers.
- HMSO contracts out three-quarters of its printing, worth £100 million, to private sector printers.
- Three out of four of the Social Security Information Technology Services Agency computer centres are managed by outside contractors (1991: 8).

The White Paper pointed out:

*market testing services* so far has been largely concentrated on traditional support services. The Government wishes to build on this by opening up to competition new areas, closer to the heart of government. Departments, Executive Agencies and non-departmental public bodies need to test the scope for a greater private sector contribution to the delivery of, for example, clerical and executive operations, specialist and professional skills and a wide range of facilities management approaches (1991: 12, emphasised by the writer).

This suggests that, as happened to local government, market testing services in government departments was also to be extended from '*blue collar*' to '*white collar*' activities.

### ***Popular Capitalism***

Privatisation is a far-reaching Thatcherite project, of which the impact goes far beyond the economic aspect. Thatcher declared:

*Privatisation*, no less than the tax structure, was fundamental to improving Britain's economic performance. But for me it was also far more than that: it was

one of the central means of reversing the corrosive and corrupting effects of socialism (1993: 676, emphasised by the writer).

As one of the products of privatisation, particularly the kind of privatisation 'which leads to the widest possible share ownership by members of the public' (Thatcher 1993: 676), popular capitalism was created and developed in British society. Riddell argued, 'Under the slogan of popular capitalism there has been an attempt to increase the number of people with a direct, and lasting stake in the community - a source of not only wealth but also personal independence' (1989: 113). The first notable strategy of the Government was to extend home ownership. Thatcher believed, 'the wider we could extend home ownership in this way the more difficult it would be for Labour to oppose it' (1993: 279). Legislation provided tenants with the 'right to buy' their homes owned previously by local councils at a substantial discount (HA 1980): by 1988 the number of people owning their own homes had risen by nearly 3 million compared with 1979 (Riddell 1989: 115). The second important aspect of popular capitalism is the growth of share ownership. As Riddell pointed out, the sale of public equity, in particular the British Telecom sale, which had tried to attract the public through its underpricing, 'made wider share ownership a central part of the privatisation programme, and made popular capitalism a central theme of Thatcherism' (1989: 117). He also pointed out that other action, such as employee share schemes, employee share ownership plans, Personal Equity Plans and the Business Expansion Scheme, also stimulated share ownership. Consequently, as Riddell pointed out, the number of individual shareholders (excluding unit trusts) rose from 3 million to 9 million between 1979 and the beginning of 1989, and this was equivalent to 20% of the adult population (against 7% in 1979) (1989: 118). Apart from the spread of home and individual share ownership, as Riddell (1989) suggested, popular capitalism also involved the encouragement of personal pensions.

The impact of popular capitalism is profound: it contributes not only to changes in economic infrastructure but also to changes in attitudes and the value system of the people. This will be further analysed in the final chapter.

### ***Tax Cuts and Other Economic Reforms***

Meanwhile, the Government has reformed and reduced taxation. As Professor Hampton pointed out:

They used the money that they got by selling the nationalised industries to private investors to reduce taxation very considerably, particularly direct taxation. Income tax was getting down from thirty-three pence in a pound to twenty-five pence in a pound over a number of years in the beginning of Thatcher's Government (Interview UKSUWH).

According to the White Paper *Competitiveness: Helping Business to Win* (1994: 143), by 1994 the main rate of corporation tax had been reduced since 1979 from 52% to 33%. A special favourable tax regime was offered for small companies: about five out of six companies which paid the corporation tax rate did so at the small companies' rate. This rate had been reduced since 1979 from 42% to 25%. Enterprise Zones, where business could benefit from tax breaks and rate exemption, were also created to attract investment and promote employment (Thatcher 1993: 44).

Moreover, in order to promote the free market economy, the Thatcher Government reduced or removed controls on a number of areas of economic life, where pay, price and dividend controls had gone and exchange controls were removed. Thus markets rather than the Government would determine economic activities. Consequently the economy has become freer

### **Political Reform: Centralisation**

Where the Government decentralised the economy to make it freer, it also centralised in both politics and government by weakening the pluralism of checks and balances represented, for example, by trade unions and local government.

### ***Weakening Local Government***

During the post War period, as Britain committed itself to the idea of the Welfare State, the powers of local government were expanded to develop public services in education, housing, social work, transport and the protective services (drawn from Byrne 1994 & Horton 1990). Byrne pointed out:

Local government is big business, Councils spend nearly £70,000 million a year (over £1,250 per person). This amounts to 25 per cent of all state spending and about one ninth of the National Income (GNP). They manage a total debt of £58,500 million (1994: 296).

He added that local authorities are big employers, big landowners, landlords and shareholders.

Since 1979, however, local government has become one of the main targets attacked by the Thatcherite programme, and powers of local government have been reduced radically for both economic and political reasons. Firstly, as Professor Hampton pointed out, the Government wanted to reduce public expenditure:

Central Government became very much aware that although they wanted to reduce public expenditure and public provision, a large proportion of public services were not under their control but under the control of Local Authorities. The only way the Central Government could pursue that policy was to reduce the powers of local government (Interview UKSUWH).

Secondly, the majority of local authorities were controlled by opposition parties, who were seen by Thatcher as the enemies within. Professor Hampton pointed out:

In the early 1980s, most local authorities were controlled by the Labour Party or the Liberal Democrats, especially the Labour Party. Therefore local authorities or local councils were opposed politically to what the Central Government wanted to do anyway. There were major political conflicts between the Central Government and local authorities (Interview UKSUWH).

The Central Government, mainly through passing legislation, reduced the powers of local government in three aspects: first, reducing powers in providing services; second, controlling finance; and third, restructuring local government.

*Services* During the post War period, as legislation empowered local government to provide various public services, local authorities became the main providers of public services. However, as we discussed earlier, whereas privatisation has become the core strategy of the free market economy since 1979, local government has become a main target under a series of attacks: sales of local authority assets, contracting-out services, compulsory competitive tendering and deregulation. Privatisation has imposed 'the

discipline of the market on local authorities by opening them up to competition' (Horton 1990: 180) and has brought private sector providers into areas of local government's responsibilities. In addition, to promote the private sector, the Government 'has taken action against authorities which act in an anti-competitive manner, or in some other way fail to comply with the statutory framework' (*Competing for Quality: Buying Better Public Services* 1991: 25). Consequently, local authorities have to bid in competition with the private sector for a proportion of their work in both blue collar and white collar activities

Whilst certain functions of local government were taken away by privatisation, the Government took some of its other functions away by allowing a policy of *opting out*. In the field of education, local education authorities (LEAs) had been empowered by the 1944 Education Act to provide compulsory education and further education. The Government tried to break the local authorities' monopoly of maintained schooling by passing the *Education Reform Act 1988*. According to the 1988 Act, eligible schools were given a right to opt out as grant-maintained schools financed directly by the Central Government; LEAs delegated the control of property and staff, etc. to the governing bodies of grant-maintained schools. In addition, the 1988 Act removed polytechnics and some other colleges from LEA control. Finally, the *Further and Higher Education Act 1992* removed further education colleges from LEA control. Professor Hampton pointed out:

Certain functions like the control of polytechnics and further education colleges, they are now no longer local government's functions but independent bodies working towards the FEFC [Further Education Funding Council] or in the case of polytechnics, they were created as universities and go to HEFC [Higher Education Funding Council] run centrally by directly appointed Central Government bodies (Interview UKSUWH; see also, Hampton 1991: 211-5).

By giving schools grant-maintained status and making colleges and polytechnics independent, the Government took away many of the education functions from LEAs and gave the Department of Education and Science (DES), now the Department for Education and Employment (DfEE), enlarged responsibilities. Consequently, through privatisation and opting out, local government's role in providing public services was radically changed. The White Paper *The Citizen's Charter: Raising the Standard* stated:

Local authorities have historically seen the direct *provision* of services to the community as one of their major tasks. However, we believe that now is the time for a new approach. The real task for local authorities lies in setting priorities, determining the standards of service which their citizens should enjoy, and finding the best ways to meet them. By concentrating on these strategic responsibilities they will *enable* their communities to enjoy higher standards, more choice, better value for money and a greater degree of involvement in the decisions which affect them (1991: 34, emphasised by the writer).

Here the Government indicated that the role of local government in providing services should change from *providing* into *enabling*. The White Paper *Competing for Quality: Buying Better Public Services* also emphasised such a change:

So far as the provision of services is concerned, the Government's model for local government in the 1990s and into the 21st century is that of the *enabling* authority. ... This implies a move away from the traditional model of local authorities *providing* virtually all services directly and a greater separation of the functions of service delivery from strategic responsibilities (1994: 22, emphasised by the writer).

From providing to enabling, local government's powers in providing public services have dramatically reduced.

**Finance** Apart from forcing local government to change its role in the provision of services, the Central Government also imposed financial controls on local government by passing legislation. It took several major steps. First, in the early 1980s, the Government introduced the block grant system and 'grant-related expenditure assessments' (GREAs). Thatcher explained:

Central Government grant contributes a large proportion of local authority spending. GREAs were an attempt to allocate grants to authorities on the basis of their 'need to spend', as defined by central government on the basis of dozens of indicators covering everything from an authority's population to the state of its roads. The block grant system altered the distribution of central government grant so that it provided a lower proportion of local authorities' expenditure if they spent significantly more than their GREAs - in other words, the more a council overspent, the higher the proportion of its spending ratepayers would have to meet 'Targets' for individual local authorities (based on past spending) were introduced later in an attempt to secure year-on-year reductions in local authority spending: local authorities exceeding their targets actually lost grant ('holdback') (1993: 643).



Thus, the Government introduced new controls over capital expenditure with cash limited expenditure ceilings and blocked allocations, and local government received grants based upon the Government's own assessments of standard rates of expenditure rather than local authorities' decisions about what to spend (Horton 1990).

Second, the Government 'abolished local government's supplementary rates and supplementary precepts' by passing the *Local Government Finance Act 1982* (LGFA 1982: C. 32). In addition, as Thatcher claimed, 'the Audit Commission was established in 1982 with responsibility for auditing the accounts of local authorities in England and Wales and with powers to undertake or promote work on *value for money* and *efficiency*' (1993: 643, emphasised by the writer; see also, Hampton 1991: 109-111).

Third, as Horton (1990) pointed out, as local government spending still rose faster than government plans, the government transferred its attack to the rates and to the biggest overspenders. In their 1983 manifesto, the Conservatives promised to introduce what came to be known as 'rate-capping' - 'legislation enabling us to curb the extravagance of high-spending councils' (Thatcher 1993: 284). *The Rates Act 1984* gave the Secretary of State for Environment powers to rate-cap local authorities. As Thatcher stated:

In 1984 we took powers to limit directly the rates of selected local authorities with powers in reserve to limit them all. This procedure - known as 'rate-capping' - was one of the most effective weapons at our disposal. Much of the overspending was concentrated in a small number of authorities, so that capping fewer than twenty could make a considerable difference (1993: 644).

Rate-capping was first used in 1985 and involved eighteen authorities (Horton 1990). In 1988-9, seventeen councils (plus nineteen joint authorities) were capped. In 1990, twenty-one were charge-capped (Byrne 1994). As Professor Hampton pointed out, until the mid-1980s, local government owned their own tax space:

They could raise their own taxes locally. A lot of money they had was Central Government grant. If local authorities would like to provide more they could raise local tax from the people. They were able to do that... In order to reduce local government power the Government passed legislation which forbade local government to raise taxation without the Central Government's permission (Interview UKSUWH)

As existing rates were still out of the control of Central Government, the Government finally passed the *Local Government Finance Act 1988* 'to abolish the existing rates, precepts and similar right' (LGFA 1988: C. 41) and radically changed the system of local government finance by creating community charges (poll tax).

Fourth, whilst community charges were later replaced by the council tax after much political opposition, the *Local Government Finance Act 1992* allowed the Minister to make one additional grant calculation or adjustment per annum and to pay an additional grant, and gave the Minister the power to limit any local authority's expenditure budget and thus to cap local tax levels.

Thus, as Professor Hampton pointed out, by the mid-1990s 'local Government does not have an independent directly controlled budget. They can only work within the budget set by the Central Government' (Interview UKSUWH). This means that the finance of local government has been centralised: Central Government has now got control of local government finance.

**Restructuring** The Thatcher Government was not able to re-organise local government until its second term. In their 1983 manifesto, the Conservatives 'promised to abolish the Greater London Council (GLC) and the Metropolitan County Councils' (Thatcher 1993: 284). Based on the 1983 White Paper, *Streamlining the Cities*, the Government passed the *Local Government Act 1985* to abolish the GLC and six metropolitan county councils on 1 April 1986 and to transfer their functions to other local authorities in their areas and, in some cases, to other bodies directly appointed by the Central Government. The objectives in abolishing the GLC and six metropolitan county councils were both economic and political. Economically, by abolishing these large top tier authorities, the Government aimed to reduce public sector spending. Politically, as Byrne (1994: 59) pointed out, 'Others have interpreted the reorganization as pure political opportunism, with a Conservative Government removing seven strongholds of Labour power and opposition'. He suggested:

The Government saw metropolitan counties as secondary and superficial: they had 'too few functions' which resulted in their finding it 'difficult to establish a role for themselves' - indeed they had sought to encroach on that of the district councils, thus producing 'conflict and uncertainty'. Worse had been their inclination to 'promote policies which conflict with national policies which are the responsibility of central government'. Thus the capital offence of the metropolitan counties has

been to 'consistently exceed [the] targets' of expenditure set by the Government. In abolishing these large top tier authorities, the Government also claimed to be bringing local government closer to the people by distributing their functions to smaller, more local authorities, i.e. the borough councils (1994: 57-8).

Horton (1990: 181) argued, 'Clearly the institutions put in the place of the Metropolitan Councils cannot provide a base for coherent opposition, nor are they able to put forward policy alternatives. In addition they have been under central government control since 1986'. Thus by abolishing the GLC and metropolitan councils, government became more centralised.

The two-tier system has been further attacked in the 1990s. In 1991, the Government issued consultative papers on restructuring local government in Scotland, England and Wales. In Wales, the 1991 consultation paper, *The Structure of Local Government in Wales* proposed the creation of a system of unitary authorities. The White Paper, *Local Government in Wales: A Charter for the Future* considered:

The present two-tier (county and district) structure represents a significant advance on the complex set of arrangements which emerged during the previous century... Moreover, a two-tier system of counties and districts contains within it a potential for friction between authorities - and for duplication of administration - which reduces the ability of the system to deliver services economically, efficiently and effectively (1993: 2).

The White Paper stated that the aims of reorganisation were to create good local government 'which is close to the communities it serves'; 'which are clearly accountable to local people; which can, by taking full advantage of the "enabling" role of local government, operate in an efficient and responsive way' (Ibid.). The White paper set out the Government's plans for establishing unitary authorities throughout Wales. The White Paper proposed the replacement of the existing eight county councils and thirty-seven district councils with twenty-one unitary authorities. Finally, established by Schedule 1 of the *Local Government (Wales) Act 1994*, there are now twenty-two new unitary authorities - a reduction from forty-five two-tier authorities under the old system. They came into existence after 1 April 1996 (Interview UKBRUTON). In Scotland, under the *Local Government etc. (Scotland) Act 1994* the nine regional and fifty-three district councils, together with the three Island councils, were replaced by thirty-two new unitary councils. They also came into existence after 1 April 1996. In England, under the *Local Government Act 1992*, the Local Government Commission for England was established to

replace the Local Government Boundary Commission for England to review the structure, boundaries and electoral arrangements of all the main councils (except those in London and the metropolitan areas). In the cases of Wales and Scotland, we can see the radical changes in local government structure: the Government has removed the two-tier system and replaced it with unitary authorities.

### *Weakening Trade Unions*

The trade union movement has been developed as a representative of *collectivism* since the last century. It formed an important force in British consensus politics of 1945-79. Since 1979, however, the situation has changed. As the Government promoted *individualism* instead of collectivism, Government policy weakened trade unions and their role in industrial relations. Farnham argued that:

governmental policy towards the trade unions since 1979 has been to displace the industrial relations consensus of 1945-79 with a new policy. The former consensus was based on supporting collective bargaining and trade union organisation, within a voluntarist framework of trade union law. The new policy stresses individualism, market forces and the legal regulation of trade unions and trade disputes (1990: 60).

Trade union reform, mainly by using the law, was one of the Thatcher Government's first targets. Thatcher (1993: 40) recalled that, on entering Downing Street, she was keen to use her 'speech in the debate to put an authoritative stamp on our trade union reform'. She was determined to 'restrict union power' (Thatcher 1993: 105). Four weeks after she organised the Government, the plan for trade union reforms was set out. She stated:

These were very similar to those which were ultimately contained in the 1980 Act. They covered three main areas: picketing, the closed shop and ballots. We planned to limit the specific immunities for picketing, given under the legislation of 1974 and 1976, strictly to those who were themselves party to the dispute and who were picketing at the premises of their own employer. Powers would be taken to issue a statutory code on picketing. Where there was a closed shop, we proposed to give employees who might be dismissed for refusing to join a union the right to apply to an industrial tribunal for compensation. There would be a legal right of complaint for those arbitrarily expelled or excluded from union membership. We would extend the present protection for employees who objected to joining a union because of deeply held personal conviction. A new closed shop could in future only be established if an overwhelming majority of workers voted for it by secret ballot. A statutory code relating to the closed shop would be drawn up. Finally, the

Secretary of State for Employment would be given power to reimburse trade unions for the postal and administrative costs of secret ballots (1993: 99) .

She regretted that at this stage the proposals 'did not extend to the question of secondary action other than secondary picketing, nor did they deal with the wider question of trade union immunities. In particular, they left alone the crucial immunity which prevented action being taken by the courts against union funds' (ibid.). The *Employment Act 1980*, however, extended to the question of secondary action. It stated that secondary action by strikes was made lawful only if it was concerned with contracts of employment, limited to the first supplier or customer of the goods and services of the employer in dispute and where the principal reason for the action was to prevent the supply of goods and services during the period of the dispute.

Thatcher was not satisfied with what had been achieved by this stage. She stated that she 'wanted further to restrict trade union immunities, which would make union funds liable to court action' (1993: 150). She claimed that she was 'impatient to press ahead with further reform in trade union law' (1993: 272). The proposals for the *Employment Act 1982* were soon set out. They covered the following six main areas:

We would raise substantially the levels of compensation for those unfairly dismissed in a closed shop.

In existing closed shops there would be periodic ballots to test support among employees for their continuation.

We would make unlawful what were called 'union labour only' requirements in contracts, which discriminated against companies not operating a closed shop.

Henceforth, employers would be able to dismiss those taking part in a strike or other industrial action without having to run the risk of claims for unfair dismissal, provided that all of those taking part in the strike were dismissed.

The definition of a lawful trade dispute was to be further restricted in a number of ways... (Thatcher 1993: 272-3)

Thatcher pointed out that the most important proposals related to the immunity currently extended to trade union funds:

By virtue of Section 14 of Labour's Trade Union and Labour Relations Act 1974, trade unions enjoyed virtually unlimited immunity from actions for damages, even

if industrial action was not taken in contemplation or furtherance of a trade dispute. They could not be sued for their unlawful act or for unlawful acts done on their behalf by their officials (1993: 273).

Taylor pointed out that the key change of the *Employment Act 1982* was:

the repeal of section 14 of the 1974 *Trade Union and Labour Relations Act* that removed the legal immunity from trade unions for action in tort. This enabled, for the first time since 1906, the suing of a trade union in a court for punitive damages in an unlawful dispute. The trade union was made liable for any unlawful actions that had been authorised or endorsed by its specific trade union officials (1994: 44).

Thus, trade unions lost their privileges, and were brought within the compass of the civil courts. Furthermore, under the name of democracy and to return unions to their members, the Government used secret ballots as weapons to reduce trade union powers from inside. The *Trade Union Act 1984* decided that every trade union should hold secret ballots for the direct election of trade union executives at least once every five years. The Act stated that a secret ballot had to be held before a trade union could call its members out on strike, and that a secret ballot had to be held by the trade unions on holding political funds to ensure members approved of the use of trade union finances for political purposes. These trends were continued in the following Acts. The *Employment Act 1988* brought further restrictive moves against trade unions. Thatcher claimed:

The 1988 Employment Act, based on our manifesto pledges, strengthened rights of individual trade unionists against industrial action organized by their unions without a ballot and against the unions' attempts to 'discipline' them if they refused to go out on strike. It also instituted a special commissioner to help individual union members exercise their rights and opened up trade union accounts for inspection (1993: 669).

Thus, under the 1988 Act, no trade unionist could be called out on strike without the holding of secret ballot, and all trade unionists had the right to a postal ballot in all union elections and pre-strike ballots. Moreover, the Act also abolished all remaining legal protection for the post-entry closed shop. Finally, the Employment Act 1990 abolished the pre-entry closed shop: it made it unlawful for an employer to refuse employment to a worker over the question of trade union membership. By this stage, Thatcher felt satisfied with her trade union reform. She believed:

Trade Union reform was crucial. ... These reductions in trade union power, together with the reinforcements of individual trade unionist's rights and responsibilities, were crucial to a properly functioning labour market, in which restrictive practices were overcome and unit labour costs kept down below the levels they would otherwise have reached. ... It was not just that they allowed management once more to manage and so ensured that investment was once again regarded as the first call on profits rather than the last; they also helped change the attitudes of employees to the businesses for which they worked, and in which they increasingly held shares (1993: 669).

Entering the post-Thatcher period, trade union reform has been continued by the Major Government. According to the *Trade Union Reform and Employment Rights Act 1993*, all trade union pre-strike ballots are made postal, subject to independent scrutiny, with at least seven days' notice to be given by the trade union after the ballot result to enable the employer to prepare for it. In addition, the Act provided:

Where an individual claims that-

- (a) any trade union or other person has done, or is likely to do, an unlawful act to induce any person to take part, or to continue to take part, in industrial action, and
  - (b) an effect, or a likely effect, of the industrial action is or will be to-
    - (i) prevent or delay the supply of goods or services, or
    - (ii) reduce the quality of goods or services supplied,
- to the individual making the claim,

he may apply to the High Court or the Court of Session for an order under this section (TURERA 1993 S. 22).

Thus, the Government uses not only unionist pressure but also public pressure against trade unions' unlawful industrial action. In addition, as Taylor (1994) pointed out, under the Act employers are allowed to offer trade unionists financial inducements to leave their unions. He made a comment, 'Such a move would even be deemed legally impermissible in the United States where labour law works mostly against the trade union interest' (1994: 48).

From the above analysis, we can see that throughout the 1980s and the 1990s Government attitudes towards trade unions were *hostile*. John Monks, the General Secretary of Trade Union Congress (TUC), argued:

Throughout the 1980s trade unions laboured under an exceedingly heavy burden. The continuous barrage of anti-union legislation made it harder for unions to undertake their job of protecting their members' interests at work. The burdens imposed by the 1993 Act - demanding, for instance, far more stringent requirements on the collection of trade union subscriptions deducted direct from the member's pay packets - are as great as any placed on unions during the 1980s. All this legislation was intended to limit trade union power as an essential ingredient of a strategy to improve economic performance (1994: xiv - xv).

In such a hostile climate, as the power of trade unions has been reduced, trade unions have been weakened. As Taylor argued:

Since the beginning of the 1980s trade unions have been going through one of the most traumatic periods in their history. Trade union density as a proportion of the employed workforce has dropped sharply since 1979, from a historic high watermark of 55 per cent to around 31 per cent by 1993. Total trade union membership in Britain has fallen by more than a quarter from 13.3 million in 1979 to 9.0 million in 1993. A net decline of around a third (1994: 29).

The change in political climate is one of the most important factors which contribute to such a decline, although there are many other reasons, such as changes in economic structure and changes in the pattern of employment.

## **Conclusions**

The above discussion shows that there have been great changes in Britain since 1979, when Thatcher became the Prime Minister of the Conservative Government. As a representative of the 'New Right', Thatcher broke the consensus politics after 1945 and shifted the UK away from a welfare state. With 'free economy and strong state' as the core doctrine, the state was simultaneously rolled back and rolled forward: on the one hand, the Government decentralised the economy with privatisation as the main theme through contracting-out, deregulation and denationalisation; on the other hand, it centralised politics by weakening such organisations as local government and trade unions. Thus, Thatcherite programmes significantly affected all aspects of British society: from the economic base to social and political superstructure, which, of course, included the



education and training of adults. In the following three chapters the development and changes in education and training of adults, which were affected by the Thatcherite programmes, will be discussed.

**CHAPTER SEVEN**

**'WE CANNOT HIDE FROM CHANGES':  
THE DEVELOPMENT IN THE EDUCATION AND  
TRAINING OF ADULTS IN THE UK**

## CHAPTER 7

### **'WE CANNOT HIDE FROM CHANGES': THE DEVELOPMENT IN THE EDUCATION AND TRAINING OF ADULTS IN THE UK**

In the last chapter, we discussed some key issues in British socio-economic changes since 1979. In this chapter and the following two chapters we will explore the development and changes in the education and training of adults in the UK during the same period. Starting with the discussion of changes and demands, this chapter will consider the context and development of the education and training of adults. Due to the limitation of space, consideration will be focused on such British experience as the development of the concept, the diversity of provision, and issues of funding and qualifications. Whilst most of the contents are familiar to British readers, they will be valuable too for Chinese readers when this thesis is translated into Chinese in the near future.

#### **Changes and Demands**

As earlier discussed, British society has changed greatly in political, economic and cultural aspects since 1979. During this period, there have also been many other international and domestic changes which have had an impact on the development and changes in the education and training of adults in Britain. Among them, the most notable factors are:

- Changes in global environment
- Impact of new technology
- Changes in the structure of the economy and employment
- Changes in demographic trends
- Accelerating rate of changes

#### ***Changes in Global Environment***

There have been great changes in the world since the late 1970s: the dialogue between the eastern and western countries, the end of the cold war, the collapse of the Soviet Union, the development of the market economic system across the world, the development of far eastern countries, particularly the growth of Newly Industrialising Countries, the completion of the Single European Market, and the rapid development of science and

technology, in particular, information and communication technologies. In such a rapidly changing environment, Britain has faced increasing international competition and challenges from not only other western countries but also the Far East, in particular, the Pacific Rim countries and regions. As the White Paper, *Competitiveness: Helping Business to Win* (1994: 6) stated:

The UK faces a world of increasing change; of ever fiercer global competition; of growing consumer power; and a world in which our wealth is more and more dependent on the knowledge, skills and motivation of our people. These changes present both opportunities and challenges.

... The economies of the OECD now produce around half of world output as low income countries have exploited their potential for catching up the world leaders. Of the non-OECD countries, the Asian "Tigers" of Taiwan, Korea, Singapore and Hong Kong have grown at nearly 10 per cent a year for over 30 years. Hong Kong and Singapore now have average incomes which match those of the UK. Other countries in the Pacific Rim and beyond are also growing rapidly. Since 1980 India and Pakistan have grown at over 5 per cent, and China by over 9 per cent, a year. On some measures, the Chinese economy is now bigger than that of Japan.

Whilst the competition from the eastern countries is increasing, the single European Market has now been formed: trading barriers such as custom posts, technical barriers such as different product regulations in the various countries, and fiscal barriers arising from varying approaches to indirect taxation have been removed. Doubtless, the completion of the single European market has brought increasing co-operation and competition from other member states of the European Union, which have great impacts on the development and changes in the education and training of adults in the UK.

The changes of international environment bring opportunities of both collaboration and challenge to the UK. The Government has realised, 'We cannot hide from change' (*Competitiveness: Helping Business to Win* 1994: 8):

Many of the drivers of change are beyond the control of governments. In the increasingly global market there is no hiding place, no comfortable backwater. Changes will not stop and others will not rest. They will strive to pass us by. We must continually improve our performance (ibid.).

The changes in the global environment have also brought ideological and political influence and challenge from outside to traditional British culture and values. People need rethinking and re-education to cope with such changes.

### ***The Impact of New Technology***

Science and technology are part of the productive forces (Deng 1978a). The rapid development of new technology turns a labour-intensified economy into a technology-intensified economy. This has a great impact on economic development. On the one hand, it raises labour efficiency and promotes the development of the economy; on the other hand, it brings challenges to labour forces: while those made redundant need re-oriented training, those remaining need retraining to update their knowledge and skills to meet higher occupational requirements. As *Training in Britain*, a study conducted by the Manpower Services Commission (MSC) in the late 1980s, suggested:

Advanced technology demands greater skills in: understanding, manipulating, and controlling new systems; managing more complex decision-making processes; and handling increasing quantities of information. There is also evidence which suggests that the introduction of new materials in manufacturing increases the levels of conceptual and theoretical knowledge required by workers and decreases the value of experience (TA 1989: 74).

New technology has brought higher demands on the educational level of all citizens: not only in the area of initial education but also continuing education.

### ***Changes in the Structure of the Economy and Employment***

The pressure of increasing competition in world markets and the development of new technology have led to changes in the structure of the economy and the occupational structure of employment. As *Training in Britain* suggested,

Over the last two decades there have been substantial changes in the occupational structure of employment. These have resulted from changes in the balance of employment between industries, notably the shift from manufacturing to service employment, and changes in methods of production within industries (TA 1989: 73).

The White Paper *Competitiveness: Forging Ahead* stated:

Employment in manufacturing peaked in 1966. In 1971, 36 per cent of employees worked in manufacturing. Now 20 per cent do so. As much as 30 per cent of this decline may have been due to contracting out...

Banking, finance and business services employed 1.3 million people in 1971. Now these services employ 2.8 million.

Over the same period, the number of employees in health-related services has risen by two-thirds, more than 600,000.

In the last economic cycle (1979-90), UK self-employment rose by 1.5 million to 3.5 million. The number of business increased by 1.1 million, changing the balance between employment in small and large firms (1995: 102).

According to the Labour Force Survey (Winter 1994/95), employment in services formed 70.8% of the total employment in Great Britain, whilst manufacturing covers 18.9%, construction 7.1%, agriculture 1.9%, and energy and water 1.3% (cited from *Competitiveness: Forging Ahead* 1995: 102).

Professor Gamble also suggested:

The whole occupational structure has changed. A lot of old industries were declining. A lot of occupations were going. There was a perception that as new occupation was coming on stream, so there was a need for a much more flexible training system to re-equip people at all stage of their lives for new careers. So, the idea of continuing vocational education partly responded to the changes in the labour market in recognition that most people would not just have one job in their lives (Interview UKSUAG).

As services have become the dominant proportion of the economy, the changes in employment pattern are also illustrated by an expanding proportion of female employees and increasing number of part-time employees. *Labour Market & Skill Trends 1995 96* reported:

The proportion of employees and self-employed people who work part-time has risen from 21% in Spring 1984 to 25% in Spring 1994 (footnote to LFS). Over the decade to 1994, activity rates for women aged 25-34 have increased by 11 percentage points to 72%, and for those aged 35-44 by 7 percentage points to 78%.

... This growth has coincided with a decline in the number of skilled manufacturing jobs, which have traditionally been filled by men. The biggest falls in male activity

rates have been for those over 55, who are more likely to take early retirement... (1994: 30)

The increase in the economic activity rates for women has led to increasing demand for the education and training of women. Meanwhile, as *Training in Britain* (TA 1989) suggested, the increase in self-employment and the growth of small enterprises require a growing demand for specialist consultancy and training services to identify and deliver the training requirements of the existing workforce.

### *Changes in Demographic Trends*

The relatively low birth rate of the 1970s has influenced British society, in particular the education system and the labour market. As *Training in Britain* suggested, 'Between 1987 and 1995 the number of 16-19 olds in the population will fall by 25% from 3.5 million to under 2.6 million, with numbers in the civilian labour force falling by a similar percentage' (TA 1989: 76). This means a diminishing supply of new entrants onto the labour market. It also indicates a likely fall of the number of initial entrants of school leavers to further and higher education by the mid-1990s. The study also suggested:

The number of initial entrants to higher education is likely to fall after 1990 from the present level of around 124,000 per year to around 108,000 in 1995 before rising again in the late 1990s... The numbers of other young people leaving school with two or more A levels is also likely to fall from 31,000 in 1987 to below 26,000 in 1994. The numbers of school-leavers with 5 or more higher grade GCSEs (or equivalent) will fall from around 78,000 in 1987 to around 63,000 in 1994 (ibid.).

Such predictions of participant fall in the demand for higher education did not materialise because of increases in both participant rate and the number of mature students. However, the fall in the number of young people raises the ageing population issue. Firstly, as far as education is concerned, in both the further and higher education sectors, the decreasing number of school leavers gives adult students more opportunities to receive the further and higher education which they have missed. Further education colleges have to attract more adults than teenagers to develop their markets and have now become adult colleges (Interviews UKNIACET & UKNIACES), and adult students aged over 21 now form the majority of students at university.

Secondly, in line with the fall in the number of young people, the labour market has to rely on the older group of 35-44 instead of 24-35. *Labour Market & Skill Trends: 1995 96*

reported, 'For both sexes the highest activity rates are for those in the 35-44 age group: 93% for men and 75% for women in 1994'. This may also mean increasing demands for continuing education and training from middle-aged employees.

Thirdly, whilst the proportion of young population is decreasing, the proportion of older population is increasing. In addition, as Jarvis (1995: 5) suggested, 'Not only have technological innovations led to unemployment, but recent monetarist policies in Western Europe, especially the United Kingdom, and in the United States have resulted in increased unemployment and also in a gradual lowering of the age of retirement'. *Labour Market & Skill Trends: 1995 96* (1994) also suggested that those over 55 'are more likely to take early retirement, and are less likely to find new jobs if they are made redundant'. All these may lead to increasing demands on leisure education for older people.

### *Accelerating Rates of Changes*

The earlier discussion suggests that the rates of social and economic change have been accelerating since 1979. Politically, Thatcherite reform, which started in the 1980s and continued with the Major Government in the 1990s, has radically changed British society. Such changes as privatisation, the reform of the civil service, the reform of trade unions, the reform of local government and the reform of education, have happened so quickly that a lot of people have found it difficult to cope with them. Economically, the recession, the change of economic structure, redundancy, the increasing level of unemployment, the mobility of jobs, the increasingly rapid spread of existing and new technologies, and the explosion of information resulting from the revolution of information technology, have also had an impact on the British people. In such a rapidly changing environment, as the Advisory Council for Adult and Continuing Education (ACACE), suggested, 'those with the greatest capacity to adapt will survive successfully; those least adaptable, nations as well as persons, will fail' (1982: 181). The abilities to adapt and to acquire new knowledge and skills, therefore, became increasingly important over twenty years ago. As the Russell Report suggested:

Fewer people may now expect to remain in one occupation throughout life. If occupational mobility is to be achieved without social and political friction and without personal distress it must mean more than direction to a new job and re-training for it. The individual will need an understanding of the processes of change, of the need for change and most importantly of the range of opportunities open at each moment of change (1973: 96).



Thus, the accelerating rates of changes have led to a great demand for the education and training of adults, which offers the route to adaptability in a changing world.

### **The Development in the Education and Training of Adults**

The above discussion suggests that, with the accelerating rates of change, there should have been greater demands than ever before on the education and training of adults. Indeed, with its long history, the education and training of adults in the UK has developed and changed more rapidly during the period that we are discussing.

#### *Development in the Concept*

As the earlier discussion in the first chapter outlined, traditionally in the UK the term 'adult education' was *narrowly* interpreted as *non-vocational* liberal education. Since the late 1970s, however, the term '*continuing education*' has gradually been accepted as a *broader* conception covering comprehensive aspects. The Advisory Council for Adult and Continuing Education, which was established at the end of 1977, stated:

Our definition of continuing education is therefore a broad one. We do not think that it is useful to draw artificial boundaries between education and training, between vocational and general education, or between formal and informal systems of provision. We include systematic learning wherever it takes place: in libraries, in the work place, at home, in community groups and in educational institutions. The existing distinctions, often developed for organisational or funding purposes, are not necessarily important to adult students, either now or in the future (1982: 2).

It tried to diminish artificial boundaries between education and training; between vocational and general education; and between formal and informal means of provision. Many institutions have now changed their titles: from the 'Department of Extramural Studies' into the 'Department (Division) of *Adult Continuing Education*'; from the 'Adult Education Services' into the '*Continuing Education* and Training Services'; from the 'National Institution of Adult Education' into 'The National Institution of *Adult Continuing Education* (NIACE)'; from the 'University Council for Adult Education (UCAE)' into the 'University Council for *Adult Continuing Education* (UCACE)', now the 'University Association for *Continuing Education* (UACE)'. Margaret Davey, the then head of Continuing Education & Training Service, Croydon considered, 'We think "Adult education" is not a helpful name. We changed into "Continuing Education and Training Service" in 1991 in order to move away from the negative image of adult education' (Interview UKCETSMD). Such a wide change in language implies developments in both

practice and theory: the distinction between education and training has now become vague. These changes have not only resulted from developments in the field but are also driven by Government policy, together with the demands of socio-economic development and change.

Meanwhile, in line with the accelerating rates of change, the concept of 'lifelong' education, which was adopted by the famous *1919 Report* in Britain and then by UNESCO, has been promoted by organisations and institutions, and by the Government. More and more people have now realised that they cannot cope with the rapidly changing world if they just rely on what they learnt from their initial education without continuing education. As Hampton pointed out, 'People now recognise that initial education, to however high a standard, will not be sufficient to satisfy people's needs as they move through their working life' (1995a: 11).

### *Development in Provision*

The provision of education and training of adults in Britain mainly covers four major categories: first, adult liberal education and recreative education; second, adult basic education; third, adult academic qualification education; and fourth, vocational education and training.

*Adult Liberal Education/Recreative Education* As discussed earlier, within the *Great Tradition*, British adult education was defined as non-vocational liberal education. Such a concept was referred to by the *1919 Report* as 'Adult Education (*other than technical or vocational*)' (Adult Education Committee, Ministry of Reconstruction 1919: 1, emphasised by the writer). Paterson (1979: 39) suggested, 'Traditionally, liberal education has been chiefly contrasted with studies which are vocational in character. This contrast has perhaps been more marked in the domain of adult education than in any other education domain...' The philosophy behind such traditional adult education in Britain was 'education for *life* not for *living*' (Interview UKSUGM): participants who joined courses usually sought *self-development* rather than *qualifications* or *vocational* outcomes. After the First World War the Adult Education Committee, Ministry of Reconstruction recognised its importance for the country and for individuals in *The 1919 Report*:

THAT THE NECESSARY CONCLUSION IS THAT ADULT EDUCATION MUST NOT BE REGARDED AS A LUXURY FOR A FEW EXCEPTIONAL PERSONS HERE AND THERE, FOR AS A THING WHICH CONCERNS ONLY A SHORT SPAN OF EARLY MANHOOD, BUT THAT ADULT EDUCATION IS *PERMANENT* NATIONAL NECESSITY, AN

INSEPARABLE ASPECT OF CITIZENSHIP, AND THEREFORE SHOULD BE BOTH UNIVERSAL AND *LIFELONG*.

... THAT THE OPPORTUNITY FOR ADULT EDUCATION SHOULD BE SPREAD UNIFORMLY AND SYSTEMATICALLY OVER THE WHOLE COMMUNITY, AS A PRIMARY OBLIGATION ON THAT COMMUNITY IN ITS OWN INTEREST AND AS A CHIEF PART OF ITS DUTY TO ITS INDIVIDUAL MEMBERS, AND THAT THEREFORE EVERY ENCOURAGEMENT AND ASSISTANCE SHOULD BE GIVEN TO VOLUNTARY ORGANISATIONS, SO THAT THEIR WORK, NOW NECESSARILY SPORADIC AND DISCONNECTED, MAY BE DEVELOPED AND FIND ITS PROPER PLACE IN THE NATIONAL EDUCATIONAL SYSTEM (Adult Education Committee, Ministry of Reconstruction 1919: 5, with original capital letters, emphasised with italic letters by the writer).

This recognition was implemented after the Second World War by the provision of the *Education Act 1944*. The Act empowered LEAs to provide both compulsory education and further education, including 'full-time and part-time education' and 'cultural training and recreative activities' for adults (EA 1944: S. 41). Following the Act, many LEAs established adult education services and centres. Their concern was traditionally mainly with classes in practical subjects such as arts and crafts, and in subjects such as languages. In the late 1950s and the early 1960s, however, they devoted increasing attention to the whole field of non-vocational adult education, including provision for liberal education, whilst they expanded some vocational education programmes (drawn from Interview UKCETSMD and UCAE: 1961). Meanwhile, with certain other voluntary bodies, university extramural departments and the Workers' Education Association (WEA) were recognised in England and Wales as *Responsible Bodies* after the second world war. As the UCAE (1961: 22) reported, 'The Responsible Bodies have devoted themselves almost exclusively to the provision of liberal studies, and their work in this field is assisted financially both by the Ministry of Education and by the local education authorities'.

In university extramural departments, as Lowe (1970) pointed out, in the late 1960s the provision covered subjects in: archaeology and history; social studies; English language and literature; visual arts; music; economics including industrial relations; physical sciences; biological sciences; modern languages; literature and culture; and International and Commonwealth Affairs. There was no entrance qualification requirement for participants nor maximum or minimum enrolment requirement for classes. He confirmed, 'The classes were entirely non-vocational in intention and there were no examinations' (Lowe 1970: 105-6). Since the late 1970s, however, the provision of education and training of adults has been extensive in other areas. In the university sector, according to

the UCACE *Annual Report 1989-90*, in the academic year 1989-90, the total number of liberal adult education courses in the UK was 12,848, with 321,314 contact hours and 271,055 enrolments (a full-time equivalence of 20,049), while the number of post experience courses reached 13,647, with 454,936 contact hours and 326,081 enrolments (a full-time equivalence of 28,382). Entering the 1990s, due to the changes in government policies on adult education, the priorities of provision have continued to change: they have now shifted away from a non-qualification and non-vocational orientation towards a qualification and vocational orientation. University extramural departments, now adult continuing education departments, have lost their status of *Responsible Bodies* and they are not able to get general funds for non-vocational and non-credited liberal education. The WEA, at the same time, has become one of the few designated institutions which are guaranteed their independence and their constitutions to continue their traditional provision of liberal courses. Some of the related issues will be considered in detail later, mainly in the following two chapters.

***Adult Basic Education*** The history of adult basic education goes back to centuries ago when the education of the illiterate was first promoted by religious charities, then by such organisations as Sunday schools, evening schools, Sunday adult schools and other institutions (Kelly 1970). Under the 1944 Act, LEAs became statutory authorities to provide adequate full-time or part-time education for children as well as adults. As the 1944 Act provided compulsory education for all children and the expansion of adult education for citizens, illiteracy seemed to be eradicated. However, as Jarvis suggested:

Despite all of these developments in the education of adults it must be recognized that it is not that many years ago that the prevalence of adult illiteracy in the United Kingdom, thought to have been eradicated by the introduction of compulsory education, was first recognized (1995: 245).

In the 1970s, the famous *Russell Report* looked at adult basic education involved with the provision for the so-called '*disadvantaged*'. The *Russell Report* gave a wide interpretation:

We have already indicated ... our particular concern for the *disadvantaged*, whose participation in adult education is at present minimal. We give a wide interpretation to the term '*disadvantaged*' and include in it the physically and mentally handicapped as well as those who, on account of their limited educational background, present cultural or social environment, age, location, occupation or status, cannot easily take part in adult education as normally provided (1973: 92, emphasised by the writer).

The Report also discussed the issue of second chance, adult access to qualifications:

In this kind of education three different objectives can be stated. First there is the improvement of general education from the point where initial schooling ceased. For some this may go back to basic education of an elementary kind, including functional literacy and numeracy. Secondly, there must be an opportunity for those contemplating further formal study to try themselves out and assess not only their ability but the strength of their motivation before embarking on it. And thirdly there will be specific forms of preparation for formal courses (1973: 97).

Mr. Alan Tuckett, the Director of NIACE, pointed out the important influence of the *Russell Report* on the development of adult basic education:

In the early 1970s, the Russell Report looked at people who don't participate, and identified them as *disadvantaged*: people without reading and writing skill, working class adults, people with disabilities, women, English as second language, people who are excluded from reasonable access to learning. When that Committee reported, Mrs Thatcher was education minister. Nothing happened to the Report. What happened in the field, in the next ten years, you could see that *Russell Report* was very influential. People didn't accept the language of '*disadvantaged*' but they did accept that these target groups should be a priority for the development of the field. ... Local authorities, the major uncertificated providers, accepted the Russell agenda. You can see many local authority programmes have had growth in work with English as a second language, a growth of literacy work, a growth of out-reach work or community development. You can see initiatives to help people on housing estates, arguing their case. Growth of return to study and access courses. These initiatives were not primarily the decision of the Government but the collective understanding from the field responded to by local government. Meanwhile, the voluntary sector, the WEA also accept the Russell agenda (Interview UKNIACET).

After the *Russell Report*, as Mr. Tuckett pointed out, 'From the 1970s there was one Government initiative or another' (ibid.). Between 1975 and 1978, the Adult Literacy Resource Agency (ALRA) was administering a grant of £1 million each year, to help LEAs and voluntary organisations tackle the problem of adult literacy and to develop adult literacy work. In 1978, it was succeeded by the Adult Literacy Unit (ALU) which was granted £300,000 per annum to encourage the provision for adult literacy and the provision for immediate post-basic literacy students. In 1980, the ALU was replaced by the Adult Literacy and Basic Skills Unit (ALBSU), which received a grant from the DES and Welsh Office. The ALBSU spent at least 50% of its grant from the Government on

Special Development Projects, which covered provision designed to improve the standards of proficiency for adults in the areas of literacy and numeracy, and basic communication and coping skills. The ALBSU also supported Local Development Projects covering following priority areas of development:

- Providing adult literacy and basic skills provision for unemployed adults
- further development of adult numeracy provision
- meeting the literacy and numeracy needs of Second Language speakers
- meeting specific needs in adult literacy and basic skills
- creating access to further opportunities for basic education students (details taken from Charnley 1989: 14 - 15).

As a result, as Jarvis (1995) pointed out, during the last decade adult basic education, including language, number and life skills, has mushroomed.

*Adult Academic Qualification Education* In the 1960s, most university extramural departments were reluctant to issue diplomas and certificates because they did not wish to be associated with overtly *vocational* forms of provision due to the *Great Tradition*. By that time, although several universities, particularly the University of London, had been providing non-vocational certificate courses for some time, no university outside London had yet offered facilities of any significance for part-time study towards a first degree (Lowe 1970). However, in accordance with socio-economic changes, more and more individuals aspired to formal academic qualifications which they had missed chances to obtain. In 1970, the UCAE foresaw, 'A sharp increase seems likely in future years in demand for courses in adult life leading to degrees, diplomas or certificates' (1970: 32). It also believed, 'If adult education fails to respond to shifts in demand of this kind, it will be failing to provide for important sectors of the public' (ibid.). The situation, however, has gradually changed since the 1970s, particularly since the 1990s. The establishment of the Open University (OU) in 1969 formed the most significant contribution to the development of qualification education for adults. According to the DfEE, by 1995, over a million people had studied with the OU since 1971; at any one time, the OU had about 150,000 students, of whom 85,000 were studying for BA or BSc degrees (DfEE 1995b: 41). The range of educational opportunities offered by the OU extends from introductory packs on popular subjects to postgraduate research degrees, including:

- The first degree programme. These courses are modularised: six credits used to constitute a BA, eight a BA with Honours. However, according to Jarvis (1995), it has

recently changed to only six credits for an Honours. No entry qualifications are required and students could choose subjects to assemble the degree that best suited their own interests and needs. In 1991, there were 134 courses in science, technology, mathematics, arts, social sciences and education with 75,076 students, and the cumulative total of BA graduates reached 115,322 together with the cumulative total BA Honours of 21,630.

- Higher degrees programmes, including taught Masters courses and postgraduate research programmes. In 1991, there were 704 research students together with 5,795 taught Master degree students.

There are also continuing education programmes, including short courses, professional development courses leading to qualifications at diploma or higher degree level, and degree-level courses for associate students, which are courses from the undergraduate programme for those who do not want to register for a degree, but for vocational updating or personal interest. In 1991, there were 13,378 associate students taking degree-level and higher courses and 19,451 students on short courses (*The Open University Review: 1991 1992*).

The success of the OU is not only due to its own products but also its far-reaching international and domestic influence. Internationally, its model for distance learning has contributed to the establishment and development of many open universities and colleges, including universities of the air and TV universities outside the UK. Domestically, following the OU, more higher education institutions have offered part-time degree courses. Its open-learning idea has led to the establishment of the Open College network across the country, and its distance-learning model has now been spread into many higher education institutions. Furthermore, its modularised system has been followed first by polytechnics and later by longer established universities. The OU approach has now led to the revolution of university adult continuing education: most of the courses in departments of adult continuing education have now been credited and become modularised, and courses in internal departments are also becoming modularised. As mentioned earlier, part-time qualification courses have now become the dominant provision of university adult education, and the original departments of extramural studies have been pulled into the mainstream of universities. Meanwhile, the proportions of adult students among full-time undergraduates and postgraduates have been increasing. Adult students have now become the majority of enrolments in universities. Sir Geoffrey Holland, the former Chief

Executive of the MSC (1982-88), later the Permanent Secretary for Employment (1988-93) and Permanent Secretary for Education (1993-94), confirmed that:

in the last year, which is the figure of 1993, according to the Department for Education (DFE ), 52 % of enrolment[s] in higher education are adult students defined as over 21. The number increased dramatically, [and] virtually doubled [during the] last ten years. Most of these are people who have taken it into their own hands and get it themselves, mostly part-time, often in [the] evening, often in modules with short courses which accumulate credits to get higher education qualifications (Interview UKHOLLAN).

The DfEE reported:

Over 70% of all students in further education are over 19, and over 50% of all students in higher education are over 21.

There are now 2.4 million part-time students aged over 19 in further education.

There are over 340,000 part-time students aged over 21 in higher education. Full-time participation in further and higher education by such students has doubled in the last ten year, to a total of 550,000.

There are in addition 600,000 further education students now undertaking short vocational courses; and 800,000 higher education students in continuing education (1995b: 32).

In order to encourage adult students to take higher education, both university and further education sectors also provide various Access courses. Mr. Tuckett confirmed, 'The Access courses began as a social justice strategy in London. There were maybe six or seven courses in 1981 and 1982. Now there are 1,250 courses in the country in every subject. Most colleges and most higher education institutions are connected with Access courses' (Interview UKNIACET).

***Vocational Continuing Education and Training*** Although training did not fall into the scope of traditional British adult education, which was defined as non-vocational liberal education, it has existed in this country since the last century. Training, however, was traditionally seen as industry's own concern. The increases in international competition and mass unemployment have brought greater state intervention into training development since the 1960s, in particular, since the 1970s. During the period under discussion, the main aspects of vocational continuing education and training include first, vocational



education and training for young adults; second, training for unemployed adults; and third, vocational continuing education and training for employees.

According to Dr. Johnston, the former Director-General of the Training Enterprise and Education Directorate (TEED), Department of Employment (DE), the development of vocational education and training for young adults has gone through several different stages. In 1978, the Youth Opportunity Programme (YOP) was launched. In 1983, YOP was replaced by the Youth Training Scheme (YTS), and in 1990, YTS became Youth Training (YT). He pointed out, in the first stage, as a result of increasing unemployment, 'only one in ten young people who were leaving school at 16 could find jobs in some parts of the country, whilst nine in ten were unemployed'. He believed that this led to the establishment of YOP. He confirmed, 'YOP started out mainly as a work experience programme. Its original purpose was simply to get young people off the street and it wasn't to give them specific vocational skills. It was to get them doing something useful and for social order in the sense of preventing them from making trouble'. However, as he suggested, in the second stage the focus of the Youth Scheme was turned into training young adults instead of occupying young people:

Throughout the 1980s, the MSC set about turning the Youth Scheme from one basically to occupy the young people into one to train young people. There were clear breakthroughs from the six-months scheme to the one-year scheme; from the one-year scheme to the two-year scheme. Now it is Youth Training, of which the outcomes are NVQs (National Vocational Qualifications), level 2 (or semi skilled level).

He continued:

In September 1995 the Government launched the final step - a large scale Modern Apprenticeship scheme, which is a three-year training scheme ending with NVQ level 3, or fully skilled. It has gone all the way through: from occupying people to coming out with really valuable qualifications. It took 15 years to go through that development cycle. It is a very large scheme: we have up 400,000 young people on the YT and Modern Apprenticeships at any one time. About two-thirds of young people going through it get NVQs. In policy terms there has been a funding shift from employers funding initial training for 16 year olds to the state, with a widespread expectation that all 16-18 year olds do either education or youth training (Interview UKSHUIJ, quotations cannot be reproduced or copied without Dr. Johnston's permission).

According to *Training Statistics 1995*, the total number of YOP starts between 1978/79 and 1982/83 was 1,834,700, and the total number of YTS/YT starts between 1983/34 and 1994/95 was 4,303,000 (DfEE 1995: 24).

Training for unemployed people has formed another important aspect of training funded by the Government in Britain. Since the late 1970s, many schemes have been launched by the Government. They were replaced by the biggest programme, Employment Training in 1988. According to *Training Statistics 1995*, between 1988/89 and 1994/95, the total number of starts in the Employment Training and Training for Work programmes was 2,302,100 (DfEE 1995: 25).

Vocational education and training for employees, which includes professional continuing education, was also encouraged and developed in the 1980s and the 1990s. According to the Labour Force Survey (LFS), in spring 1995, 3,026,000 or 14.3% of employees (excluding the self-employed, unpaid family workers and those on government employment and training programmes) of working age in Great Britain reported receiving job-related training, both on and off-the job training, in the four weeks before being questioned as part of the survey. This represents an increase of over 65.7% relative to the corresponding figure of 1,826,000 in spring 1984 (DfEE 1995: 41). Among them, 1,203,000 received job-related training of under one week, whilst 768,000 received job-related training of one to three years or more (DfEE 1995: 64).

Traditionally, employers used their own internal facilities to provide training for their employees. Increasingly, external training provision has been used (Interview UKCLIFF). According to *Training in Britain* (Burgess 1989: 36), training provided by external training providers included: further and higher education courses; teaching professional skills; manager and supervisory training; job skills training; training in the use of equipment and machinery; selling, sales and retail training; health and safety training; and training in skills relevant to new technology. These types of provision are normally delivered by higher education and further education institutions, skills training agencies, industry or sector bodies, and private providers.

### ***Funding***

In terms of funding for the education and training of adults, as Sir Geoffrey Holland pointed out, the principle of Government policy is that, 'the Government believes that the education and training of employees is a responsibility of employers and they should pay

for it' (Interview UKHOLLAN). The Government also believed that employers and individuals need to accept a greater share of responsibility for training, and its costs, while Government has a role in setting a framework and in funding the training of unemployed people (drawn from DfEE 1995b, Interview UKHOLLAN, UKNIACET & UKDE3).

British Government has invested a large amount of funding to promote vocational education and training. In 1994/95, the expenditure of the Department of Employment on training, education and enterprise programmes and administration in England was £2,086,200,000. However, as Sir Geoffrey Holland pointed out:

What there has been in that field, are two developments. One is government investment in the new technologies of education, training and learning, particularly open and distance learning. So that they put major investment into that as an up front catalyst to development in this country. The other thing that the Government has done is to pay increasing attention to means of inducing employees to take more interest in their own personal development. [It] has done that through various mechanisms, but notably through making available career development loans to employees. Employees can borrow money for their personal development, vocational education and training. They have to repay, but the loan is guaranteed by the Government and the banks (Interview UKHOLLAN).

Val Hewson, a member of staff from the DE, now the DfEE, also confirmed:

The Government operates a scheme called 'career development loan', which allows individuals to borrow between £200 and £8,000 for courses, which can last two years. They don't have to be vocational, but very often are. The loan is guaranteed by the Government. It is operated through banks. Individuals have to repay loans. While individuals are on the course, they do not have to pay interest. The Government pays the interest (Interview UKDE3).

At the moment we reckon about £35 million to pay out for this scheme. We offered over 12,000 career development loans in 1993-1994. This year, 1994-95, we have to offer over 20,000. Each loan is between £200 and £8,000. Seventy per cent of people who takes a loan get better different jobs after they finish their courses. The average loan is about £3,000 (Interview UKDE3).

According to *Training Statistics 1995*, between 1988 and 1995 the approved loans were around 67,000 with a total value of around £192 million, covering England, Wales and Scotland (DfEE 1995: 76).

In addition to Government funding, European funding, such as the European Social Fund, is available for the education and training of disadvantaged groups, such as the unemployed and people with a physical or mental disability.

Employers are major sponsors for employees' training. The LFS suggested that in 1995, 67.4% of individuals' training fees were funded by employers and potential employers, 17.5% by individuals, including themselves, their families and relatives, and only 12.8% were funded by Government and local authority programmes, agencies and organisations (DfEE 1995: 71). Hewson confirmed, 'We estimated that employers spend about £20 billion a year on training in this country. They are the biggest investors in training. They spent far more than the Government does. They spend far more than other countries do' (Interview UKDE3). She continued, 'Individuals, on the whole, maybe spend £8 billion a year on training, comparing with £20 billion that employers spend'. She suggested, 'They are becoming more prepared to pay for their own learning. It used to be about 9% in 1986-87. In 1991, it rose to 13%. In 1993, it rose to 15%'. As she suggested, 'There is quite a difference between the training that individuals buy for themselves and the training that employers buy for them'. She considered that:

employers tend to buy very focus short courses to deal with their own jobs or their own business. We find that individuals want qualifications; they go to much longer training; often more expensive; more developmental in the sense that they are not just learning how to operate a particular machine. They would do whole information technology course rather than just learn how to operate one computer package. They think far more about transferable skills, the skills that they can take to any employers (Interview UKDE3).

The survey, *Individuals' Attitudes*, which was commissioned by the DE and undertaken by Social Community Planning Research, showed the above difference. In terms of funding sources for individual learning, 15% of short courses under one month were self-funded, 52% were employer-funded; 13% of one to three months courses were self-funded, 7% were employer-funded; 34% of four to twelve months courses were self-funded, 14% were employer-funded; and 17% of courses over one year were self-funded, 13% were employer-funded (Park 1994: 57).

Sir Geoffrey Holland also considered that individuals' interests are different from that of employers and the Government:

They are not interested in short term. They are not interested in the immediate job. They are not interested in the ad hoc 'so I could do this thing better'. They are much more interested in building for themselves what they can see to be a safety net or platform from which to re-launch their careers. So I think, from the adults' point of view, there has been a shift towards academic orientation. From the employers['] point of view, and indeed, the government, there has been a shift towards market orientation (Interview UKHOLLAN).

Obviously, here, the academic orientation and market orientation are referred to in the direction of provision: whilst individuals are more interested in long term academic courses, employers and the Government are more interested in short term vocational training that has closer link with the immediate needs of the labour market.

### *Development in Qualifications*

A notable development in qualifications in the education and training of adults is the development of NVQs and General National Vocational Qualifications (GNVQ), which have been seen as 'a quiet revolution in post-16 education' (Smithers 1994).

By the mid-1980s there had been various vocational qualifications across the country. Some of them had a history of over a century. In 1984, the Scottish Vocational Education Council (SCOTVEC) developed a parallel system of Scottish Vocational Qualifications (SVQs) in Scotland. In 1985, the Government set up a Review of Vocational Qualifications in England and Wales led by Oscar De Ville, an *industrialist* (not an *educationalist*), which reported in April 1986 (Interview UKSHUIJ). The Review pointed out the weakness of previous arrangements, including:

- no clear, readily understandable pattern of provision;
- considerable overlap and duplication;
- gaps in provision;
- many barriers to access to qualifications and inadequate arrangements for progression and transfer of credit;
- assessment methods which are biased towards the testing of knowledge rather than skill or competence;
- insufficient recognition of learning gained outside formal education and training;
- limited take-up of vocational qualifications (MSC & DES 1986: 1)

The Review also pointed that there was no effective national system for vocational qualifications. It believed that a vocational qualification should be defined as:

a statement of *competence* clearly relevant to work and intended to facilitate entry into, or progression in, employment, further education and training, issued by a recognised body to an individual. This statement of competence should incorporate the assessment of:

- *skills* to specified standards;
- relevant knowledge and understanding;
- the *ability* to use skills and to *apply* knowledge and understanding to the *performance* of relevant tasks ... (MSC & DES 1986: 2, emphasised by the writer).

The Review recommended that the Government should establish a National Council for Vocational Qualifications (NCVQ). Consequently, NCVQ was established in 1986, following the White Paper *Working together - Education and Training*, to develop the NVQ framework and to ensure standards of competence were set in England, Wales and Northern Ireland (DE & DES 1986). Dr. Johnston confirmed, 'It cost, in broad terms, £60 million over 8 years. The effort was, in each sector of industry, to get employers together with training experts to define the skills that they were actually using in the modern jobs and then to put them into the framework from level 1 to level 5' (Interview UKSHUIJ, quotations cannot be reproduced or copied without Dr. Johnston's permission). Mr. Trevor Marshall, a member of staff from the DE, now the team leader of Qualifications for Work Division, DfEE, explained that the NVQ framework covers 11 major occupational areas and 5 levels of achievement, ranging from foundation to higher professional qualifications:

Level 1	-	Foundation and basic <i>work activities</i> ;
Level 2	-	A broad range of <i>skills</i> and responsibilities;
Level 3	-	Complex/skilled and/or supervisory work;
Level 4	-	Managerial/ specialist;
Level 5	-	Professional/ senior managerial (Interview UKDE4).

According to *NVQ Criteria and Guidance*, the higher the level of the qualification, the more of the following characteristics it is likely to have:

- breadth and range of *competence*;
- complexity and difficulty of competence;
- requirements for special *skills*;

- *ability to undertake specialised activities;*
- *ability to transfer* competence across a broader range of contexts;
- *ability to innovate* and *cope* with non-routine activities;
- *ability to organise* and *plan* work;
- *ability to supervise* others (ED & NCVQ: 11, emphasised by the writer).

*NVQ Criteria and Guidance* claimed:

At the heart of NVQs is the concept of occupational *competence*; the *ability to perform* to the standards required in employment across a range of circumstances and to meet changing demands. NVQs are first and foremost about what people can do. They go beyond technical *skills* to include planning, problem *solving*, *dealing* with unexpected occurrences, *working* with other people and *applying* the knowledge and understanding that underpins overall competence (ED & NCVQ: 5, emphasised by the writer).

It also stated that 'NVQs focus on the outcome of successful learning', and that 'NVQs are work based qualifications... However ... the knowledge and understanding they possess must be considered' (ibid.). It spelt out that the fundamental principle of NVQs is that for an award to be accredited as an NVQ it must be:

- based on national standards required for performance in employment, and take into account future needs with regard to technology, markets and employment;
- based on assessment of the outcomes of learning, normally arrived at independently of any particular mode, duration or location of learning;
- awarded on the basis of valid and reliable assessment which ensures that performance to the national standards can be achieved at work;
- free from unnecessary barriers restricting access and progression, and available to all those who are able to reach the required standard by whatever means;
- free from overt and covert discriminatory practices of any kind (ED & NCVQ: 6-7).

Looking at such words as '*competence*', '*skill*', '*activities*', '*work*', '*performance*', '*employment*', '*apply*', '*ability*', '*outcomes of learning*' and etc., we can see the major differences between NVQ and traditional academic qualifications. First, with a different objective, the heart of NVQ is occupational competence assessment rather than academic knowledge testing. It targets occupational standards rather than academic standards. Second, with a different framework from that of the academic assessment, it is an employment-led assessment system rather than an academic-led assessment system. Third, with different contexts, it focuses on practice performance rather than theory, by asking

the question of 'What can you *do*' and 'How can you *do*'. Fourth, with different methodology, NVQ is an outcome-led assessment system rather than an input-led assessment system, and it utilises work-based assessment rather than paper-based examination.

To develop such a new arrangement, a new working environment with a different culture is needed. Compared with traditional academic qualifications, NVQ has a different working network model. As Mr. Marshall confirmed, the DfEE 'through its Standards Programme, and NCVQ are working together to develop a comprehensive national framework'. He continued: 'The Department and the NCVQ have also been working with others, including Awarding Bodies, Industry Training Organisations (ITOs), employer Lead Bodies to establish the framework' (Interview UKDE4). The following diagram of the NVQ Model was provided by Mr. Tim Edmonds, a member of staff from the DE, who now works for the branch of GNVQ Operations and Finance of the DfEE:



Figure 7.1: NVQ Model



Theme: 'Why have one system when you could have two!'

Sources: Interview UKDE4.

In the above model, employers are put in the centre of the network. Starting from the *Lead Bodies*, Mr. Edmonds (Interview UKDE4) explained:

These are the people who develop standards, representing *Employers*. They say what the qualifications should be about. When they are happy with what they have got, they work along with the *NCVQ*. The *NCVQ* may check with *Awarding Bodies* and see whether they are happy to deliver it.

He then explained the roles of the *Awarding Bodies*:

*Awarding Bodies* are people who are going to control the award of qualifications such as BTEC [the Business and Technician Education Council], City and Guilds

and the RSA [Royal Society of Arts Examination Board]. Some *Leading Bodies* decide that they would like to award qualifications themselves. ... *Awarding Bodies* have now got the qualifications developed by industries and accredited by the *NCVQ*.

He continued:

Then these are used by *Colleges* or *Training Providers* (bearing in mind that the training provider could be *Employers* themselves, particularly if they are large *Employers*): they run the courses and *Awarding Bodies* then sent out verifiers to make sure that they are doing the job properly.

He confirmed that about 400 colleges were assessing NVQs and that, in addition, some employers would also act as *Colleges*. He pointed out:

*Colleges* may have a contract with *Employers*, who would say, 'I want you to run these courses for me and I want people to get NVQs at the end'. *Colleges* would then get money from *Employers*. In other cases, they may get money from the *TECs* [Training and Enterprise Councils], which really means getting money from us (the *Government*) in order to get training. *Individuals* might go to *Colleges*, or they might be unemployed and they might get encouragement from *TECs* to go along to *Colleges* and learn and get qualifications in that way. *Colleges* would get quite a lot of money, in that way, from *TECs* for providing approved training. ... If courses are seen as education, *Colleges* may get money from the *FEFC*.

He agreed that under such a model, the relationship between providers and funding sources is '*buyers and sellers*' and that it is a kind of *market orientation*. He stated, 'Bear in mind, the directors of *TECs* are mostly *Employers*. So, they are *buying* on behalf of local communities for the sort of things that they need'. He also agreed that this was a kind of enterprise culture (Interview UKDE4).

Clearly, within this model *Employers* rather than academics are in the centre of the new arrangement. Employers may have a variety of roles. First, they may be *judges*: with the new arrangement, employers rather than academics are responsible to set up standards for vocational qualifications and training through *Lead Bodies* who represent employers. Second, they are *buyers*: as the directors of *TECs*, employers, on behalf of local communities, use Government funding to buy training with NVQs as outcomes from providers and to encourage individuals to take opportunities of training with NVQs as outcomes. Employers may also contract directly with providers to buy training from them. Thirdly, they may become *Awarding Bodies* through the action of *Lead Bodies*, as some

*Lead Bodies*, the representatives of employers, may apply to become *Awarding Bodies* themselves to offer NVQs. Finally, they may also be *Providers*, running training themselves to provide training for individuals to get NVQs. Thus, in the new arrangement model, employers, with various roles, have far more powers than academics.

The NVQ system has significant impacts on various fields, including the education system or industry sectors. As Dr. Johnston pointed out:

For the first time, we had a system of qualifications which actually measured real skills used in the workforce. That provides the companies with a means to measure skills. Before, there was no way of measuring skills, there was no currency for measuring skills. Now we have national standards. There were companies who, for the first time, began to evaluate their workforce (Interview UKSHUIJ, the quotation cannot be reproduced or copied without Dr. Johnston's permission).

### ***National Targets***

As Dr. Johnston confirmed, in the 1980s the Government reviewed the international competitive position and 'concluded that we weren't training enough young people, we weren't training adult employees; and that the education that we were getting was not relevant to what they subsequently did at work'. He continued:

That led to the whole theory behind the new policy. Conceptually, it led to the notion that we should have national education and training targets. Now we have got targets for both initial education and training, and for adults. We have an overarching set of national targets, which is deliberately set a little bit above the current level of performance, not tremendously above (Interview UKSHUIJ, the quotation cannot be reproduced or copied without Dr. Johnston's permission).

As far as life-learning of adults is concerned, according to the New National Targets for Education and Training set by the Government, the targets for 2000 are: first, 60% of the workforce to be qualified to NVQ 3, Advanced GNVQ or two GCE (General Certificate of Education) A Level standard; second, 30% of the workforce to have a vocational, professional, management or academic qualification at NVQ Level 4 or above; third, 70% of all organisations employing 200 or more employees, and 35% of those employing 50 or more, to be recognised as *Investors in People* (DfEE 1995b: 7).

## **Conclusions**

With the rapid changes in both international and domestic environments, the education and training of adults in the UK has been developed to meet the demands of socio-economic developments and changes. During the last fifteen years, as in China, there has been an enormous expansion in adult education and training in the UK. With increasing international competition, the Government has realised that 'we cannot hide from changes'. The Government has now seen the education and training of adults as a means to contribute to economic growth. The Government, therefore, tends to encourage the development in both training and qualification education, which are seen to be more relevant to economic activities, rather than developing adult education for its own sake. As the White Paper *Employment for the 1990s* stated:

Everybody can benefit from training. Nobody is too old, too junior or too senior or in too specialised a job. The full potential of the British workforce can only be realised by making a reality of training throughout life for all employees. That also means enabling employees at any age or stage to have access to further and higher education and professional qualifications (1988: 49).

As the major policy drive of the Government has been to expand adult education and training for economic purposes to improve the level of education of the workforce, the main trend of developments in the education and training of adults has been driven in the same direction. Vocational continuing education and training, together with qualification education have now become priorities. At the same time, traditional non-vocational adult education, which is important to self-development, is declining. Such a trend will be further explored in the following two chapters through the discussion of the changes in governmental and institutional policies and consideration of the changes in the management model of the education and training of adults, which have an impact on the direction of provision.

**CHAPTER EIGHT**  
**CHANGES IN GOVERNMENT POLICY**

## CHAPTER 8

### CHANGES IN GOVERNMENT POLICY

In the preceding two chapters, we have discussed the background and development of education and training of adults in the UK. In this chapter we are going to concentrate on the changes in Government policy, whilst in the next chapter we will discuss the changes in institutional policy.

In accordance with the socio-economic changes that have been taking place, there have been great changes in Government policy in the education and training of adults since the late 1970s. The Government has increased its influence on the education and training of adults through both legislation and funding. In terms of administrative structures and funding systems, there have been three major shifts. Firstly, as far as training is concerned, the administrative organisations have changed from the MSC, which is civil service, to TECs, which are representatives of local private enterprises. By the end of the 1980s, the Government was putting a lot of money through the MSC and its successors to develop vocational training for both youth and adults. From the early 1990s onwards, however, TECs, which were set up to replace the MSC successors, have been responsible for such public funding. Secondly, in terms of adult education in the further education sector, LEAs, which used to be empowered by the *Education Act 1944* to develop further education that included adult education, lost most of their powers in 1992. The *Further and Higher Education Act 1992* established the FEFCs for England and Wales to be responsible for a new further education sector, including adult education covering Schedule 2 courses defined by the Act. Non-Schedule 2 courses remain a LEA responsibility. FEFCs have become the biggest funding bodies responsible for adult education. Their umbrella also covers the funding for the WEA, a voluntary organisation that used to receive direct funding from the Government and has now become one of the biggest further education providers in England. Thirdly, Government policy for adult continuing education in the university sector has also changed. Adult and continuing education in the university sector, which used to be called extramural studies and was funded by the Department of Education and Science, has become part of the mainstream educational provision of universities. Instead of receiving direct funding from the Government, they are now receiving funding, through their own universities, from the HEFCs.

## **The Departments of State**

Traditionally, the British Government had very limited state intervention in the education and training of adults. From the mid-1960s, particularly from the 1970s, with the increasing competition of other industrial countries, the Government started to recognise the necessity to provide better training and education of persons over compulsory school age, including adults, to improve the performance of the British economy in the new technological conditions that were developing. The Government has increased its influence, therefore, through both legislation and funding. As adult learning is on the margins of all the systems in which it is provided (Interview UKNIACET), the education and training of adults itself becomes a marginal system. In Britain, the two Departments of State with the greatest involvement in the education and training of adults were the former DE and the former DFE, which used to be called the DES. The two Departments were combined into the DfEE in June 1995. Apart from them, the Department of Trade and Industry (DTI) also has an increasing influence in the field (drawn from Interviews UKHOLLAN & UKNIACET).

In 1970, the DE was formed with the responsibilities that had previously been exercised by such departments as the Department of Employment and Productivity; Ministry of Labour; Ministry of National Insurance; Ministry of Labour and National Insurance. In the early 1970s, the DE introduced the Training Opportunities Programme, which was in response to the growing training need and skill shortages in the adult work force. It enabled people to acquire new skills; update existing skills or return to work after a period of absence. The responsibilities of the DE for the public employment and training services, were soon taken over by the MSC, which was set up by the *Employment and Training Act 1973* (drawn from Interviews UKDE1 & UKDE2). The Commission, which was separate from the Government but accountable to the Secretary of State for Employment, had tripartite representatives from the trade unions (TUs), employers and others, who determined MSC policies (drawn from Interviews UKHOLLAN & UKDE1). However, the Commission was absorbed back into the DE in 1988 (Interview UKDE1). As a result, the DE had become one of the major policy makers committed to the education and training of adults, particularly in regard to training, until June 1995 when it merged with the DFE to form the DfEE.

The particular role of the DE was explained by a staff member from the Research Group, the former DE, now a researcher working within the DfEE

The DE is focusing on training the unemployed, training young people and training for those in employment; these have been the biggest programmes. The budget for training programmes has generally, but not entirely, been related to the level of unemployment in the national economy. The Government doesn't believe it should pay for training of adults who are already in work, but it provides supporting activities. It provides information about what sort of training is available. It has improved qualification structure, by for example, introducing NVQs. It provides guidance services to help individuals to determine what sorts of training they need. It also helps employers to determine what skills they need. So for people who are already in work the Department produces supporting activities rather than telling them what training they ought to have. In the late 1970s the Government also used to pay a bit for training employed adults but it wasn't felt to be cost effective. It was finished in the very early 1980s (Interview UKDE1).

Mr. Alan Tuckett made the following comments on the contribution from the DE:

The DE had much higher commitment to adult learning than the DFE. You see a series of major policies coming from the DE to improve adult learning: firstly on the guidance side recognising that people need advice on what to study; secondly improving the way in which colleges and universities could support industrial change.

The DE tried to help the system through a series of measures they introduced. They took responsibility for 25% of the budgets for colleges to ensure that there was work for NAFE [Non-Advanced Further Education] further education. So there was some relationship between the local economy and the function of colleges. They put money into enterprise development in higher education. Much of this was the product of the vision of Geoffrey Holland, who was a key figure, officer, inventor. He had got a very clear vision of what Britain needed. He undoubtedly had a strategic understanding of what was needed (Interview UKNIACET).

Sir Geoffrey Holland himself, explained:

About 15 years ago, indeed, Mrs Thatcher to begin with, deliberately set up the MSC to be an irritant to the DFE, which she regarded as immersed in the past which we must shake off and look to the future. So she put money towards [the] MSC to do things which from her perspective the DFE had not done. So for example, the MSC, [and then] the DE were given money for programmes for schools and in higher education. Enterprise in Higher Education, a very good



programme held in Sheffield University, is very good example of that. So that money has come from DE and was put there deliberately by the Government to stir the DFE into action believing that they had been slow to adjust to the modern world (Interview UKHOLLAN).

In his view, both the DE and the DFE had been working together in recent years. He argued, 'Seeing from the inside for the last five years or six years, the two have been very much working hand in glove together.' He confirmed that there were several ways that the DFE had been involved in the education and training of adults:

Firstly and most importantly, the mere expansion of higher education and the expansion which has taken place in further education has opened the door to many more opportunities for adults, part-time in their own time, to study and get qualifications. I am not sure that that was a conscious objective of the DE but certainly the very fact that the Government has put a lot more money behind higher education since 1979 and a lot more behind further education has [had] that consequence, and it's a very healthy consequence for the country.

Secondly, not to be forgotten, one of the biggest providers, in fact, the biggest provider for adults in this country in terms of education and training is the Open University, which is a major provider. The DFE has been responsible for ensuring the Open University thrives and possibly grows.

Thirdly, the DFE has come ever more close to the DE, in terms of programmes and the encouragement of schools and colleges and higher education to provide more relevant programmes offering, in terms of the application of what is learned afterwards. So there have been some big programmes in the schools, in the colleges and in higher education to that end, mostly for example, the Technical Education Initiative in schools, the Government has spent £1 billion over 10 years in enhancing the curriculum and its applicability of what is going on in schools [and] to the world afterwards for young people. It is a huge programme. It's worth being taken note of.

So, the DFE has been very much in it (Interview UKHOLLAN).

Finally, however, as mentioned earlier, the DE and the DFE merged together to cover all aspects of education and training in June 1995, and it took one year to fulfil this reorganisation.

In addition, to complete the picture of the Departments of State, Sir Geoffrey Holland explained:

On the side lines, just to complete the picture of the Departments, there is the Department of Trade and Industry (DTI), which has increasingly weighed in on something which the Government has been very slow to admit. It may have understood, but it has been very slow to admit, that is, the slipping, indeed the long way slip of the competitive position of the UK internationally. And that motivator of the competitiveness of the UK economy, if you're tracing a movement since 1979, that has come increasingly to the top of the agenda, and has increasingly been determining government's policy both in terms of public expenditure and tax policy for example, and in particular company taxation, and also actually, where effort has been focused in terms of application of vocational training: there has been more and more emphasis on 'we need to do more, we need to invest more, we need to have more opportunities for people to learn throughout life in order to be internationally competitive.' And the DTI has played quite a major role in that. It hasn't had a lot of money. It hasn't been deploying huge sums of money like the DFE or the DE, but it has been very influential (Interview UKHOLLAN).

Besides these key Departments, other Departments, for example, the Department of Health, the Home Office, the Department of Environment and Treasury also have their responsibilities for adult learning in one way or another (drawn from interview UKNIACET and Tuckett).

### **From the MSC to TECs**

As Sheldrake (1987) argued, industrial training in Britain had been traditionally seen as a matter for industry itself. In the early 1960s, however, the Government started rethinking the necessary involvement in training, whilst the primary responsibility still remained with industry. The *Industrial Training Act 1964*, which set up the Industrial Training Boards and the Central Training Centre, could be seen as the Government's first attempt to reform British training. Entering the 1970s, the Government started its second attempt, when the MSC was created to institute the State intervention in training. Sir Geoffrey Holland confirmed:

the big shift from the 1970s to 1995 is the gradual admission by the Government that what we have in this country is structural unemployment and not just cyclical. And increasingly, this has led the Government to put large sums of money into the training, to a basic level of qualification of unemployed people, particularly long-term unemployed people (Interview UKHOLLAN).

He pointed out that, institutionally, the early part of the period, the first fifteen years, 'was characterised by the existence of the MSC, a tripartite body with representatives of employers, trade unions and education representatives, further education and a Chairman'. He confirmed that at a certain point of the period the Commission was abolished. He continued, 'However, a couple of years later, they invented the Training and Enterprise Councils (TECs). ... to delegate executive responsibility for enterprise education and vocational education and training programmes to leading employers in particular localities' (Interview UKHOLLAN).

### *Establishment and Development of the MSC*

On 1 January 1974, the MSC was set up under the *Employment and Training Act 1973* to run the public employment and training services previously provided by the DE, whilst the DE continued to exist and to look after such matters as strikes, pay issues and general issues of part-time and unemployed workers. The Commission also advised the Government on manpower policies (drawn from Interviews UKDE1 & UKDE2). According to the MSC Annual Report 1979-80, the Commission:

has ten members who serve for a term of three years: a Chairman, three members appointed after consultation with the TUC, three after consultation with the CBI [Confederation of British Industry], two after consultation with local authority associations and one after consultation with professional education interests (MSCb: 1).

Sir Geoffrey Holland confirmed:

The Chairman was full-time. The representatives were part-time. But the representatives were nominees of the various parties. Thus it was a truly representative body and it had delegated to it by law and by the Government large sums of money, a large budget, and large responsibilities of policy in the whole field of vocational education and training, young people as well as adults (Interview UKHOLLAN).

The MSC was a grant-in-aid body, or quango, which meant a quasi-autonomous non-governmental organisation that is accountable to the Government (drawn from Interviews UKDE2 & UKDE1).

The Commission's aims, first set out in 1977, were:

- (i) to contribute to efforts to raise employment and reduce unemployment;
- (ii) to help assist manpower resources to be developed, and contribute fully to economic well-being;
- (iii) to help secure for each worker the opportunities and services he or she needs in order to lead a more satisfying working life;
- (iv) to improve the quality of decisions affecting manpower;
- (v) to improve the efficiency and effectiveness of the Commission (MSC 1983a).\*

\*The (v) was an additional aim newly appeared in the *MSC Corporate Plan 1983-1987*, comparing the *MSC Annual Report 1978-79*.

The MSC was a national giant with headquarters, arms and legs. At the top, there was a head office with the chairman and members and, under the director, several Divisions (Agencies). It started with two agencies: the Employment Services Agency and the Training Services Agency that were statutory corporations (TEEDa). According to the *MSC Annual Report 1979-80*, in the late 1970s and the early 1980s, its operations were managed by three Divisions: the Employment Division, Training Services Division and Special Programmes Division, together with two support divisions: the Corporate Services and the Manpower Intelligence and Planning Division. The aims of the various divisions were defined in the following ways: 'The aim of the Employment Service Division is to help people choose, train for and get the jobs they want, and employers to get the recruits they want as quickly as possible' (MSCb: 8), whilst the 'Training Services Division aims to assist in the development of the national training system to meet the manpower needs of the economy, to offer training to individuals consistent with their abilities and wishes in skills for which there is a demand, and to promote the efficiency and effectiveness of training generally' (MSCb: 14). The special Programmes Division was responsible for some special programmes such as YOP, which provided training and work experience for unemployed young people, and the Special Temporary Employment Programme, which provided temporary work for long-term unemployed adults, both of which were launched in 1978 (drawn from MSCa & MSCb). In 1982, the Training Services and Special Programmes Divisions were integrated into a new Training Division. In April 1983, the Skillcentre Training Agency was established as a separate arm of the MSC. In the same year the Technical and Vocational Education Initiative Unit was set up to launch the Initiative. By 1986, the Commission's operations were managed by three Divisions: the Employment and Enterprise Group, the Vocational Education and Training Group and the Skills Training Agency, together with two support Divisions: the Planning and Resources

Division and the Personnel and Central Services Division (drawn from MSC 1981, MSC 1983b & MSC 1987).

Below headquarters, on the bottom, by the late 1970s, there were 9 Regional MSC Boards and 88 District Manpower Committees under the MSC: there were also 18 Area Offices together with 109 District offices, 27 Employment Rehabilitation Centres and 1,017 Jobcentres and Employment Offices under the Employment Service Division; 9 Regional Offices together with 47 District Offices and 69 Skillcentres and 32 Annexes under the Training Services Division; and 28 Area boards together with 32 Area Offices under the Special Programmes Division (MSCb). By March 1987, however, there were 58 Area Manpower Boards that provided the Commission with advice and assistance in the planning delivery of its programmes at the local level, whilst there were 10 Regional Offices together with 58 Area Offices under the Vocational Education and Training Group, 10 Regional Offices together with 58 Area Offices, 1,011 Jobcentres, 37 Personal and Executive Recruitment Local Offices, and 75 Community Programme Area Offices under the Employment and Enterprise Group. There were 60 Skillcentres under the Skill Training Agency (MSC 1987: 73).

As an entirely national body, the MSC planned its services each year. The 1981 White Paper *New Training Initiative*, together with the *New Training Initiative: Consultative Document* and *New Training Initiative: the Agenda for Action* published by MSC, formed the cornerstone for the MSC training policy from its publication. Following the *New Training Initiative*, which contained three main objectives: the conversion of YOP into a new YTS, reform of the apprenticeship system and the development of an Adult Training Strategy, the Commission planned its strategy on these three objects. By 1983, the Commission had published a discussion paper *Towards An Adult Training Strategy*, which invited all interested parties to present views to the Commission before it developed a set of proposals to encourage the growth of training consciousness among firms and individuals, to improve the system for providing and accrediting training, and to increase collaboration between employers and training providers (MSC 1983b). In January 1984, the White Paper *Training for Jobs*, broadly endorsed proposals derived from the discussion paper *Towards An Adult Training Strategy* and gave the MSC the responsibility for NAFE, thus asking the MSC in effect to increase its operations in order to become a national training authority.

The Adult Training Strategy was launched in January 1984 in response to concern about the effect of Britain's approach to adult training for international competitiveness. It aimed to change the attitudes and behaviour of all concerned - employers, individuals and training providers - so that training was undertaken which significantly improved the quantity, quality and relevance of the skills available in the labour force. As the *MSC Annual Report 1986 1987* summarised, the strategy was progressed in three ways, through:

- promoting adult training
- measures to make the training market work better
- the Adult Training Programmes.

The Report stated that the Commission promoted adult training 'in three ways: general promotion work to develop positive attitudes to training; activities designed to bring about particular action by a chosen group; and activities to promote the Commission's own adult training programmes, projects and schemes' (MSC 1987: 27). In collaboration with other organisations, the Commission provided millions of pounds as grants or pump-priming finance for programmes, such as: the Open Tech Programme, the Opening Learning Programme, the Open College, the Local Collaborative Projects, the Local Development Project, and the Training Access Points. In the mid-1980s, the Commission also ran its own Adult Training Programmes, including:

- Job Training Scheme, which helped to meet identified skill needs, mainly at local level, by offering intensive occupational training to upgrade, extend or convert the existing skills of people aged 18 or over who were out of work;
- New Job Training Scheme, which developed for people who had been out of work for over six months;
- Wider Opportunities Training Programme, which offered training geared to the needs of unemployed people;
- Access to Information Technology, which encouraged training providers to open up their Information Technology facilities outside normal working hours and raised the general level of awareness of Information Technology in the workplace;
- Local Consultancy Grants and Local Training Grants, aimed at promoting training amongst local employers, especially those with little or no previous commitment to training,

- Training for Enterprise, which helped to provide the management skills and knowledge that potential and existing entrepreneurs need to launch, sustain and ultimately expand a new enterprise;
- National Priority Skills Scheme, which promoted improvements in the quality and extent of industry's training infrastructure through ITOs;
- Management Training and Development, aimed at improving general awareness of the benefits to British business of structured management development;
- Industrial Language Training Service, which provided English language training in the workplace for members of ethnic minorities and training in communications and awareness for managers, supervisors and trade union officials.

There were many other initiatives as well. All these programmes were national programmes rather than local ones. They were already fixed. Each area was simply told, 'you do that' (drawn from Interviews UKSTECRT & UKSTECUE). Sir Geoffrey Holland, confirmed that the MSC did plan in a macro way and that under the MSC, the management models of the education and training of adults was macro-planning oriented. He said:

One of my colleagues at the MSC had a very good French word for what we were doing at the right approach as he perceived it to be, I think, correctly. He described it as acting as an '*observatoire*', an observatory. An astronomer has an observatory when he looks at the sky. What he meant by that was, we stand where we stand, and we look around and we'll describe for you the landscape and the heavens as we see them, in employment terms, what is happening. And we would do so from a particular perspective but we would not particularly forecast what will happen, and we certainly won't become specific about numbers or locations (Interview UKHOLLAN).

### ***Decline and Abolishment of the Commission***

In the financial year 1986/87, the MSC was still in its glory and had put great efforts into the contributions of both training and employment. In October 1987, however, the decision was taken to establish a new 'Next Steps' Agency called the Employment Service. This would report to a Chief Executive who would in turn report to the Secretary of State for Employment. This process meant that the MSC would lose its responsibility for the Employment Services and related programmes, which were transferred to the direct control of the DE. In 1988, the *Employment Act 1988* re-named the MSC the Training Commission (TC) and confirmed the functions of the Commission should be over powers

and duties in connection with training for employment. Consequently, the Commission lost half of its power, losing the Employment Service. Furthermore the Commission was increased by the addition of six further members from the organisation representing employer interests (TEEDa). This meant that the tripartite Commission lost its original balance: TUs and LEAs were losing their influence, whilst employers were empowered to increase their influence.

On 18 November 1987, Norman Fowler, the Secretary of State for Employment, announced that most of the existing employment and training programmes for unemployed people aged 18 and over would be combined into a unified adult training programme, Employment Training, which would replace the Community Programme, the Job Training Scheme and several smaller schemes, on 5 September 1988 (Lourie 1988). In February 1988, the Government published the White Paper *Training for Employment*, which announced that the Government '**decided to bring together all the existing programmes to help unemployed people over the age of 18 into a single unified training for employment programme. The new programme will begin to operate from September 1988**' (DE 1988a: 21, with original bold letters). The new programme was intended primarily for those who were longer term unemployed.

There was a debate, however, about supporting Employment Training. Ron Todd, General Secretary of the Transport and General Worker's Union, resigned from the Training Commission in June 1988 and set out his reasons for opposing Employment Training: first, participants were barred from employee status and could not be paid the proper pay rate for the job as they would get just £10 to £12 in addition to their social security benefit for a full working week; second, the funding was quite inadequate; third, thousands of supervisors and participants were facing redundancy because of the Government determination to replace high-cost quality provision in local authorities and the voluntary sector with fly-by-night private training organisations operating a cut-price scheme to offer employers cheap labour; fourth, Unions would not be able to keep a check on these organisations because the monitoring service previously operated by the Commission's area manpower boards was being curtailed. In September 1988, at its annual conference, the TUC voted to instruct the General Council to withdraw support from Employment Training. An amendment, however, accepted a two year phasing out period. Norman Fowler's immediate reaction was to abolish the TC: on 15 September 1988, he announced in a statement that the functions of the TC would be carried out by a new executive



agency (drawn from Lourie 1988, Evans 1992 & EDLIS 1994a). Sir Geoffrey Holland made a comment:

the Trade Unions movement refused at its annual conference to endorse a major programme of the Government for long-term unemployed people, the Employment Training programme. The Government used that as, some would say, as the pretext, others would say, used that as the trigger for saying that they could not continue with the MSC. Constituted in that way, and they abolished the Commission (Interview UKHOLLAN).

On 16 November 1989, the *Employment Act 1989* formally abolished the TC. Later the Training Agency was set up as an executive agency of the DE. The Area Manpower Boards were then disbanded (TEEDa). The death of the MSC, a national giant, which had contributed to British training operations for one and a half decades, led to the end of national planning in training, which had existed in Britain for over two decades. Sir Geoffrey Holland pointed out:

since the MSC disappeared, there has been no comparable activity at national level. So that no TEC and nobody else for that matter has any kind of back cloth against which to see their endeavours, or against which to compare what they think. I think it's a rather serious omission from the country's affairs (Interview UKHOLLAN).

He admitted that it meant that on the national level there would be no macro-planning. Evans (1992) suggested that this ended twenty-four years of active state intervention in training, and a return to a voluntary market.

The Training Agency itself ceased to exist in 1990. On 6 November 1990, when the functions of that organisation returned to the DE, the training, enterprise and education functions of the group were combined to form the Training Enterprise and Education Directorate (TEED) of the DE (Interview UKDE2).

### ***The Rise of TECs***

In December 1988, two months after the Government abolished the TC, the *Employment for the 1990s* White Paper outlined plans for TECs:

**The Government now intend to build on the existing involvement and commitment of business by inviting local groups led by employers to submit**

**proposals for the establishment of Training and Enterprise Councils (TECs) in England and Wales to contract with Government to plan and deliver training and to promote and support the development of small business and self-employment within their area. This will mean the Council engaging the commitment of employers to training and education and to fostering enterprise in their local communities. TECs will enable training and enterprise activities, including the Government's major training programmes, to be tailored to local needs. They will provide a vehicle to bring decision-makers together in the interests of broader economic development and of creating active local partnerships. In this way, the Government hope to place 'ownership' of the training and enterprise system where it belongs-with Employers (DE 1988b, with original bold letters).**

Thus, as Sir Geoffrey Holland pointed out, instead of having a central body, the Government 'had delegated authority to the eighty plus TECs in England and Scottish Enterprise Companies in Scotland'. He confirmed that the TECs were related to enterprise culture:

Before the TECs were launched, I was present when Mrs. Thatcher remarked to a meeting that I happened to be at, an illuminating remark, ... 'we have no institutions at local level born of the enterprise culture we are seeking to create.' 'No institutions at local level born of the enterprise culture we are seeking to create': what she meant by that was that every institution, governmental or otherwise at the local level, was a hangover of the grey consensus days (Interview UKHOLLAN).

To break the mould, Mrs. Thatcher and her followers turned to America to borrow the ideas for enterprise culture. Mr. R N Soar, a member of staff from the former TEED of the DE, who now works for the Operations Directorate, DfEE, confirmed that the original idea for TECs was brought back from America:

Until 1989, all the training in this country was provided by the civil service, by the area offices of what we called the Training Agency. In 1988 we sent people to America to look at the model they were trying. They were operating something called PICs (Private Industrial Councils). These involved local business people. We looked at that model and brought it back here, and then thought about it. Then we completely reversed the way that we did things. We turned it all upside down. Instead of having the civil service running and contracting for training unemployed people, young people, we invited employers from local communities to form the board and directors. There was a transition stage between the civil service area offices and setting up of the TECs (Interview UKDE2).

Sir Geoffrey Holland explained how TECs were staffed at the starting point:

When they were formed, in order to get them going, to get them started, the DE seconded to the TECs all the staff of the regions. And I should say that before the TECs were there, of course, there were areas and local staff of the MSC, so, what we said to those staff was, 'you go on secondment and work for the TECs for a period of time to get them started ' So to begin with their staff were entirely civil servants on secondment. The TECs themselves, being of the kind of body that I have just described to you, wanted very much their own staff to be their own employees not seconded civil servants. After some argumentation with the Government and discussion, the Government agreed that should be the case and that when a TEC had been in existence for ... three years, that they could give notice that they were going to move to a situation where they were employing their own employees. The seconded civil servants could apply for the jobs. Or they could say that they preferred to return to the DE. Or they might apply for jobs and not get them. In that case the DE would take them back onto its books. And the majority of the TECs are now staffed by their own employees (Interview UKHOLLAN).

The first ten TECs became operational in April 1990. By October 1991, the DE had completely replaced all its area offices with TECs in 82 areas of England and Wales. In Scotland all the Local Enterprise Councils (LECs) became operational in April 1991 (Interview UKDE2). TECs are led by private sector employers. According to the 1994 *TEC Operating Agreement*, the TEC shall ensure that 'at least two-thirds of the Directors (including the Chairman of the board) must hold the office of chairman or chief executive of a company or top level operational manager at local level of a company or senior partner of a professional partnership within (in each case ) the private sector', whilst 'the remaining Directors are chief executives or their equivalents from education, economic development, trade unions, voluntary organisations or the public sector', and that 'a Director shall join and remain on the board of Directors as an individual and not as a representative of another company or organisation' (DEb: 9). According to information collected in July 1991, out of 1,136 TEC directors, 805 were from the private sector (Lourie 1992).

The TECs are companies limited by guarantee. They are big business. The vast majority of TEC's funding comes from the Government. £1,571,910,000 was allocated to TECs in 1990/91, and in 1991/92, the figure was £1,838,660,000 (Lourie 1992). They operate by means of a performance contract negotiated annually with the Regional Offices of the TEED of the DE (Welsh TECs have contracted directly with the Secretary of State for

Wales since April 1992) (Lourie 1992). According to the *TEC Operating Agreement*, which was drawn up by the DE each year, the 'Secretary of State for Employment shall consult the TEC on the formulation of the Strategic and Planning Guidance' and 'shall make arrangements in respect of each Year for inviting bids from TECs for the volumes and outcomes to be achieved and the total cost of achieving such volumes and outcomes in the following Year', whilst the 'TEC shall produce in accordance with the Strategic and Planning Guidance made available to it' and 'shall submit to the Secretary of State for Employment a draft Corporate Plan' and 'a draft business Plan' (DEb: 4). As a general rule, TECs were paid a unit price for training delivered and outputs (e.g. jobs, qualifications and business survivals) and a fixed management fee for administrative costs. TECs were allowed to generate a surplus by subcontracting at a lower unit price than negotiated with the DE. A surplus might also be generated where the administrative costs of a TEC were kept below the management fee paid by the Department. The surplus was available to the TEC, with the agreement of the Secretary of State, for further expenditure on programmes and administrative costs, for initiatives outside the programmes but within the TEC's articles and memorandum of association or as a contribution to reserves of the TEC. The eligible TECs could receive some Performance Related Funding bonus from the DE when they achieved certain targets. On the contrary, the TECs that failed to achieve their targets set out in the Agreement, would be asked to submit a corrective action plan. If a TEC continues to underperform, it would be subject to contract cancellation. In such a case, a TEC could go bankrupt (drawn from DEb, Interviews UKDE2, UKSTECUE & UKSTECRT, UKHOLLAN & UKDE2).

In doing such business, TECs were contractees and sellers, with the DE as a contractor and the biggest buyer (Interview UKSTECRT). Mr. Soar described how TECs were paid by the DE:

We pay them according to what they produce. If a TEC set up a business plan, 'we would train 1,000 people and we expect 700 to get jobs.' We would say, 'OK, for all those who get jobs after training, we will pay you that much. For all of those who get qualifications but not the jobs, we will pay you that much. For all of those who go back to unemployment, we only pay you that much or for some of them, nothing.' We have a contract with each TEC.

They have to bid for the money. Every year, Parliament has the budget and announces how much each Department will have. So we know the total amount of money at budget time. It is called the Chancellor's Autumn Statement. Out of that money, we need to work out carefully how much we can let TECs bid for.

Different TECs will have different budgets according to how they performed the year before and according to what they consider they need to carry out the training they found proper for their area. The money actually is paid out every four weeks making thirteen periods over the year. This Department agrees how much each TEC's budget in the year would be. Then our Government offices in the regions actually deal with them on the daily basis. TECs would send to the Government offices every four weeks an account showing how many people have left training in that period and what happened to them. On that basis, they get paid. So they get money gradually through the year according to achievement. It is a rolling over process (Interview UKDE2).

TECs are also contractors and buyers, whilst the providers are contractees and sellers. Mr. Soar continued:

Then each TEC would sign contracts with providers. That is one of the ways they make money because we agree with TECs a price for a person leaving training and get a job. Then they would put their price on it. There is profit element there. There is difference between what we pay and what they pay to providers. They can keep the difference but they can only spend that money in according with the plan that we already agree with them. They can't buy luxury cars. They have to spend that money on more training or more enterprise measures (Interview UKDE2).

Since TECs are running businesses, as discussed earlier, they can go bankrupt as other enterprises do. As Sir Geoffrey Holland confirmed, one TEC, 'the South Thames TEC called in the liquidators just before Christmas' (Interview UKHOLLAN). Mr. Soar explained:

Over the period of two years, they failed to manage their money properly. They just won't keep their eyes on it. They got to the stage where they ran out of their cash. They were insolvent. They were not able to pay for their providers through management...Just a week before Christmas, they got to the stage where their bank account was empty and they couldn't pay their providers. So, legally, we had to send them to a legal agent because in company law in this country, they would close and sell them if they couldn't pay their bills. Therefore, the only option is to make them bankrupt (Interview UKDE2).

Sir Geoffrey Holland argued, 'the question is, what is going to happen in that part of London at the moment' (Interview UKHOLLAN). The officer from the TEED confirmed that other TECs in London were in difficulties too. He stated that the reason was:

Because London is an expensive place. Providers negotiate for very high prices for training. It is very difficult to get training right in the capital city because a lot of work is clerical but there are not many [vacant] clerical jobs. People trained for clerical jobs do not get jobs. But the TECs in London are not getting paid the output performance money that they thought they would because they are not achieving yet. That is the real problem (Interview UKDE2).

### *Operation of the Sheffield TEC: a Case Study*

Robert Tansey, who used to work for the DE two years ago, is now Contract Manager of the Sheffield TEC, located nearby the Moorfoot Headquarters of the former DE, now the DfEE. He explained how the TEC bought training from the suppliers and then sold it to the DE. As he pointed out, there were several procedures to get their target. First of all, they had to find out what the local employers' needs were and what clients' needs were in both short term and long term, through research. Second, they got targets set by the DE office, including the number of people getting into jobs with training, the number of NVQs per level, the number of special needs people and other targets. Third, they would balance both the provision they were given and the local employers' needs, and then would sign the TEC Operating Agreement with the DE. As he confirmed, once they received their own target from the TEED regional office in Leeds, they would shop around: they would contract training suppliers, both private and public organisations that had met TEC standards, following certain procedures. First, they would invite training organisations to tender to propose what they were going to deliver next year. Second, after getting suppliers' proposals in, they would balance both suppliers' targets and their own target and then set targets for each supplier, which would normally be based on what they had achieved in the previous year: if a supplier had not delivered the contract in the previous year, the TEC would hardly be likely to give them a good contract. Third, they would send out a team to assess training organisations to ensure that they could 'deliver that training with the best quality with the best outcome as a result of that training'. Fourth, after being examined by managers of different departments of the TEC and the director of the TEC, the contract would be signed by both the manager of the Contract Department of the TEC, as the representative of the TEC, and the representative of each supplier. He said that, with the money paid by the DE in training weeks, they used to pay training weeks for adult training provided by suppliers. Starting from 1995, however, they would pay suppliers according to the outcomes: the number of people who got jobs or NVQs. Following the DE, they also broke down the contract year into thirteen periods on a time table, so that the suppliers could claim once a month. He emphasised:

Once they claimed, we could assess what they achieved. We ask them to supply profiles, on the provision that we have given to them in that block across thirteen periods. Then we assess them on their profiles to see what they actually delivered. On the Quarterly basis, ... we assess what each individual supplier achieved and how we are achieving target. That is why about the quarterly period we change our contracts (Interview UKSTECRT).

He confirmed that once a supplier had not achieved in that quarter, the contract could be cut and that provision would be passed to somebody else who was achieving. He made a comment:

They really depend on who comes through their doors and how many people they have got on their programmes. They can assess the provision that we have given them. So, they are there to sell their training programmes to individuals, to school leavers, to unemployed people and say, 'come on to our programmes'. Then they can actually claim for their training. They have to attract as many people as possible.

He admitted:

It is basically a contract that we are given from the Employment Department. We just carry out that contract: because we are expected to meet these requirements, so we expect suppliers to meet those requirements .

He agreed that this meant that the suppliers sold training to the TEC and the TEC sold it to the DE (details taken from Interview UKSTECRT). As he and his colleague confirmed, the Sheffield TEC had run its business quite successfully. They got a lot of bonus funding each year related to their success. Moreover, in 1994, the Sheffield TEC became the first TEC to obtain a TEC Licence lasting for three years from the DE. This meant that the Sheffield TEC reached the required standard to run its business (drawn from Interviews UKSTECRT & UKSTECUE).

### ***Difference between the MSC and TECs***

There are some obvious differences between TECs and the MSC. First of all, as Sir Geoffrey Holland pointed out, from the institutional point of view, the whole rationale of TECs is quite different from that of the MSC (Interview UKHOLLAN). As we discussed earlier, the MSC, as a representative body, consisted of three employers, three Trade Unions, three people from educational services and an independent Chairman. Sir Geoffrey Holland pointed out, 'there were processes of accountability to the employers

body, the CBI, and the TUC or the trade unions' members of the MSC'. He made a comment that TECs, by comparison, 'are not representative bodies. ... There is no process of public election or indeed representative election, by which you become a member of a TEC'. He confirmed, 'The TECs consist of directors or board level, of a group of individuals who happened to be there, because somebody knew them. They are, therefore, self appointed. ... They are not democratically accountable' (Interview UKHOLLAN). Secondly, as a national tripartite body, the MSC was concerned with a national strategy rather than a locality. Sir Geoffrey suggested, the members of the MSC 'were invited to take a broad view of the national needs. They were invited to take a view which was above and superior to that of a local community's view'. He continued, 'They were invited to take a medium and longer term view. ... And the various bodies they came from, by their nature, were not short term ... horizon bodies. They were bodies which were on the whole concerned with longer term developments of one kind or another'. In his view, TECs, however, on the whole, have 'a shorter term view of local communities and their development, because much of judgement of performance of the TECs is how many unemployment people get into jobs now' (Interview UKHOLLAN). Thirdly, the management model of TECs is quite different from that of the MSC. On the one hand, as discussed earlier, as a national training authority, the MSC, as a national training authority, acted as an '*observatoire*', from which they looked around, told people what was happening and what training the whole country needed. They developed national planning in a macro way. To fulfil the national strategy they were in co-operation with other national organisations and signed contracts with agents, whilst they also provided adult training through their own Skillcentres. The Commission was broken down into Divisions, and local offices, which were part of the civil service and reported back to the Commission. As a part of the MSC, the area offices did not have to sign any contract with their headquarters but they did sign contracts with training providers to deliver training. They were contractors only (Interview UKSTECRT). On the other hand, as Sir Geoffrey Holland suggested, TECs, in comparison, as 'limited companies by guarantee', are becoming quite considerable private companies at the moment. He confirmed that after transitional years, the majority of TECs were staffed by their own employees, who were no longer civil servants, with their own pension scheme. He argued, 'for example, if a TEC goes bankrupt, and one has gone into liquidation, there is no guarantee of further employment for the staff (Interview UKHOLLAN). Thus, instead of having civil servants looking at the national strategy to tell people 'you do that' (Interview UKSTECUE), TECs, as a private sector oriented, employers dominated programme in each locality, are looking at what is happening in local areas. They run TECs as a business: on one hand, as



contractees, they have to sign a contract with the Government, the biggest buyer, to sell training to it; on the other hand, as contractors, they sign contracts with training suppliers to buy training from the latter. Like other businesses, they could go bankrupt as the South Thames TEC did. Furthermore, starting from 1994 onwards, as business enterprises, TECs now have to apply for their operating licences.

From the above analysis, we can see clearly that, from the MSC to TECs, Britain's administrative system of training has travelled from the civil service, the representative of the planning orientation, down to training enterprises, the representatives of the market orientation. Under the new system, the management model is obviously market oriented: suppliers have to provide training according to the buyer's requirements rather than in accordance with their own interests, because if they do not achieve the requirements and targets set by buyers they will then lose their contracts and their markets.

### **Changes in the Further Education Sector**

Whilst the administrative structure and funding system of training has been completely changed, the funding system of adult education has also been entirely changed. The educational system of England and Wales used to be commonly described as a 'national system locally administered' (Cantor & Roberts 1986: 11). This is no longer true, since LEAs have been intensely weakened throughout the 1980s and in the 1990s in accordance with the changes in Government policy towards the further education sector.

#### ***Weakening of LEAs***

Before 1944, LEAs had the power to supply or aid the supply of education for students over compulsory school age. The *Education Act of 1944* placed for the first time on the shoulders of LEAs the duty of securing adequate facilities for further education, which was defined in Section 41 of the Act as: (a) full-time and part-time education for persons over compulsory school age; and (b) leisure-time occupation in such organised cultural training and recreational activities as are suited to their requirements, for any persons over compulsory school age who are able and willing to profit by the facilities provided for that purpose (EA 1944 SS. 7 & 41). Starting after the 1944 Act, LEAs began to play a major part in further education, which included adult education. Whilst they ran colleges and schools, they also ran adult education services to develop various types of courses of adult education. By the 1960s, these were mainly leisure courses and some language courses, as well as a few vocational courses, such as typing. In the 1960s, however, LEA adult

education services were expanded. Apart from the continuing emphasis on liberal courses they started more vocational courses, such as commercial courses (Interview UKCETSMD). In the 1970s, responding to the Russell Report, LEAs developed work with English as a second language and literacy work. They developed programmes of work for unemployed adults and created ladders of opportunity for people with learning difficulties to fulfil their learning potential. In the Inner London Education Authority (ILEA), some new courses were developed offering adults the chance to study a broad range of subjects in preparation for entry to higher education or to certificated and work related further education (Interview UKNIACET).

Since 1979, due to both economic and political reasons, the powers of LEAs have been reduced radically. This has been associated with the general weakening of local government by the Government (Interview UKSUWH). Firstly, in the mid-1980s, the Government transferred one quarter of the funding of work-related NAFE from local authority rate support to the MSC (Interview UKNIACET). LEAs then had to sign contracts with the MSC to deliver NAFE.

Secondly, the powers of LEAs were seriously reduced by the *Education Reform Act 1988*, which separately defined public sector further education and higher education for the first time and announced, 'a local education authority shall no longer be under a duty to secure the provision for their area of facilities for higher education' (ERA 1988 S. 120). Substituted for section 41 of the 1944 Act, section 120 of the 1988 Act gave LEAs a general duty 'to secure the provision for their area of adequate facilities for further education', which were defined as:

- (a) full-time and part-time education for persons over compulsory school age (including vocational, social, physical and recreational training); and
- (b) organised leisure-time occupation provided in connection with the provision of such education (ERA 1988 s. 120).

The Act spelled out, 'In this Act "further education" does not include higher education' (ERA 1988 S. 120) and in effect removed advanced further education from the control of LEAs and established the Polytechnics and Colleges Funding Council (PCFC) to fund those institutions where,

(a) its full-time equivalent enrolment number for courses of advanced further education exceeded 350 and also exceeded 55 per cent. of its total full-time equivalent enrolment number; or

(b) its full-time equivalent enrolment number for such courses exceeded 2,500 (ERA 1988 S. 121).

The Act also required LEAs to delegate financial and other powers to their remaining further education colleges so that the colleges were to be given as much freedom as possible to manage their own affairs and allocate resources. The governing bodies of further education colleges were also reformed by the Act: there was to be a limitation of 25 governors, of whom at least half had to be drawn from employment interest groups and co-optees and 'not more than twenty per cent. shall be persons selected and appointed by the LEA' (ERA 1988 S. 152). Following the 1988 Act, the funding responsibility for all English polytechnics and major higher education colleges was passed from the local authorities to the newly created PCFC in 1988, whilst the funding of the Polytechnic of Wales and other major higher education institutions was not transferred from LEAs to the Welsh Office until 1 April 1992 (Allen & Gillie).

Thirdly, the Government took further significant action to reduce the powers of LEAs in the 1990s. In May 1991, the Government published in two volumes, *Education and Training for the 21st Century*. Chapter 9 of Volume 1 outlined the Government's proposals for vocational education, including legislating to give further education colleges and sixth form colleges independence to expand and respond to their markets. It made it clear that both academic and vocational adult education would be funded through further education colleges and that there would be no funding from the proposed FEFC for courses catering for adults' leisure interests. Volume II stated that adult education would be funded through further education colleges except for those courses in leisure interests that would continue to be provided by LEAs and voluntary bodies and funded through fees, although LEAs could subsidise such courses where they served a social function. According to the White Paper LEAs would lose entirely their powers in further education. One year later, the *Further and Higher Education Act 1992* finally removed further education from LEAs and set up the FEFCs for England and Wales. LEAs lost most of their duties for further education which had been placed upon them by the 1944 Act.

### ***The Rise of FEFCs***

The 1992 Act placed on FEFCs the duty to secure provision for the population of each area of sufficient facilities for 'full-time education suitable to the requirements of persons over compulsory school age who have not attained the age of nineteen years'; and the duty to secure the provision for the population of each area of adequate facilities for -

(a) part-time education suitable to the requirements of persons of any age over compulsory school age, and

(b) full-time education suitable to the requirements of persons who have attained the age of nineteen years,

where the education is provided by means of a course of a description mentioned in Schedule 2 to this Act (FHEA 1992 S. 3).

Schedule 2 referred to in the Section 3 of the Act listed those certificated courses leading to qualifications, both vocational and academic, and other basic education such as the following:

(a) a course which prepares students to obtain a vocational qualification which is, or falls within a class, for the time being approved for the purposes of this sub-paragraph by the Secretary of State,

(b) a course which prepares students to qualify for

(i) the General Certificate of Secondary Education, or

(ii) the General Certificate of Education at Advanced Level or Advanced Supplementary Level (including Special Papers),

(c) a course for the time being approved for the purposes of this sub-paragraph by the Secretary of State which prepares students for entry to a course of higher education,

(d) a course which prepares students for entry to another course falling within paragraphs (a) to (c) above,

(e) a course for basic literacy in English,

(f) a course to improve the knowledge of English of those for whom English is not the language spoken at home,

- (g) a course to teach the basic principles of mathematics,
- (h) in relation to Wales, a course for proficiency or literacy in Welsh,
- (j) a course to teach independent living and communication skills to persons having learning difficulties which prepares them for entry to another course falling within paragraphs (d) to (h) above (FHEA 1992 Schedule 2).

The above are no longer the duty of LEAs. Furthermore, as 'the external institution', an institution outside the further education sector, a LEA now has to bid for funds for its Schedule 2 courses from the FEFC through 'the sponsoring body', a further education college. However, according to the Act, 'a local education authority may -

- (a) secure the provision for their area of such facilities as appear to them to be appropriate for meeting the needs of the population of their area; and
- (b) do anything which appears to them to be necessary or expedient for the purposes of or in connection with such provision (FHEA 1992 S. 11).

Following the 1992 Act, in January 1993, the DFE issued a Circular which explained the main provisions of the 1992 Act, with particular reference to how they would affect the LEAs in England. The Circular affirmed, 'The Further Education Funding Council will be responsible for funding education in colleges in the further education sector which falls within Schedule 2' (DFE 1993: 6), whilst 'LEAs duty is to secure the provision for their area of adequate facilities for courses not falling within Schedule 2' (DFE 1993:16). Consequently, as Alan Tuckett made a comment, in terms of adult education, 'some of the biggest changes followed immediately from the 1992 Act, from the establishment of the FEFC', that is, 'the split in adult education between courses which lead to certificates, vocational or academic, funded by the FEFC, and the courses which don't, which remain the responsibility of LEAs: Schedule 2 is the FEFC responsibility and non-Schedule 2 is the LEAs' responsibilities' (Interview UKNIACET).

### ***New Funding Methodology***

In terms of adult education, before the 1992 Act, LEAs were the major responsible bodies funding adult education in their areas. They gave a block of money to the providers in the colleges or centres without knowledge of what they were doing except through the annual report, which might reach them several months after the current year had finished. The providers had entire freedom to decide how to use the money, subject to the normal audit

for financial propriety and the advice of LEA officers, and what kinds of courses they were going to be put on (drawn from Interview UKCETSMD, UKCETSNM & UKNIACES). Margaret Davey, the then head of the Continuing Education and Training Services in Croydon and a member of the FEFC for England confirmed:

Before 1992, we received a sum of money from the local authority. In our case, about £1,500,000 per year. It didn't relate to anything. ... Its function was, each year we delivered more or less the same thing to maintain the level of provision. There was no real requirement to deliver anything, no real understanding of changes within the population and the needs of population. You could say the money we received, and we do receive, from the local authority is a kind of grant. They want to see that continuing education and training is continuing: we need £800,000 to maintain the structure, to maintain the building and to maintain the services. Apart from giving the Annual Report, they have no knowledge about what we are doing (Interview UKCETSMD).

FEFCs, which were established and empowered by the 1992 Act, in the summer of 1992, developed and adopted a new national funding methodology in 1994, which,

is based on the three stages of a student's progress through further education: entry activities such as recruitment and initial guidance; the teaching and learning which takes place on the student's programme; and the student's achievements. The Council has developed a tariff which assigns standard values of funding units to each stage of each student's further education programme. The tariff reflects the type and length of the student's course. It takes into account the cost of additional support provided for students with learning difficulties or disabilities. It allows for tuition fees to be waived for students receiving state benefits, and it allows the Council to compare the costs of different types of college provision on a like-for-like basis (FEFC 1994: 9).

Margaret Davey explained:

Every programme is allocated units and weighting. ... FEFC only fund you if you are doing qualifications. What the FEFC is paying for is three payments. One is called '*Entry*': every student you recruit and you give guidance to if you have a procedure to make sure that they get proper guidance, you get *x* units. Every course, you have '*On Programme*' units. That would be *y* units. Every programme would be different. You only get paid if students are there. There are three censuses every year to check if students are still there. If people drop out you would lose your money. Then you get '*Achievement*': if the students pass examinations, you get *z* units. All these add up to your total for your organisation.

That is fundamentally different from how further education used to work (Interview UKCETSMD).

She pointed out that the difference was a change from input funding to *output* funding. She said, 'This is actually about paying for output, which means output related funding. The term is not used, but that is what it is. It is to pay institutions to deliver' (Ibid.). The institutions have to bid for funding for certain units each year. Then they will get paid monthly according to their targets that have been accepted by the Council. If they haven't achieved their targets, they will not get any growth in money for the next year and they will be subject to what is called "claw back" (drawn from Interview UKNIACES & UKCETSMD). According to Davey, in 1995, there were some 100 colleges which didn't reach their targets, and consequently from which money would have to be taken away (Interview UKCETSMD). The price per unit is fixed, despite the actually different costs among different institutions. Margaret Davey explained that the funding level for growth was £14.50 per unit in 1995, and would increase to £15.70 in the following year. There was also a 'demand led element' (DLE), that is, 'whatever you over-achieve, you get £6 per unit. There is no ceiling'. She agreed that this would encourage institutions to get more students, particularly in those institutions with lower costs. She elucidated:

Particularly us, because our costing is around £8 or £9 per unit, whilst the colleges' average is £20 per year. We are much more efficient with a much lower cost level, which means that for us the DLE is quite attractive. For colleges, they can't put on new courses. They can have new students in classes. That is a good thing. For us, we would argue, that although the actual cost is £8, we only get £6.50, but we can bring in money from other sources, we can still do that. So, we are able to grow on this funding methodology (Interview UKCETSMD).

Thus, the new funding methodology would allow those institutions with lower costs to grow and force those institutions with higher costs to bring their costs down. Margaret Davey argued, 'It is a very certain method to give you efficiency and higher productivity'. She agreed that it was also a kind of macro-planning whilst it pushed the institutions towards a market orientation. She said:

The Government or the Funding Councils can actually increase that productivity by saying, 'If we give a little bit more for achievement or a bit less, you can actually change how it works.' Or you can actually go to here, saying, 'We actually need more hotel chefs.' If you want more hotel chefs, you put more money in (Interview UKCETSMD).

Here is the buyer's market. On the one hand, the Government as the biggest buyer, can order what it prefers and use the funding to effect the changes. On the other hand, institutions as providers have to bid for the business to produce more successful students and to bring their costs down, otherwise they would lose their market.

### **Changes in the University Sector**

Whilst there have been great changes in the Government policy for further education, the Government policy for adult continuing education in the university sector has also changed.

#### ***HEFCs***

The 1992 Act established not only the FEFCs, but also the HEFCs for England and Wales. At the time of the passage of legislation, the funding and organisation of higher education was arranged through separate channels for universities and the non-university sector of higher education. Universities were, except for the directly funded OU and the independent University of Buckingham, funded for both teaching and research through the University Funding Council (UFC) established to replace the non-statutory University Grants Committee (UGC) under the 1988 Act (DFE 1991). In terms of the non-university sector, as we discussed earlier, the English non-university sector higher education was funded by the PCFC established by the 1988 Act in 1988, whilst the responsibility for the polytechnic and the higher education institutions in Wales was not transferred to the Welsh Office from LEA control until 1 April 1992. On 20 May 1991, the Government published its White Paper, *Higher Education - A New Framework*, which spelled out the main features of the Government's plans for bringing universities, polytechnics and major colleges of higher education into a single structure for higher education as follows:

- the establishment of Higher Education Funding Councils within England, Scotland and Wales to distribute public funding to institutions in their areas to support both teaching and non-specific research; and new links to continue the close relationship between Northern Ireland's existing unitary structure and provision elsewhere in the United Kingdom;
- the extension of degree-awarding powers to the polytechnics and some other institutions, and the consequent winding up of the Council for National Academic Awards;
- the introduction of new measures concerning quality assurance, ...
- permitting polytechnics and, subject to the development of suitable criteria, other major institutions to adopt the title of university (DES 1991: 38).



The White Paper set up a target 'that nearly one in three of all young people will enter higher education by the year 2000, and that participation by mature entrants will also increase' (DES 1991: 37). It stated that the Government believed that 'the real key to achieve cost-effective expansion lies in greater competition for funds and students' (DES 1991: 12).

In the following year, the 1992 Act gave effect to the proposals outlined in the above White Paper. As a result, the HEFCs for England and Wales, the symbol of a unitary system of higher education, were formed under the Act.

### *Changes in Funding*

In terms of funding of adult continuing education in the university sector, as Professor William Hampton, the former head of the Division of Adult Continuing Education, University of Sheffield pointed out, 'the funding resources haven't changed a great deal: the funding still comes from the Government as it did before. The difference has been the way in which the money has been routed to come to the department'. He explained that, up until the 1980s, the money came directly from the DES as a special grant for the department to provide a particular number of staff and accommodation for a particular number of courses. They were subject to inspection by Her Majesty's Inspectors of Education to make sure that they spent the money properly and courses were properly standardised. He continued:

Big changes since the late 1980s and in the 1990s have been, first of all, that the system has changed, so that we began to receive money on output measures rather than input measures. We were not provided money on the basis of staff. We were provided on the basis of the work we did: the number of students we taught. We have to, or the Government prefers to, bid to have estimates of how many students we would teach in the coming year. ... The other change was that instead of money coming into this department directly from the DES, we are now receiving the money, which comes from the Government, through the HEFC, allocated by the HEFC to the University, then the money comes from the University (Interview UKSUWH).

Apart from that, as Professor Richard Taylor, the Director of the Department of Adult Continuing Education and the Secretary of UACE, suggested, 'the immediate thing is the change in the whole funding structure of continuing education. Over the last two years, the HEFC, the national body, has been discussing how they can operate policies for

continuing education, which apply to the former polytechnic sector and the former university sector'. As he pointed out, in the past, the two systems had completely different concepts of continuing education: the former university extramural courses were offered outside the mainstream activities of universities, whilst the former polytechnics always had a large number of students studying part-time and they were all carrying academic credits. The older existing universities, however, were now moving towards the former polytechnic system, under the pressure of the new funding system. He confirmed that the Funding Council said:

In future funding for continuing education students would only be available to old universities if the courses students were studying carried credit at university level. ... In future, all universities' continuing education work will be pulled into the central university system. Our students in future will be just like students in the universities' other programmes offered for full-time students. And their credit will carry just as much value as the credit of others. That pulls the whole thing to the middle (Interview UKLURT).

Professor Chris Duke, the former Pro-Vice-Chancellor, University of Warwick, the former Secretary of the UCACE and the present Vice-Chair of the UACE, also confirmed the recent changes in the Government's policy, in which institutions had to bid for funding:

You have to make a case, which is a competitive case. You have to show you have got such expected programmes and quality assessment and so on. ... For this part of the work, you have to show what you are doing: certain levels of undergraduate work in each discipline. And those studies should be credited. That is for four years, but it is reviewed each year. If you find that you are not achieving your target, then the money will be cut (Interview UKWUCD).

By the summer of 1995, as Professor Robert Cameron, the Director of the Division of Adult Continuing Education, University of Sheffield, suggested, the national funding became very straight forward: most existing continuing education courses, which were funded by the Government, had been mainstreamed. He explained, 'That is to say, now they are regarded simply as part-time undergraduate numbers. So from now on they will be funded subject by subject just like other undergraduate courses'. However, he added, 'there is other money for continuing education which was distributed by a bidding system in which each university bidded'. He confirmed that there were three kinds of bid: first, developmental work in continuing education, which was about £13,000,000 for England; second, non-credit bearing liberal education, which was only £800,000 for the whole

country; third, project work to broaden the participation in higher education via access courses, which was just about £4,000,000. He said that all the bids had been made and that in four years time, the Council might invite universities to bid again, or it might change (Interview UKSURC2).

In a word, instead of receiving grant from the Government, institutions have to make a competitive case to bid for Government funding. Consequently, as a part of the whole movement by the Government towards a market tested provision of public services, market based provision has been introduced into the newly enlarged university sector.

### **Conclusions**

From the above analyses, we can see clearly that since the late 1970s, particularly since the late 1980s and the beginning of the 1990s, the British Government has changed its policy for the education and training of adults. In terms of training, the Government set up TECs instead of continuing to use the civil service to run training. As enterprises, TECs run training as a business. They buy training from providers and then sell it to the Government. With this system, the Government as the biggest buyer, can buy what they prefer to buy, whilst providers have to provide training according to what the Government has ordered. In terms of adult education in the further education sector, the 1992 Act split adult education between Schedule 2 courses, which is the duty of FEFCs, and non-Schedule 2, which is the LEAs' responsibilities. FEFCs created a new funding methodology, under which the Government, again as the biggest buyer, can buy whatever they prefer, whilst institutions, as providers, have to produce more successful students in line with the Government requirements and to keep the cost down. In the university sector, instead of receiving grant from the Government, the old '*Extramural*' has now been pulled into the *mainstream*. Instead of receiving direct grant from the Government, institutions have to make a competitive case to bid for the Government funding whilst output measures have been introduced. Consequently, as a part of the whole movement by the Government towards a market tested provision of public services, market based provision has been introduced into the university sector. To summarise, new administrative and funding systems have pushed the education and training of adults towards the market orientation.

**CHAPTER NINE**  
**CHANGES IN INSTITUTIONAL POLICY**

## CHAPTER 9

### CHANGES IN INSTITUTIONAL POLICY

In the last chapter, changes in Government policy for the education and training of adults were discussed. In this chapter changes in institutional policy, which have been influenced by changes in Government policy, will be discussed, focusing on three aspects: first, changes in the university sector; second, changes in the further education sector; and third, the development of private providers in the training market. In the university sector, due to limited time, adult continuing education departments and vocational education will form the focus, while the part-time degree courses for adults, which have now become part of the mainstream of universities, will not be discussed in detail. In the further education sector, further education colleges, the LEAs and the WEA will be discussed. Although the LEAs now have become external institutions of the new further education sector under the 1992 Act, we still put the LEAs in the further education sector and discuss their work together with the further education colleges, because historically the further education sector was under the control of LEAs. The WEA, as a voluntary organisation with its different character, will be discussed separately within the further education sector, although it has become the largest further education college in the UK. In the private sector, *Training in Britain* conducted by the MSC in the late 1980s contributes a general picture of the development of private providers. Due to limited time, we are not going to discuss every aspect of private providers but will focus on consultancy training companies, a recently developing part of the private sector which has been developed from almost nothing about three decades ago into a new industry.

As in the other chapters, we will draw on interviews with key national figures to provide a discussion of the developing policy outlined in Government documents. The argument will also be illustrated with local case study material from interviews around Sheffield.

#### **Changes in the University Sector**

Government policy for the university sector has changed since the late 1970s, particularly in the 1990s. As a result, universities have been forced into the market place. This has had a great impact on institutional policy for the education and training of adults in the university sector. This will be considered from the aspects of adult continuing education departments and vocational education.

### *Adult Continuing Education Departments*

Traditionally, extramural studies was the contribution of British universities to adult education. Professor Duke argued, 'adult education traditionally could only be so-called liberal, not vocational, in the sense of meaning not much market oriented'. He suggested:

That was initially when the courses started in the early part of this century. It was meant to bring the same *academic value* and virtue of universities to people who couldn't come in to do degrees, to get qualifications; to do education as *personal development* of the man himself; or for specific purposes perhaps. They were not particularly for education qualification purposes. So in one sense, the adult education tradition had nothing to do with the market. On the other hand, adult education, of course, always had to be *sold*. You had to find people to come along. They *chose*. So, in that way, it has always been in the way of *market driven*. Because if people don't get involving with courses, then, they don't have them. It hasn't had a same *guaranteed market* as the higher education system that has school leavers. So, in that particular sense, it has always been market driven all the time (Interview UKWUCD, emphasised by the writer).

Mr. Geoffrey Mitchell, the former Chair of the Part-Time Degree Qualification Committee, UCACE and the former Director of Division of Adult Continuing Education, University of Sheffield, confirmed that after the two world wars, there was a feeling that education for adults in higher education would be 'liberal democratic'. He suggested that Professor Bruce, the first Director of the Extramural Department, University of Sheffield, who had been the James Stuart Lecturer in Cambridge in the 1930s, represented the old school. He said, 'it was liberal education with two main drives. One was personal enrichment, and the other was a more educated society, politically more educated. He would firmly refuse to teach any form of qualification course' (details taken from Interview UKSUGM). Professor Taylor, confirmed that in the 1970s their Department was different from the original extramural department: 'it was half way between the original extramural model in the 1940s and 1950s and where we are now. It was a transitional phase'. He suggested that at that time the function of the department had extended into four areas:

Each was clearly a different educational machine. One dealt with applied social studies, social workers and so on. One dealt with studies of adult education itself, providing postgraduate courses for Master degrees and so on. The third section was then called 'special courses', which was really continuing vocational education. Then there was the liberal studies' area. The Department was managed on the basis of the consensus among those four areas of work. It was really very significantly separated from the rest of the University, like a little university on its own.

In terms of funding routes, he explained:

There were different funding streams. The extramural people, the liberal studies' people, would be funded largely through the Responsible Body, a grant from the DES. That would be the bulk of funding. Then through the UGC funding the University made up the rest of their funding. The applied social studies was funded in just the same way as the UGC funded any other department of the University because their students registered as full-time students. The special courses on adult education people would get some UGC funding but to a large extent, the CVE [Continuing Vocational Education] courses were *self-financing*. They brought in some money for the courses they ran (Interview UKLURT, emphasised by the writer).

Professor Hampton also explained that in the 1970s extramural departments got *blocks of money* from the Government and, subject to inspection to ensure that they had the right quality, they could set up courses in *whatever they thought* 'the most *interesting* subjects for local communities'. When asked how the department judged what kinds of courses were going to be set up, he continued:

Full-time staff would *follow* their *own interests* to some extent. But they also made professional judgements or guesses about *what* the public *might* be *coming to*. So in my case, as a politics lecturer, I found it was very difficult to put on courses in general politics or political theories. People didn't come to them. So I thought it would be perhaps more popular if I put on courses for people who were entering the political process as local councillors, for example, or governors of local schools. So, I put on courses for prospective councillors and for school governors. Particularly the courses for school governors became very popular. I was teaching them politics in the sense that I was teaching them about how to run their schools in the public sector. But I was responding to what I *felt* the *public wanted*. Then if I *guessed* it right, I got several hundred students on those courses. Everyone else was doing the same: creating their programmes on the *basis* of their *own interests* and their *estimate* of *what* the *public wanted* (Interview UKSUWH, emphasised by the writer).

By that time, the management model was a kind of combination: on the one hand, the department set up courses based on academic knowledge and interests; on the other hand, it was market linked in some way. Professor Hampton made the following comments:

Obviously it is still *market linked* in some way because if nobody turns up for this course, we couldn't run it. There was no point in it. So, we still ran courses which

were more popular, which more people wanted to come to. ... We could only really respond to the *demand* that was *within our understanding*. ... We might go out to meet community groups or to meet local societies and to talk to them about what their needs might be. We *didn't* do a great deal about that (Interview UKSUWH, emphasised by the writer).

During the past twenty years, however, in accordance with the changes in the socio-economic context, there have been great changes in both Government funding policies for universities as a whole and for adult continuing education in the university sector. These changes have had an impact on the management model. First, as Professor Taylor, pointed out, adult continuing education had a double cut in the Government funding: 'One was that, they reduced universities' overall funding, very significantly'; the other one was that, '[t]hey cut us in continuing education again' (Interview UKLURT). Professor Hampton confirmed that at the beginning of the 1980s, because of the Government's attitude to public expenditure on public services, they were receiving less money in each year. Therefore they had to gradually reduce their provision and had lost several members of staff during that period (Interview UKSUWH). Second, throughout the 1980s and the 1990s, the Government kept on changing funding direction and tried to use funding as a steering system. Professor Hampton illustrated how the Sheffield Adult Continuing Education Division had kept on changing and expanding their provision whilst funding changes had been introduced in order to compel departments to follow the policy of the Government:

The Government kept changing throughout the 1980s, particularly in the late 1980s. Whatever they were supporting, we were doing some of it and could expand it. First of all, our department did not provide any qualification courses at all up until about 1975. Then we began to produce, first, qualification courses for MEd in 1975/76. In the 1980s we found that we were able to expand with MEd provision, whilst the Government began to make money available to the University for expansion of postgraduate teaching. We also expanded all sorts of non-qualification programmes. In the late 1980s, the Government concentrated all adult education money on non-qualification courses. We had a very strong base to rapidly expand that and dragged in a lot of money. In the last three years the Government said that all adult education expenditure was going to qualification courses. We already had a good basis of qualification courses. Also we had certificate course in women's studies and certificates in languages. So we were many years ahead of many other Departments. We had done this bit and expanded that bit. That is how we managed it, being very flexible. We were going to respond to the Government's changes in policy quite quickly, responding to funding changes (Interview UKSUWH).



Professor Taylor also confirmed that the Government 'tried to use funding and policy imperatives in strong central Government to change the work we did away from the general interest, leisure type market for the general public towards the much more focused and targeted approach' (Interview UKLURT). The adult education departments, which used to be called '*extramural* studies', have now been pulled into the *mainstream*. Third, as we discussed earlier, instead of receiving direct grants from the Government, institutions have to make a competitive case to *bid* for Government funding, whilst *output* measures have been introduced. Professor Cameron explained:

from the mid-1980s onward we have been and now are funded strictly on output, that is to say, on the number of students who take our courses and how long they are studying for. That is the sense of the *market*, because we are then under the pressure, if we wish to keep our money, to have more students (Interview UKSURC1, emphasised by the writer).

Professor Taylor admitted that throughout the 1980s the management model of their department was driven towards a market orientation whilst the whole university was driven towards a market orientation:

First of all, the importance of cost-effective delivery, actually costing programmes more rigorously than in the past, and doing cost effective analysis in terms of whether the input was really justified by the output. That was partly actual money but also student numbers. That was one clear *market* orientation that wasn't really there before. Budgets became a lot bigger issue. But I think also the whole idea of identifying constituencies of interest in the community and then devising a curriculum appropriate for them and marketing it to them became important. And it was more targeted to particular social communities whether it was employers or certain levels of employees, or whether it was single mothers or unemployed people or whatever it was, more *marketing* in that sense. Much more analogous to a *firm* looking at its *products* and seeing how to *sell* it and whom we would *sell* it to. Much more that kind of orientation (Interview UKLURT, emphasised by the writer).

Because the funding system has changed to an output measure instead of input measures, institutions became much more restrictive on the minimum number of students acceptable for a course to continue. Professor Hampton confirmed:

When I was the head of the department, if we were trying something new and we had half dozen students, then we let it run. We would say, 'Let's see if that builds

up over a year or two'. ... But once we got funding based on *output*, we were much more restricted on that development work. If we only have six people, we won't get any money. So, we have to go for courses that have a minimum of about twelve or fifteen people (Interview UKSUWH, emphasised by the writer).

As we discussed early, the route of funding has now changed. Professor Cameron explained at the beginning of 1995:

What they do is, to invite you to *bid* to deliver so many full-time equivalencies. I have been accepted in this year to deliver 815 full-time equivalents. That was done by dividing hours to give full-time equivalents. Actual students' total number, could be about 13,000. But a lot of them only join short courses. If by the end of this year, I achieve 815, or more than that, that is fine. If I haven't, they will *claim back* some of the money they have given, or they will *deduct* it from what they give the following year (Interview UKSURC1, emphasised by the writer).

In order to keep the funding which is based on numbers of students, marketing has become a priority of the departments. Departments have had to set up more popular courses which could attract more students. Professor Hampton considered, 'yes, *market* in the sense of getting the maximum number of *customers*'. He continued:

You have to teach what people want to *buy*. In that sense, you have to provide courses. And as a teacher, you have to teach courses bringing in large numbers of people. So in that sense you should be responding to the *market*. And it is more significant to the department as a whole. The department has to recruit staff or appoint staff that are going to provide courses in popular subjects. That is not only affecting this department, it is affecting the whole university. In the past, say thirty or forty years ago, universities would not worry about that. They just said, 'if no students, the staff can go to research programmes'. We can no longer do that. We are *market driven* in the sense that if we don't get students, we can't employ staff unless we get research grants for research contracts (Interview UKSUWH, emphasised by the writer).

From 1995/96 onward, Government funding for university adult education was only going to those courses leading to qualifications, any qualifications that contribute to university degrees. Professor Cameron confirmed:

So what we have to do is, the courses have to be *credited*. So students have to take assessments or exams. If they pass, they will get credits and those credits have to be useful to get university qualifications. This year only half of our students will be taking assessments. But next year there will be more students taking exams.

The year after, in principle, they should *all take exams* because we *won't get any money* at all for the ones who *aren't taking exams* (Interview UKSURC1, emphasised by the writer).

This has had a significant impact on both the direction of provision and the pattern of participants. First, in order to get funding, adult continuing education departments have to *shift* their general programme into *part-time degree courses*. In 1995, in the Sheffield Adult Continuing Education Division, for instance, whilst they continued to develop a growing programme of named undergraduate qualification courses and part-time postgraduate courses, they *put credits* to most general programmes which include several hundred daytime, evening and residential courses. These were *worth* a certain number of credits that could be added up towards a *Certificate* in Higher Education, and in some cases might also be used towards a named *qualification* (see SUDACE). Second, as Professor Cameron pointed out in the summer of 1995, although adult continuing education departments have now become part of the mainstream of universities, the part-time students come to study without the Government grants that full-time students have, and they usually have to *pay fees themselves*: 'there is no legal obligation for central or local government to pay part-time fees'. To some extent, therefore, part-time students have become *individual customers*, although their fees are still subsidised by the Government. The Government, therefore, allows departments to take more part-time students than their own target, although they will not receive more funding but only more fees. Professor Cameron admitted, they took more students than their target. He continued, 'we actually have more enrolments than we are paid for. Hopefully we get a *balance* because we get more fees' (details taken from Interview UKSURC2). Third, as the *direction of provision* has been *shifted* towards qualification courses, the *pattern of participants* has also *changed*. Professor Cameron pointed out:

For a lot of young adults award bearing courses are a good opportunity to get a degree whilst you are still working. But for the *older people* who are *not* interested in qualifications, now it is much *harder* for them to sustain courses which for many of them are a very important part of their lives' (Interview UKSURC1, emphasised by the writer).

He confirmed, 'Students are changing already. We will get *fewer older people* and more young people' (Interview UKSURC2, emphasised by the writer). Fourth, traditional non-examined liberal adult education, which used to be subsidised by the Government, will no longer receive Government funding and would become more or less *self-funding*. The fees

for such courses, therefore, should *cover* at least the *direct cost* so that the department would not *lose money*. In these cases the *minimum enrolment number* would have to *increase*, whilst fees should have to be higher. Professor Cameron confirmed:

...we will continue to provide courses which don't lead to qualifications. But that will obviously be in the way that they don't make a loss because there will be no public money. What we will do is, we will not make fees much more expensive. We will have classes which have a *large number* of people coming to them. So we will have quite a *tight* rule about *minimum numbers*. At the moment it is about fifteen. I think it will may very well become twenty.

... I did say courses should *not make losses*. We can only make them *cheap* because we already have people, owning our offices and teaching rooms for the students who are taking degrees. If we try to do it completely new by itself that would be much more *expensive*. So we are talking about *covering marginal cost*. Because we don't want old people to stop having chances. Now we are *no longer* getting *money* from the Government. The only way we can maintain that service is as a marginal extra on the top of big programmes. We need fees to *cover direct costs* which include fees for tutors, publicity and rent for rooms, if they are run outside the University (Interview UKSURC2, emphasised by the writer).

He also suggested that liberal adult education might have to go back to *communities*. He confirmed that he had talked to South Yorkshire WEA, with whom the Division had already got some courses jointly. The WEA was responsible for recruiting students and providing accommodation, whilst the department provided tutors (Interview UKSURC1). In both cases, marketing has become an important strategy. Whilst in the second case, the community organises groups who actually will have *more power* to decide *what* is going to be *taught*, in the first case, departments have to make greater efforts to identify the *demands* of *individual customers* and to make sure that they could *attract* a large audience. If not, two things might happen: first, in order to cover the costs, the fees might have to go up to become too high to be accepted; second, departments might have to run courses at a loss. If a department does not want either thing to happen, then the course might have to be closed. However, there are some exceptions. As Professor Cameron suggested, for some other activities, for instance, running *academic* conferences, fees might not cover direct costs. He was lucky to be the head of a big department and there was some money available for him to operate such *academic* activities *without losing too much* money. He admitted that there were two drives for him to do that: on the one hand, from the *academic* point of view, he would like to support some community services with a high *academic standard*; on the other hand, as a *head* of the department, he hoped that

such activities might be a kind of educational *investment*, which in return might *attract* more *funds*, or lead to new courses that would *attract* more *students* (the above details are taken from Observation UKSUACEA). Here, we can see that the department tries to retain *academic* interests which are based on *market* demands.

Professor Hampton also considered that the general trend of the education and training of adults was being driven towards a *market* orientation and that, as the department was more like a *business*, the head of department had to do more *managerial* work. He said:

The job of the head of department has changed very considerably in the last ten years. It is much more becoming a *manager* rather than an academic leader. We still have an academic as the head of department. But a large part of his time now is spent as an academic *administrator*, who doesn't do much teaching.

He continued:

Ten years ago, the budget was fixed. Yet, we *didn't* consider how we could develop the department in order to *attract* more *money* here or more money there. The people who controlled the budget were more likely to be people in the Finance Department in the University. Now that is handled much more within the Division. We had the head of department to be responsible for ensuring all that money was spent *effectively*. Now it is much *tighter* with many more records being kept.

... When I was head of the department, I only had a small staff, one or one and a half administrative assistants to help me and just about half a dozen secretarial and clerical staff. They were very junior in their salary scales. But now there are three or four administrative assistants, graduates. There are twenty clerical and secretarial staff. Several of them are very high level clerical staff. ... There is much *great expenditure* on the *clerical / administrative* side. Of course, the head of department now has to *manage* that with the support of senior administrative staff.

He confirmed, 'because of changes in funding, all changes are moving much more towards the *market* model. So, the head of department becomes a *manager* rather than an academic leader' (Interview UKSUWH, emphasised by the writer).

### ***Vocational Continuing Education***

Whilst there have been great changes in traditional extramural studies, vocational continuing education, which is defined by Professor Geoffrey Chivers, a professor in continuing education from the Division of Adult Continuing Education, University of Sheffield and a

member of the Council of UACE, as 'adult learning wholly devoted to learning in *connection with the work place role*' (Interview UKSUGC1, emphasised by the writer), has been developed in a *market* oriented way.

Since the mid-1970s, especially since the mid-1980s, with the launch by the DES of PICKUP (Professional, Industrial and Commercial Updating) in universities, short courses *related to the economy* and vocational skills and management, which are called vocational continuing education, have been developed in universities, not only in the departments of adult continuing education but also in other departments. The typical requirements of the courses are to 'update, refresh or extend rapidly the existing knowledge and skills of managers, professionals or technicians' (DTI & CIHE 1990: 8). Without Government subsidies, such courses were heavily market oriented. Professor Chivers explained:

For short courses the Government does not fund us with any money at all. These are *self-financing* courses. Sometimes they pay some money which is called 'development money'. That is a small amount of money from the Higher Education Funding Council. They put a small part of it each year on one side: £12,000,000 or £15,000,000 in the whole of England. If you have got some good ideas for new courses and you need development funds for resources then you can *bid* for the funding. This University currently gets £350,000 a year. Then there is a Committee to decide which *bid* from which department can be supported. We've got more people who *bid* than people who get money. ... It has to become *self-financed*. You can't use development money to run courses. They must be run as *full market* courses.

He described the Government policy for development in vocational continuing education as '*carrot and stick*':

The '*carrot*' for the University was development funding. If you didn't want to do anything, you couldn't *bid* for further funding. If you *bid* for it, you get quite a lot of *money*, a lot of challenges. The '*stick*' is, the Government will say, 'whether you do this or not, it doesn't matter, we will *reduce* your *income* per student every year from the Government'.

He confirmed that at the beginning of the 1980s, there was a large *cut* in the universities' budget and that the Government funding as a proportion of the university's budget had been decreasing. He said that some universities used to have over 80% of their budget from the Government, and less than 20% from *market* sources. But by the mid-1990s, they might only get 40% from the Government's grant, whilst 60% came from other

*market* sources. Universities, therefore, were *forced* to move toward the *market place* by the '*sticks*', particularly those newly established universities and those technical universities, where the budgets had been *seriously cut*: they were running very fast to cope with the '*big sticks*' (the above details taken from Interview UKSUGC2, emphasised by the writer). Consequently, as Professor Duke pointed out, universities have been driven by the Government to be *income generating* from these short courses: such short courses should be at least *self-financing* and students had to pay full-fees to *cover full-costs*, sometimes, *more than full-cost*. He said, 'the *market* may be the industrial companies or individuals. ... The biggest *customers*, I suppose, are the *private sector*' (Interview UKWUCD, emphasised by the writer). Professor Chivers suggested that when *clients* had to *pay* all *costs*, that *changed* the situation very much. He said:

You will find *more* and more *self-financed* situations. The *clients* have to *pay* all the money. You *don't* decide *what* is going to be taught. They will *decide what* is going to be *taught*. You have to be ready to respond to *whatever* the *market needs*.

He argued that in this situation the management model of courses would move away from an academic orientation towards a *market* orientation:

As long as the courses are heavily subsidised, then the people who organise and plan courses put a lot of work that *they think* is *important* into the courses. But when the *clients pay* all the money, there is no money coming from the Government, the *clients* would *decide* if the course is any *good*. It won't just be whether it is taught very well, but *relevant*. Is it *useful*? Can they *benefit*? That becomes a *market issue*. So, as soon as you make courses *fully self-financing*, the *clients* have to *pay* all *costs*, then the *clients* would *choose* the courses that *they think* would be *valuable* to their organisations, or, if they pay themselves, to them personally. They *won't* come to courses just because an *academic thinks* that is a *good* course or because *academics like* teaching certain aspects. The courses have to be run according to the *buyers' interest*.

He emphasised that in that case, the institutions had to 'be *flexible* in acting to be able to provide any kind of courses on any subjects at any levels that the *market* may *require* into the future'. He confirmed that in that case, there were tremendous demands on the staff to be flexible:

Whatever changes in the *market place* for learning, the situation for us is much more *demanding*. However fast they want to learn, we have to learn faster than

them so that we can keep up with the *demands* they make. ... We get part-time experts in. ... We are learning co-ordinators. We understand *what clients want*. Broadly, we organise the courses. We do some of the teaching and bring other experts to help us as *part-timers*. When the programme finishes, we may not use that part-timer any more for a while. If there is another course we will bring them back again. We build up *hundreds of* people who work for us as *part-timers*, not all the time, but *from time to time*.

We have to form a new project team for the different projects that we do ... very fast... When we sign a *contract*, in six months time we are going to teach that topic which I may know nothing about at all. 'Well, I don't know yet, but we will think about it. In six months time we will do excellent courses.' And we do. That is the *market place*. That is the situation. It is *demand led*, not supply led.

He also argued:

It is a *buyers' market* not a sellers' market any more, which it used to be to some extent. Now it is a buyers' market. We have to be in that *market place* to *compete* with other people based on the *flexibility*, the *quality* of what we do and a realistic *price*: not the cheapest, but the price that *people think* is very good *value* for their *money*.

From his point of view, there had always been a training market but the universities were not involved in it until the 1970s. They competed now with private training providers and took some part of the training market from the private providers. However, as he pointed out, universities had a *different market* from the private providers: the universities tended to develop a higher level market which provided university qualifications, whilst the private providers tended to provide very specific training for industrial companies. He said:

I would say that the *market* for training is increasing all the time. But universities and colleges take a *bigger share* of the *market* now. Universities try to expand the *higher and middle level market*. The higher level market is very small: very senior managers, higher level scientists and engineers. Middle managers or engineers, technicians didn't get much training at all. Universities *expand* very much at that level. We also teach people how to train. We train trainers. We are teaching continuing educators. We get so called '*cascade*', in other words, a wider spread. It is not because we are in the clouds but because of much more *effective* use of our work. Because we are using staff who are more *expensive* than private providers, courses are much more *expensive*. We will work for very key organisations that will *pay money*. Then they can use their own staff to take the learning down or cascade it face to face.



He claimed, 'I *don't want* my staff to run *lower level* courses and to repeat them over and over. That will be done by colleges or private providers. They will do it better than we do. We should teach people *how* to teach people to read'. He agreed that they had still got some *academic* discipline ideas, whilst they were driven towards the *market* orientation. He argued, 'we are *not fully driven by markets* at all'. He pointed out that there are several reasons:

First, we are still partly funded by the Government. We are *not private completely*. My salary is paid by the University, which means from the public. Everybody is taxed in the UK to pay my salary. So, I owe it to them to make the *right decisions*, *not just chase money*.

Second, people come to us, because they see us as having *academic status*. If they think we are going to run any kind of courses as long as the money is right, then other people can do that.

Third, if my staff are only going to get a lot of money in and they don't do any *research* that they don't get paid for, they just run more and more courses to those people who pay for them, then that is the *end of intellectual* development, we will die (the above details are taken from Interview UKSUGC2, emphasised by the writer).

Above evidence shows that, although situations in different institutions may not be the same, it is still possible to see the main trends in changes in the education and training of adults in the university sector, which now includes liberal adult education, vocational continuing education and part-time degree courses. For those part-time degree courses, the management model is rather complicated. First, the departments are shifting their general programme towards *qualification* courses according to Government funding requirements, whilst the Government is a *buyer* as well as a *planner*. In this sense, the management model is moving towards an orientation which is a combination of *market* orientation and *planning* orientation. Second, as we suggested earlier, part-time students as individual *customers* have louder voices than full-time students: the more they pay, the more *choices* they have. In order to attract more students, departments have to provide *what customers want*. In this sense, the management model is moving towards the market orientation. Third, the effect of making most courses award bearing pushes the management model slightly back to an *academic* model, because each course is considered by the University community and it has to meet the specific standards or criteria

determined by the University on academic grounds (Interview UKSURC1). In terms of liberal courses, they should now be more or less *self-financing*. *Marketing* becomes an important strategy. Departments have to go back to the communities who, as group customers, will pay for costs and will have more powers to decide what course is going to be taught. In this case the management model is moving towards a market orientation, whilst departments can retain their academic interests based on *market demands*. In terms of vocational continuing education, it is very much market oriented. Universities are now entering the *training market* and *compete* with private providers. It is not the sellers' market but the buyers' market. As there is no money coming from the Government, courses are *fully self-financing*. Clients, either employers or individuals, who have to pay full fees, will decide what is going to be taught and if the courses are any good. In this case, universities have to design courses according to *client requirements*, whilst they try to retain their *academic status*.

### **Changes in the Further Education Sector**

Whilst there have been great changes in the university sector, the institutional policy in the further education sector has also changed.

#### ***LEAs and Further Education Colleges***

As discussed earlier, under the 1944 Act, LEAs were responsible for further education, which included adult education in the further education sector. Before 1992, local adult education services (centres) and further education colleges received blocks of money from LEAs. Apart from that, institutions received special programme funding from LEAs to run special courses for special groups such as women and unemployed people, or to run courses in English as a second language for those whose first language was not English (Interview UKSCAB). The great changes in Government policy for the education and training of adults, however, have had a tremendous impact on the further education sector. First of all, as we discussed earlier, the roles of LEAs and further education colleges in the education and training of adults have been turned completely *upside down*. On the one hand, under the 1992 Act, LEAs *lost* their *powers* entirely in the further education sector, although they still had responsibilities for the non-Schedule 2 sector, which has only a small amount of *decreasing* funding available (drawn from Interviews UKNIACET & UKSCAB). On the other hand, the further education colleges are now responsible for the Schedule 2 sector, which is the *mainstream* funded by the FEFC, behind which the Government is the biggest *buyer* as well as a *planner*. If LEAs, which now become

external institutions of the new further education sector, want to deliver Schedule 2 courses, they have to bid for the funding from the FEFC through further education colleges, which obviously would like to keep most of funds for themselves. Mr. Tuckett pointed out, 'the reality has been that the external institutions account for only 4% of overall costs, 7% of volume and 15% of enrolments' (Interview UKNIACET). Consequently, it is difficult for external institutions to develop the education and training of adults with their limited financial resources.

Second, the structure of local adult education services has changed. As the budgets of LEAs have been cut and their powers have been lost, it has been difficult for many LEAs to continue their adult education services. Judith Summers, the Chair of the NIACE Executive Committee and the then Director of Learning Support of the Macclesfield College of Further Education, confirmed:

LEAs change their roles. ... I think many local authorities are completely *lost* about adult education. I don't think they know how to do it. Some local authorities still keep their adult education services. Others, like Cheshire, have contracts with colleges. I think they are missing enormous opportunities (Interview UKNIACES, emphasised by the writer).

As a result, the structure of the adult education services for local communities has changed. In some areas, for instance in Cheshire, adult education centres, which used to be run by the LEA, *merged* into a further education *college* in 1991, just before the passage of the 1992 Act (Interview UKNIACES). In some other areas, for example, in Croydon, the Continuing Education and Training Services has become an *independent* further education *college*, which now gets direct funds from the FEFC, whilst local government continues to give them some financial support to maintain buildings and to support the salary of the head of the Services, which covers 20% of the total budget (Interview UKCETSMD).

Third, there has been a big *shift* in the *provision* of education and training of adults in accordance with the new Government funding policy, which has become a *steering* system to change the *direction* of *provision*. Summers pointed out:

There is a national policy to expand the adult education that is funded by the FEFC, such as, literacy, numeracy, access courses, courses linked to examinations and courses for people with learning difficulties. There is not a policy to expand

other provision of adult education. Other sorts of adult education, therefore, are starved of money (Interview UKNIACES).

In order to get funding, institutions have to shift their provision and to put on courses leading to *qualifications*. Mr. Alan Baldwin, manager of Access Programmes in Sheffield College, confirmed:

We should make most courses lead to *qualifications*. Before, people took some courses, such as woodwork, hairdressing *not* for qualifications but for their *interest*. Now we offer them qualifications which are assessed by the South Yorkshire Open College, recognised by the Further Education Funding Council (Interview UKSCAB, emphasised by the writer).

Mr. Tuckett also pointed out:

If you are a provider working ... in the local authority services, you see the council are giving you less money when you are running French classes ... without certificates. If you can get the FEFC to pay for it and if you put on *certificates* and make it a Schedule 2 course, you protect teachers and protect your learners and also keep your organisation going. So, courses have been *shifted* from non-Schedule 2 to *Schedule 2* provision in the last two or three years. It also reflects the fact that more students want certificates (Interview UKNIACET, emphasised by the writer).

Consequently, there have been changes in the participants in adult education. Mr. Tuckett confirmed that, in their participation studies, they had mapped some changes:

Older people, very few people in their seventies want NVQs. There has been a 60% *drop* in people over sixty-five participating in adult education in the last five years. In 1990, the figure of over sixty-five was 15%. Now in recent studies it was 6% (Interview UKNIACET).

Fourth, institutions have gradually become practically *businesses* (Interview UKNIACES). Mr. Baldwin suggested that under the 1992 Act, the management became a business with more *competition* and that governors in the Colleges as a whole were quite different from before: prior to 1992, in each college, about 20% of the board member were businessmen, while members from the LEA were the majority, but now about 60% were *businessmen*, whilst only two out of 20 are members of the LEA. He said that now the principal called himself 'Principal and *Chief Executive*': on the one hand as a Principal, he was running

education; on the other hand, as a Chief Executive, he was running a *business* (Interview UKSCAB). Summers also confirmed:

In a very legal sense, we have become a *business*. We can do all the business with students. We can *employ* people. We can *borrow money*. We *own* our own *estate*. Our *product* in the *business* sense is our provision and our students. ... We have to think of all *financial* things as a business. It would never be a business as manufacturing because education isn't like that. It is a practical thing. As we *own* our property, we have to *manage* that *property* and we have to put money aside to do repairs and to *look after* our *property*. We are *employers*: we employ our staff. We have to make sure that they are *paid* every month. That means that we have to have *enough money* in our bank account. If not, we may have to borrow money from bank. We could go *bankrupt* like a *business*. One college in Coventry nearly became bankrupt. ... We have to hire staff who could manage the business, accountants, for instance (Interview UKNIACES, emphasised by the writer).

Fifth, as businesses, institutions have to respond to the market and to compete with each other. As we discussed earlier, according to the new funding methodology, colleges get funding from the FEFC according to the number of students, the size of courses and the subjects. If students leave their courses and the institutions do *not meet* their *targets*, the FEFC will *take* some *money back*. Consequently, as Summers confirmed, institutions have to set targets realistically, whilst their first target is to get enough students to meet their targets. She said, 'that is more important than getting fees'. She said, 'If we are falling short of our target, we have to go out to put on something new to recruit some more new students'. She agreed that this meant that they were pushed into the *market* and also into *competing* with other people. She confirmed, 'we are *competing* about places, for students, often'. She explained how they competed:

At the moment, we are looking at *reducing* the *fees* for older adults to encourage them to come back to classes. Because, maybe, even if we *lose some fee money*, it will help us to *get money* from Cheshire and from the FEFC, if we get more students. We have to *respond* to the *market* by saying, 'it is just like a *supermarket*: sometime you *earn more* money by *cutting* your *prices*'. We have to *calculate* that. We have to be more *expert* at that. Whilst before there would just be rules, what fees were, and you couldn't alter that, even five years ago. Now it is much more *flexible*. We don't even charge fees for access courses because we want them to come. We get some money from the Further Education Funding Council. ... If they didn't come we would have a *difficulty* to *meet* our *target* (the above details are taken from Interview UKNIACES, emphasised by the writer).

As discussed earlier, about 100 further education colleges found difficulties in meeting their targets and were facing financial difficulties in the year 1994/95.

Sixth, as businesses, colleges have to run courses according to *financial criteria*. Mr. Baldwin confirmed that their principle in setting up new courses was whether they could get *funding* and whether they could get *students*. He said that he had to do a *business plan* instead of an academic plan and they had to consider more about the *costs* of running courses:

We have to think of it much more now. This is the effect of *business-like* ethos. I have just today drawn up the *business plan* for particular developments. That is the *language* we have (used). I just last week put up twenty-five new programmes for starting in September. For each of those new programmes, I had to do a *costing*. What would it *cost* to run this? What would the *income* be? How many students do we need to *break even*? Can we put forward any *investment* into it? In other words, can we *afford* to give members of staff time to prepare a course with the necessary curriculum development? Can we *afford*, for example, to put £3,000 into new library stocks? There is another course which requires £18,000 for new computer switches. This is a course in journalism, it would have to have an electronic news room. I just got a permission for that.

Using business terms, such as '*business*', '*cost*', '*income*', '*break even*', '*investment*' and '*afford*', he agreed that they were on the way to being driven towards to a *market* orientation and that they had to think more about *financial criteria*. However, he argued, 'I don't think that is everything. I *don't* think we are *absolutely driven* by that now, *nor* ten or fifteen years ago were the issues *totally absent*'. He emphasised, 'I just hope that even when we are *driven* by *market needs*, we'll still be able to fulfil *educational needs* as well' (the above details are taken from Interview UKSCAB, emphasised by the writer).

Summers believed that their principle in setting up new courses in the 1980s was a mixture of social needs and the market in the 1980s. She said:

It was a *mixture*. With the adult education courses outside the main college, very much marketed. A lot of courses would continue from year to year because they were popular, for example, language courses. You would try new ideas and hope that they were *attractive*. *If not*, the course would be *closed*. It was very much *driven into the market*. But then, you would also organise courses which were designed to bring new people into adult education. For example, the access courses, ... we deliberately planned these courses for adults returning to study. What we had to do was to *create the market*. For adult education, the market

doesn't exist, you have to *make* it. You have to convince the people that they need it. Sometimes by *advertising*, you *attract* people in the same way you *advertise* any *product*. ... If you try to bring the people who have never thought about adult education, you have to do more than that: you have to go out to talk to the people in the community, to talk about what they want, to *persuade* them that education is for them. *Marketing* is a very wide idea.

She confirmed that now they got money from two sources: they continued to get some money from local government to finance other courses, whilst the largest part of the money came from the FEFC, which only financed certain types of courses. They have to sign a *contract* with local government and to agree broadly the number of students. She explained:

Within that, there is a lot of freedom to *change* as *fashion changes* or *demands change*. For instance, a few years ago, we had much more demand from the public for learning languages than we do now. That is getting less popular. We have to *keep altering* ... to meet *market needs*. But also, because we are an educational institution, we have a commission to serve the needs of the community. We also try to put on courses which will meet needs of community. For example, courses in literacy, which do not earn any money as they are quite expensive. But we never stop our literacy courses because they are very *important*. So it is a *mixture* of *social needs* and *market* (the above details are taken from Interview UKNIACES, emphasised by the writer).

Seventh, with the changes in funding policy, institutions have *stricter* rules affecting the *minimum number* of participants than before. Mr. Baldwin confirmed that ten years ago, when he worked as a head of a local adult education division, they were entirely LEA funded with an annually negotiated budget, which was a block sum, and some further funds for particular work. He said, 'it wasn't as tight to student numbers as a *target* as it is *now*'. He confirmed that at that time they still would have to be *reasonable* to ensure that there would be a sufficient number of students to follow programmes, but it was not as *strict* as *now*. He said:

I would not be able to run a class with fewer than a certain number of students. ...When we ran courses of basic numeracy and English as second language, we would run on at least six or four students. I think, at one stage, that would be the sorts of size that we aimed at there. And often we grouped together groups that might agree with twenty students with three or four staff. We would *not* be able to do that *now*. In other classes we wouldn't run a class usually with less than ten. Again, if there were classes, ... we tried to use *educational criteria* rather than *financial criteria*.

He admitted that now they were stricter in the sizes of the classes:

The *target* probably is sixteen or eighteen for day-time programmes in order to *cover* the *costs* of our programmes. ... Otherwise, we might *join* it with other courses, if we can, whilst some of courses might have to be *cancelled*, or we have to run it at a *loss*, which we can do. If we have some classes with twenty or twenty-four students, that might subsidise classes which are smaller. As a large college we are allowed to run classes if there are more than twelve. This is to start a course. If less than twelve, we have to look at it very *carefully* and argue very *hard* to keep a course going. We usually run class sizes between sixteen and twenty-five (the above details are taken from Interview UKSCAB, emphasised by the writer).

Finally, as businesses, institutions live entirely in the *contract culture*. Apart from *bidding* for the funding from the FEFC and *signing contracts* with LEAs, institutions have to spend time *bidding* to get *extra funding* from other sources to develop their markets. Mr. Nick Moore, the head of Training for Employment, Continuing Education and Training Service, Croydon, confirmed that since the 1980s, the institution had been driven more and more towards a *market orientation*. He made the comment, 'Absolutely! We have run my department entirely on *contract culture*'. He said, 'We *bid*. We *spend all the time* on this. I used to be a teacher but I *haven't done* it for a *long time* now. I spend almost all my time working with my colleagues on *bidding*: writing *tenders*, filling in application forms' (details taken from Interview UKCETSNM, emphasised by the writer). Davey confirmed, 'changes that we had in the last five years were *almost entirely* to do with opportunities for Croydon to *get some money* to do something'. She admitted that the *priority* was that they had to *fight for money* because of the changes in *funding policy* and resources. She also confirmed that their Service was already beginning to move into the *market orientation* in the 1980s. She said, 'We *moved very fast*. Probably we didn't need to, but we did. So, we could *survive very comfortably*.' She explained their strategy of 'financial management *marketing*' which formed a part of their *Strategic Plan* and said that she had started to *adopt* the concept of *marketing* from the late 1980s. She admitted that at that time she had already begun to think of the *market*. She emphasised, 'we have got different *markets*: the *individual market*, the *employer's market* and the *Government market*' (details from Interview UKCETSMD, emphasised by the writer).

Summers also argued that courses linked with employers were very much *market oriented*. She said, 'where we are influenced by markets very much, is with the *needs of employers*:'



training people at work. That is of course very *influenced by the markets*: ... we just do *what employers want* (Interview UKNIACES, emphasised by the writer).

In the same way as all the British universities have done since the 1980s, colleges are trying to develop their *international market* by recruiting overseas students who would pay full-fees. Baldwin confirmed that their overseas programmes were *driven* entirely by how much *money* they could *make*. He said, 'it is very largely towards anybody, young people particularly from *rich* families, essentially, who can *afford* to pay more than home students. ... Some of that has been there before. I mean that kind of *money making enterprise* work is a part of the educational field of higher education'. He believed, 'that is a part of the *whole market driven culture* that we are living with now'. He agreed that it was because of the *enterprise culture* as a background (details taken from Interview UKSCAB, emphasised by the writer). The College has now been driven so desperately by the market that not only overseas students who come to study for qualification courses have to pay full fees, but also the dependants of overseas students who come to join husbands or wives, have now (1996/1997) to pay full-fees to join the courses in English as Secondary Language, which used to be free, to improve their ability to adapt the new environment. The overseas fee, which is almost four times the local fee, is so high that these dependants often have to turn away (Observation UKSCCM).

### ***WEAs***

As we mentioned earlier, under the 1992 Act, the WEA, a voluntary organisation, whose history goes back to 1903, has become one of the biggest further education colleges in England with 700 branches and some 150,000 enrolments every year (Interview UKWEA). As Robert Lochrie, the General Secretary of the WEA National Association confirmed, there have been changes in terms of organisation, funding and courses of the WEA.

***Organisation*** In 1992, district WEAs, which used to be separate organisations within a loose federation, gave up their individual constitutions to become a national body, which covered England and Scotland, whilst WEAs in South Wales, North Wales and Northern Ireland stood outside the national WEA. Mr. Lochrie explained:

Previously, all different parts of the WEA in districts were actually separate organisations. They are separately registered charities. Just before the 1992 Act came in, we decided at our national conference that we would become one

organisation. There is now one single WEA. Each individual district has now joined in the national body, because of employment and also because it would be *easier to get funding* under the Act. South Wales has its own WEA. So does North Wales. They are separate. Scotland is one part of the national body. Northern Ireland also stands out of the national WEA (Interview UKWEA, emphasised by the writer).

Consequently, as Mr. Edward Hartley, the District Secretary of WEA Yorkshire South District pointed out, quite a lot of *powers* locally went to the *national* body. The responsibility for negotiation now goes to the National Executive Committee, whilst before, the districts retained these responsibilities themselves. He said that WEA *Districts* had *less power* than before. They were no longer independent. They had now to report to the National Association, which would do the administrative work to get funding for them. He explained, 'the FEFC gives money to the National Association which then distributes to districts according to the programmes, for the first time this year. We have to do all the work at district level in terms of recording everything else and file that into the National Office' (Interview UKSYWEA).

**Funding** The funding route has changed particularly since 1992. Mr. Lochrie explained:

Almost from the beginning, we were able to get some *money* from the *Government* which would meet some classes done in co-operation with universities. By the middle of the 1920s, we received *direct* funding from the *Central Government* for courses. High proportions of our course costs were met by the Central Government. Money was allocated *directly* to *districts* on the basis of the number of students. That was based on the cost of providing teaching. That eventually came as 75% of teaching cost met by the Central Government. The extramural departments of universities were also Responsible Bodies (Interview UKWEA, emphasised by the writer).

He confirmed that they got the other 25% from their student fees and local government and that they still got some money from LEAs, whilst they had to co-ordinate with the adult education provisions of LEAs. According to Mr. Hartley, 'up until about six years ago, the district WEAs were funded *directly* by the DES. Then the Government introduced support grants which LEAs had to *bid* for. The Government gave LEAs 70% of the grant and the LEAs had to fund 30% to match it. Then the LEAs handed it to the WEA districts. He continued:

Now the Government funding comes through the FEFC to the National WEA and then is delivered to WEA Districts. What happens now is, whilst the 70% has gone through new *FEFC funding*, some *LEAs* continue to give us 30% of that particular funding (Interview UKSYWEA, emphasised by the writer).

The WEA no longer directly receives money from the Central Government except the WEA in Scotland. Mr. Lochrie confirmed that, as a designated institution under the 1992 Act, the WEA is guaranteed its independence and constitution, whilst the Government can interfere with colleges (Interview UKWEA). The WEA is now receiving funding from the FEFC, which supports not only Schedule 2 courses but also non-Schedule 2 courses, whilst the FEFC funding for other further education colleges is available for Schedule 2 courses only. The FEFC put a *ceiling* on the *non-Schedule 2* courses and the additional units in non-vocational work will not be funded, whilst there is *no ceiling* on *Schedule 2* courses (Interview UKSYWEA).

Like other further education colleges, the WEA has now to *bid* for its *performance related* grant which includes entrance units, performance units and fee admission units (Interview UKSYWEA). Both Mr. Lochrie and Mr. Hartley confirmed that the WEA had much *better funding* than before (drawn from Interviews UKWEA & UKSYWEA). Mr. Lochrie explained, 'The main advantage for us in being funded by the FEFC is that we are a very *low cost* organisation. We are the *cheapest* further education body in the country because the work is done by voluntary members, not by paid staff. He pointed out that the costs of courses in different colleges were different: some of the highest could be as much as ten or twelve times more than the lowest. He said, under the new funding methodology, 'if you are a very expensive college, you still get the same as the cheapest. ... The marginal funding to all colleges is £14.50 per unit this year. It costs us £6 per unit'. He admitted that as the *cheapest* organisation, the WEA got considerable *benefit* every year and that this applied to Schedule 2 courses not to the non-Schedule 2 (details taken from Interview UKWEA, emphasised by the writer). Mr. Hartley confirmed that in 1994, their grant was still based on their historical basis, not based on performance work. It counted as only £2 per unit, because they had a very poor grant for many years. He said, the performance related grant started from 1995/96, and 'it is £6 per unit. But nationally across the FEFC sector, it is about £16 per unit. *Values* of our work are rising because we have to harmonise with the sector all the time. They are setting us very, very low. Upon it is funding base The *colleges* have to bring their unit *costs down* to £16 or £17, whilst *we* are *rising*' (Interview UKSYWEA, emphasised by the writer).

Mr. Lochrie also confirmed that although government funding had increased, it had not increased by as much as the total expenditure. He said, 'It used to be that 66% of total funding came from the Central Government. Now it is just about 40%. It started to go *down* from about mid-70s. It has *changed gradually*'. He pointed out:

Increasingly, the *direct cost*, the cost for tutors and accommodation not for administration, is *met* by the *student's fees*. ... I supposed ten years or so ago you began to see the *significant changes* in the *proportion* of money from students to meet the *increasing costs* and to match the percentage or proportion of production of Central Government funding.

He confirmed that, to some extent, students were paying an increasing proportion of the traditional branch work: traditional local education run by branches and some courses done jointly with universities. However, there were some differences among Districts. By 1995, in Yorkshire South District, student fees covered only 7% of their budget; government funding formed 30% of their budget; local government grant formed 20% of their budget and European funding covered the rest. For non-Schedule 2 courses, they tried to charged students very low fees in order to *attract* more students to come so that they could *claim* for *funding*, whilst for Schedule 2 courses, they did not charge any fee (the above details are taken from Interview UKWEA, emphasised by the writer).

European Funds have now formed an increasing part of the resources of the WEA. Mr. Lochrie pointed out, 'over the past three or four years, we have dramatically increased the amount of money from the European Union' (Interview UKWEA). In 1993/94, European grants contributed 9.8% of the statutory grants of the WEA (WEA 1995a). Mr. Lochrie pointed out, in terms of geographical position, 'North-eastern England is a priority to get money from the European Union: Yorkshire coal fields and Sheffield can't stop money coming in, whilst Liverpool is another area to get money in' (Interview UKWEA). As Mr. Hartley confirmed, the Yorkshire South District for instance, started to get European funding in 1989. It has been increasing and is now (1995) supported 50% of courses, of which most are *vocational* courses and *pre-vocational* courses, which are the courses leading to *vocational* courses. He explained that there were requirements in applying for such funds:

When we get European funding, there is a lot of information about students' *destination*. They want to know where students have gone after the courses. We

then have to follow up the participants and try to find out what they are doing. They want to know what the *outcomes* of the courses are in terms of *qualifications*. After six months, they want to know whether they have gone to work or further training or to universities.

As he pointed out, like the funding from FEFC, the European funding was *output related*. If the District did not recruit a certain number of students as they had predicted in their plan when they *bid*, they could *not claim* for funding. The District, therefore, had to *search* for their *market* and to recruit as many *students* as possible (the above details are taken from Interview UKSYWEA, emphasised by the writer).

*Courses* As the *funding* route has *changed*, the *direction* of the development of courses has changed. Traditionally, WEAs were very much concerned with developing *liberal* courses for the working class. To *attract* more *funding* and to *generate income*, as Robert Lochrie confirmed, whilst they continue to run education jointly with other organisations, including universities, their development has been in the direction of *targeting* more unemployed people, refugees and other special groups and providing courses such as basic education and English as a second language (Interview UKWEA). According to Mr. Hartley, from the 1960s to the 1980s the courses run by the WEA Yorkshire South District were largely liberal education. However, the situation started to *change*, particular in the 1990s. More and *more vocational and pre-vocational* courses supported by European funding were set up, whilst they continued to run non-vocational courses. Mr. Hartley believed that the number of participants in *Schedule 2* courses was *increasing*, whilst the number of participants in non-Schedule 2 almost remained the same. Their enrolments doubled in five years: in 1990, there were about 6,000 students; by 1995, there were about 14,000 students in the District. Among them 8,000 students were doing non-Schedule 2 courses, whilst 6,000 were doing Schedule 2 courses (Interview UKSYWEA). However, there were still far more students on the non-Schedule 2 courses. Mr. Lochrie believed that, across the country, only 20% of WEA courses were on Schedule 2 courses, whilst most of their students were doing non-Schedule 2 courses (Interview UKWEA).

The WEA, as a single national association, has now grown to be a powerful force in adult education. Between April 1993 and July 1994, the total *assets* of the WEA were in excess of £2.5 million and the turnover in this period was £12 million (see WEA National Association 1995). In terms of staff, there had always been three or four people in the

national office. In 1995, there were seven or eight staff members working for the National Association, whilst the number of *staff* in WEA Districts also *increased*. In Yorkshire South, for instance, the total number of staff increased by about 30%, whilst the number of students doubled (Interview UKSYWEA).

Here, in the further education sector, although there are some different pictures of changes in different institutions, we can still see the general trends of these changes. *LEAs*, which are now responsible for the *non-Schedule 2* sector only, are *losing* their *main roles* in the education and training of adults. Further education colleges are now responsible for the education and training of adults in the *Schedule 2* sector that has become *mainstream* funded by the FEFC, behind which the Government is the biggest *buyer* as well as a *planner*. The new funding route has pushed the management model of the education and training of adults in the further education sector towards both the *market* orientation and the *planning* orientation. On the one hand, the Government, as a planner, uses *funding* as a *steering system* to *shift* the *direction* of provision toward *vocational* and *qualification* education that is more *relevant* to *economic* development. Responding to this steer, most institutions have to increasingly *shift* non-Schedule 2 courses to Schedule 2 courses to attract funding. In this sense, the management model is moving towards a *planning* orientation. On the other hand, the Government as the biggest *buyer*, pays institutions mainly according to the *number of students* who are recruited on courses and are on programmes. If colleges do *not* meet their *target*, they will *lose* their *funding*. As colleges have now to fight for students, the interest and *demands* of *students* have become the most important factors when *deciding* the launch of new *courses* and the contents of teaching. In this sense, the management model has been *pushed* towards a *market* orientation.

### **Private Providers in Training Markets.**

The training market, which has existed since the last century, has been growing, particularly over the last thirty or forty years (drawn from Interviews UKSUGC2, UKSUWH, & UKNIXON). Ken Nixon, a former Training Adviser of the MSC and the DE, now working in the Division of Adult Continuing Education, Sheffield University, suggested that training was provided by:

- Private centres within private companies;
- Independent private training centres;

- Individual training consultants;
- Public bodies.

He also suggested that, of course, the private providers had always been in the *market place* (Interview UKNIXON).

### *Development in the Private Sector*

Whilst the public institutions are entering into the training market, the private providers are growing with the development of the training market. Hewson believes that during the last twenty years *private providers* have certainly been *growing* in number (Interview UKDE3). The study of *Training in Britain* conducted in the late 1980s found that the 'extent of provision by private providers of external training is greater than previously thought' (TAa). The main report of the study pointed out:

Private providers are independent organisations or individuals, outside the publicly funded higher and further education system, who provide training to individuals and other organisations on a *commercial* (though not necessarily profit making) basis (TA 1989: 9, emphasised by the writer).

...

Most private providers, whether in the intermediate sector or operating for *profit*, concentrated on delivering short courses or continuing provision to adults, and saw their main *market* as company-based. Many were operating in specialist areas, or *market niches*, focused on a particular occupation or industrial sector. The development of Training Agency programmes such as YTS, and the various adult programmes that preceded Employment Training, had clearly also had an impact in *widening* the *market* for such providers to include more initial provision and adult retraining. There was evidence that a number of new providers had sprung up to *tap* these *new markets*, and some had subsequently attempted to diversify into other areas such as *selling* courses of skills training direct to employers (TA 1989: 59, emphasised by the writer).

To form a part of the above study, the Centre for Higher Education Studies (CHES), Institute of Education, University of London, was commissioned by the MSC to undertake a study of private providers of vocational education and training (VET) in Great Britain, which covered 2,854 private providers of vocational education and training in Britain, including 'formal and informal courses of instruction for anyone over the age of sixteen', but excluding 'general education in schools and non-vocational education and recreational

activities' and excluding 'learning from experience' (CHES 1988: ii). The survey established that there were at least 4,500 private providers in Britain, if those who provided non-vocational or recreational courses and other small scale providers were included. The survey confirms that private providers were highly significant in the overall provision of vocational education and training, both in terms of flows of people and of money. The survey results suggested that each year about 2,400,000 people complete some form of vocational education and training in the private sector and that the average duration of a private provider course was 28 days, with a range of one day to more than one year, whilst total estimated *income* of private providers covered by the survey was £1.2 billion (CHES 1988: iii). The survey suggested that the private providers are heavily *dependent on fee income*: 80% of the total income of VET providers were paid in the form of fees, whilst 14% of total income were estimated grant income. The survey also suggested that 'less than a quarter of total income from VET came from public funds and a high proportion of the income from private providers appears to come from employers' (CHES 1988: 54).

The survey suggested that private providers covered quite broad areas of training provision, providing technical, secretarial and commercial training, and training in arts, transport (driving, flying etc.), health, beauty, information technology, languages and management. They provided training consultants and training services, as well as correspondence courses. In terms of organisation, over 40% of all respondents reported to provide training services (CHES 1988). In terms of subject, management formed one of the largest categories of private provision: according to *Training in Britain*, in 1987/88, 1,000,000 out of 2,400,000 people completed management courses run by private providers (TA 1989: 9-10). The survey suggested that the private sector was extremely diverse and included large-scale organisations, with more than 5,000 people completing training each year, and individual training consultants who reported only one or two completed a year. In terms of the nature of the private providers, the survey showed:

Slightly less than half (44%) of all respondents stated that they were providing VET on a *profit-making* basis, although several of those interviewed, ... emphasised that the distinction between "profit-making" and "non-profit" organisations is far from clear. In particular, several proprietors of private establishments stressed that they simply aimed to *cover costs* and their own salaries, and that their actual profits were minimal. 18 per cent claimed non-profit, or charitable status, ... 15 per cent ... were individual training consultants and 10 per cent were employers who provided training on a *commercial* basis for those



outside their own workforce. Only 7 per cent were examining, validating or accreditation bodies which also provide training and only 2 per cent were equipment manufacturers, most of which were in the "information Technology" category (CHES 1988: 29, emphasised by the writer).

Dave Cliff, a former staff member of the former DE now a consultant of a private training company, confirmed that starting 30 years ago, and particularly during the last 10 years, training companies had grown and developed as a new *industry*. He suggested:

It is an area that developed from nothing about thirty years ago to a quite big sector now, but it is still a young *business* to manage. I am quite sure, if you talked to people in this country thirty years ago, and mentioned the word 'consultant', they probably looked at you because they wouldn't know what you meant. Now everyone knows a consultant is someone that is *bought* in by organisation to do something which it *chooses* not to employ people full-time to do for itself. A lot of people, who are experts and work for organisations, are choosing to leave and work in that way. Not just training but the whole *consultant business* is something which developed over the last thirty years. Training and development is just one *part* of it (Interview UKCLIFF, emphasised by the writer).

He suggested that there might be thousands of private training companies and that a lot of them were small companies with one person who would network with an associate if they needed to. He suggested there were fewer than 300 training companies which employed more than 20 people, whilst there were some big international partnerships, world wide, which might have something like three or four thousand partners, who formed totally separate companies, with a total of 30,000 people who worked for them.

When asked why private training companies were not developed twenty or thirty years ago, Cliff suggested:

Mainly because companies at that time were able to employ their own people. Now *costs* are much *tighter*. I suppose international *competition* is so *tight* now. Anything that the companies could do to *reduce* their *costs* they will do. This is why big manufacturing companies *no longer* have special *training departments*. All those people have left companies or they make the people like that *redundant*. So it is possible for private training companies... to develop and to *sell* their *expertise*. So the companies decided that we will no longer employ expertise (Interview UKCLIFF, emphasised by the writer).

There were some other reasons for the development of training companies. First of all, as we suggested earlier, due to socio-economic changes, the overall demands on the education and training of adults were significantly increased. With the *increasing demands*, the providers would be able to develop. Second, as Cliff confirmed, starting from 1992 the Government introduced the *Next Step* Initiative, of which the principle was to open up *competition* for the Central Government services. As a result, staff in some *public* organisations had to *bid* to provide *services* that they had previously delivered, whilst external providers, including private providers, were all invited to *bid* for their delivery. This approach was applied to training (Interview UKCLIFF). Third, in accordance with the Government's *free economic* policy, during the last twelve years, the Government has made it *easier* for more people to set up small businesses: it made taxation easier and made it less bureaucratic in order to *encourage* the *private sector* to develop. There was a lot of emphasis on developing an *enterprise culture* where small businesses were encouraged (Interview UKCLIFF). Fourth, the Government has passed *legislation* which has *protected* the *private sector* from being bitten by the *unfair competition* of the *public services*, such as local government, which have public funds behind them (Interview UKCLIFF). Fifth, due to the Government's policy of *deregulation* of the public sector, and *privatisation* of industries, an increasing number of individuals, who had worked for either the *public* services or industries' training departments, including those inspectors who had worked for LEAs, have left their work and set up their own private companies to provide *private consultants* and training, especially over the last five years (drawn from Interviews UKNIACET, UKNIXON & UKCLIFF). All these reasons make it possible for private training companies to exist, develop and sell their expertise. Meanwhile, alongside the *growing demand* and number of suppliers, the training market has developed, which, in return, has encouraged the providers, both private and public ones, to grow. In practice, as our previous discussion suggests, the public funded institutions in the university sector and the further education sector, have gradually entered the training market since the 1970s, especially since the 1980s. Although universities and further education colleges have taken over some part of the training market from the private providers, they have tended to occupy different levels and *different* kinds of *markets*. As *Training in Britain* suggested, 'training providers tend to operate within clearly defined *market niches*. *Competition* between providers is limited in extent and focuses on quality rather than price' (TAa: 4, emphasised by the writer).

With the competition of the market, Cliff suggested, 'such private training companies are doing *business* in training. They *sell* their intellectual ability, the combination of their

knowledge, education and experience, to *whoever* wants to *buy* it'. He also pointed out that:

There is a lot of *competition* to get *business*. It is a *free market* really. It is operated in very much a free market. If I own a company, if I want someone to do training for me, I know there are probably three or four companies doing that training. I will probably phone my network. I may get half a dozen companies. Then I may send my *tender* document out. Then I may get proposals back from which I may *choose* whom to go with (Interview UKCLIFF, emphasised by the writer).

In the following case study, Cliff illustrated how Stuart McKechine Limited, a private consultancy company, which he joined recently, had developed and operated its *business* in the *training market* (Interview UKCLIFF).

#### *A Case Study: Stuart McKechine Limited*

The company was set up by Stuart McKechine, who had been a higher executive officer of the MSC. In 1982, he left the civil service and took his Masters Degree in organisation and development in a Polytechnic. Then he set up a company of his own and it grew quite quickly. Through his network, he had five people who worked together with him. They soon formed a *small company*, which did not last for very long. McKechine then decided that he would set up his *own company*. Through a network called associates, some self-employed people worked for him. Whilst he got the *business*, he brought them in to deliver training. After about five years, this business ended up as a network of 20 or 30 associates who worked for him. Starting from around 1990, he appointed people directly to the company. In 1992, there were 12 *employees* and this figure doubled in three years: in 1995, there were 25 people who were directly *employed*, whilst some associates were still used. In order to *win* the *competition* based on the quality of delivery, he tried to use highly qualified personnel. All of the consultants in the company who consisted of about three quarters of the total members, including himself, either had higher degrees or were studying for *higher degrees*. Most of them had *expertise* with working experience in organisations. They *brought* in *clients* from their previous work, which, no doubt, contributed to the success of the company. The company provided various services for both the private sector and the public sector according to *clients' needs*. First of all, they have delivered training at board level, which has been management development for the directors. Second they have provided training for supervisors of the company. Third, they have provided training for all staff, which has been a more recently developed part of their

work. They have also done a lot of work for Nissan, a big Japanese car company. Some examples of their delivery, included:

- Designing and delivering the training and development for National Investors in People Assessors and Consultant/Advisory Staff, having been selected by Investor in People UK to become one of only three licensed providers in the UK (Investors in People UK is the organisation responsible for developing the Standard both Nationally and Internationally);
- Design and delivery of an in-house Diploma in Training Management for a National Organisation;
- Developing the Senior Management Programme of training for a large Civil Service Department with Offices throughout the UK;
- Designing the Management of Organisational Change element of the Masters Degree in training and education for Sheffield University;
- Delivering the Certificate in Training and Development by Open Learning;
- Being invited by the Institute of Training and Development to take on the role of an Accredited Development Assessment Centre (ADAC) (Sources: *Stuart McKechine Limited*).

Because the company had been there for a number of years and had built up its reputation, a lot of its *clients* came back. When some organisations wanted to do some training, they will send out their invitation to *tenders*, which the company will then *bid* for. Mr. Cliff explained:

What the organisations tend to do is that they write the same letter to everyone and say, 'this is what we are proposing to do. Please give us some information on *how* you would *deliver* for us and detail the personnel you would use. *How long* it would take? *What* it would *cost* us? *What* sort of *material* you would deliver for us? *What benefit* you expect us to achieve through using you?' They send the same *tender* document to everyone. They set the deadline for response (Interview UKCLIFF, emphasised by the writer).

According to the requirement of their clients, the company would then design its strategies, which included the above information that the *client required*. In terms of the content of training, it should be *flexibly tailored* according to the *needs of the clients*. Cliff agreed that the management model of their provision was *definitely market oriented*, as all courses were set up according to the *clients' requirement*. He said:

*Customers are always the king. We are there to meet customers' needs, as customers pay us. If we do not meet their needs, we won't stay in business very long. It is only satisfied customers who can feed you. That is business. That is the market really.*

Cliff also explained how the *tenders* would work in the *training market*. He said:

I have been on the other side of the fence where we were *tenderers* when I worked for the civil service. You send out *tenders*. They all come back for the deadline. You sit down and you have a panel of four or five people. You will decide *criteria* for judging *worth of tenders* before they are opened. *Price* will only be one factor. They have to *conform to what you asked for*. ... What is the quality of *personnel* that they intend to use? Can they meet your *requirement* and how quickly? What is the quality of *material* they are proposing to give you? What is the company's *track* record? You may ask for information about their recent *satisfied clients*. On the basis of that, *clients* make judgement on *value for money*. They might *not* go for the *cheapest* proposals. They might go for one that they feel is giving them the *closest to what they want* at the *price* that they are *willing to pay*. That is normally the case. Normally the cheapest tenders are not necessarily the ones that get the business. There may be a reason it is cheaper, such as it might not be good *quality*. But sometimes the cheaper one has got good quality too. You tend to *weigh* those criteria elements. *Cost* might be very *important*. *Cost* might carry ten marks, whilst track records might carry five. You mark them against each *criterion*. The one with the *best score* at the end will get the *business*.

He suggested that the *price* was one *important* factor but *not* the *only* factor in *choosing providers* (the above details taken from Interview UKCLIFF, emphasised by the writer). *Training in Britain* listed the most important factors in choosing providers, including level of expertise, quality, breadth of experience, flexibility of provision, value for money, geographical location, reputation of provider, cost, previous contract, recommendation by higher management and tradition. It suggested that the level of *expertise, quality, and breadth of experience* had been the *criteria* most frequently cited, and that obtaining *value for money* was more often seen as important than was obtaining the lowest price (TA 1989: 58). As a private provider who relied on the training business, the company had to look at the market carefully and to make the right decisions on market strategy.

In terms of prices, Cliff explained that they had a fixed *cost* for a day of delivering work (£600 for a consultant and £900 for a senior consultant), that would *cover everything*: design, delivering as well as evaluation. He then explained:

You have to work out how much your travelling subsistence will cost. You have work out the *cost* of facilities and material for them. The *pricing structure*, that is what you've charged to each company, is very difficult to get right. If you set it too low, people think we can't be *worth* very much. If you set it too high, people *won't pay* you. It is the key decision that the Company makes.

He confirmed that for different companies they might charge different prices. He said, 'if it is a large company, there is a lot of business over a long time, and you might negotiate a lower price, but only on the basis of the *value of business* we get, whilst accept the rate'. He confirmed that the company had to decide its own *pricing* and its *marketing strategy*. They had to think of other *competitive* companies' prices:

You look at the rest of the market and look at the people that you think of as your *competition*. Then you say, 'that is where we will go.' All companies are promoting themselves, so it is very easy to pick up information about the *competitive companies*.

He confirmed that the company ran training as a *business* and that the fees they charged would be more than *full cost*. He said, 'there should be a *surplus*'. He made a comment that *surplus* formed 'the *margin over cost*'. When asked whether they would make a profit, he argued, 'it is difficult to say, because it would depend on what do you mean by "*profit-making*". If you put the money back into development, it is not necessarily profit-making' (the above details are taken from Interview UKCLIFF, emphasised by the writer).

## Conclusions

From the above analysis we can see that in the public sector, in accordance with the changes in Government policy in the administrative and funding system, the institutional policy in education and training of adults has changed: the direction of provision has changed, whilst the management model of education and training of adults has changed.

In the university sector, there have been great changes in the education and training of adults since the late 1970s. Provision has gradually changed throughout the 1980s, and in particular since the 1990s. Traditionally, university adult education, which was the contribution of *extramural* studies, used to be *liberal* adult education that was *not* particularly for education *qualification* purposes *but* for *personal development*. By the end of 1970s, some *qualification* courses, such as access courses and part-time degree

courses, including postgraduate courses, as well as vocational continuing education started to be *developed*. Throughout the 1980s, particularly from the mid-1980s onward, due to *financial pressure* as well as the *needs of economic* development, *vocational* continuing education was rapidly developed by universities in various departments. At the same time, the Government tried to use funding and policy imperatives in a strong central government approach to change the work in university adult education away from the general interest, leisure type market for the general public towards a much more focused and targeted approach. By the mid-1990s, the Government had decided that it was only going to fund university adult education for *part-time degree* courses, whilst *liberal* adult education should become *self-financing*. This *shifted* the *provision* of university adult education away from traditional *liberal* adult education towards *qualification* education, whilst the departments of adult continuing education were pulled into the *mainstream* of universities and *lost* their *traditional* culture of *extramural* studies, the history of which could go back to the last century in some cases.

In terms of the management model, big changes have happened since the late 1980s and in particular the 1990s. By the late 1970s and the early 1980s, courses were partly created on the basis of *academics'* own *interests*, whilst such courses also represented the interest of the public. As *Responsible Bodies*, departments received blocks of money from the Government and, subject to inspection by Her Majesty Inspectors to ensure that they had the right quality, they had *powers* to set up courses in *whatever they thought* was in the best *interest* of their communities. At that stage, the management model of university adult education was basically a *mixture* of *academic* orientation and *market* orientation with very *little planning* orientation, whilst it was quite *close* to an *academic* orientation. In the early 1980s, university adult education suffered double *cuts* in government *funding*, which led to some *reduction* of provision of the general programme in which *academics* had *power* to decide *what courses* were set up. At the same time, with *financial pressures*, universities had to seek extra resources outside government funding. With the '*carrot and stick*' approach, various forms of *self-financing* courses in *vocational continuing education* were increasingly set up not only in adult continuing education departments, but also in other departments of universities to generate income. Universities were now entering the *training market* to *compete* with private providers. In such a *buyers' market*, as long as the *customers* had to *pay* full fees, they had louder voices to *decide what* courses should be set up and *what* was going to be taught. Therefore the management model for vocational continuing education was very market oriented: courses were set up according to *customer demands* and *requirements* rather than academic interests,

although universities still tried to retain their academic status to ensure the standards and quality of courses. As a result, the management model of university adult education as a whole was moving towards a *market orientation*, although it was still a mixture of orientations.

Throughout the 1980s, the Government kept on changing its funding direction and tried to use funding as a *steering* system. Departments of adult continuing education had to keep on changing and developing their provision in order to *follow* the changes in the Government funding policy. From the mid-1980s onwards, the funding policy was changed from input measures into *output* measures. Instead of financing departments based on the numbers of staff, Government *funding* subsidised the numbers of *students*. This created a *public funded market*, which gave *more powers* to *consumers* rather than providers. In this case, *academic* interests became a *less important* factor in deciding what courses should be set up, whilst the *demands of consumers* became a *priority* factor which would influence the decision of launching new courses and the contents of teaching. The introduction of *output related funding* measures, therefore, pushed departments into the *market place*. They became more targeted to particular social communities. They became more *analogous* to a *firm* looking at its *products* and seeing how to *sell* them and whom they would *sell* them to. In this case, *marketing* became an important strategy. Instead of guessing what the community interests were, they had to put in more effort to identify the needs of students in order to put on more popular courses to *attract* the maximum number of *students*, who would bring in not only *fees* but also public sector *funding*, which would decide whether institutions could *survive*. Behind that, the Government, as the biggest *buyer* as well as a *planner*, would pay institutions according to their *products*. In this stage, the management model became a *mixture*, which moved with a big step towards a *market* orientation, whilst it moved slightly towards a *planning* orientation as well.

In the 1990s, whilst the funding policy of output measures continues, funding policy has become more centralised. Departments have now *lost* their status as *Responsible Bodies*: instead of receiving direct funding from the Government, they have to *bid* for *funding* which is based on the number of *students* according to an *invitation to bid* from the Funding Council. This has pushed university adult education further towards a *market* orientation. Furthermore, since the mid-1990s, the Government has decided that it is only going to fund part-time degree courses. Consequently, *liberal* courses have to be *self-financing* more or less. They have to either go back to communities, who, as a group of customers, should be responsible for recruiting students and for costs; or be a class with a



large audience, who would be willing to pay higher fees to *cover* at least *marginal full-cost*. In both cases, the management model of liberal adult education is pushed towards the *market* orientation. As customers, either as a group or as individuals, have to pay more in order to *cover costs* which at least should be *direct costs*, they have now louder voices than before to *decide* whether the *courses* should be set up. Now departments can only retain *academic interests* that are *based on market* demands. Meanwhile, the *Government* gives itself *more powers*: it is not only the biggest *buyer* but also a *planner* which now *decides what courses* should be developed. In this stage, in terms of the management model of university adult education, there is a big step moving towards the *planning* orientation, whilst it continues to move towards the *market* orientation. In addition, due to the changes in the route of funding, the roles of the heads of departments have changed. Personally, they themselves also have been pushed *away* from the *academic* orientation *towards a market* orientation: they have become *managers* rather than academic leaders.

In the further education sector, under the 1992 Act, the *role* of *LEAs* in the education and training of adults has become *smaller*: they are only responsible for *non-Schedule 2* courses with a small amount of decreasing funding available. With continuing financial pressures on local government, the *budgets* of *LEAs* have been *cut* and their *powers* have been *lost*. It has been difficult for many *LEAs* to continue their adult education services. Many *LEAs* have completely *lost* their adult education services, whilst others keep their services with financial difficulties. In some areas, adult education services, which used to be run by the *LEAs*, have become *independent* colleges, whilst in some areas *LEAs* have to *contract* with further education colleges for their provision. Further education *colleges* are now responsible for the education and training of adults in the *Schedule 2* sector that is for mainstream, funded by the FEFC, behind which, the *Government* is the biggest *buyer* as well as a *planner*. The new funding policy pushes the management model of education and training of adults in the further education sector into both the *market* orientation and the *planning* orientation. On the one hand, the *Government*, as a planner, uses funding as a *steering* system to *shift* the direction of provision towards *vocational* and *qualification* education that is more *relevant* to *economic* development. Responding to this, institutions have to *shift* their provision and to put on courses leading to *qualifications*. This has led to a spectacular *drop* in the number of *older* people studying with an implication of declining opportunities for life-long learning of the third age group. In this sense, the management model is moving towards a *planning* orientation as courses are changed according to *government requirements*. On the other hand, the *Government* as the biggest *buyer*, pays institutions mainly according to the number of students who are recruited onto

courses, who stay on programmes, and in some cases, who are successful. If colleges do not meet their targets, they will lose their funding. Here, the Government creates a *public funded market* with the *Government* as the biggest *buyer* and *students* as *consumers*. As a result, *powers* go to *consumers* rather than providers. Thus, the interests and demands of students have become *priority* factors to decide the launch of new courses and the contents of teaching. In this sense, the management model is moving towards a *market* orientation, which means that courses are set up according to the *demands and requirements of customers*. Meanwhile, in accordance with the development of *output related* new funding methodology, colleges have become in practice *businesses*, which have to respond to the market and to compete with each other. The principal of a college is now called 'Principal and Chief Executive'. As a principal, he runs the college, whilst as a chief executive, he runs a business. Like other businesses, colleges could go to bankrupt. As businesses, institutions are being run entirely in a *contract culture*: they have to spend time *bidding* for funding to make institutions grow. As businesses, they have now to produce *business plans* instead of making academic plans and have to think more about the *financial criteria*, such as costs of courses, financial resources and sources of students, whilst ten or fifteen years ago they tried to use educational criteria rather than financial criteria. Institutions have more *strict* rules affecting the *minimum number* of participants than before, whilst marketing has become an important strategy. Some institutions started to adopt the market concept in 1980s. In order to develop their *market*, including the individual market, the employer market and the Government market, they have *moved* very fast towards a *market* orientation. However, as public services, they are still *concerned* with the *needs* of the *community*. They hope that even when they are driven by market needs, they still will be able to fulfil *educational needs* as well. In this case, the management is a *mixture*, which is *closer* to the *market* orientation and the *planning* orientation rather than the academic orientation.

In the case of WEAs, in the early 1990s the WEA in England and Scotland formed a single National Association, which became in effect the biggest further education college, whilst WEAs in South Wales, North Wales and Northern Ireland stood outside the national WEA. The funding route of the WEA has changed, particularly since 1992. The District WEAs used to be directly funded by the DES. Now the Government funding comes through the FEFC to the National WEA and then is delivered to Districts. Like other further education colleges, the WEA has now to *bid* for its performance related grant from the FEFC. Compared with other further education colleges, the WEA is receiving benefit through the new funding route. First, as a *designated* institution under the 1992 Act, the

WEA was guaranteed its *independence* and its constitution, whilst the Government can interfere with colleges. The FEFC funding for the WEA, a designated institution, has to cover not only *Schedule 2* courses but also *non-Schedule 2* courses, whilst the FEFC funding for other further education colleges is available for *Schedule 2* courses only. Second, in terms of *Schedule 2* courses, the costs of WEA provision are much *lower* than average costs of further education colleges across the country. However, the FEFC tends to fund colleges on *marginal costs*. Consequently funding for the WEA, the *cheapest* further education college, has been rising, whilst funding for those expensive further education colleges has been reducing. This *encourages* the WEA to *increase* their provision of *Schedule 2* courses, whilst they retain their traditional provision of non-*Schedule 2* courses. The WEA, therefore, has better funding from the Government than ever before and has become stronger. Apart from receiving funding from the Government and some continuing funding from local authorities, the WEA, in particular some Districts, such as Yorkshire South District, are *attracting* other resources, such as *European funding*, to support vocational and pre-vocational courses. To attract such kinds of funding, they have to meet certain criteria and requirements, which also push the management model towards both the *planning* orientation and the *market* orientation. On the one hand, as European funding is *output related*, institutions, in order to reach their funding targets, have to identify student interests to attract as many students as possible. In this sense, it is moving towards a *market* orientation. On the other hand, European funding, such as the European Social Fund, is *planned* for social and economic regeneration with certain criteria and requirement for funding. Therefore, only those courses that meet the *requirements and criteria* can get funding through a *bidding* system. In this sense, it is moving towards the *planning* orientation as well. Meanwhile, as the funding route has changed, the direction of the development of courses has changed. Traditionally, the WEA was very much concerned with developing liberal courses for working class students. To attract more funding and to generate income, more and more *Schedule 2* courses supported by the FEFC and vocational and pre-vocational courses supported by European funding have been set up, although the WEA continues to run non-vocational courses. Consequently, the number of participants in *vocational* courses has been *increasing*, whilst the number of participants in non-vocational courses remains almost the same.

Under the enterprise culture, whilst public institutions have become in practice businesses, thousands of *private providers* have *developed*. They are independent organisations or individuals, outside the publicly funded higher and further education systems, and provide

training to individuals and other organisations on a *commercial* basis. They are highly significant in the overall provision of *vocational* education and training, focusing in particular on adults, both in terms of flows of people and of money. The private providers are heavily dependent on fee income, with a high proportion of this fee income being paid by employers. The management model in the private sector, in particular consultancy training companies which have been developed into a new industry during the last twenty or thirty years, is absolutely *market* oriented. They run training as a pure *business*, although some of them may claim to be non-profit makers, as the distinction between 'profit-making' and 'non-profit' organisations is far from clear. Such private training *companies* are doing *business* in training. They *sell* their intellectual ability, the combination of their knowledge, education and experience, to whoever wants to *buy* it. For them, *customers* are *kings* who will *decide what* sorts of provision are going to be delivered, *what* kind of *standard* should be reached and *who* is going to *deliver* that provision for them. They have to fight to deliver training in the highly *competitive free market*. As competition is based on quality rather than just the price of delivery, the top consultant and training companies tend to hire highly qualified experts as their consultants, whilst most private training companies tend to have trainers with a lower education level compared with the public sector.

In summary, we find that in accordance with the changes in social and economic context and the changes in government policy, the institutional policies for education and training of adults, including both the provision and the management model, have changed. In the *private sector*, training companies in particular, the management model is moving towards the very *far* end of the *market* orientation, where clients are kings who decide what courses should be set up. In the *public sector*, it is moving *away* from the *academic* orientation *towards* both the *planning* orientation and the market orientation, although it is still a mixture. As the management model is moving away from academic orientation towards the planning orientation and market orientation, the *Government* as a planner as well as the biggest buyer, has much *more power* to decide the direction of provision of the education and training of adults, whilst *providers* have *fewer powers*; *clients* or *customers*, either employers or students, have *increasing powers* to decide what courses should be set up. As a result, the direction of the provision of education and training of adults has been shifted away from a traditional liberal education that *academics thought* was *important* to personal development, towards vocational and qualification education, which the *Government thinks* is *important* to economic development, which *employers think* is

*important* to their enterprises, and which *young people think* is *important* to their careers. This general finding will lead to a further discussion in the final chapter.

## **CHAPTER TEN**

### **THE EDUCATION AND TRAINING OF ADULTS IN HONG KONG**

## CHAPTER 10

### THE EDUCATION AND TRAINING OF ADULTS IN HONG KONG

In the preceding chapters, the developments and changes in the education and training of adults in both China and the UK and their socio-economic contexts have been discussed. In this chapter, comparative aspects in Hong Kong will be discussed, focusing on current issues, in particular the management model of the education and training of adults. Based on a brief introduction of the socio-economic context, we will consider the education and training market, analysing both the demand and supply factors. Following the discussion of the management model of the private sector, including both profit-making and voluntary organisations, we will discuss the management model of the provision by the publicly funded higher education institutions, focusing on the departments of continuing education in universities and the Open Learning Institute. The provision of the Hong Kong Vocational Training Council, which presents Government intervention in training will also be considered.

#### **Background**

Hong Kong has a population of 6,149,100 (1994 estimate). With a land area of only 1084 square kilometres, Hong Kong is one of the most densely populated places in the world (*Hong Kong 1995* 1995). Hong Kong, a part of the territory of China, has been a British colony for more than a century, as a result of the First Opium War (1840 - 42), the Treaty of Nanjing signed on 29 August 1842, and the Convention signed in Beijing on 9 June 1898 (*Hong Kong 1995*). On 19 December 1984, however, the Sino-British Joint Declaration on the Question of Hong Kong was signed by both Chinese and British Governments. Under the terms of the agreement, on 1 July 1997, the British Government will restore Hong Kong to China and Hong Kong will become a Special Administrative Region of China (*Hong Kong 1995*) and, for 50 years after 1997, with the principle of 'one country, two systems', Hong Kong's lifestyle will remain unchanged.

Hong Kong has now become an international trade and financial centre. According to *Hong Kong 1995*, by 1994 it was the world's fourth largest banking centre in terms of the volume of external banking transactions, and sixth largest foreign exchange market in terms of turnover. Its stock market was the second largest in Asia in terms of market capitalisation. Its average annual growth rate was about 5% in real terms. Within two

decades, the Hong Kong economy had more than quadrupled in size, and per capita GDP, after discounting inflation, had almost tripled. Valued at US\$21,800, Hong Kong's per capita GDP surpassed that of the UK, Canada and Australia in 1994 (*Hong Kong 1995* 1995: 64-65).

In terms of economic policy, a *laissez-faire* economic policy started to be implemented in Hong Kong in 1842 when Hong Kong became a British colony. Alongside the rapid economic development, the policy of *minimum government interference* has been continued by the Government during the past decades. As Chen Kekun, the Chief Editor of *Hong Kong Economic Directory*, a journal in Hong Kong, explained, the Government tries not to interfere with the economy unless it is necessary. He pointed out that, with the lowest income tax in the world, the Hong Kong economy relied on market forces, which represented an 'invisible hand' under the policy of minimum government interference (Interview HKCHEN). Sir Hamish Macleod believed:

We have a clear philosophy, consistently applied, which is based on a commitment to market forces, free enterprise and free trade. We believe in creating an environment with minimum government regulation and interference, plus maximum government support in terms both of infrastructure and of protection for the needy, leaving business free to flourish...

We also believed, long before it became fashionable, that the private sector should provide essential public services wherever feasible - with minimum government interference and at prices set by market forces (1995: 15).

Professor Cheng Kai Ming, Dean of the Faculty of Education, Hong Kong University suggested that, in terms of the economic system, Hong Kong was probably the place where a *market economy* had been most promoted with less Government intervention than was the case anywhere else in the world, and that the Government had adopted the policy of minimum government interference for a long time, allowing financial and human resources to flow *freely* in and out. He also believed that although the Government had its powers, it did not use them. He explained that, in terms of the political system, it was so centralised that only the Governor had decision-making powers; he, however, instead of making decisions himself, used institutions such as the Executive Council and the like. He believed that Government intervention was represented as a legislative system which allowed people to play in Hong Kong as confidently as in a Casino, where there was no trickiness and one's winning and losing would depend on his (her) own capability and



capital (Interview HKUCKM).

As a result of the free economic policy, Hong Kong society as a whole is extremely market oriented. This has a great impact on many aspects of life, including the education and training of adults. In the following paragraphs, we will consider how much intervention the Hong Kong Government has made in the education and training of adults and what kind of management model has been operated in the different sectors.

## **The Education and Training of Adults in the Market**

### ***Government Commitment***

Unlike in China and the UK, where there are Government policies on the education and training of adults through mountains of documents, in Hong Kong there is *no* such thing as Government policy (Interview HKCHEN). As Dr. John Holford pointed out, there is hardly a single government document on adult education. However, a few paragraphs have referred to open learning and teacher training in a couple of Reports by the Education Commission since 1984 (Interview HKSPACE1). This may suggest that alongside the free market economy, the Government tends to have *minimal regulations* in the education and training of adults.

However, alongside the rapid economic development, there has been an *increasing* Government *commitment* to education and training as a whole.

Lee and Lam suggested:

...initiatives taken by the Hong Kong government in the area of vocational or professional training in the past several decades have reflected a partly planned and largely reactive strategy. In the 1960s, for example, when manufacturing expanded tremendously, the government took up what it felt was its duty to fund and provide training for a large number of workers for the growing manufacturing sector in Hong Kong. In the 1990s, when emigration has drained the manpower in several areas, the government is keen to expand tertiary education to meet the shortage for managerial and professional manpower. The above two instances of government action suffice to show that the Hong Kong government has *directly* or *indirectly* taken initiatives to *fund vocational or professional training* through various avenues such as the Vocational Training Council or the tertiary institutions in Hong Kong (1994: 17, emphasised by the writer).

Mr. Horace Knight, the Chief Executive of the Vocational Training Council (VTC) in Hong Kong, believed that the Hong Kong Government had been one of the governments in the world which had *committed* itself to education and training. He confirmed:

In general education, the Education Department [ED] provides adult education courses, and mainly these are general education courses for people who have not reached the university level: at that time they were not able to reach that but now decide to try. They attend courses in general education...their courses are highly subsidised (Interview HKVTC).

He pointed out that the VTC, polytechnics (which have now become universities) and universities 'also provide education for people who are working, who want new skills and knowledge or who want to update their existing skills'. He confirmed that these courses were also heavily *subsidised* (Interview HKVTC).

However, Professor Cheng Kai-Ming argued that the investment in adult education from the ED was limited. He believed the Further and Higher Education Groups in the ED reserved a very *small* percentage of the budget to support adult basic education. This primarily goes to Caritas Adult and Higher Education (CAHE), a voluntary organisation that forms the biggest provider of adult education in Hong Kong, and the funding formed a very modest proportion of their income (Interview HKUCKM). Father Yeung, also confirmed that the *subsidies* from the ED contributed less than 5% of their budget. The costs of courses in *basic education* for students with learning difficulties could not be covered by fees but were subsidised by the Government, whilst fees for other courses needed to cover their total costs (Interview HKCAHE).

The following table shows the enrolments in adult education in Hong Kong between 1982 and 1991:

Table 10 1: Enrolments in Adult Education in Hong Kong (1982-91)

Type of courses/ institutions	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<i>Arts &amp; General</i>										
Gov. run	17,061	20 822	21,004	21,865	22,302	24,265	22,904	21,564	17 495	13,392
Private	18 324	21 923	24 765	26,331	33 515	43 590	40 888	42,640	43 824	37 737
<i>Industrial Training &amp; Vocational courses</i>										
	39,182	40 006	41 183	44,123	43,072	45,533	42,641	41,541	41,502	40,481
<i>All courses</i>										
Gov. run	17,061	20 822	21,004	21,865	22,302	24,265	22,904	21,564	17, 495	13,392
Private	57,506	61 929	65,948	70 454	76,587	89,123	83,529	84,181	85 326	78,218
Total	74 567	82 751	86 952	92 319	98,889	113 388	106,433	105,745	102 821	91,610

Sources: *Hong Kong Digest Statistics of Each Year* by the Hong Kong Statistics Department (cited in HKEIC & HKAE 1993: 374, translated by writer).

In the above table, courses run by the Government cover arts and general education courses which are the responsibility of the ED. All courses in industrial training and all vocational courses are private. This suggests that the figures of the above table cover the courses under the control of the ED *only* and, therefore, the provision of vocational training by the VTC and professional continuing education by public funded higher education institutions are excluded. If these were included in the training and vocational sector, there would be a category for enrolments run by the Government and the total amount would be *much bigger* (see the following page). The above figures, however, suggest that the provision of adult education by the ED is *limited*, while the education and training of adults has been significantly operated by the *private sector*. The above discussion suggests that with *minimal regulations* and *limited intervention*, the Hong Kong Government, to some degree, tends to leave the provision of education and training of adults to *market forces*.

### ***The Market of the Education and Training of Adults***

Under the *free economy*, the education and training *market* in Hong Kong is extremely *active*. On the one hand, alongside the socio-economic development, there have been great *demands* for the education and training of adults since the 1970s, particularly since the late 1980s; on the other hand, the policy of *minimum* government interference has stimulated great *competition* among providers.

***Demands*** In terms of the demand side, as Lee and Lam (1994) suggested, one in eight

adults in Hong Kong attend part-time education or training programmes of some sort at any one time. The demands from young people are even greater. Chan and Holford (1994) suggested that nearly four in every ten people aged 20-24, and about three in every ten people aged 25-34 attended courses each year. Although the above figures include enrolments not only in liberal and general education but also in industrial training and vocational education, they are far from the total enrolment in the education and training of adults in Hong Kong. One government estimate suggested that there were 750,000 places for part-time continuing education (cited in Lee and Lam 1994: 48). A specific indication was the enrolment in the continuing education divisions in the institutions funded by the University and Polytechnic Grants Committee (UPGC) and the Open Learning Institute (OLI): the total enrolment for 1992 was 165,486 (Lee and Lam 1994: 48). Chan and Holford suggested that 'enrolment at the continuing education divisions of the UPGC institutions only accounted for 19.7% of the total number of students involved in part-time education' (cited in Lee and Lam 1994: 48). Based on these two figures, Lee and Lam (1994: 49) estimated a total of 840,030 students involved in part-time continuing education.

Under a *free market* economic system, with lower taxes, there is *not* a complete welfare system. Hong Kong people get used to *buying* such private provision as insurance, medical care, transport, and education that the public sector does *not* provide *sufficiently*. Hong Kong people are also quite *willing* to *buy* more choice of education and training for themselves. Chan and Holford (1994) suggested that 22.53% of respondents had attended at least one course in the past 12 months and that, on average, they took 1.76 courses with the average course fee being HK\$1,600 (about US\$205 or £136). After estimating that 'the volume of *trade* in continuing education is of the *order* of 2.6 billion HK dollars' (about US\$333,000,000 or £222,000,000), the study concluded, 'No wonder there are so many *private* organisations operating in continuing education in addition to the public and voluntary sector institutions!' (1994: 75, emphasised by the writer).

Professor Cheng Kai Ming believed that the reason that Hong Kong people *choose to invest* in their own studies was the significant rate of return, the economic return to investment in education (details of the rate of return see Chung & Wong 1992). He believed that the rate of return to higher education in Hong Kong was higher than in most other countries in the world. He pointed out that, in Hong Kong, those with a degree could earn much more than those without: a salary of a school leaver normally started at around HK\$7,000 per month, whilst that of a graduates from a university could start from

HK\$15,000 per month. In regard to the long term effect, the difference was even much more significant: the salary of a worker without degree could only reach around HK\$10,000 per month, whilst that of an intellectual escalated as high as HK\$80,000 or HK\$100,000 per month. Thus, the investment in higher education could be returned in a short period. He argued that when people took part-time higher education, the rate of return would be even higher since they continued to receive and increase their salaries during their study period. However, he believed that, in line with the development of higher education, the number of graduates would continue to grow. In this case, the situation might change: the difference between the salaries of employees with different education background might not be as significant as it used to be, as a graduate might have to take over jobs that used to be taken by a school leaver. In that case the rate of return might drop (Interview HKUCKM). Wong (1992) found that the rate of return for university graduates was much higher than that of those who obtained matriculation (form six and form seven) and upper secondary education. He suggested, for university education, the private and social rates of return had been increasing over time, whilst both private and social rates of return for such lower level education as matriculation and upper secondary education had decreased over time. He believed, 'These findings are mainly due to changes in the supply and demand conditions in the labour market' (1992: 35). As he suggested, 'Over the years, the demand for labour has shifted to the more skilled and more educated workers. In other words, the demand for better educated labour has increased at a faster rate than the demand for less educated labour' (1992: 29).

In terms of vocational technical education, Chung (1992) found that vocational and technical education as a whole generated a larger and more significant *earnings effect* than general education in Hong Kong. This earning effect, however, was not stable across the various fields of education: on the one hand, only those workers who had vocational and technical education corresponding to the expanding field of work, namely, the electrical and the commercial fields, enjoyed definite and significant advantages over those who had general education; on the other hand, those who had education corresponding to the non-expanding or contracting fields of work, such as the textile and mechanical fields, did not enjoy any advantage over those who had only general education. He suggested, 'The pattern of economic returns seems to follow the condition of the corresponding field of work' (1992: 102). Thus, with different demands from the economy, the rates of return to different education fields are different.

Mr. Knight believed that it was a reflection of the Chinese culture that people in Hong

Kong were quite *willing to* pay for education and training themselves as an investment and that they would think, 'there is a sort of knowledge that I need and I can *make money* from it if I do have it. In order to have it I must be prepared to *invest* in it' (Interview HKVTC, emphasised by the writer). Different rates of return, therefore, would influence people's decisions on choosing education and training. As a result, they would influence the demand on the provision of education and training of adults: the higher the rate of return, the higher the demand from individuals. It is evident that business management studies, which tends to have a higher rate of return, is one of the most popular programmes (drawn from Interviews HKVTC & HKCAHE ).

As Father Yeung, pointed out, alongside the rapid economic developments and social changes, such demands have greatly changed during the past thirty years. As he suggested, on the one hand, starting from the late 1960s and gradually developing during the 1970s, Hong Kong has become an international monetary centre since the early 1980s. On the other hand, since the late 1970s, and in particular since the 1980s, due to the open door policy in China, a lot of factories have moved to China and a lot of people from Hong Kong have developed their businesses in China. He confirmed, 'Most businessmen do their business in China, so Hong Kong has become a management centre for business instead of running the factories here' (Interview HKCAHE). These changes in the economy, together with the social changes, have a great impact on the changes in the demand for the education and training of adults. Father Yeung believed:

In the 1950s, the purpose of adult education was the education for someone who did not have an opportunity for education. In the 1960s and 1970s in particular, since nine years compulsory education was carried out, the people have more opportunities to go to schools and most people have an equal opportunity for education. In this case, the main purpose of adult education has changed to that where people wanted to improve their quality of life...It was not much for what we had lost in the past. Instead, we want to search for a second opportunity to update ourselves to improve our life quality. Since the 1980s and 1990s, it has become different again. Professional people had education in science, however, now they have found out that the market is very much business oriented, they want to learn business administration. If they have time, they would like to have another opportunity to change from their original track to another track.

He believed, 'Because the market has changed... if people want to earn money easily, they have to change'. He continued, 'I know some doctors change from the medical

professional into banking. So they have to be re-educated, not just updating their knowledge but changing their professions and their life tracks' (the above details are taken from Interview HKCAHE) .

Besides the individual awareness of *investment* in education and training, as Lee and Lam believed, 'The employers view training as a company responsibility... Hence, the word "training" connotes a sense of initiation by the company and a sense of necessity for company productivity' (1994: 86). However, most companies in Hong Kong are rather small in size. In their survey conducted with 115 companies, Lee and Lam (1994) found that 86.96% or 100 companies employed less than fifty people; 4.35% or 5 companies employed between 50-99 people; 7.83% or 9 companies employed between 100-999 people and only 0.87%, or one company, employed over 2,000 people. Of these 115 companies, 69.57% employers claimed that they provided training for new staff. Their greatest training needs were found to be in technical expertise and languages, in particular, English and 'Putonghua' (Mandarin). Other needs included professional expertise, administrative and secretarial skills and knowledge about the company. Lee and Lam suggested that because 'many small companies cannot afford their own in-house training programmes, staff may be given time off to attend approved programmes outside the company such as the Vocational Training Council programmes or those by other providers' (1994: 86). Again, this means that there will be more demand on the training *market*.

Here we can see that, alongside the socio-economic development, there are great demands for the education and training of adults. In its socio-economic context, as in other *business*, the education and training of adults in Hong Kong has been driven by *market forces*.

**Supply** The *market* for the education and training of adults in Hong Kong is rather *crowded*: there are not only domestic publicly funded institutions, voluntary organisations and private institutes, but also institutions from overseas and China. They compete against each other to sell their provisions to the customers in Hong Kong. A study conducted by Lee and Lam (1994) found that there were 123 local organisations and 319 overseas institutions that *advertised* their provisions in three major newspapers in Hong Kong in 1993. This was in addition to the seven UPGC funded institutions and the OLI that received periodic government support.

The main domestic providers of education and training of adults in Hong Kong could be classified as:

- Publicly funded higher education institutions;
- The VTC;
- The ED;
- Voluntary institutions, such as Caritas;
- Profit-making private institutions.

The last two groups form the *private* sector, although Caritas receives some public funds from the ED (drawn from Interviews HKUCKM & HKCAHE). The second and the third groups form the *public* sector, whilst the first group could be seen *partly* as the *public* sector: the OLI has not received regular funding in recent years, and most continuing education divisions in public higher education institutions receive limited public funds (drawn from Interviews HKOLI1, HKOLI2, HKCCW & HKCU). The study conducted by Chan and Holford (1992) suggested that many courses were provided by the *private* sector: 35.77% by profit-making private organisations, 7.30% by Caritas; whilst 19.71% were provided by the UPGC group, 8.76% by in-house company training, and 28.47% by other non-profit making centres such as ED, VTC, the British Council, the YMCA and others.

### ***The Private Sector in the Market***

Under the *free* economic system, the *private* sector of education in Hong Kong has a long history. In 1941, 529 out of 640 schools were private, whilst 120 schools were either run by the Government or received Government funds. In 1954, 719 out of 1,106 schools were private, and 142,942 out of 234,662 students studied in private schools (HKEIC & HKAE 1993: 46). However, owing to the introduction of six-year compulsory primary education in 1971 and nine-year compulsory education in 1978 (Interview HKUCKM), the Government has increased its financial support in running general education. According to the Hong Kong ED, in 1992, whilst there were 743 private kindergartens, only 78 out of 652 primary schools were private, and others were either run or funded by the Government. Ninety-two out of 455 secondary schools were private, whilst there were 74 special schools funded by the Government (cited in HKEIC & HKAE 1993: 367). In terms of further education and higher education, according to the *Hong Kong Digest Statistics of Each Year* from the Hong Kong Statistics Department (cited in HKEIC & HKAE 1993: 365), in 1991 four education colleges were run by the Government, whilst



eight technical colleges, four polytechnics and colleges (they have now become universities), and three universities were funded by the Government; however, only one adult education institution was run or funded by the Government, whilst 263 adult education institutions and other (further education) institutions, together with one recognised college of higher education were private. These figures suggest that, with a long history, the *private* sector has a special *role* in its contribution to education in Hong Kong, in particular to both the education of pre-school children and the *education of adults*. However, as Professor Cheng Kai Ming suggested, alongside the development of the economy, the Government has made increasing interventions into general education since 1970s and in higher education since 1989 (Interview HKUCKM). The education and training of adults, nevertheless, is still *largely* operated by the *private* sector.

The management model in private institutions is very much *market* oriented, although, to some extent, there are some differences between voluntary organisations and profit-making organisations. Mr. Knight pointed out:

...there are certain areas where people do *make money* from education. These are normally in areas of *high demand*, for example, English, computers or commercial courses and that sort of thing. These are people who want to absorb this knowledge quickly. They go to the people who provide courses quickly and these people do *make money* from them. These people *sell* education. They are *education vendors*. What they do is *open their eyes* to find out the things that people don't provide. They *jump* in and they *charge high fees*. A place like Hong Kong has an *Asian culture* where you would find there would be takers (Interview HKVTC, emphasised by the writer).

Thus, the management model of these organisations is extremely market oriented: they have to provide courses according to buyers' demands and requirements, otherwise, they cannot make a profit. As Lee and Lam pointed out, these organisations vary greatly in academic quality: some institutions have a certain recognition within their fields; others 'may just have a tiny office in a busy part of the city and are no more than commercial tuition set-ups' (1992: 48). Father Yeung also pointed out:

There are many adult education providers in Hong Kong. Some people establish their centres for the purpose of making money. We call those '*Xuedian*': like *shops*. There are too many to mention their name. If you look around you can see many centres which have been beautifully set up but will last for only a short period, because, soon after that, students find that those are not what they want (Interview HKCAHE, emphasised by the writer).

Whilst many *private* organisations are *profit-making*, such voluntary organisations as Caritas with a region background, are *non-profit-making*. As Father Yeung confirmed, they run education services for Hong Kong people, other than mainstream education: they offer programmes for *professional training*; they also offer education services for those with mental and physical *handicaps*. However, as Father Yeung admitted, most of their courses have to be *market* oriented. He believed, 'Education is also another *product* that you have to *sell* to people, especially adult continuing education which is *not supported* by the Government'. He continued, 'The Government offers subvention only for primary education, secondary education and the UGC [University Grants Committee], other than that, the Government offers very *little subvention*'. He argued that they had to *charge* people if they could not get subvention from the Government. He confirmed that most of their *income* came from *fees*, which should cover the *full costs* such as rents, salaries, maintenance, lighting and water. They, therefore, had to run *popular* courses according to the *market demand*. He argued, 'If we rely on fees, we charge people, and then we must meet *competition*'. They, therefore, had to *assess* the *needs* of the society and to *monitor* the programmes. Meanwhile, they had to set a *minimum number* of enrolments to reach *break-even* point. As Father Yeung explained, if the enrolment did not reach the minimum number, they had to return registration fees to students. If a programme was *cancelled* once or twice, they had to see whether that was still *required* (the above details are taken from Interview HKCAHE, emphasised by the writer).

However, as Father Yeung argued, they are not totally market oriented. On the one hand, they receive a small subvention from the Government, which covered less than 5% of their total income. This money is used to *subsidise* courses in basic education. Therefore, the income from their fees does not cover 100% of the costs. On the other hand, in some cases, they continue to run programmes that meet basic requirements of the society, even though they may lose money. Father Yeung pointed out:

For some programmes, however, we know that we will *lose* some money. However, we must do them because they provide a *service for society*, such as the programme of basic education for those people who missed that when they were young. We believe that this is a *basic requirement*, so we offer these programmes even if we are *losing money*. Students who have learning problems, they want to make up what they could not make up in primary schools. We have to help them. There are also programmes for handicapped people. So if you say that we are totally market oriented and we are making money, that is not true, because we are not aimed at making money. However, we cannot lose money all the time, otherwise, where will the money come from? So we make money in some popular

programmes to cover those courses for people's basic requirement, for which we cannot make money. Some programmes are basic requirements, even when losing some money, we have to run them. Some programmes are for people's interests in improving their life quality, maybe you can make some money in these programmes. For example, flower arrangement, you can live without knowing how to arrange flowers. Some cookery courses, I don't think we should lose money on those (Interview HKCAHE, emphasised by the writer).

Therefore, to some extent, they are not totally market oriented. The management model of such voluntary organisations could be seen as a mixture. When they receive funds from the ED, they use that money to subsidise certain types of courses, that is, basic education. In this case, there is some element of planning orientation: they run these courses to meet the Government requirements. At the same time, as academics, they are also aware of their duties in the service of society and the importance of educational quality. In this case, there is some element of academic orientation: courses are set up according to the academic requirements. However, as Father Yeung agreed, apart from those required basic courses, other courses have to be market oriented.

#### ***Public Funded Higher Education Institutions in the Market***

As mentioned earlier, higher education institutions funded by the UGC and the OLI, which receives periodic financial support from the Government, are also main providers of education and training of adults. The major institutions and their enrolments in 1992 are listed as follows:

Table 10.2: Major Institutions in Hong Kong and their Enrolments

<i>Division/Institution</i>	<i>Year established</i>	<i>enrolment in 1992</i>
School of Professional and Continuing Education (former Extra-Mural Studies Department), University of Hong Kong	1956	43,223
Department of Extra Mural Studies (now School of Continuing Studies), Chinese University of Hong Kong	1965	43,118
School of Continuing Education (former Division of Continuing Education), Hong Kong Baptist College (Now Hong Kong Baptist University)	1975	43,083
Centre for Professional and Continuing Education, Hong Kong Polytechnic (now Hong Kong Polytechnic University)	1988	14,376
Open Learning Institute	1990	14,462
Centre for Continuing Education, City Polytechnic of Hong Kong (now Hong Kong City University)	1991	7,224

Sources: Drawn from Lee & Lam (1992: 48) and Interview HKCCW.

Apart from the above institutions, others, such as the Hong Kong University of Science

and Technology and the Hong Kong Institute of Education also offer some part-time courses.

In terms of funding, departments of professional and continuing education have very different operations from mainstream departments in universities. On the one hand, the mainstream departments, which are seen as providers of formal higher education, receive funding not only for full-time students but also for those part-time students within the UGC indicative student targets. According to Professor Cheng Kai Ming, by the end of 1994, all mainstream departments were highly subsidised, their student fees covered only 18% of the full-cost, although such a rate had been, and would continue to be, raised (Interview HKUCKM). On the other hand, departments of continuing education do not receive direct funding from the UGC if they do not have part-time students within the UGC indicative student targets, but they receive some grants from their parent institutions to subsidise the costs of a certain number of core staff. In the case of the Chinese University of Hong Kong, for instance, according to Mr. Tam Shu-wing, a senior lecturer of the School of Continuing Studies, the block grant from the University only covers the salary of seven academic posts. Based on these overheads, they are required to be *self-financing*. However, according to Chung, Ho and Liu (1994), they also receive some funds from the UPGC to support some of their part-time degree courses. In the case of Hong Kong Baptist University, according to Dr. C C Wan, the then Dean of the School of Continuing Education, in 1993/94 they received only HK\$2,060,000 block grant from the University, which could cover only two salaries, but, at the same time, they had to pay more than HK\$1,000,000 back to the University for their administrative expenditure. Therefore, in real term, they only received HK\$1,000,000 from the University, whilst about 97% of their income came from fees. Dr. Wan confirmed that the former Hong Kong Baptist College did not become a public institution until 1983. She believed that the original purpose of establishing the former Division of Continuing Education was to generate income, and that *self-financing*, therefore, had always been their principle of running courses. She suggested that the School of Continuing Education was actually a *private* enterprise within the university (Interview HKCCW).

In the case of the University of Hong Kong, as Mr. John Cribbin, the Secretary of the School of Professional and Continuing Education (SPACE), confirmed, the University historically, with the agreement of the UPGC, provided support to cover a number of staff posts of SPACE. During the past decade, the block grant increased from HK\$8,300,000 in 1983/84 to HK\$25,000,000 in 1994/95. At the same time, as a result of

the development and expansion of provision, fee income increased by more than elevenfold: from HK\$8,700,000 in 1983/84 to over HK\$100,000,000 in 1994/95. Consequently, the block grant from the University as a proportion decreased from 49% in 1983/84 to less than 15% in 1994/95 (drawn from Cribbin 1994 & Interview HKSPACE2). Since 1995, however, as Dr. Holford confirmed, following the two reviews, one from the UPGC and the other from the University of Hong Kong, there has been and there will be a quite severe reduction in block grant funding from the University (Interview UKSYUJH). In June 1995, the Finance Committee of the University of Hong Kong recommended:

...the subvention from the University to the School to be reduced by \$5M in 1995/96 and thereafter by an increment of \$5M for each of the following years (adjusted for annual inflation of 10%) to reach a level just sufficient to support the "core" staff of the School (e.g. 95/96: \$5M, 96/97: \$11M, 97/98: \$17.6 M, and 98/99: \$24.86M);

...there should be cross-subsidisation between programmes so that the School could operate on a self-financing basis (HKU Council 1995a: 3)...

The argument from P. B. L. Lam, the Director of Finance, was that the UGC block grant was based on FTE (full-time equivalent) calculation and therefore did not contain any funding for SPACE (Lam 1995). The above recommendation was approved by the University Council on 29 June 1995, 'with effect from 1995-96, subject to annual review of the amount of the increment by which the University subvention would be reduced in each year' (University of Hong Kong, Council 1995b). This imposed the pressure on SPACE to become more *self-financing*.

In the case of the OLI of Hong Kong, according to the recommendations by the Planning Committee of OLI, 'The setting up and initial operating costs of OLI will be supported by the Government. The Institute is expected to become *self-financing* in about 4 years through income from tuition fees and other sources' (cited in Dhanarajan 1994: 175, emphasised by the writer). Dhanarajan (1994) pointed out that up to the end of the 1992/93 financial year (the year subvention ceased), the cost to the Government was about HK\$165,000,000, and that from April 1993, Government support for both capital and recurrent expenditure ceased. However, as Mr. Andrew Wong, the Associate Director of the OLI, confirmed, the Government gave some support for a number of special projects. For instance, the Government paid 50% of the total costs of a new building that

was expected to be completed in 1996 (Interview HKOLI2).

As can be seen, whilst mainstream departments of universities enjoy very high subsidies from the Government under the planning umbrella, departments of continuing education and the OLI have, to different degrees, to struggle to find their own resources under the principle of *self-financing* in one way or another. As Dr. Holford argued, 'You have a mixture of a very planned system of higher education with a very market driven continuing education sector' (Interview HKSPACE1). Chung also argued:

Continuing education units are much more *market-oriented* than the regular academic departments. They are organised very much on the *market principle*. As such they are quite adaptive to changes in demand in the market for skills. Courses can be organised in a relatively short period of time and discontinued at short notice when the demand disappears. Their strengths are in identifying market niches, promoting, marketing and organising (Chung, Ho and Liu 1994: 46-7, emphasised by the writer).

As a business, the provision of departments of continuing education in universities and the OLI in Hong Kong relies on market forces. SPACE, for instance, as the Review Panel for SPACE in 1995 reported, 'is a large, highly-diversified academic enterprise dependent on *market forces*' and 'is, essentially, *market driven*' (HKU 1995: 1 & 8, emphasised by the writer). As with any other business, under the free economy system, prices are set up by market. As both Dr. Wan and Mr. Tam pointed out, there is no price control, and institutions set prices according to the market situation. They look around and set fees based on their judgement of the prices of their competitors (drawn from Interview HKCCW & HKCU). As discussed earlier, self-financing is their principle of running courses. In most cases, fees have to cover not only direct costs but also indirect costs. In SPACE, for instance, as Cribbin pointed out:

the School operates across a number of disciplines: Computer Science; Biomedical Sciences; Social Sciences/Education; Humanities/Languages; Law; and Accountancy and Business Studies. Each has a different set of cost structure and fee income patterns. Historically, each has ensured that fee income covered direct costs plus a 15% overhead for indirect costs. This was raised to 20% in 1991, but actually the indirect costs total about 28% of income (1994: 195).

He continued:

The difference between courses which have to be mounted on a full-cost basis and those which only meet direct costs is quite marked. For example, the Postgraduate Certificate in Law has a fee level of (HK)\$72,500 for the one-year full-time course whereas short continuing education courses meeting only direct costs might be much less than (HK)\$1,000 (1994: 196).

When the writer asked whether SPACE would become more market oriented, Professor Taylor, an external advisor of SPACE from Leeds University, made a comment:

They are very, very *market sensitive* already. They have subject specialists in different areas of work, almost all of which are vocational. Those subject specialists, as different groups in the department, are responsible for mounting large programmes of work and ensuring full-cost recovery and in some cases maybe considerable profit. For example, the law section is very big, training thousands of lawyers, mainly with ... degrees in the UK or the London external LLB, and using mainly part-time teaching staff. They are responsible for a sub-unit covering its own costs. Other groups are much smaller, like the group for science. Another group is doing applied social science and another, accountancy. They have different customers for different subjects. They are all driven by market criteria. How many students can they get in? What is the price? How would that relate to their own costs? It is less than 20% of the overall full-cost of the department that comes from the UPGC. The other 80 to 90% is generated through their income. So, it is very market driven already. What the UPGC was saying is, 'We want them 100% *market driven*' (Interview UKLURT, emphasised by the writer).

With the reduction of block grant from the parent University, as staff members of SPACE believed, the institution would be driven further into the corner of market orientation (drawn from Interviews HKSPACE1, HKSPACE2 & HKSPACE3). Cribbin believed:

If the school was forced to become totally self-financing this might imply that its academic policy would have to be driven by a need to cover expenditure commitments from fee income as its first priority. Thus meeting market demand, marketing and promoting courses aggressively and market research to ensure that the right products were being offered would take priority. There is also the fact that some staff have tenure and were appointed to carry out specific teaching and research tasks which might have a different priority in a fully self-funding environment (1994: 194).

The pressure to become more self-funding would increase pressure on the institution and individuals to generate income. As a result, as Dr. Holford (1995) argued:

...we are to be market-oriented. The market does provide a mechanism for rewarding our teaching (i.e. we can raise our fee income)... However... there is no mechanism by which our research activity will be rewarded... In these circumstances, the structural pressures on the school will be to shift staff resources away from (non-revenue-generating) research activities, and toward (fee-earning, revenue-generating) course development activities.

As Mr. Cribbin argued, 'the need to generate more fee income would become paramount and would impact adversely on staff time for academic work, particularly research, and could also negatively impact on the quality of teaching provided' (Cribbin 1995a). He believed that if block grants continued to be cut after 1998 then, inevitably, course costs would have to be reviewed more carefully. In particular, courses which did not cover costs from fee income would have to be assessed in terms of whether cross subsidisation was justified. Courses with high costs (for example, science courses) might be at risk. He agreed that in this case, the management model would be forced to move further away from the academic orientation and into the corner of the market orientation (Interview HKSPACE4).

In the case of OLI, according to Mr. Wong, a system of full cost recovery has been implemented. Student fees now have to cover full costs. He argued that students, as customers, were extremely important because the survival of the Institute would rely on them. He pointed out that in order to meet the requirement of students, not only courses but also the location and time of tutorials had to be very flexible. He believed that a market orientation was very important and that programmes had to be set up according to the market demand. They, therefore, set up 'Business Planning' instead of 'Academic Planning'. Before running a new course, they had to ascertain not only demand for the course, but also the costs for their proposed programme, as well as the projected salaries of graduates. For instance, before running a nursing degree programme, they did research on Government policy on recognition of nursing qualifications. They also did surveys among employers, in particular hospitals, and trade unions to find out whether there was a great demand for people with nursing degrees and, how much their salaries would expect to be. Then they would calculate the cost of running the programme. Mr. Wong argued that if they did not find out the likely return for the students, i.e. the worth of the degree in the market before considering the cost, then the cost might be too high to be acceptable. He pointed out that, in terms of financial management, they had to be accountable for every penny. Their financial department, therefore, also had to employ experts in investment to create wealth through either the stock market or banks. However, he



pointed out that apart from considering market criteria they also considered academic criteria: whether the quality of their products was respectable in the academic circle. He argued that the market orientation should be combined with an academic orientation which is an important element for quality assurance (drawn from Interviews HKOLI1 & HKOLI2)

The above discussion shows that, although universities in Hong Kong are publicly funded institutions, departments of continuing education have been treated differently from internal departments which are highly subsidised by the Government under the planning umbrella. With limited or reducing public funds, they are required or expected to operate on a self-financing basis. To some extent, they could be seen as private enterprises within the public institutions. The OLI, which is expected to be self-financing after receiving Government funding for a period of four years, could also, as Mr. Wong suggested, be seen as a private institution to some extent. As with the private sector, the management model of these institutions is also dominated by the market orientation.

### *The VTC: Another Story*

Alongside the policy of minimum government interference, Hong Kong Government did not start its intervention in training policy until the mid-1960s, at the time when the *Industrial Training Act 1963* had been passed in Britain. As Mr. Knight pointed out, in responding to the competition from other Asian countries and regions, Hong Kong started the process of assessing manpower needs. This was initially done by the Industrial Training Advisory Committee (ITAC) which was set up by the Government in the mid-1960s, to advise the Government on what needed to be done if industries were to continue to prosper as they developed. He continued:

In 1972, the ITAC was replaced by the Hong Kong Training Council (HKTC). The HKTC did advisory work only. It did not do anything executive. But it covered not only industries but commerce and services as well. Unlike the ITAC, it covers not only semi-skilled, skilled and technologists, it covers technology as well, that is people with degree backgrounds. So the scope is bigger and the depth is bigger but it is still advisory. This is the evolution of Hong Kong's manpower machinery (Interview HKVTC).

As Mr. Knight pointed out, as a result of the advice from the ITAC, five technical institutes were established in 1976. In addition, the Government accepted its recommendations that, apart from technical institutions, there should be basic training

schemes for all major sectors of the economy funded by the Government. This led to the establishment of the VTC in February 1982, with twenty training boards, covering all major sectors of the economy, which were concerned with training for their particular sectors. By 1992, four out of 23 members of the Council were public officers. All members, including the Chairman and Deputy Chairman, were appointed by the Governor and the non-government members were leading figures from industry, commerce, education, employer organisations and representatives of employees. To support the work of the Council, in April 1982 a new Technical Education and Industrial Training Department was set up as the Council's executive arm and the Director of the Department was by law the Executive Director of the Council. Starting from 1 August 1991, a large proportion of civil servants employed in the Department was transferred to the VTC, and the head of the new and much diminished Department was no longer the Council's Executive (drawn from Interview HKVTC and VTCa). According to Mr. Knight, in 1995, the Council had about 3,600 staff and the bulk of the expenditure was met from Government subventions. The total budget for 1995/96 was almost HK\$2,000,000,000, of which HK\$1,626,000,000 was recurrent funding from the Government, and the rest was their capital budget and fee incomes. He explained, 'This is apart from university and polytechnic funding and apart from general education costs. This is just for vocational education, and training provided by the VTC' (Interview HKVTC). Mr. Leung Kam Fong, the then Deputy Director of the VTC, confirmed that the fees for full-time courses were very low, therefore, courses were highly subsidised, whilst fees for part-time evening courses could cover only 50% of direct costs (Interview HKVTC). In 1993/94, the total expenditure of the VTC was HK\$1,262,142,000; and the total income was HK\$1,308,467,000, of which only HK\$124,215,000 came from the fees, whilst HK\$1,151,946,000 came from current subvention (VTC a). These figures suggest that fee income covers only 9% of the total income and 9.8% of total expenditure.

The current function of the Council is:

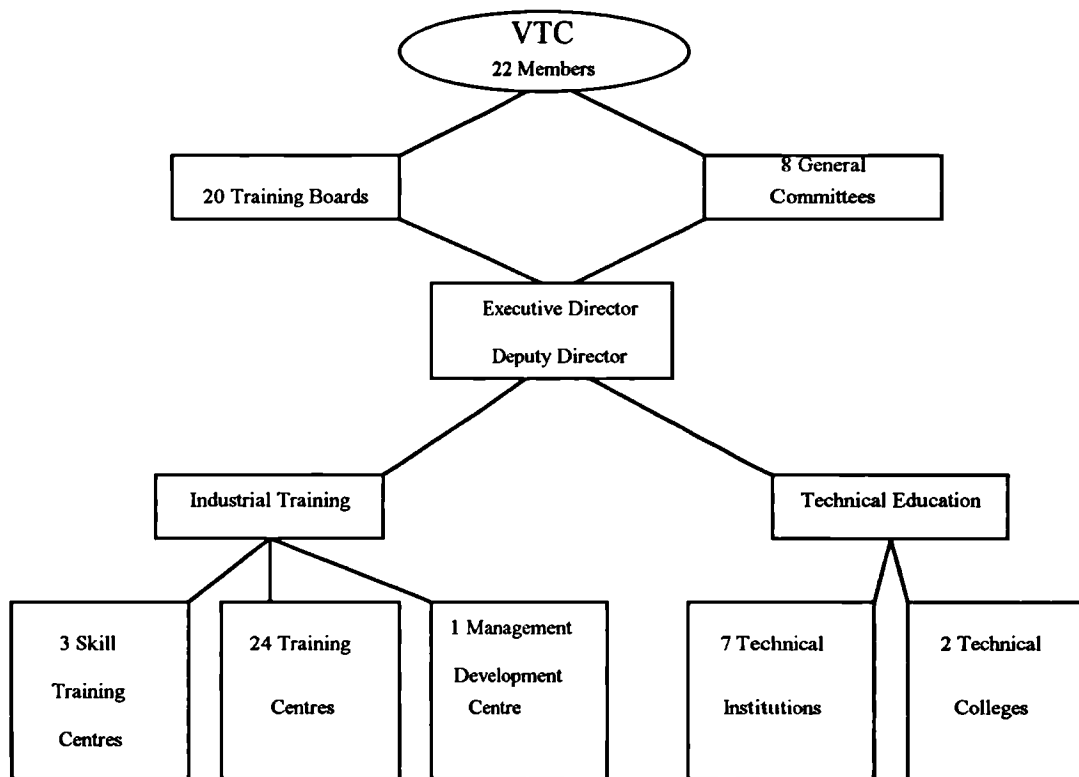
- (i) to advise the Governor on the measures required to ensure a comprehensive system of technical education and industrial training suited to the developing needs of Hong Kong;
- (ii) to institute, develop and operate schemes for training operatives, craftsmen, technicians and technologists needed to sustain and improve industry;
- (iii) to promote and regulate the training of apprentices;
- (iv) to provide and co-ordinate the provision of skills training to disabled persons aged 15 and over for the purpose of improving their employment prospects and preparing them for open employment; and

(v) to establish, operate and maintain technical colleges, technical institutes, industrial training centres and skills centres (VTC b: 6).

Therefore, as with the former MSC in Britain, the VTC has both advisory and executive functions.

Knight explained the structure of the VTC as follows:

Figure 10.1: the Structure of the VTC in Hong Kong



Sources: Based on Interview HKVTC.

The provision under the VTC includes not only industrial training but also technical education, for which the responsibility for management and operation of technical institutes was taken over from the ED in 1982. According to the Hong Kong Statistics Department (cited in HKEIC 1993), in 1991 the enrolment in technical institutions and colleges was 55,786, including 12,003 full-time students and 43,783 part-time students (14,551 in day courses and 29,232 in evening courses). Starting in 1993/94, sub-degree courses were transferred from the polytechnics to the VTC. As a result, two technical colleges were set up with enrolments of 1,468 in full-time higher diploma courses, 935 in

part-time day release higher certificate courses and 2,541 in part-time evening higher certificate courses (VTCb). As Mr. Knight confirmed, there are about 100,000 people under education or training within the VTC, including about 40,000 places in twenty-four training centres per year. These are full-time training courses lasting from one to forty-four weeks. Those who are doing forty-four week courses are actually doing basic training equivalent to their first year of apprenticeship: they spend three and a half days in training centres and two days a week in technical colleges. In designated training, they must do training or education (Interview HKVTC). There are certain requirements for recruitment in these institutions. For instance, technical institutes offer craft and technician courses with minimum entrance requirements at secondary 3 and secondary 5 level respectively, while part-time day courses are open to those day release employees sent by employers only, and part-time evening courses have less restrictive requirements (HKEIC & HKAE 1993). As can be seen, courses offered by the VTC are at craft, technician and sub-degree levels. Apart from the provision of the management development centre and technical colleges, which offer courses at relatively higher levels, the provision as a whole is relatively lower than that offered by universities.

The management model of the VTC is similar to the former MSC in Britain. It is very well centrally planned. As Mr. Knight admitted, 'we started the planning systems in the 1960s and we developed them' (Interview HKVTC). The VTC publishes manpower surveys in different industries. Based on the manpower survey, which identifies the needs of the Hong Kong economy rather than the needs of individuals, the VTC plans courses and then makes recommendations to the Government and asks for funding. All the training centres under the VTC, although they may need to compete with each other for money, also submit their plans for setting up courses and their cases for financial resources to the Training Board for approval. The Council has final decision-making powers: money is allocated by the VTC; employment of staff is a central activity; advertisements go to the central publicity office which advertise the courses for all centres. Centres, therefore, as Mr. Knight pointed out, 'are not independent at all' and centres should be managed 'in accordance with the plan which has been agreed' (Interview HKVTC). Nevertheless, as Mr. Knight pointed out, they contacted employers to find out what they needed and then they planned to meet the needs of the economy. He argued:

Everything must meet market demands. This all depends on which side of demand is meant. Whether it is the demand from the economy or demand from young people. If it is the demand of the economy... then we have a system which is

market oriented, and which meets market demands. We will continue to react to market demands which may involve closing existing departments and starting new departments, changing shapes and sizes of workshops and labs and re-equipping them. (Interview HKVTC).

Here, the VTC emphasise the demands of the economy rather than that of individuals. As can be seen, the provision of the VTC is based on manpower surveys and planning. The management model of technical education and industrial training under the VTC, therefore, to some extent, could be seen as a planning orientation, that is, courses are provided according to state requirements, which, to some extent, represent the demands of employers, who are major tax payers.

### **Conclusions**

From the above discussion, we can see that, in line with a free market economy under the policy of minimum government interference, the education and training market in Hong Kong is very active. The management model of education and training of adults in Hong Kong, as a whole, is a mixture which is dominated by the market orientation with government provision, including from both the VTC and the ED, as partial exceptions. The Government provides heavily subsidised technical education and an industrial training service through the VTC, which could be seen as a quasi autonomous government organisation, and a very small amount of adult education under the ED. The management model of such provision is operated with a planning orientation, that is, courses are provided according to state demands and requirements although these are affected by the government assessment of market needs, which reflect employers' needs. In the rest of the education and training market, most providers become enterprises operated on the basis of self-financing and depending on market forces. In the private sector, whilst the profit-making private providers are operated with an extremely market orientation, voluntary organisations, as private non-profit-making providers, are also very market oriented, with the exception of a very small number of services which are subsidised by the ED. In the university sector, departments of continuing education are treated differently from internal departments. Whilst internal departments are heavily subsidised by public funds from the former UPGC, now UGC, departments of continuing education are required or expected to be operated on the basis of self-financing, with either limited or reducing block grants from parent universities. These departments, therefore, to some extent, could be seen, and in some cases, will be seen, as private enterprises within the public institutions, depending on market forces. Their management model is also dominated by a market orientation. At

the same time, they try to retain certain community services, which they think are important to both community and university. Therefore, there are also some academic elements within their management model. The situation in the OLI, which receives government funds periodically including some project funds, is quite similar to that in the departments of continuing education. Having previously received periodic funds from the Government, it is now required to recover full costs under the principle of self-financing. Students, as customers whose fees have to cover full costs, are extremely important to the institute which has to run courses according to customers' requirements. However, voluntary organisations, departments of continuing education and the OLI, are not totally market oriented. First, in different degrees, they receive a certain amount of public funds to subsidise certain types of provision for the community. They provide some courses to meet not only customer's demands but also the state's demands. Here, there are some elements of a planning orientation. Second, although they run courses mainly according to market criteria, they also, as academics, run courses according to academic interests which concern community needs and quality assurance. Therefore, there are also some academic elements within their management model.

As the management model for the education and training of adults in Hong Kong, as a whole, is dominated by the market orientation, the direction of provision depends on market forces. The impact of the management model on the future direction of provision of the education and training of adults, together with comparative perspectives on the relationship of socio-economic changes to the education and training of adults in China, the UK and the region of Hong Kong, will be considered in the next chapter.

**CHAPTER ELEVEN**  
**COMPARATIVE ANALYSIS AND CONCLUSIONS**

## CHAPTER 11

### COMPARATIVE ANALYSIS AND CONCLUSIONS

In the past three years, an extensive study has been made, covering two countries and one region with contrasting backgrounds: China, a lion lying awake in the East, a huge developing country with the largest population in the world, with a rapidly growing economy, is now catching up the rest of the world and is establishing a socialist market economy. The UK, a relatively small but highly developed European country in the West with a colonial past for centuries, now has to adjust itself to meet the new challenge of post-modernity. Hong Kong, a tiny newly and successfully industrialised region somewhere between these two countries, is now on the way to returning to its motherland from its colonial status of over one century. What we have learned from the experience of the interviewees, who are leading people from different institutions at different levels in the two countries and the region, will now add further to the literature. From the research the following main themes have emerged and need further comparative discussion:

- National and regional socio-economic contexts and their impacts on the education and training of adults
- Management models for the education and training of adults
- Implications of the changes in the management models for the education and training of adults and future developments

#### **Socio-Economic Contexts and Impacts**

##### *Difference*

In terms of socio-economic contexts, as can be seen, these two countries and the region of Hong Kong have very different characteristics with very different political systems, cultures, economic systems and economic development stages, which lead to different standards of living, life styles and educational levels of the people. As far as political systems are concerned, China is a socialist country with a multi-party co-operation and political consultation system led by the Chinese Communist Party, which remains the Party in power (Qin 1995). The UK is a capitalist country with a multi-party competitive system, in which the Conservative Party has been in power since 1979. Hong Kong has



been a British colony under the rule of the Governor, the representative of the Queen in Hong Kong, for over one century and will return to China on 1 July 1997 under a policy of 'one country, two systems'.

As far as economic systems are concerned, China, as a socialist country, used to have an extremely centralised planned economy with a model copied from the former Soviet system between the 1950s and the 1970s. The country did not start its reform until 1978, which forms the starting point of the period that we have been discussing. By that time, as a result of socialist reform and the Cultural Revolution, the individual economy, the private sector, which was seen as the 'capitalist tail', was not allowed to exist. Consequently, the public sector, including state-owned and collective-owned enterprises, formed the single legal component of the socialist economy with a highly centrally planned economic system. The situation started to change from 1978 when Deng Xiaoping was recognised as the leader of the Party and the State. In accordance with economic reform and a more open policy, the composition of the economy has changed from a single publicly owned economy into an economy with multi-components of not only state-owned and collective-owned enterprises, but also individual, foreign and joint-ventured enterprises, although to some extent publicly owned enterprises still form the dominant component.

In the UK, a capitalist country with its traditional Victorian values of *laissez-faire*, the market economy has a long history. However, the victory of collectivism in the Second World War led to a consensus politics with a welfare state approach and an economic policy of nationalisation which involved state intervention and planning between the 1950s and the 1970s. When Mrs. Thatcher came into power in 1979, she broke down the consensus politics, which had lasted for thirty years since the Second World War. She started her ambitious 'Thatcherism' programmes, which have been continued by her successor, John Major, although at a different pace. On the basis of the doctrine of the free economy and the strong state, the country has been rolling back and forth. On the one hand, with the free economy approach, the economy has been decentralised. On the other hand, with the strong state approach, the political power has been increasingly centralised. As a result of privatisation, the economy is now dominated by the private sector.

Between China and the UK, historically, Hong Kong, which is a part of China and became a British colony in the early 1840s, has been a free port with a *laissez-faire* policy. With minimal government intervention, it has become the world's freest economy out of 140

countries (and regions), according to the Heritage Foundation, an American research institute. With a free market system, the Hong Kong economy is dominated by the private sector, to which capital comes from all over the world. This includes British capital, the largest component of the Hong Kong financial base, American and Japanese capital, as well as the increasingly dominant Chinese capital, that is, local Chinese capital, as well as the capital from mainland China. The Hong Kong economy contributes to a global economy with strong international competition and collaboration. It was ranked as the third most *competitive* economy in the world, after America and Singapore, by the World Competitiveness Report 1995, published by the International Institute for Management Development and the World Economic Forum (see *Hong Kong 1996* 1996).

China is a developing country with a lower economic per capita performance. According to the *World Bank Atlas*, in 1994, the GNP in China was only \$630,202 million with a population of 1,190,918,000, compared to \$1,069,457 million in the UK which only had a population of 58,088,000, and \$126,286 million in Hong Kong, which only had a population of 5,833,000 (The World Bank 1996). Due to the different statistical systems, these figures are slightly different from those in previous chapters). Hong Kong, which used to be a developing region, has now become one of the four Asian 'tigers', jumping into the category of the 'industrialised' countries and regions with its GNP per capita of \$21,650 in 1994, compared to \$18,410 in the UK and \$530 in China in the same year. Converted at purchasing power parity (ppp), which is defined as the number of units of a country's currency required to buy the same amounts of goods and services in the domestic market as one dollar would buy in the United States, GDP per capita in international dollars reached 23,080 in Hong Kong in 1994, compared to 18,170 in the UK and 2,510 in China (*ibid.*). However, we should bear in mind that, in China, over 70% of the population live in the countryside and that it is not entirely accurate to compare totally industrialised countries with a country with a large peasant economy, which has a large element of the self-sufficient economy.

With reference to cultures, on the one hand, with a written history of over 6,000 years, China has a traditional Asian culture, in which, the unity of the country and the harmony of families have been retained by a highly centralised administrative system, from the top to the bottom, based on traditional social moral and Confucian philosophy. On the other hand, the UK draws from many cultures, including that of ancient Greece, which form the basis of its democracy. Between the two countries, Hong Kong has a culture embracing aspects of both eastern and western cultures. On the one hand, 'born' in China, Hong Kong

retains some Chinese traditional culture and values, such as the Confucian philosophy 'the better the education, the brighter the career'. As in China and other Asian countries, families form the strong basic units of the society. With a close family relationship, parents see their children's career as one of the family's priorities for investment; in return, the younger generation respect and look after the older generation. On the other hand, 'adopted' by Britain, Hong Kong has been influenced by the UK in many ways, such as, in its education and training system, its legal system and its civil servant system. Furthermore, as the freest economy, it has attracted people with various cultures from all over the world. Thus, living in a global village, Hong Kong has a multi-national culture mixing both eastern and western cultures, which is different from the culture either in China or in the UK.

### *Similarity*

In spite of the different socio-economic contexts, China, the UK, and Hong Kong, have experienced great socio-economic changes since the late 1970s which have many *similarities*. Firstly, they have all experienced great political changes. In accordance with increasing international competition and domestic problems, both China and the UK had great economic difficulties in the mid-1970s. In China, as we discussed earlier, as a result of the Cultural Revolution, the national economy came to the brink of collapse. Deficits occurred for three successive years in 1974, 1975 and 1976. At the same time, in the UK, the 'Oil Price Explosion' also brought a severe shock to the British economy. The pressures from the economic base brought great challenges to the social-political superstructure and promoted the radical social-political changes. In the case of China, in December 1978, the Third Plenary Session of the Eleventh CCCCP in December 1978 was a turning point which redefined the ideological, political and organisational lines of the Party. As a result of the great debate on the criterion of the truth, Deng Xiaoping was recognised as the core leader of the Party and the nation. At the same time, in the UK, following the 'winter of discontent' in 1978, the Conservative Party won the election and Thatcher became the Prime Minister in May 1979. Such radical political changes, in return, play an important part in promoting economic changes and developments: both Deng and Thatcher, as representatives of their own parties with their own contributions, launched *economic reform* and started a new era in both countries. The two countries, with different starting points and procedures, have moved towards the same direction. Hong Kong, during the same period, has been approaching the expiration date for the 99-year lease on the New Territories to Britain. When Mrs. Thatcher visited Beijing in 1982, Deng Xiaoping, for the first time, formally presented the concept of 'one country, two

systems' during a meeting with her. After 22 rounds of talks between delegates from the two Governments between 1983 and 1984, the *Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong* was signed in Beijing on 19 December 1984. The Joint Declaration clearly states that the Government of the UK will restore Hong Kong to the PRC, and the Government of the PRC will resume sovereignty over Hong Kong with effect from 1 July 1997 (Qin 1995). Thus, Hong Kong is in transition towards its new era.

Second, in accordance with the global mood of privatisation, the economies in both China and the UK are moving towards the market orientation where the Hong Kong economy has been operating for quite a long time. In China, with his new authorised status, Deng broke into the theoretical forbidden zone and brought the concept of '*market economy*' into the theory of socialist economy. His challenge established the theoretical basis which promoted the Chinese economic system reform. His concept of '*market economy*' was gradually accepted by the Party which finally decided that the *socialist market economic system* was to be the target of economic system reform. Thus, the economic system in China has been gradually moving away from a *planning orientation* towards a *market orientation*. In the UK, the Thatcher Government promoted a free market economy by minimising government direct intervention. When Thatcher put her faith in the *free market economy*, *privatisation* became the central issue of economic reform in the UK mainly through *denationalisation*, *contracting-out* and *deregulation*. As a result, the State's responsibilities for the great public utilities were transferred to the market and to the regulator. State assets were *sold* to the public for billions of pounds (Baker 1993). Thus, the British economy has moved further towards the market orientation.

Third, as a bridge between the two countries, Hong Kong has close connections with both of them. On the one hand, it has been influenced by them. On the other hand, with its outstanding economic achievement, Hong Kong also has its increasing influence on the two countries, in particular on China as a result of the open policy, which benefits both China and Hong Kong, and which brings an even closer link between the two places. On the one hand, China has become the biggest partner of, and investor in, Hong Kong. The open policy in China has brought the opportunity for Hong Kong to become the world's eighth largest trading economy. In addition, The Bank of China has now become the second largest bank in Hong Kong. On the other hand, Hong Kong itself is the single largest source of investment in China. As a result of the open policy, foreign investment

has flooded into China from overseas. Sir William Purves, Group Chairman, HSBC Holdings plc and a director of the Hong Kong Shanghai Banking Corporation and Marine Midland Bank Inc, pointed out that, in 1993, China absorbed direct investment of more than \$23 billion, and, in 1994, the nearly \$34 billion that China made use of accounted for 10% of total fixed asset investment in the country. He confirmed that more than half of the entire investment flowed into China between 1979 and 1994 had either originated in Hong Kong or been arranged there. He believed that four out of five manufacturers from Hong Kong had moved most of their labour-intensive production across the border (Purves 1995). Well over 50,000 skilled Hong Kong people work in China, whilst more than 4,000,000 people are estimated to be working in Guangdong for Hong Kong companies (*Hong Kong 1996* 1996). However, tiny Hong Kong's giant-size role in influencing the Chinese economy is far beyond the scale of economic investment. To some extent, Hong Kong has become a model being copied for Chinese economic reform due to its economic achievement. As discussed in Chapter 2, in line with the open policy, the Chinese Government has created five Specialist Economic Zones in the south part of China and the Pudong New Zone, which are the experimental areas of economic reform, as an ideal of 'recreating several Hong Kongs'. Among them, Shenzhen, a new city across the border from Hong Kong with a population of 3,000,000, which has sprung up from a small village in fifteen years, has been seen as the most successful one. In many ways, it copies Hong Kong's model to create various markets, including the real estate market, the stock market, the financial and banking market, the material market and the labour market. A lot of experience in Shenzhen has spread into other parts of the China, through the agencies and offices of various cities and provinces from all over the country, which locates in Shenzhen, through the mass media and as well as through Government documents and leaders' speeches. As so many people commute across the Hong Kong border each day, they bring in not only visible goods, capital, technique and fashions, but also culture, life styles and values from Hong Kong. For instance, 'morning tea' which is known as 'dimsum' in Hong Kong, and is an original Cantonese culture, which ten years ago was not familiar to most people in China, particular in the north part, has now become very popular all over the country. Furthermore, in order to promote economic reform, Chinese government departments, have sent professionals and officers at various levels to Hong Kong to learn from its experience in developing various markets, the systems of legislation and civil servants, as well as the management models in various enterprises. Consequently, some systems, which were originally copied from the UK into Hong Kong, have now been introduced into China. For example, the open examination for public servants, which has been implemented in the UK since the late nineteenth century, has been recently

introduced into China, through Hong Kong as a bridge. On the other hand, with the approaching of the year of 1997, the Hong Kong Government has recently sent hundreds of civil servants to China to learn 'Putonghua' (Mandarin), the official Chinese language, so as to then understand the government administrative system.

With reference to the UK, although Hong Kong may not form a direct influence on the Government as it does in China, it has influenced the way of thinking of policy makers. Professor Gamble pointed out:

Some Thatcherites, talked openly about how their idea would be for Britain to be like Hong Kong ... Their idea is for an economy, which is deregulated, which has very low taxation, very low regulation of any kind and which is thriving and enterprising. ... Many people in the Conservative Party would prefer Britain to be an offshore island, which is really to be a Hong Kong with the European Union being like China (Interview UKSUAG).

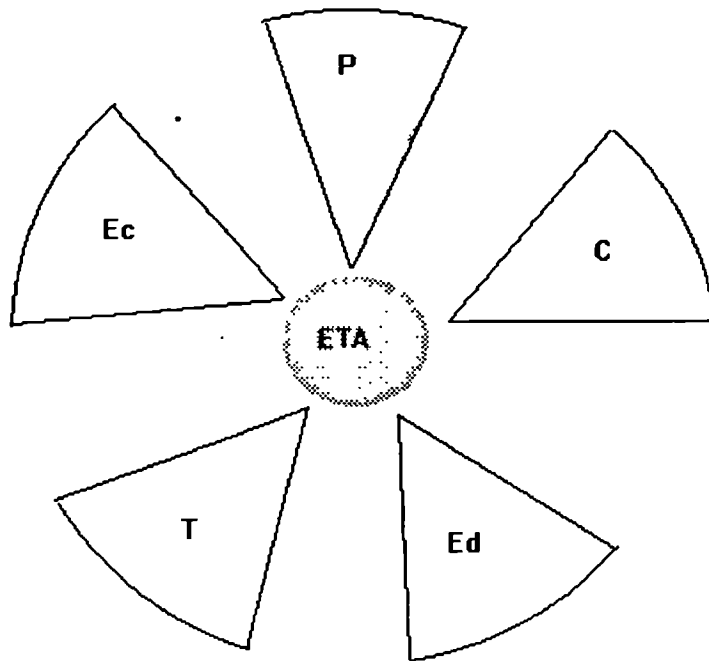
Thus, Hong Kong has become a bridge which leads to the increasing similarity among the two countries and the region of Hong Kong.

Fourth, being *within* the same international environment with rapidly accelerating rates of economic growth, the two countries and the region of Hong Kong have also experienced rapid technological development and changes in economic structure since the late 1970s, with increasing problems of structural unemployment.

### ***Impacts on the Education and Training of Adults***

The socio-economic development and changes have a great impact on the development and changes in the education and training of adults. On the one hand, socio-economic development is the driving forces for the development of the education and training of adults. On the other hand, socio-economic changes have an impact on the changes in the management model for the education and training of adults. The main factors that have an impact on the education and training of adults can be illustrated in Figure 11.1 (see over page).

Figure 11.1: Major Factors Having Impacts on the Education and Training of Adults.



Notes:

P = political changes

Ec = economic development and changes

C = cultural development and changes

T = development in science and technology

Ed = educational development and changes

As the above diagram shows, the major factors which have impacts on the education and training of adults include development and changes in the economy, politics, culture, technical and other aspects of education. As these factors interact with each other, they all have not only *direct* impacts on the education and training of adults but also *indirect* impacts through interaction. Among them, however, the economic element plays a decisive role, as Engels argued:

According to the materialist conception of history, the **ultimately determining element in history is the production and reproduction of real life**. More than this neither Marx nor I have ever asserted. Hence if somebody twists this into saying that the economic element is the *only* determining one, he transforms that proposition into a meaningless, abstract, senseless phrase. **The economic situation is the basis, but the various elements of the superstructure: political forms of the class struggle and its results, to wit: constitutions established by the**

victorious class after a successful battle, etc., juridical forms, and then even the reflexes of all these actual struggles in the brains of the participants, political, juristic, philosophical theories, religious views and their further development into systems of dogmas, **also exercise their influence upon the course of historical struggles and in many cases preponderate in determining their form.** There is an interaction of all these elements in which, amid all the endless host of accidents (that is, of things and events, whose inner connection is so remote or so impossible of proof that we can regard it as nonexistent, as negligible) the economic movement finally asserts itself as necessary. Otherwise the application of the theory to any period of history one chose would be easier than the solution of a simple equation of the first degree (1890: 443, emphasised in bold by the writer).

The development and changes in the economy, which have *ultimately decisive* impacts on the superstructure, have both *great direct* and *indirect* impacts on the development and changes in the education and training of adults. On the one hand, economic development and changes could lead to great demands on the education and training of adults, which could lead to the rapid development in various forms of the education and training of adults, as can be seen in China, the UK and Hong Kong (see Interview UKSUGC2, Chapter 3, Chapter 7 and Chapter 10). On the other hand, economic changes, in particular changes in economic systems form the decisive factor having impacts on the changes in the management model for the education and training of adults, which would then have an impact on the changes in its provision. As happened in China, the changes in the economic system shifting away from a planning orientation towards a market orientation have led to the promotion and the development of a private sector for the education and training of adults (see Chapter 2 & 5). In the case of the UK, in line with the development of a free market economy, the introduction of *market-testing* services, which introduce the market mechanism of the more *competitive* and more *efficient* management system from the economic fields into the fields of the education and training of adults, has led the institutions towards a further market orientation (see Chapter 6 & 9). As happened in Hong Kong, the free market economy, in which the Government has minimal intervention, has led to the development of a free market in the education and training of adults, in which provision relies heavily on market forces (see Chapter 10). Furthermore, economic development and changes have impacts on changes in politics, the key element of the superstructure, and on other elements, including cultural elements, such as philosophy, the value system and life style, the legitimating system, and other educational elements, which all have both *direct* and *indirect* impacts on the education and training of adults.

As a part of the productive forces, science and technology has a great impact on not only



economic development but also the development in the education and training of adults. The rapid development of new technology has turned a labour-intensified economy into a technology-intensified economy in the UK and Hong Kong. This is now happening in China. It brings challenges to labour forces and, brings higher demands on the educational level of all citizens. It has led to rapid development in professional continuing education in the two countries and Hong Kong. Furthermore, the development of new technology, in particular new information technology has brought the 'third generation' of distance learning, a new way of delivering the education and training of adults, by using computer networks (McConnell 1996 and Interview UKSUDM).

As far as the political element is concerned, political structures and policies have a dialectical relationship with the economic basis of society. Politics is both influenced by, and at the same time influences, the economy. Therefore, political changes have *direct* and *indirect* impacts on the development and changes in the education and training of adults. Changes in leadership could lead to radical changes in government policy (see Chapter 2 and 6), which will decide the direction of the whole country and which, of course, could lead to changes in government policy on the education and training of adults, not only in the funding system but also in attitudes (see Chapter 4, 5, 8). The policy makers could decide, in accordance with general socio-economic policy, whether the education and training of adults should be encouraged to be developed or should be readjusted (see Chapter 3, 5 & 7); whether the system should be centralised or decentralised (see Chapter 5 & 8); whether the private sector should be encouraged, relied on, or should be strictly controlled (see Chapter 5); whether the state should intervene and how much (see Chapter 8 & 10); whether provision should be funded and in which way, through input measures or output measures (see Chapter 8). Government policy and funding are key issues affecting changes in institutional policy, which lead to changes in the management model and the direction of provision. Furthermore, due to the interaction between the different elements, political changes have also *indirect* impacts on the education and training of adults, through their impacts both on the base of economy and on other elements of superstructure, which in their turn have impacts on the education and training of adults.

Other elements of the superstructure, such as culture and other aspects of the education system, also have *direct* and *indirect* impacts on the education and training of adults. Taking culture into an account, the changes in life styles alongside the rising standards of living of the people as a result of economic development and the influence of other cultures, can lead to great demands for the education and training of adults. The changes

in the value system of the people, which are influenced by other socio-economic changes can lead to changes in the customs of consumers. Under an independent culture, which is contrary to a dependent culture under a welfare state, people's values may well shift 'towards a much more individualistic, pro market, pro competitive ethos' (Interview UKSUAG). People would get 'more used to buying things that used to be provided by the public sector' (Interview UKSUWH). Thus, people, would be more likely to become a customer (buyer) and to pay higher fees to *buy* education and training, if they could afford it, in the market, in a way that they would not have considered before.

The changes in other aspects of education also have *direct* and *indirect* impacts on the development and changes in the education and training of adults as, to some extent, they overlap each other. Inadequate initial education brings a burden on the adult education and training system, which leads to demands for adult basic education (see Chapter 3). The implementation of compulsory education changes the demands from basic education to the education and training of adults at higher levels, such as 'adult higher education', as it is called in China, or adult continuing education at university level, especially part-time degree courses, as is the case in the UK (see Chapter 7), and professional continuing education, as develops in Hong Kong (see Chapter 10). Changes in the policy in other education systems could affect the system for the education and training of adults. As happened in the UK, the changes in funding policy and the funding system in the further education and higher education sectors and the training sector, which overlap the education and training of adults, have led to radical changes in institutional policy (see Chapter 8 & 9). Being moved from input measures into output measures, funding methods have become a steering system, in which *academics* have *fewer powers* to decide *which* courses should be set up, in which *customers* are given *more powers* to decide *which* courses should be set up, and in which the *Government*, as the biggest buyer, has *more powers* to decide *what* kind of provision should be developed or should cease. Thus, institutions, which have to follow the policy as they continue to receive public funding, are forced into the market place and become more market driven. As a result, the management model has moved towards a market orientation, as courses have to be set up according to the requirement of customers. Nevertheless, to some extent, the management model has also moved towards a planning orientation, as, in some cases, courses must be provided according to the requirements of Government, which is not only the biggest buyer, but also a major planner of adult learning provision.

As with the above elements, other elements of the superstructure, such as the legitimating

system and religion may also have *direct* and *indirect* impacts on the education and training of adults.

### **Management Models**

As mentioned in the first chapter, any particular management model for the education and training of adults could be illustrated by one position within a triangular model with orientations towards three corners: academic orientation, planning orientation and market orientation. Management models for the education and training of adults vary in accordance with the different socio-economic contexts alongside the changes in time and space, such as the various countries, regions, sectors and organisations. As discussed earlier, there are many differences among the two countries and the region. As can be seen through the discussion in the preceding chapters, with the impacts of different socio-economic contexts, the management models in China, the UK and Hong Kong are quite different. Furthermore, in the same country, the management model, as a whole, has been changing all the time during the period being discussed. In China, it started from a point at the corner of the planning orientation with a highly centralised planned economy as a background. Through a highly centralised administration system and by issuing mountains of documents, from the top to the bottom, the Government *decided what* kinds of institutions should be established, *what* courses should be set up, *who* should or should not participate in courses at *which* level, and within *how* many years *tasks* should be fulfilled. Providers, who were at the *bottom* of the system had to provide courses according to government requirement (see Chapter 4). Meanwhile, management models in different sectors may also be different.

In Britain, the situation is rather more complicated. With a welfare state as a background, in the education sector, including the university sector and the further education sector, the management model for the education and training of adults, as a mixture, started at a point closer to the corner of the academic orientation. In most cases, providers who got a block of money, could, based on academic interests, provide courses according to what they thought was important to the community and what they guessed the people would be interested in. At the same time, a small number of self-financing courses in vocational continuing education courses were much closer to the market orientation (see Chapter 9). In the training sector, the management model of training as a whole was a mixture at a point closer to the planning orientation where courses were provided according to the requirement of the Government, under a well-planned Manpower Services Commission, a

product of state intervention, whereas there was a private sector in which the courses were very market oriented (see Chapter 8 & 9).

In Hong Kong, under the free economic system, with minimal government regulation and interference, historically, the education and training of adults has been mainly provided by the private sector. The management model started at a point closer to the corner of the market orientation where, in the most cases, courses were provided according to customers' needs and requirements. In some cases, such as Caritas, the management model has been mixed with a limited element of planning orientation, where some basic courses have been provided according to Government requirement, as they have received specific and limited Government specific funding. In some cases, where courses have been subsidised by public funding through parent institutions, such as the University of Hong Kong, there has been a limited element of academic orientation where some courses have been provided according to what academics have thought to be important to the community and the university (see Chapter 10).

During the period being discussed, in Hong Kong, under a free market economic system, the market for the education and training of adults has been fully developed on both the demand and supply sides (see Chapter 10). In such a market, as far as the demand side is concerned, individuals form the main buyers for three major reasons. First, historically, with a policy of lower taxation, Hong Kong was not and still is not a fully welfare state. Individuals *get used to buying* services which, in many cases, are not essentially public provision. Second, with a traditional Chinese culture, the people who have seen education and training as an investment for a brighter career, not only for economic status but also for social status, are *willing* to buy education if they can afford it. Third, with rapid increasing rates of the GDP, Hong Kong has changed its status from a '*developing*' into an '*industrialised*' region, with a GNP per capita of \$21,650 in 1994. With higher income, most of the people can *afford* to buy education and training for themselves and their families.

As far as the supply side is concerned, with minimal Government interference, the private sector and the private enterprises within the public sector, form the major providers of the education and training of adults for three major reasons. First, under a free market economic system, the Government believes that the *private sector should* provide essential public services *wherever feasible* (Hong Kong 1995). This also applies to the field of education and training of adults. As the private sector is not just *allowed* (as is the

situation in China) or *encouraged* (as is the situation in the UK), but *'should'* operate public services, it has a legally dominant status in providing services. This means that private providers *can sell* their provision. Second, historically, the private sector used to play a dominant role in providing education before compulsory education was introduced. Although the Government has increased its support to general education since the 1970s, and in higher education since the late 1980s, it tends to retain its minimal intervention in the education and training of adults. Except from its increasing investment in training through the VTC, which it hopes will immediately bring benefit back to the economic performance, and the modest funding for basic education through the Education Department, there is no sign of the Government increasing its intervention into other aspects of the education and training of adults, such as professional continuing education (see Chapter 10). On the contrary, it would like to see these areas of provision '100% market driven' (Interview UKLURT). Government funding is so limited that most institutions for the education and training of adults do not receive *direct* funding from the Government. As public provision is limited, it has to go to the private: demand stimulates the private sector, either the private sector as such or private enterprises in the public sector. This means that they *have to sell* their provision without choice. Third, on the other hand, there is a huge demand not only from individuals but also employers. Consequently, hundreds of private institutions and private enterprises within the public institutions, both domestic and overseas, have rushed into the *market to deal with* such a big *trade*, which has a turnover of around £220,000,000 each year (see Chapter 10). Thus, compared with the situation in China and in the UK, the management model for the education and training of adults in Hong Kong has moved further towards the corner of the market orientation, where courses are provided according to the buyer's interests and requirements, as in most of the cases, the courses are sold for the purposes of either making profit or at least making *full cost recovery* (see Chapter 10).

However, the VTC sector, which is a product of increasing government intervention in training in response to economic development, *follows* the model of the MSC in the UK, in terms of the structure of the board and its membership, provisions and financial resources. *Similarly* to the MSC model, the management model of the VTC is planning oriented. As funding comes directly from the Government, the Council and its centres have to provide courses according to the government requirements which are based on manpower surveys identifying the needs of the Hong Kong economy rather than individual needs.

During the period being discussed, alongside the socio-economic changes in the two countries and the region, the management models have been changing and moving away from the start points. As the economies in the two countries have been moving towards the market orientation, their management models for the education and training of adults have also been moving towards the market orientation, to where that of Hong Kong has been already. In the case of China, such a market orientation is represented by *schools run by the social forces*, including an *independent non-governmental private sector* and non-governmental *private courses within the public sector*, which emerged and have developed in accordance with economic reform (see Chapter 5). As *self-governing* institutions, those in the private sector, based on private investments and *relying on fees*, have to rely on the market, keep their eyes on the market, *foresee the market* and take chances in developing new courses to provide whatever the market needs. Whereas, students who *want to buy*, can *afford to buy* and *choose to buy* knowledge and skills, become *buyers*, providers, who *want to sell*, and are *allowed to sell* knowledge and skills, become *sellers* (see Chapter 5). Thus, a *market* for the education and training of adults has been *formed*, although some academics, from the academic point of view, would like to argue that there should not be, and there is not such a thing as a market in education (see Chapter 5). In such a market, everything depends on the laws of the market. In terms of the recruitment of students, the bigger the market, the more students will be recruited; the smaller the market, the fewer students will be recruited (see Chapter 5). In terms of employment, most of teachers are part-time workers who have signed contracts with institutions. The more products, the more workers will be employed; on the contrary, the fewer products, the fewer workers will be needed. Their payments are also flexible according to their performance: the better the service that teachers provide for customers, the higher the payment they may receive (see Chapter 5). The prices, which used to be fixed by government departments, are now decided by the market: the more popular the courses, the higher the fees will be (see Chapter 5). In the market, the quality of the education, which is recognised as an important element for institutions to win the increasing competitive market, is judged according to not only academic standards and priorities but also the tastes of customers, and, in some cases, the quality of provision is decided by the customers rather than academics (see Chapter 5). For some institutions, teaching has become their *main business*, whilst institutions run various kinds of *enterprises and businesses*. As businesses, their survival totally depends on the market: if there is no market, they will die (see Chapter 5). In a word, they are operated on a *market* oriented model, although they still have to concern themselves with academic quality and, in some ways, they are still under the control of the Government, particularly, in terms of

offering State recognised qualifications and approval of the establishment of new institutions (see Chapter 5).

The management model in non-governmental private enterprises within the public sector in China, to some extent, is also dominated by a market oriented model. As they have to hunt for their own markets, the leaders of these institutions, who used to be public officers (cadres), policy makers, planners or academic leaders, have now changed their roles to directors who become *managers* and *market seekers* (see Chapter 5). As private enterprises within the public sector, they have a dual status. On the one hand, with the good name of the public sector, they can easily develop partnership networks, to obtain information, which may be valuable for sale, and to expand their markets. On the other hand, as private enterprises, they can sell both visible and *invisible commodities*, not only courses but also services, for instance, assessment and consultancy (see Chapter 5). As happens in the economic fields, they have introduced an *enterprise culture* with a *contract system* which emphasises *competition* and *efficiency*. On the one hand, as *contractees*, they *sign contracts* with their parent institutions, who are contractors, to reach an agreement that they will continue to use public-owned facilities, and, in return, they will pay a certain amount of their incomes and surplus back to parent institutions each year. On the other hand, as *contractors*, they may *sign contracts* with their *customers* who want to buy their services or courses, or they may *sign contracts* with contractees, either *internal* or *external* employees, to *contract out* part of the *public-owned* facilities, such as residential halls, and *sign contracts* with *staff* members and part-time *teachers* who do administrative work or run courses. Under the *contract system*, instead of being assigned by the Government with fixed salaries, staff may be recruited through the *labour market* with flexible salaries. As happens in the private sector, the more contributions, the more money may be earned (see Chapter 5). Such private enterprises within the public sector have various markets, not only the individual market, but also the employer (enterprise) market and the government market. In some cases, the latter two may form the major market. They have to run courses according to the requirement of their customers based on contracts which indicate the payment and services, such as contents, forms, number of students, duration, standards and quality of courses. Such a management model, as can be seen, is market oriented and is very different from the original management model, that is, running courses according to State requirements without considering the needs of employers or individual learners as clients. At the same time, they also consider the quality of education provided, which is important to retain and to develop their markets, whilst they also foresee the market according to the needs of economic development as a whole.

The adult higher education sector in universities has now been developed into relatively independent institutions within their parent institutions. They also have to sign contracts with their parent universities agreeing to pay a certain amount of generated income back to the universities for using public-owned facilities. To some extent, they can also be seen as private enterprises within the public sector, as they do not receive *direct* funding from the Government, although they receive varying levels of funding (usually small) against agreed outcome targets from their parent universities. The universities look to recover income from the entrepreneurial efforts of the adult higher education sectors (see Chapter 5). Their management model is a mixture. First of all, as far as qualification courses are concerned, they are still largely controlled by the Government. Institutions can only set up qualification courses according to the overall student number plan approved by the Government. In this sense, the courses are set up according to the Government requirements. This indicates the planning orientation. Secondly, since 1992, in line with the speeding up of economic reform, to some extent, adult education has been decentralised. The recruitment plan of adult higher education, which used to be delivered from the top to the bottom, is now proposed from the bottom and approved by the Central Government on the top. Institutions have now had more powers in running education, including proposing preliminary plans, according to market situations and their own abilities, which will normally be approved by the Government. The market of adult higher education has now changed: the majority of students are young people requiring full-time residential courses rather than mid-career employees who prefer part-time distance learning. In response to the change in the market, institutions have expanded their facilities and have changed the direction of their provision (see Chapter 5). In this sense, the courses are set up according to the requirement of customers, who have to pay relatively high fees, which far exceed the relatively low direct costs. This implies the market oriented management model. Third, as academic institutions, they still think of their duties in terms of educating people morally, and in regard to quality assurance. In this sense, there is an element of academic orientation whilst the main trend is moving towards the market orientation.

In the case of the UK, the management model is now in a position, which, although is still a mixture, is further away from an academic orientation but much closer towards the market orientation, and in some case, towards a planning orientation. The following extracts from interviews, shown in italics, show how the language has changed to reflect this development (see Chapter 9, Interviews UKSURC1, UKSURC2, UKSUWH,



UKSCAB, UKNIACES, UKCETSMD, UKCETSNM & UKCLIFF). In the university sector, departments of adult continuing education have lost their status of '*Responsible Bodies*'. The funding system has been centralised with the establishment of the HEFCs. Under the new funding system, in which a bidding system has been introduced, 'changes are moving much more towards the *market* model', and departments are more like a '*business*'. A head of department, who has to do more '*managerial*' work, has become a *manager* rather than an academic leader. As an '*academic administrator*', he 'doesn't do much teaching'. As a manager, he has to think of '*balance*', '*self-funding*', '*cover direct costs*', '*not making losses*', '*making them cheap*', '*covering marginal cost*', '*attract more money*', '*without losing too much money*', '*attract more funds*' and '*attract more students*'. In addition, to ensure 'all that money was spent *effectively*', the '*minimum enrolment number*' has become stricter than before. If an enrolment does not reach the minimum number, a course has to be closed. At the same time, as an academic, he also thinks of community needs, '*running academic conferences*', '*academic activities*' and the '*academic standard*'. Thus, departments have to retain *academic* interests based on *market* demands.

Meanwhile, vocational continuing education, which refers to 'short courses *related* to the *economy* and vocational skills and management', are 'heavily *market oriented*'. They should be '*full market* courses' which are '*income generated*' and should be at least '*self-financing*'. For such courses, '*clients*' have to 'pay full-fees to *cover full-costs*', sometimes, '*more than full-cost*'. When *clients* pay all the money, they will '*decide what* is going to be *taught*', whilst academics (providers) 'have to be ready to [provide] *whatever* the *market needs*'. In the '*market place*', 'courses have to be run according to the *buyers' interest*'. Academics cannot just simply 'put a lot of work that *they think* is *important* into the courses'. In such a '*buyers' market*, not a *sellers' market*', academics have fewer powers in deciding what courses should be provided: they have to be '*flexible*', to provide *whatever* the '*market may require*' and '*what clients want*', although academics still have powers to refuse to provide courses with lower academic level in order to keep their *academic status* and '*intellectual* development'. In the '*demand led*' market place, education quality is not just related to whether academics are 'teaching well' but what clients think is '*relevant*', '*useful*', of '*benefit*', '*valuable*'. Thus, academics also lose their powers in quality control. Academics in the universities are now *competing* with providers in other sectors for *different market*. As in any business, they have to '*sign a contract*' and set a '*realistic price*' 'that *people think* is very *good value for their money*'.

In the further education sector, with the country rolling back and forward economically

and politically, the funding system has been moving back and forth. On the one hand, as local government status has been changed from *providing* to *enabling* authorities, locally, the education system has been decentralised: powers in providing adult education have been transmitted from LEAs to further education colleges (see Chapter 8). On the other hand, nationally, the funding system has been centralised with the establishment of the FEFCs (see Chapter 8), as a result of the centralisation in politics. Institutions have now become 'practically *businesses*' with the principal as '*Chief Executive*'. They can do business with Funding Council, employers or individual learners paying full fees, with '*more competition*'. They can '*employ people*', '*borrow money*', do '*financial things*' and '*manage property*'. As businesses, they can now have *flexible prices*, where these used to be '*fixed*'. They have to '*respond to the market*' by saying, 'it is just like a *supermarket*: sometime you *earn more money* by *cutting your prices*'. In order to '*create the market*', they have to do more '*marketing*' and '*advertising*' to '*attract people in the same way*' that people '*advertise any product*'. They now have to set up courses according to '*financial criteria*'. They have to set up a '*business plan (not just academic plan)*', thinking of '*costing*', '*investment*', '*income*', '*afford[ing]*', '*break[ing] even*', whilst ten years ago, they tried to prioritise *educational criteria* rather than *financial criteria*. Institutions are living in a '*contract culture*'. They have to spend time on *bidding* for their '*performance related*' funding, which used to be a block of money from local government, from the FEFC, and extra funding from other resources. In order to *fight for money*, they have to write '*tenders*' and to '*sign contracts*'. They have to think of '*different markets: individual market, employer's market and government market*' and to '*keep altering to meet market needs*'. In order to be *effective*, and not to lose money, they have *stricter* rules over the *minimum number* of participants per course than ever before.

In the training sector, the administrative system of training has been transformed from one led by the MSC linked to the civil service, which represented a planning oriented management model, to TECs, the private sector, which are now the representatives of a market orientation. The concept of TECs was imported from the USA where the training market was further developed than in the UK. Under the new system, TECs work as intermediates between providers and the Government Department: they '*buy*' training provision from providers and '*sell*' it to the Government Department. Under such a system, courses are provided according to buyers' requirements (see Chapter 8). The private sector of providers, which is on a '*commercial*' (though not necessarily profit making) basis (TA 1989: 9), has been '*widening the market*' and '*selling courses*' (TA 1989: 59). Whilst *public* organisations now have to *bid* for funding to provide *services* that they

have been delivering for many years, training companies have grown and developed as a new *industry*. Private training companies are doing *business* in training. Most of them are '*on a profit-making basis*' (CHES 1988: 29), although it is difficult to judge '*profit-making*' and '*non-profit making*'. They *sell* their intellectual ability, the combination of their knowledge, education and experience, to *whoever* wants to *buy* it'. They set '*pricing structures*' which meets '*full cost*' and make *surpluses*, although they may not necessarily make profits if they put all this money back into investment. In the *free market* where *clients* have more *power of choice*, *clients* send out their *tenders*, judge the *worth of tenders* and seek *value for money* on the one hand; on the other hand, training companies have to *compete* with each other to *bid for business*. For them, '*customers are always the king*'. As *customers pay* them, they should be there to '*meet the needs of customers*'. They should deliver training according to the *requirements of clients* who have all *power to decide what* (such as contents and levels), *when* (time, pace), *how*, *where* and *by whom* training should be delivered.

Looking at changes in the language (the analysis of changes in language and the effect these have on attitudes and policy is dealt with in a forthcoming PhD thesis by a colleague in the Division of Adult Continuing Education; see his paper, Emsley 1996), most of which was *not* used or *not familiar* ten or fifteen years ago when education and training was not seen as a *business* but a *service*, some adult educators have realised how far they themselves have moved, as apparent in the comment made by Mr. Baldwin:

I suppose myself, I have moved a *long way* from where I was *ten years ago* or *twenty years ago* when I worked as a neighbourhood based adult education worker in the local council housing estate in the area around, to now working at a *business plan* for new vocational courses. I am still working for adults (Interview UKSCAB, emphasised by the writer).

The changes in language used in institutions reflect the changes in discourse in Government policy (see Chapter 6), which appear in Government documents. In the white paper, *The Citizen's Charter: Raising the Standard* (1991), for example, the following terms were frequently used: '*privatisation*', '*privatise*', '*deregulate*', '*buying public services from the private contractor*', '*contracting-out*', '*internal market for services*', '*market basis*', '*full economic cost*', '*value for money*', '*competition and accountability*' and '*cost effective*'. In the Government white paper, *Competing for Quality* (1991), the Government promoted the movement of *market testing* services and urged 'A more *business-like* approach'. It emphasised '*responsibility and accountability*'. It stated, 'public services will

increasingly move to a *culture* where relationships are *contractual* rather than bureaucratic'. It claimed, 'For local services, the Government's model of *enabling* authority will promote more *effective business-like management*, which pays more attention to *customer requirements* and *value for money*'. As can be seen, behind these changes in language, there are great changes in discourse, the transmission of powers (see Chapter 6). Under the economic policy of the '*free market*' (Thatcher 1993), by passing legislation '*promoting the private ownership of interests*' (IA 1980), to '*accelerate privatization*', the Government '*committed*' itself '*to sell[ing]*' (see Thatcher 1993: 283) *publicly* owned assets and equity (shares) to the *private* sector and to creating an *enterprise culture*. Through '*deregulation*', '*contracting out*', and the movement of *market testing services*, including '*compulsory competitive tendering*', *powers* have been *transferred* further from the *public* sector to the *private* sector by '*giving power to the citizen*' (see LGPLA 1980, LGA 1988, DCOA 1994 & *Competing for Quality: Buying Better Public Services* 1991 and *The Citizen's Charter: Raising the Standard* 1991). Under the Thatcherite programme, which '*would give ordinary people*' the '*choice*' (Thatcher 1993: 572), the Government claimed to '*give power to the people*' (ibid.). As Thatcher stated, 'In education, housing and health the common themes of my policies were the *extension of choice*, the *dispersal of power* and the *encouragement of responsibility*. This was the application of a *philosophy* not just an administrative programme' (Thatcher 1993: 618). In the training sector, the *power* has been *transferred from* the MSC, the *public* sector, to TECs, the *private* sector. At the same time, the Government invented the use of Training Vouchers to *empower individuals* '*to purchase* a certain amount of *training*' (Thatcher 1993: 670). Thus, whereas the private sector and individuals have been *empowered*, the public sector, local government, trade unions, civil servants, universities, professionals as such, including teachers, have been under attack (Interview UKSUAG) and have had *powers taken away*.

'Bearing on groups of signs' (Foucault: 1972: 115) which are related to the market economy, such as, '*free market*', '*market testing service*' '*contractual culture*', '*responsibility*', '*accountability*', '*competition*', '*effective business-like management*', '*business plan*', '*market needs*', '*full market cost*', '*income generated*', '*clients*', '*customer*' '*investment*', '*contract*' '*bidding*', '*tenders*', '*self-financing*', '*profit*', '*losses*', '*managers*' and '*business*', '*buyer*' and '*seller*', we can see all the changes in discourse, the transmission of powers, which indicate the '*discontinuities that articulate them*' (Foucault 1972: back cover).

Furthermore, while the language, or discourse, has changed dramatically in the UK, the parallel language, such as *'market trade'*, *'market adjustment'*, *'commodity economy'*, *'market economy'*, *'responsibility system'*, *'contract system'*, *'contract out'*, *'lease'*, *'competition system'*, *'economical efficiency'*, *'effectiveness'*, *'market mechanism'*, *'market'*, *'needs of market'*, *'customers'*, *'income generation'*, *'self-financing'*, *'profit'*, *'losses'*, *'managers'* and *'business'*, has also developed and proliferated in China (in Chinese, of course), since the 1980s (see Chapter 2 & 5; Jiang 1992; Gao 1993a; Gao, Wang & He 1993, Interviews XUP, SPCWC, USTMC, translated by the writer). This discourse started in the economic field, and is now widely used in all fields, including the education and training of adults. In Hong Kong, where the market is the freest in the world, and where the market in the education and training of adults has been fully developed (see Chapter 10), the use of language related to the market is not new. As shown in the following expressions, it is widely used in the field of the education and training of adults: *'sell[ing] education'*, *'making-money'*, *'profit making'*, *'non-profit making'*, *'competition'*, *'break[ing]-even'*, *'loss[ing] money'*, *'self-financing'*, *'generate income'*, *'market'*, *'market driven'*, *'market principle'*, *'full-cost basis'*, *'full-cost recovery'*, *'self-financing basis'*, *'direct cost'*, *'accountability'*, *'market-oriented'*, *'fee-earning, revenue-generating'*, *'business planning'*, *'marketing'* and *'market forces'* (see Chapter 10, Interviews HKVTC, HKCAHE, HKCCW, HKCU, HKSPACE1 & UKLURT; Chung, Ho and Liu 1994; Holford 1995 and HKU).

Following Foucault (1972), we can see the similarity and differences among the two countries and one region, and, through the changes in 'discourse', see the 'discontinuities' 'beneath' the 'continuities'; we can see the changes 'beneath' the development; we can see the tidal wave 'beneath' the surface; we can see all the streams going into the sea where everything, including the education and training of adults, has become business without exception. We may now consider the implications of these developments and changes.

### **Implications and the Future**

So far we have discussed the relationship of socio-economic development and changes to the development and changes in the education and training of adults, and have seen the trends in the changes in China, the UK and Hong Kong. Now we may consider the following questions. Where will the education and training of adults go in the future? To what extent could the management of the education and training of adults go towards the market orientation? What would be the impact of such changes on the management model

for the education and training of adults? What would be the social consequences, if the trends were to go on moving towards the market orientation? Here, we need further discussion concentrating on two aspects: first, the implications of the changes for the management model for the education and training of adults, particularly for the extent and forms of provision, for academics, for the quality of education and in regard to social divisions; and second, the global market for the education and training of adults at the higher level, which may be formed under future collaboration between the two countries with Hong Kong as a bridge.

### *Implications*

As happened in the past, the trends in the education and training of adults in the future will largely depend on the trends and changes in socio-economic development. In China, in line with the further development of the socialist economic system, the education and training of adults, as a whole, will continue to move rapidly towards the market orientation. However, as long as it remains as a socialist country, there will be a certain element of the planned economy. This implies that the management model for the education and training of adults, to some extent, may well continue to contain a certain element of the planning orientation. After 30 June 1997, Hong Kong will return to China, but under the policy of 'one country, two systems', Hong Kong will continue to retain its free market economy. As a result, the education and training of adults will continue to favour the market orientation. However, in future, with increasingly influences from China, it might adopt a further element of planning orientation. In Britain, the Conservative Government intends to complete its final strategy of privatisation: British Rail is on the way to being privatised whilst the Royal Post remains as the last large public-owned enterprise which has not been privatised. If the economic system continues to move towards the market orientation, the education and training of adults, a part of the superstructure which is determined by the economic basis, may well move in the same direction, that is, moving further towards the market orientation. Now the question becomes: how far can the management model for the education and training of adults move towards the market orientation? Would it be possible to move to the pole position of the market orientation? Professor Taylor argued:

In Britain? I think quite a lot further than it is now. I think the trend is moving towards empowering individual students in the educational market place to drive the system forward in the way that the consumers want, - but it has got long way to go yet. Some of the things are very negative, but I think they could come about. In next five or ten years we will probably see much, much less state standard

support for any students and much, much more support, in funding terms, from students themselves and from their employers. This means it is going to be market driven because if people pay for themselves, they are going to dictate what the curriculum is (Interview UKLURT).

Nevertheless, he continued to argue, 'But you've still at the same time got to continue to provide what you regard, supposedly as an academic, as being appropriate for a university to provide and not entirely just provide what the market wants'. Professor Jarvis, the former head of the Department of Educational Studies of the University of Surrey, has also argued that, the education and training of adults in Britain 'could go further' towards the market orientation, but 'not totally to the end'. He argued, 'I don't think it would happen in a democratic society. Someday, someone is going to say, "enough"' (Interview UKSYUPJ).

As the management model for the education and training of adults will continue to move towards the market orientation, it will have profound effects on both providers and participants, as well as the direction of provision. In the market, which includes the employer market, the individual market and the government market, different buyers or customers have different interests. In the employer market, employers tend to buy specific training, which usually means short courses, and which is expected to bring immediate benefits for their enterprises. This happens not only in the UK (see Chapter 7) but also in Hong Kong (see Ngok and Lam 1994). In China, in the enterprises where training continues to be provided, employers tend to develop or to buy in training that meets the needs of production.

In terms of the individual market, it has been expanded very rapidly in China (see Chapter 3 & 5) and Hong Kong (see Chapter 10), as well as in the UK (see Chapter 7). With an accelerating rate of changes, to avoid unemployment risks, more and more individuals seek qualifications as an investment for security in their jobs and for better future careers. In the labour market, as qualifications have now been recognised as the assurances or proof of personal qualities and abilities, they have become passports to better careers. With such a special value, qualifications, to some extent, have now become currencies in the labour market. Increasingly, individuals becoming customers or buyers would prefer, therefore, to buy long-term courses with the aim of achieving qualifications, in particular higher education qualifications.

In the government market, in the case of the UK, education and training is seen as a tool

to improve the national economy. To respond to increasing international competition, the Government has prioritised education leading to qualifications as well as vocational education and training, which have closer links to economic development. In China, too, the Government has shifted the focus of the education for adults to the 'Ganwei' training, which has a closer link to economic performance. In Hong Kong, government intervention has also concentrated on vocational training according to economic needs. Clearly, within the three sectors of the market for the education and training of adults, all the buyers, including employers, individuals and the governments, tend to buy the vocational or qualification oriented provision which has closer links to economic development.

In the buyer-led market, clients have more powers. Their attitudes have led, and will continue to lead, the direction of provision to much more entrepreneurship, which has profound implications in many aspects. In the UK, for instance, the direction of provision of the education and training of adults has now been shifted away from traditional liberal education, which academics thought was important for personal development, towards vocational education and qualification education, which the Government thinks are important to economic development, which employers think are important to their enterprises, and which young people think are important to their careers. Consequently, the country has gradually lost its 'Great Tradition', which emphasised education for self-development, and which has been valuable to social progress over the previous century (see Chapter 7).

In China, the education and training of adults, as with other aspects of education, used to be seen as 'a tool of class struggle' and used to be dominated by pure 'political studies' during the Cultural Revolution under the planning oriented model. In recent years, the provision has been shifted towards vocational and qualification oriented entrepreneurship. The first approach tends to dominate the education and training of adults with politics, whilst the second tends to dominate the education and training of adults with economics. Professor Pan Maoyuan, the Honorary Director of the Research Institute for Higher Education Science, Xiamen University and former Vice-President of Xiamen University, argued that both of these two approaches could be seen as utilitarianism which ignores personal development. In his opinion, on the one hand, education should be influenced by social elements, including economical, political and cultural elements; on the other hand, education had its own values, its own characteristics and its own laws. He emphasised, 'Education perspective should not be replaced by political perspective; education laws should not be replaced by economic laws; the education mechanism should not be replaced



by the market mechanism' (Pan 1991: 220, translated by the writer). He argued:

What is the value of education? It includes two aspects: first, the social value; second, the value of self-development. Social value includes economic value and non-economic value - political value, moral value and cultural value etc.. As far as economic value is concerned, it includes long-term economic value and short-term economic value. Education value is a complicated issue (Pan 1991: 221, translated by the writer).

In his opinion, 'Attention should be paid to both social value and the value of self-development' (ibid.). The leaders of the Chinese Government have now realised that the spiritual civilisation is equally as important as material civilisation. Spiritual education and moral education should be seen to be as important as vocationally oriented education and training. According to the materialist conception of history, on the one hand, as Engels (1890: 443) argued, 'the ultimately determining element in history is the production and reproduction of real life'; on the other hand, although the economic element plays a decisive role in socio-economic development, it is not the *only* determining one. He argued: 'We make our history ourselves, but, in the first place, under very definite assumptions and conditions. Among these the economic ones are ultimately decisive. But the political ones, etc., and indeed even the traditions which haunt human minds also play a part, although not the decisive one' (ibid.). Governments should be aware that, economic development is important but not everything. Not only should the education and training of adults related to economic development be developed but there should also be development in the provision for self-development, including political, cultural and leisure studies. These would contribute to social development and, to some extent, also contribute to economic development. Governments, therefore, should continue to put some effort into supporting the provision of liberal education, leisure education and cultural education, whilst they continue to support the vocationally oriented education and training of adults. In this circumstance, governments may have to reconsider the underlying value of the Great Tradition and should not 'pour the baby away together with the bath water'.

The above discussion shows clearly that the changes in the management model for the education and training of adults have a profound impact on the changes in the direction of provision. It is necessary to explore the implications of these changes on academics and participants, as well as in regard to other social issues, such as social divisions and the stability of the society.

*Academics* Changes in the management model for the education and training of adults which is moving away from the academic orientation toward the market orientation have a negative effect on the academic staff in institutions. In China, with the tidal wave of 'going into the sea', academics are under the pressure of generating income. Staff salaries vary among various universities. Government is now responsible only for the basic proportion of staff salaries, whilst universities are responsible for the 'top-up' salaries of staff, which largely depend on income generated. Some universities try to arrange for one-third staff engaging in teaching; one-third in research; the other one-third in generating income. As a result, some academics have to sacrifice themselves and give up their research interests to generate income. Thus, academics together with institutions are under attack from the market economy. In the UK, the morale of academics is very low. As they have to provide whatever people want to *buy*, they have to keep changing whenever people need them to change (Interview UKSUGC2). Professor Taylor argued, 'That raises all kinds of interesting questions about lecturers' freedom, about academic autonomy' (Interview UKLURT). If academics have not much time to develop scholarship, to do research in developing their academic interests, their academic life will be terminated (Interview UKSUGC2). In Hong Kong, academics also have a similar dilemma. On the one hand, academics have increasing pressures of being assessed on undertaking academic activities, such as academic research. On the other hand, the increasing pressures for institutions to become more self-funding has impacted adversely on staff time and resources for academic work, particularly research (see Chapter 7, Holford 1995 and Cribbin 1995a). In some institutions, research activity has been under threat: some projects have had to be suspended. In some institutions, academics have to 'buy' in research instead of doing it themselves. For example, they may invite some academics in mainland China to join collaborative research. As long as the partners in Hong Kong are responsible for getting funding for research projects, academics in Hong Kong can still put their name as the first writers of joint publications, although the major work may be carried out by the partners in China (in the personal experience of colleagues in Xiamen University). Thus, the real academic standards of staff need to be questioned. In addition, in both China and the UK as well as in Hong Kong, under the principle of accountability, to some extent, the research assessment is now taken into account through a quantitative perspective: how many papers have been published and how much funding has been attracted. Such quantitative assessment may mislead academics to concentrate on relatively short term instant research projects rather than long term academic contributions. This, again, raises the question about academic standards of research and about the measuring methodology.

In the UK, with fewer powers, academics in further education colleges have a dilemma. On the one hand, institutions need to expand their recruitment, which means that they might get more students by taking those with lower educational standards, who may not be able to pass later examinations. On the other hand, academics cannot let them fail, otherwise, there will be no Government funds for institutions according to the output related funding methodology. As a result, academics have suffered a lot of pressures not only from students, who just want to get their qualifications as passports, but also from Principals, who call themselves Chief Executives and desperately need funding to keep colleges going. Under such great pressure, some academics have felt such stress that they have collapsed physically and emotionally. With the further cuts in government funding, academic staff in universities are now in a similar situations.

*Quality Assurance* Related to the issue of the fate of academics, is the issue of quality control. In the circumstance where customers become kings who have powers to decide not only the contents of teaching but also the method and the assessment of teaching and training, the powers of quality control are now transmitted from the hands of the providers to those of customers. Thus, the quality of education needs to be redefined, as it is not being judged by the standards of academic satisfaction but by the standards of customers' satisfaction. In the case where some young people just want to buy qualifications as symbols, or passports, rather than pursuing knowledge, their satisfactory standards may need to be questioned. On the other hand, in the market place of the two countries and in Hong Kong, in order to reduce the costs of courses, more and more part-time teaching staff receiving relatively low payments have been employed, whilst full-time staff who are doing less and less teaching but more and more administrative work, are managing programmes taught by part-time staff (Interviews UKSUGC2, UKLURT, CSU, HKSPACE3). As part-time teachers are paid according to teaching hours, they are responsible for the activities *within*, rather than *outside*, the classes that they are teaching. As soon as classes are over, they could in principle leave classrooms ignoring students further questioning, although some students may prefer to ask question privately immediately at the end of the classes. Thus, some necessary activities *outside* classes, such as responses to questioning and communication from students have become impossible, particularly when the tutorial system is under threat due to the increasingly large sizes of classes. On the other hand, even if some full-time academic staff still do some teaching, it is difficult for them to find enough time to concentrate on their teaching and other academic work owing to the heavy duties of administrative work. In addition, institutions

are also in a dilemma. On the one hand, the numbers of students have been increasing. On the other hand, the numbers of staff members are declining due to the financial pressure. With the increasing ratio between students and staff, it is impossible for full-time academic staff to pay the same attention to each student as they did when they had fewer students. Thus, the quality of provision has to be questioned.

*Participants* As discussed earlier, the changes in the management model for the education and training of adults have an impact on the direction of the provision of the education and training of adults. As a result, the direction of provision has shifted to that related to economic performance. The expanding part of the provision tends to be the provision for the economically-active population within the labour market, such as education leading to qualifications that are valuable in the market, or training for skills in the current demand on the labour market. On the other hand, the provision of adult education, which refers to self-development of the people, in particular the people who have become or are becoming non economically active, tends not to be expanding due to the financial pressure. This situation is affected by not only government policy but also by the trends of the market. Consequently, as has happened in the UK, the participant rates of older people have dropped radically (see Chapter 9, Interviews UKSURC2 & UKNIACET). However, this part of provision for those outside the labour market forms an important part of life-long learning, which will contribute to the totality of socio-economic development. Demographic statistics show that, at the beginning of the next century, one in four people in European countries, will reach the age of sixty or over. A similar situation will happen in China sooner or later, due to the one child policy in family planning. In that case, people may need to reconsider the forms of the education and training of adults: it should be aimed towards a life-long learning covering not only the provision for the economically active population but also for those non-economically active.

*Equalisation and Balance* Under the market system, people have to purchase adult learning programmes. The precondition is that people can afford to buy them. The question is, what will happen to those who are not rich enough to afford to pay their fees? If the education and training of adults is totally market driven, these people will be excluded. The consequence will be: the poorer the individual, the less the education and training that they will take; and the less education and training they take, the fewer opportunities for better jobs they will have, and the poorer they will become.

In the UK, according to Channel Four News, the Committee of Vice Chancellors and Principals recently proposed that in future students may have to pay all or at least partly their own tuition fees. If this became the case, each student could have a debt of £21,000 after three years of study. This might become a barrier against students from families with lower incomes entering universities unless they have scholarships. They would be more likely to take jobs instead of going to university after leaving school. Some of them might return to study as adult students, whilst some might not because they might still not be able to pay increasingly expensive tuition fees even if they had jobs. Thus, people from families with lower incomes would have fewer opportunities of receiving higher education than those from rich families. Furthermore, the less education they received, the poorer they might continue to become. In this case *mass* higher education is not at all the mass higher education for working class people who are at the bottom of the society but *privileged* higher education for rich people or middle class people. Thus, the gap between different social groups will become wider and wider. Professor Hampton argued that a widening gap could cause the break down of social order and the breakdown of communities, which would have important social consequences:

It is not just an economic issue about what is an efficient way to produce goods. You can see some parts of the country, some big cities, some areas like mining areas where social relationships of community are complete broken down. You get a big increase of crime without social strengthening of community. The Government has no understanding of breaking down society by the speed of change, just saying that the market will sort it out. If you break down a community, it is not easy to build up it again. It has gone and the market will not do it (Interview UKSUWH).

Recently, Mrs. Thatcher complained that 'Liberty decays in an atmosphere where all is permitted and nothing is prohibited. The resulting permissive society is in fact no society at all' (see Bevins 1996). Bevins, a journalist with *The Independent*, argued that it was Thatcher 'who once suggested that there was no such thing as society - as opposed to the families and individuals who thrived, or merely survived, within it'; it was she who privatised national industries; and it was she who attacked local government, trade unions, professionals and teachers, and broke the whole system. He asked, 'might she not bear some responsibility for that?' He argued that Thatcher destroyed more than she built, and 'It is easier to destroy than to build' (Bevins 1996).

In China, people now have to pay tuition fees for higher education which used to be free

(see Chapter 5). Although it is still highly subsidised and there are scholarships for those who come from poor families, students from families with lower incomes still feel the financial pressures of paying increasingly expensive maintenance due to the high inflation. Furthermore, in most cases, there are no scholarships for adult higher education. As public enterprises have been forced to contract out and the personal responsibility system has been introduced (see Chapter 2), the heads of enterprises as short-term contractors has become unwilling to pay tuition fees for their employees to take adult higher education courses. Most people have to pay fees themselves (see Chapter 4 & 5). In this case, only those people with better incomes can afford to pay increasingly high fees (see Chapter 5). On the other hand, people with lower incomes, in particular from the poor areas, cannot afford such fees. Consequently, on the one hand, the poorer the areas, the fewer the people who can afford to receive higher education or adult higher education; on the other hand, the fewer the people who receive higher education, the fewer opportunities that arise for the areas to be developed and the poorer the areas will continue to be. In this case, the gap between different areas will become wider and wider too. Thus, economic development will continue to be out of balance.

Socio-economic development is the main driving force for the development in the education and training of adults. The governments, therefore, should have special strategies for socio-economic development. In China, for instance, there is still a population of 70,000,000 at the level of poverty, who are mainly in the economically disadvantaged areas. On the one hand, the Government should carry on implementing their open policy to develop relatively advanced areas, such as SEZs, coastline areas and other open cities. On the other hand, in order to overcome the economic unbalance, the Government may develop a special policy on developing economically disadvantaged areas similar to those in the SEZs to attract investments not only from abroad but also from domestically developed areas.

As discussed earlier, determined by the socio-economic contexts, the education and training of adults in the two countries and the region will continue to move towards the market orientation. So far, we have discussed the implications of changes in the education and training of adults in the two countries and the region, which seem to have rather negative effects in the above aspects. It is, therefore, necessary to discuss some positive issues related to the possibility of development of international collaboration within the global market, which is based on the similarity of the development of the market for the education and training of adults in the two countries and the region of Hong Kong.

### ***Global Market***

Affected by socio-economic contexts, institutions in the two countries and the region of Hong Kong are moving further towards the market orientation, irrespective of whether they are willing to do so or not. They are in the market place but in different positions. In China, as the market economy is on the way to being established and developed (see Chapter 2), the market for education and training just starts its journey of being rapidly developed but far from being completed. Some aspects, in particular adult higher education leading to qualifications recognised by the state are, to some degree, still controlled by the Government and, therefore, still have quite a large element of planning orientation (see Chapter 3, 4 & 5). In Hong Kong, in accordance with the long history of the free economy and minimal government intervention, the market for education and training, which has been well developed for a long time, is very active, and is becoming rather crowded with domestic and international providers (see Chapter 10). Approaching 1997, the Government has now withdrawn some funding from institutions. As a result, institutions, which have already been very much market oriented, continue to be pushed towards the corner of the market orientation (see Chapter 10). In the UK, alongside the changes in economic policy and the development of the free economy, the Government pushes institutions very hard towards the market orientation (see Chapter 8 & 9). In these circumstances, institutions in the two countries and the region of Hong Kong, in one way or another, are seeking their own markets with increasing competition. Where the domestic market is limited, institutions are seeking an international market.

We are now living in a global village where the electronic information revolution has broken down the boundaries between countries. A global economy has been formed. The parts of a product are designed in one country, produced in other countries, assembled in another country, then delivered in another country. Even surgery can be operated in one country whilst it is controlled from another country through a computer network involving expertise from three countries. In line with the development of the global economy, the global provision of education and training of adults, which now overlaps with higher education, should also be further developed. Whilst domestic markets are becoming crowded, a global market at a higher level should be developed with international collaboration.

In terms of internationalised higher education, as Altbach (1992) suggested, the major trend of the flow of international students tends to be from developing countries to

western industrialised countries. Developing countries, therefore, become importing countries of the international trade in higher education. China, as a major importing country, has the biggest potential market. Since 1978, China has sent 250,000 people to study abroad, compared with a total figure of over 1,000,000 international students since the Second World War. Among them, about 50% are outstanding professionals selected and sponsored by the Government. They normally study abroad as visiting scholars or take postgraduate programmes. Another 50% is financially supported by private resources, either scholarships from host countries or their families, in particular overseas relatives (*People Daily Overseas Edition* 31 March 1996, and Fang 1993). In China, studying abroad can be seen as professional continuing education at a higher level since most international students from China are professionals. Such an international market tends to continue to grow for several reasons. First, there are increasing demands for personnel at a higher level in line with socio-economic development. With an average increasing rate of 9%, the economy has been booming in China since 1978, particularly during the 1990s. As Sir William Purves suggested:

If China continues to expand at this rate, within six or seven years it will have an economy which, measured in output if not in living standards, will be comparable to that of the United States. Two or three years later, China's economy will be comparable in size, if not in technological sophistication, to that of the European Community (1995: 51).

With such a spectacular economic growth, China will need more suitable manpower at various levels, in particular at the higher level. Second, although China has developed its own systems of higher education and adult higher education with rapidly increasing enrolments, the demand for professional continuing education, in particular at the higher level, is still far beyond the supply. On the one hand, the provision of the adult higher education system is strictly controlled at the sub-degree level; on the other hand, the mid-career professionals with higher education diplomas or degrees, tend to have professional continuing education at degree or higher degree levels. Third, in accordance with the policy that some people and some areas are allowed to become rich first (see Chapter 2), some Chinese people are becoming very rich while the average living standard of the people overall has been raised. There is a saying that 'millionaires are over one million in China'. These people can afford to buy higher education themselves on the international market; they are likely to become potential customers of the international trade in higher education. Fourth, as China has opened its door and joined the global economy, qualifications from the institutions in western industrialised countries appear more valuable



for those who want to join independent foreign-owned or joint-venture enterprises which offer better payment than local companies in China. According to traditional Chinese culture, people are willing to invest in education that they think is valuable for their careers (or their children's careers) and that they can afford. As a result, the proportion of self-sponsored international students from China has increased since the end of 1980s.

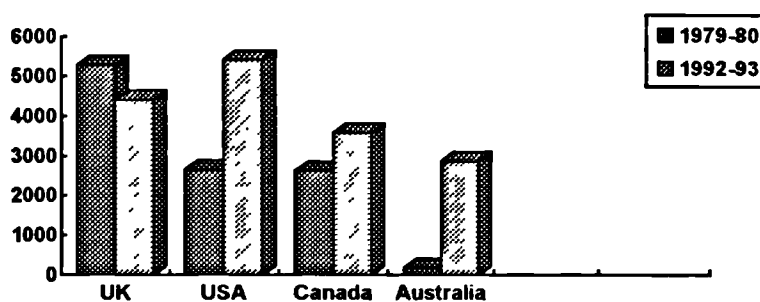
However, China has a dilemma: on the one hand, the country desperately needs personnel at the higher level; on the other hand, many international students from China are still reluctant to return to China. So far, only 80,000 out of 250,000 international students have returned to China, whilst others still remain in host countries, particularly in North America, either continuing to study or working. The Chinese Government, therefore, is not happy with the problem of a 'brain drain', although more and more international students have now returned to China, either working or making investments due to the booming nature of the economy in China.

Hong Kong has been a popular market for the international trade in higher education in two ways, one by sending students abroad, the other, by importing courses from abroad with the collaboration of domestic institutions and agencies. Similar to the situation in mainland China, in Hong Kong full-time degree courses are highly controlled; the adult education departments of universities, with one programme in the Hong Kong Chinese University as an exception, are allowed to deliver sub-degree courses only, unless they deliver joint degree courses with foreign institutions or, in some cases, with internal departments. As happens in China, the degree courses of universities, except the original polytechnics, are designed as full-time studies for school leavers. However, there are great demands for degree courses from those mid-career adults who did not previously have an opportunity to receive higher education. The gap between demand and supply has provided a good opportunity for foreign institutions to expand their market in higher education by either setting up collaborative courses with local institutions or by recruiting students to study in host countries. This situation, however, has started to change recently for several reasons. First of all, the expansion of higher education in Hong Kong from the end of the 1980s gives more opportunities for school leavers to receive higher education (see Chapter 10). This means that there will be more mid-career adults with degrees in future. Second, the development of the OLI, most students of which are employed, gives more opportunities for adult students to take local part-time degree courses without leaving their jobs (see Chapter 10). This implies that the international market for international professional continuing education met by foreign institutions has become

more crowded. Third, recently, universities in Hong Kong have tended to encourage adult continuing education departments to collaborate with internal departments, rather than foreign institutions, to deliver part-time degree courses. This again will be a new challenge for foreign institutions with local links to further develop an international market in higher education for adults in Hong Kong. Fourth, alongside economic development, higher education in Hong Kong has been expanded dramatically. As Hong Kong has now become an industrialised region, the status of higher education institutions in Hong Kong has been raised. It is evident that institutions in Hong Kong are tending to develop their markets in other places, in particular the south part of China and other countries and regions in East Asia (Interview UKLURT). Starting from 1 July 1997 Hong Kong will return to China, and will become a window for China towards the outside world; the collaborations between universities in Hong Kong and universities in other parts of China will be further developed. Under these circumstances, institutions in Hong Kong will become 'exporters' whilst they may continue to be importers.

With its colonial history, the UK has been an exporting country in the international trade in higher education for a long time. The cut in Government funding for higher education in 1980s forced universities to seek an international market (see Chapter 9, Interview UKSUGC2). The recent further cut in higher education funding will force institutions to put greater efforts into expanding the new international market. However, in the global market, British institutions face new challenges. As a superpower in both economy and politics, the USA has now become the biggest exporting country of the international trade in higher education. Altbach (1992) believed that by the early 1990, the total population of international students in the world reached 1,000,000, one-third of these studying in the USA. On the contrary, with the relatively decreasing political and economic powers of the UK, British institutions have been challenged by its competitors from North America and Australia. Figure 11.2 shows the change in the international market situation in Hong Kong.

Figure 11.2: Students Who Left Hong Kong to Study Overseas



Sources: based on the figures cited in Lee & Lam (1994: 32), which are based on the number of student visas issued, as supplied by visa-issuing authorities.

As the above chart shows, compared to the year of 1979-80, the number of students who left Hong Kong to study in Britain decreased in the year 1992-93, whilst the number of students from Hong Kong who moved to study in the USA, Canada and Australia increased. This suggests that the UK, as an exporting country of international trade in education, has lost some of its market in Hong Kong, whilst its competitors have extended their markets in Hong Kong. This may be partly because of the political situation, with the end of the British empire, and partly because of a growing perception of a decline in the quality of education in Britain due to financial pressures. As discussed earlier, British institutions are now in a dilemma. On the one hand, with funding cut, they desperately need to develop international markets to solve their financial problems. On the other hand, with further funding cuts and staff redundancies, academic staff have to teach more students with greater pressures, and they have to spend more time in increasing administrative work. They find it difficult to find enough time to do research or to take part in other academic activities to improve their academic standing. Furthermore, under the 1992 Higher and Further Education Act, the number of universities has been doubled by simply changing the name of some institutions from 'polytechnic', or 'college', to 'university' without extra financial and academic strengthening. As a result, the quality of education of British institutions has been put in question, not only by the outside world but also by internal staff themselves. Consequently, this has led, and will continue to lead, to a decrease in the value of British higher education in the international market.

If British institutions would like to further develop their international market, on the one hand, they should think of the quality issue; on the other hand, they may have to put greater efforts into doing more marketing to explore new markets, in particular the huge potential market in China, through international collaboration. Apart from the traditional

way of taking students to host institutions to join existing courses, institutions may send experts to China to find out what kind of markets there are: there may be a government market, an employer market and an individual market. They would need to find out who their potential customers are and what courses and which levels are most urgently needed. In order to meet the needs of markets, institutions may be required to change the syllabuses of the courses that they deliver at home institutions according to Chinese circumstances. If they want to break down barriers to attract more customers, they may need to change the instruction medium. Furthermore, if British institutions want to attract more mid-career employees who do not want to leave their jobs and families, they may need to deliver courses by distance learning in collaboration with local institutions. They should then find out whether it is possible to deliver courses through 'Internet', the international computer network, as some key universities in China have recently obtained such facilities. To avoid culture shock, British institutions may decide to work through institutions in Hong Kong using them as a medium, if necessary, to develop collaboration with institutions in other parts of China. The advantages of such a triangular international collaboration are: first, it is easier for Chinese institutions to understand the needs of local markets; second, it is easier for institutions in Hong Kong to understand both international academic standards and Chinese culture in developing international markets in China; third, it may then be possible for British institutions to maintain international academic standards in developing an international market in China. Such an international collaboration may benefit China and Hong Kong, as well as the UK. From the Chinese point of view, first, courses with international standards could be introduced into China according to Chinese circumstances and to meet local needs; second, international collaboration may bring both economic and academic benefit to Chinese institutions; third, the Chinese Government would not then need to worry about the problem of the 'brain drain', as, in many cases, professionals could join courses with international standards without leaving the country; and fourth, students do not have to suffer the 'culture shock' of adjustment involved with studying abroad and readjustment to returning to the home country (see Altbach 1989, Schutze 1989, and Fang 1993). Fifth, the costs of large scale provision of higher level learning programmes of international standard could be greatly reduced. From the British point of view, first, through international collaboration, institutions may improve their academic standards in terms of international insights and raise their international status, while they extend their international markets; second, the expansion of the international market may benefit not only institutions but also home students; third, international academic collaboration may lead to economic co-operation which may also benefit the British economy. In terms of Hong Kong, institutions, as

collaborators in the international market, may raise their academic standards and status which should then contribute to the change of their roles from importers to re-exporters as already happens with foreign trade in Hong Kong.

Furthermore, the international trade in higher and adult continuing education has been widely recognised by more and more institutions in many countries. Whilst many exporters are looking at the potential market in China, there is a sign that some excellent universities in China have started to play their role as 'exporters'. Perhaps, the future development of international collaboration between the two countries with Hong Kong as a bridge or window, may well extend into the global educational market. This concept lays the basis for further research projects in regard to international comparative studies.

### **Conclusions**

The three-year study has now come to an end. Here is a poem sent by Anne Marie Hyhns, one of the critical friends of the writer, after reading a part of the study in May 1996:

I plant the seed of a word  
    Into the ground  
Spreading its roots,  
    It grows  
and Flowers into a poem

But only after I see blossom  
    do I recognise  
The seed I planted

by Michael Krepps

After three years digging, the seed has now turned into a tree growing up with branches and leaves. Looking at the blossom and fruit, we can now recognise the seed planted together with the major themes emerging:

As with other aspects of education, the education and training of adults can never be developed in isolation but always reflects and is influenced by socio-economic development and changes. Among those social factors which have a great impact on the education and training of adults, the economy is the decisive one. On the one hand, socio-economic development and changes are the driving forces for the development of the education and training of adults. On the other hand, in accordance with the changes in the

socio-economic context, the management model for the education and training of adults has moved and will continue to move from one position towards another.

Despite their differences, since the late 1970s the economies in China and the UK have been moving in a similar direction, that is, towards the market orientation, where the Hong Kong economy has been operating in this way for a long time. As a result, the management models for the education and training of adults, as a whole, in the two countries and the region of Hong Kong, in various degrees, are moving together towards the market orientation. Nevertheless, the management model is not likely to move completely to the top position of the market orientation as the education and training of adults has to follow its internal laws of development. The model will continue to be a mixture of the three orientations, that is, market, academic, and planning orientation, whilst it may well move closer to the market orientation in accordance with the continuing global privatisation movement. Therefore, on the one hand, the management for the education and training of adults will certainly continue to be operated with a main emphasis on the market orientation, in which the market will play an increasingly important role, and in which a global market may well be developed. On the other hand, governments should continue their necessary intervention and investment in the education and training of adults, in both vocational and non-vocational oriented aspects, which are important to the totality of social progress; and academics should continue to play an important role in provision and quality control and retain their academic influence, which is also important to social progress and civilisation.

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[Notes: As can be seen, the references and bibliography of this thesis are roughly divided into four groups: first, Chinese aspect; second, UK aspect; third, Hong Kong aspect; and fourth, general aspect, which mainly covers comparative analysis. As we explained in Chapter 1, most material from China (and some from Hong Kong), being used as references in this thesis are in Chinese. In order to help readers from English speaking countries to understand what sorts of references they are, English translations are listed instead of original references in Chinese. All Chinese publications will be followed by (C), whilst those in both Chinese and English will be followed by (C) & (E). Others are all in English.]

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## **APPENDIX I**

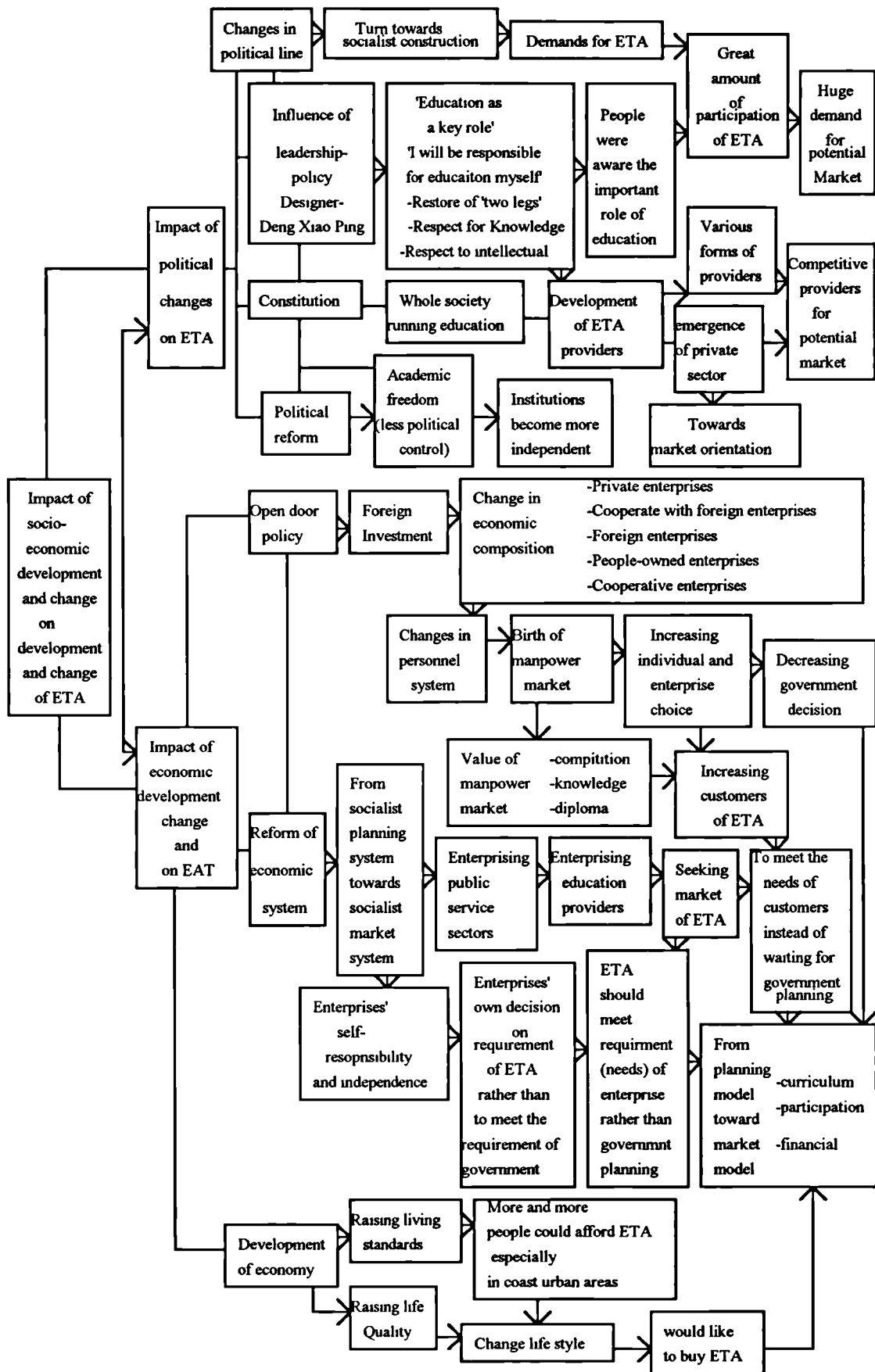
### **Research Approach**

- **Research Framework**
- **Preparing Interview:**
  - questions (general & specific)
  - research network
- **Interview (ethic issues)**
- **Data:**
  - original data: notes, tapes, further reading (material collected through interview )
  - development of data: key notes & transcription (detail of notes) with reference number
  - key data (highlighting)
- **Catalogue:**
  - grouping interviews
  - marginal catalogue (with hand noting)
  - highlighting key data (with computer noting)
- **Further Catalogue:**
  - filing key data: creating new files, such as UKMARK & UKCHANGE, according to outline and following groups
  - grouping within file
  - ordering key data
- **Outline**
  - heading
  - subheading
  - placing reference numbers of interviews
  - placing relevant key data
- **Writing: integrating and analysing:**
  - key data
  - drawing from various interviews
  - indirect summary
  - direct quoting
  
  - further reading: international documents, governmental documents, books, articles, brochure (skimming)
  - taking brief notes (where: page no.; who, what) (by hand)
  - quoting (computer) and placing (locating) into the text
  - bibliography
  
  - Analysis
- **Conclusion: Further analysis**

## **APPENDIX II**

### **Research Framework:**

#### **Chinese Aspect**



## **APPENDIX III**

### **General Proposed Questions for Interviews in the UK**

Who have been the policy makers of the education and training of adults in the UK since the late 1970s?

What was (is) the role of the Department of Employment in the education and training of adults?

What was (is) the role of the Department of Trade and Industry in the education and training of adults?

What was (is) the role of the Department for Education in the education and training of adults?

How has the education and training of adults in UK been developed since the late 1970s in terms of:

-providers

-participants

-contents

What have been changed in terms of governmental policies on the education and training of adults in UK since the late 1970s? What are the main trends?

From the MSC to TECs, what were (are) the main changes in governmental policies on the training of adults? Why? What was (is) the background of these changes?

What were the principles of management of the MSC? Did the service rely on governmental planning or needs of the market?

What are targets and principles of management of TECs? Has the management model moved towards the market orientation under TECs? How do they develop and survive? Will they become private agencies? Are TECs the results of privatisation and the enterprising culture?

What have been the major changes since the 1992 Act was instituted?

What are the roles of the Further Education Funding Councils in the education and training of adults?

What have been changes in regard to the roles of LEAs in the education and training of adults since the late 1970s? Why?

What have been changes in regard to the roles of the WEA in the education and training of adults since the late 1970s? Why?

What have been changes in regard to the roles of the TU in the education and training of adults since the late 1970s? Why?

What have been changes in regard to the roles of the higher education institutions in the education and training of adults since the late 1970s? Why?

From Department of Extramural Studies to Department (Division) of Adult Continuing Education, what have been changes in regard to the role of the education and training of adults? What have been changes in the management model since the late 1970s?

How have private providers of the education and training of adults been developed? Have they increased? Why? What are their principles of management?

Do (will) the education and training become commodities? Do the markets of the education and training of adults exist? Will they develop?



## **APPENDIX IV**

### **Interview List (China) (In Alphabetical Order)**

**Reference:** BAEB1  
**Time:** 9 April 1994  
**Site:** Main Building  
Beijing Adult Education Bureau  
Beijing  
**Interviewee:** Chen Jixia  
**Position:** Director  
Office of Schools Run by Social Forces  
Beijing Adult Education Bureau

**Reference:** BAEB1B  
**Time:** 31 August 1994  
**Site:** Main Building  
Beijing Adult Education Bureau  
Beijing

**Interviewee:** Chen Jixia  
**Interviewee:** He Xiangdong  
Deputy Head  
Beijing Adult Education Bureau

**Interviewee:** You Wen  
**Position:** Former Head  
Beijing Adult Education Bureau  
Director  
Beijing Research Institution for Adult Education

**Reference:** BAEB2  
**Time:** 9 April 1994  
**Site:** Main Building  
Beijing Adult Education Bureau  
Beijing

**Interviewee:** You Wen

**Reference:** BAEB2B  
**Time:** 31 August 1994  
**Site:** Main Building  
Beijing Adult Education Bureau  
Beijing

**Interviewee:** You Wen

**Reference:** BAEB2C  
**Time:** 22 June 1996  
**Site:** Telephone from Xiamen to You Wen in Beijing  
**Interviewee:** You Wen

**Reference:** BEAB3  
**Time:** 9 April 1994  
**Site:** Main Building  
 Beijing Adult Education Bureau  
 Beijing  
**Interviewee:** Hua Jianning  
**Position:** Former Director  
 Research Group for Adult Education Theory  
 Beijing Research Institution for Adult Education  
 Deputy Chief Secretary  
 Beijing Association for Adult Education

**Reference:** BAEB3B  
**Time:** 10 April 1995  
**Site:** Telephone to Hua Jianning in Beijing  
**Interviewee:** Hua Jianning

**Reference:** BAEB3C  
**Time:** 22 June 1996  
**Site:** Telephone from Xiamen to Hua Jianning in Beijing  
**Interviewee:** Hua Jianning

**Reference:** BAEB4  
**Time:** 31 August 1994  
**Site:** Main Building  
 Beijing Adult Education Bureau  
 Beijing  
**Interviewee:** Zhang Ding  
**Position:** Former Director  
 General Office  
 Beijing Research Institution for Adult Education

**Reference:** CACEE  
**Time:** 18 May 1993  
**Site:** Main Building  
 Chinese Association for Continuing Engineering Education  
 Beijing  
**Interviewee:** Zhuang Yingqiao  
**Position:** Chief Secretary  
 Chinese Association for Continuing Engineering Education

**Reference:** CAIEE  
**Time:** 30 August 1994  
**Site:** Red Star Building  
 Chinese State Education Commission  
 Beijing  
**Interview:** Gao Nuduan  
**Position:** Chief Secretary  
 Chinese Association for International Education Exchange

Reference: CCBTVU  
Time: 29 June 1995  
Site: International Conference Centre  
Birmingham  
Interviewee: Professor Shun Tianzheng  
Position: Vice-Chancellor  
Chinese Central Radio-TV University

Reference: CSU  
Time: 13 April 1994  
Site: Main Building  
Chinese Social University  
Beijing

Interviewee: Yu Luling  
Position: Principal  
Chinese Social University

Interviewee: Shan Henghu  
Director  
Financial Office  
Chinese Social University

Reference: CSU2  
Time: 13 April 1994  
Site: Main Building  
Chinese Social University  
Beijing

Interviewee: Li Jiaqi  
Position: Vice-Principal  
Chinese Social University

Reference: CSU3  
Time: 13 April 1994  
Site: Main Building  
Chinese Social University  
Beijing

Interviewee: Chi Wener  
Position: Director  
Registrar Office  
Chinese Social University

Reference: FAEC  
Time: 19 April 1995  
Site: Main Building  
Fujian Adult Education Centre  
Fuzhou

Interviewee: Tong Daoquan,  
Position: Former Head  
Adult Education Section  
Education Commission of Fujian Province  
Director  
Fujian Adult Education Centre

**Reference:** FAECB  
**Site:** Main Building  
 Fujian Adult Education Centre  
 Fuzhou  
**Time:** 17 June 1996  
**Interviewee:** Tong Daoquan

**Reference:** FEC  
**Site:** Interviewee's home  
**Time:** 17 April 1994  
**Interview:** Wang Xin  
**Position:** Former Director  
 Education Commission of Fujian Province

**Reference:** FAES  
**Site:** Main Building  
 Fujian Adult Education Centre  
 Fuzhou  
**Time:** 19 April 1994  
**Interviewee:** Tong Daoquan

**Reference:** FAES2  
**Time:** 18 April 1994  
**Site:** Main Building  
 People's Government of Fujian Province  
**Interviewee:** Li Yanqing  
**Position:** Staff member  
 Adult Education Section  
 Education Commission of Fujian Province,

**Reference:** FETC  
**Time:** 10 December 1995  
**Site:** Correspondence from Fang Chen in Fuzhou  
**Interviewee:** Fang Chen  
**Position:** Head  
 Education Technology Centre of Fujian Province

**Reference:** FETCB  
**Time:** 1 January 1996  
**Site:** Telephone from Sheffield to Fang Chen in Fuzhou  
**Interviewee:** Fang Chen

**Reference:** FSEB  
**Time:** 24 April 1994  
**Site:** First Guest House  
 Xiamen University  
 Xiamen  
**Interviewee:** Kan Naimei  
**Position:** Director  
 General Office  
 Self-Study Examinations for Higher Education Board of Fujian Province

**Reference:** FSEZO  
**Time:** 28 December 1994  
**Site:** Interviewee's home  
**Interviewee:** Zhang Jian  
 Director  
 Special Economic Zone Office  
 People's Government of Fujian Province

**Reference:** GHEB  
**Time:** 22 June 1996  
**Site:** Telephone from Xiamen to Hu Zhenmin in Guangzhou  
**Interviewee:** Hu Zhenmin  
**Position:** Head  
 Higher Education Section  
 Guangdong Higher Education Bureau

**Reference:** HCU  
**Time:** 13 December 1993  
**Site:** Main Building  
 Hubei Correspondence University  
**Interviewee:** Professor You Qingquan  
**Position:** Principal  
 Hubei Correspondence University

**Reference:** QCCE  
**Time:** 20 December 1993  
**Site:** Main Building  
 Qianjin College of Continuing Education  
 Shanghai  
**Interviewee:** Cao Hui-yi  
**Position:** Assistant to Principal  
 Qianjin College of Continuing Education

**Reference:** SEC1A  
**Time:** 29 July 1993  
**Site:** Main Building  
 Chinese State Education Commission  
 Beijing  
**Interviewee:** Dong Mingchuan  
**Position:** Head  
 Department of Adult Education  
 Chinese State Education Commission

**Reference:** SEC1B  
**Time:** 7 April 1994  
**Site:** Main Building  
 Chinese State Education Commission  
 Beijing  
**Interviewee:** Dong Mingchuan

**Reference:** SEC1C  
**Time:** 27 March 1996  
**Site:** Telephone from Sheffield to Dong Mingchuan in Beijing  
**Interviewee:** Dong Mingchuan

Reference: SEC2  
Time: 14 April 1994  
Site: Main Building  
Chinese State Education Commission  
Beijing

Interviewee: Qu Yandong  
Position: Head  
Division of 'Ganwei' Training, and  
Assistant to the Head  
Department of Adult Education  
Chinese State Education Commission

Reference: SEC3  
Time: 8 April 1994  
Site: Main Building  
Chinese State Education Commission  
Beijing

Interviewee: Anonymous  
Position: Staff member  
Chinese State Education Commission

Reference: SEC3B  
Time: 31 August 1994  
Site: Main Building  
Chinese State Education Commission  
Beijing

Interviewee: Anonymous  
Position: Staff member  
Chinese State Education Commission

Reference: SEC4  
Time: 7 April 1994  
Site: Main Building  
Chinese State Education Commission  
Beijing

Interviewee: Zhang Ke  
Position: Former Head  
Division of Adult Higher Education  
Department of Adult Education  
Chinese State Education Commission

Reference: SEZO  
Time: 2 December 1994  
Site: On the way from the London Economic School  
to the Baker Street Underground Station  
London

Interviewee: Xu Yaping  
Position: Deputy Head  
Special Economic Zone Office  
Chinese State Council

**Reference:** SEZO2  
**Time:** 10 April 1995  
**Site:** Main Building  
 Special Economic Zone Office  
 Chinese State Council  
 Beijing  
**Interviewee:** Xu Yaping

**Reference:** SPCWC  
**Time:** 21 December 1993  
**Site:** Main Building  
 Shanghai Post-Communications Worker College  
 Shanghai  
**Interview:** Fang Linian  
**Position:** Principal  
 Shanghai Post-Communications Worker College  
 Director  
 Shanghai Adult Communications Training Company

**Reference:** SPCWC2  
**Time:** 21 December 1993  
**Site:** Main Building  
 Shanghai Post-Communications Worker College  
 Shanghai  
**Interview:** Xia Qingyun  
**Position:** Director  
 Principal Office  
 Shanghai Post-Communications Worker College

**Reference:** SPES  
**Time:** 22 December 1993  
**Site:** Main Building  
 Shanghai Pudong Administrative Commission  
 Shanghai  
**Interviewee:** Xie Bingheng  
**Position:** Staff member  
 Education Section  
 Social Development Bureau  
 Shanghai Pudong Administrative Commission

**Reference:** SSIU  
**Time:** 20 December 1993  
**Site:** Main Building  
 Shanghai Second Industrial University  
 Shanghai  
**Interviewee:** Zhu Yixin  
**Position:** Director  
 General Office  
 Shanghai Second Industrial University



**Reference:** USTMC  
**Time:** 14 April 1994  
**Site:** Main Building  
University of Science and Technology Management of China  
Beijing

**Interviewee:** Jiang Shuyun  
**Position:** Principal  
University of Science and Technology Management of China

**Interviewee:** Guo Zizheng  
**Position:** Vice-Principal  
University of Science and Technology Management of China

**Reference:** XUP  
**Time:** 3 April 1994  
**Site:** Interviewee's home  
**Interviewee:** Pan Maoyuan  
**Position:** Chair  
Panel of Examination Research Group  
National Board of Self-Study Examinations for Higher Education  
Former Vice-President  
Xiamen University  
Former Director  
Research Institution for Higher Education Science  
Xiamen University  
Honour Director  
Research Institution for Higher Education Science  
Xiamen University

**Reference:** XUW  
**Site:** Wu Qiubing  
**Time:** 24 April 1994  
**Interviewee:** Staff member  
Evening University  
Xiamen University

**Reference:** XUY  
**Time:** 25 August 1994  
**Site:** Ye Pingqiao's  
**Interviewee:** Ye Pingqiao  
**Position:** Former Director  
Education Commission of Fujian Province  
General Secretary  
Chinese Communist Party Committee of Xiamen University

**Reference:** XUZ  
**Time:** 21 May 1995  
**Site:** Interviewee's home  
**Interviewee:** Zheng Xuemeng  
**Position:** Vice-President  
Xiamen University  
Principal  
Evening University  
Xiamen University

## **APPENDIX V**

### **Interview List (UK) (In Alphabetical Order)**

Reference: UKBENNET  
Time: 13 September 1996  
Site: Correspondence from the interviewee  
Interviewee: Ms. Christina Bennett  
Position: Training Consultant

Reference: UKBRUTON  
Time: 27 March 1996  
Site: Fax from:  
Main Office  
Residuary Body for Wales  
Cardiff  
Interviewee: Professor M J Bruton  
Position: Chief Executive  
Residuary Body for Wales

Reference: UKCARSID  
Time: 13 September 1996  
Site: Correspondence from the interviewee  
Interviewee: Mr. Mike Gardise  
Position: Former Regional Assistant Director  
NHS  
Consultant

Reference: UKCETSMD  
Time: 1 March 1995  
Site: Head Office  
Continuing Education and Training Services (CETS)  
Coombe Cliff Centre  
Croydon  
Interviewee: Madam Margaret Davey  
Position: Head  
CETS

Reference: UKCETSNM  
Time: 1 March 1995  
Site: Head Office  
Continuing Education and Training Services  
Coombe Cliff Centre  
Croydon  
Interviewee: Mr. Nick Moore  
Position: Head of Training for Employment  
CETS

Reference: UKCHAPMA  
Time: 13 September 1996  
Site: Correspondence from the interviewee  
Interviewee: Mr. Authur Chapman  
Position: Training Consultant

Reference: UKCLIFF  
Time: 5 March 1995  
Site: Interviewee's home  
Sheffield  
Interviewee: Mr Dave Cliff  
Position: Former staff member  
Ranmoor Hall  
Department of Employment  
Sheffield  
Consultant  
Stuart McKechnie Limited.

Reference: UKDE1  
Time: 24 February 1995  
Site: Headquarters  
Former Department of Employment  
Moorfoot  
Sheffield  
Interviewee: Anonymous  
Position: Former staff member  
Research Group  
Department of Employment  
Staff member  
Research Group  
Department for Education and Employment

Reference: UKDE1B  
Time: 27 February 1996  
Site: Correspondence from the interviewee  
Interviewee: Anonymous  
Position: Former staff member  
Research Group  
Department of Employment  
Staff member  
Research Group  
Department for Education and Employment

Reference: UKDE2  
Time: 24 February 1995  
Site: Headquarters  
Former Department of Employment  
Moorfoot  
Sheffield  
Interviewee: Mr. R N Soar  
Position: Former staff member  
TEED  
Department of Employment  
Staff member  
Operations Directorate  
Department for Education and Employment

Reference: UKDE2B  
Time: 6 March 1996  
Site: Correspondence from the interviewee  
Interviewee: Mr. R N Soar

Reference: UKDE3  
Time: 24 February 1995  
Site: Headquarters  
Former Department of Employment  
Moorfoot  
Sheffield  
Interviewee: Ms Val Hewson  
Position: Former staff member  
Adult Learning Division  
Department of Employment  
Staff member  
Individual Commitment Division  
Department for Education and Employment

Reference: UKDE4  
Time: 24 February 1995  
Site: Headquarters  
Former Department of Employment  
Moorfoot  
Sheffield  
Interviewee: Mr. Trevor Marshall  
Position: Former staff member  
Qualifications and ITOs Branch  
Department of Employment  
Team Leader  
Qualification for Work Division  
Department for Education and Employment  
Interviewee: Mr. Tim Edmonds  
Position: Former staff member  
Qualifications and ITOs Branch  
Department of Employment  
Staff member  
GNVQ Operations and Finance  
Department for Education and Employment

Reference: UKDE5  
Time: 20 February 1996  
Site: Correspondence from the interviewee  
Interviewee: Mr. Trevor Marshall

Reference: UKDE6  
Time: 24 February 1995  
Site: Headquarters  
Former Department of Employment  
Moorfoot  
Sheffield

Interviewee: Anonymous  
Position: Former staff member  
Statistics Section  
Department of Employment  
Staff member  
Department of Trade and Industry

Reference: UKDE6B  
Time: 21 February 1996  
Site: Correspondence from the interviewee  
Interviewee: Anonymous  
Position: Staff member  
Skill and Training Analysis 1  
Analytical Services  
Department for Education and Employment

Reference: UKHARDWI  
Time: 13 September 1996  
Site: Correspondence from the interviewee  
Interviewee: Mr. Bob Hardwick  
Position: Assistant Director  
University and College Staff Development Agency  
CVCP

Reference: UKHOLLAN  
Date: 30 January 1995  
Site: Goring Hotel  
London  
Interviewee: Sir Geoffrey Holland (KCB, LLD, MA)  
Position: Vice-Chancellor  
University of Exeter (since 1994)  
Former Chief Executive  
Manpower Services Commission (1982-1988)  
Former Permanent Secretary of the Department of Employment (1988-1993)  
Former Permanent Secretary of the Department for Education (1993-1994)

Reference: UKLINTON  
Time: 13 September 1996  
Site: Correspondence from the interviewee  
Interviewee: Ms. Jenny Linton-Beresford  
Position: Training Consultant

Reference: UKLURT  
Time: 21 February 1995  
Site: Department of Adult Continuing Education  
University of Leeds  
Leeds  
Interviewee: Professor Richard Taylor

**Position:** Director  
Department of Adult Continuing Education  
University of Leeds  
Secretary of University Association for Continuing Education (UACE)  
(Since October 1994)  
External Advisor  
School of Professional and Continuing Education  
University of Hong Kong

**Reference:** UKNIACES  
**Time:** 14 February 1995  
**Site:** Interviewee's home  
Manchester  
**Interviewee:** Ms Judith Summers  
**Position:** Chair  
Executive Committee  
National Institution of Adult Continuing Education (NIACE)  
Director of Learning Support  
Macclesfield College of Further Education

**Reference:** UKNIACET  
**Time:** 8 March 1995  
**Site:** Main Building  
NIACE  
Leicester  
**Interviewee:** Alan Tuckett  
**Position:** Director  
NIACE

**Reference:** UKNIXON  
**time:** 1 February 1995  
**Site:** Main Building  
Division of Adult Continuing Education  
University of Sheffield  
Sheffield  
**Interviewee:** Mr. Ken Nixon  
**Position:** Former Senior Training Adviser  
Manpower Services Commission  
and Department of Employment  
Part-time staff  
Division of Adult Continuing Education  
University of Sheffield  
**Interviewee:** Mr. Martin Vimpany  
**Position:** Part-time staff member  
Division of Adult Continuing Education  
University of Sheffield

**Reference:** UKSCAB  
**Time:** 10 February 1995  
**Site:** Castle Campus  
Sheffield College  
Sheffield

**Interviewee:** Alan Baldwin  
**Position:** Manager  
Access Program  
Sheffield College

**Reference:** UKSHUIJ  
**Time:** 21 December 1995  
**Site:** City Campus  
Sheffield Hallam University  
Sheffield

**Interviewee:** Dr. Ian Johnston  
**Position:** Former Assistant Secretary to MSC (1973-1974)  
Former Financial Director  
MSC (1984)  
Former Director  
Training Division  
MSC (1985-1986)  
Former Chief Executive  
Vocational Education and Training Group  
MSC (1986-1988)  
Former Deputy Director-General for  
Training Agency (1988-1992)  
Former Director-General  
TEED  
Department of Employment (1992-1995)  
Deputy Principal  
Sheffield Hallam University (Since September 1995)

**Reference:** UKSTECRT  
**Time:** 21 September 1995  
**Site:** Main Building  
Sheffield TEC  
Sheffield

**Interviewee:** Mr. Robert Tansey  
Former staff member  
MSC and  
Department of Employment  
Contract Manager  
Contract Department  
Sheffield TEC



**Reference:** UKSTECUE  
**Time:** 14 September 1995  
**Site:** Main Building  
 Sheffield TEC  
 Sheffield

**Interviewee:** Ursula Edmands  
**Position:** Former staff member  
 Local Authority  
 Sheffield  
 European Funding Manager  
 Sheffield TEC

**Reference:** UKSUAG  
**Time:** 13 February 1995  
**Site:** Main Building  
 Department of Politics  
 University of Sheffield  
 Sheffield

**Interviewee:** Professor Andrew Gamble  
**Position:** Head  
 Department of Politics  
 University of Sheffield  
 Pro-Vice-Chancellor  
 University of Sheffield

**Reference:** UKSUDM  
**Time:** 25 April 1996  
**Site:** Main Building  
 Division of Adult Education  
 University of Sheffield  
 Sheffield

**Interviewee:** Dr. David MaConnell  
**Position:** Reader  
 Division of Adult Education  
 University of Sheffield

**Reference:** UKSUCW  
**Time:** 10 June 1996  
**Site:** Hurst House  
 Chesterfield

**Interviewee:** Mr. Christopher Wiltsher  
**Position:** Lecturer  
 Warden  
 Hurst House  
 Division of Adult Education  
 University of Sheffield

**Reference:** UKSUGC1  
**Time:** 23 January 1995  
**Site:** Main Building  
Division of Adult Education  
University of Sheffield  
Sheffield  
**Interviewee:** Professor Geoff Chivers  
**Position:** Professor (continuing education)  
Division of Adult Continuing Education  
University of Sheffield  
Former member  
Universities Council for Adult Continuing Education (UCACE)  
Member  
Universities Association for Continuing Education (UACE)

**Reference:** UKSUGC2  
**Time:** 3 February 1995  
**Site:** Hallam Hotel  
Sheffield  
**Interviewee:** Professor Geoffrey Chivers

**Reference:** UKSUGM  
**Time:** 24 January 1995  
**Site:** Main Building  
Division of Adult Education  
University of Sheffield  
Sheffield  
**Interviewee:** Geoffrey Mitchell  
**Position:** Senior Lecturer  
Former Director  
Division of Adult Continuing Education  
University of Sheffield (1987-1995)  
Former Chair  
Part-Time Degree Qualification Committee  
UCACE

**Reference:** UKSURC1  
**Time:** 25 January 1995  
**Site:** Main Building  
Division of Adult Continuing Education  
University of Sheffield  
Sheffield  
**Interviewee:** Professor Robert Cameron  
**Position:** Director  
Division of Adult Continuing Education  
University of Sheffield  
Former member  
Executive Committee  
UCACE  
Former member  
UACE  
Former Chair  
Liberal Adult Education Committee  
UCACE

Reference: UKSURC2  
Time: 6 July 1995  
Site: Main Building  
Division of Adult Continuing Education  
University of Sheffield  
Sheffield

Interviewee: Professor Robert Cameron

Reference: UKSUWH  
Time: 13 February 1995  
Site: Main Building  
Division of Adult Education  
University of Sheffield  
Sheffield

Interviewee: Emeritus Professor William Hampton  
Position: Former Director  
Division of Adult Continuing Education  
University of Sheffield (1983-1987)  
Former Dean  
Faculty of Education  
University of Sheffield

Reference: UKSYUPJ  
Time: 6 March 1995  
Site: Main Building  
Division of Adult Education  
University of Sheffield  
Sheffield

Interviewee: Professor Peter Jarvis  
Position: Former Director  
Department of Educational Studies  
University of Surrey  
Editor  
*International Journal of Lifelong Education*

Reference: UKSYWEA  
Time: 13 December 1995  
Site: Chantry Buildings  
Workers' Educational Association (WEA)  
Yorkshire South District  
Rotherham

Interviewee: Edward Hartley  
Former Staff Member  
Local Authority  
Sheffield  
District Secretary  
WEA  
Yorkshire South District

**Reference:** UKTUC  
**Time:** 10 March 1995  
**Site:** Main Building  
Trade Union Congress (TUC)  
Education Service Yorkshire and Humberside  
Leeds  
**Interviewee:** Malcolm Ball  
**Position:** Regional Education Officer  
TUC  
Education Service Yorkshire and Humberside

**Reference:** UKWEA  
**Time:** 27 February 1995  
**Site:** Headquarters of National WEA  
Temple House  
London  
**Interviewee:** Mr. Robert Lochrie  
**Position:** General Secretary  
National WEA

**Reference:** UKWUCD  
**Time:** 17 March 1995  
**Site:** Department of Continuing Education  
Warwick University  
**Interviewee:** Professor Chris Duke  
**Position:** Head  
Department of Continuing Education  
Warwick University  
Former Pro Vice Chancellor (1991-1995)  
Warwick University  
Former Secretary  
UCACE (1989-1994)  
Vice-Chair  
UACE

**APPENDIX VI**

**Interview List (Hong Kong)  
(In Alphabetical Order)**

**Reference:** HKCAHE  
**Time:** 14 January 1995  
**Site:** Caritas House  
 Hong Kong  
**Interviewee:** Father Michael Yeung  
**Position:** Director  
 Education Service  
 Caritas  
 Hong Kong

**Reference:** HKCCW  
**Time:** 22 March 1994  
**Site:** Head Office  
 School of Continuing Education  
 Hong Kong Baptist College  
 (Present Hong Kong Baptist University)  
**Interviewee:** Dr. C. C. Wan  
**Position:** Former Dean  
 School of Continuing Education  
 Hong Kong Baptist College  
 (Present Hong Kong Baptist University)  
 (1983 - January 1996)  
 Dean  
 School of Continuing Studies  
 Chinese University of Hong Kong (since February 1996)

**Reference:** HKCHEN  
**Time:** 12 January 1995  
**Site:** Office of *Hong Kong Economic Directory*  
 Hong Kong  
**Interviewee:** Prof. Chen Kekun  
**Position:** Chief Editor  
*Hong Kong Economic Directory*

**Reference:** HKCU  
**Time:** 7 June 1995  
**Site:** School of Continuing Studies  
 Chinese University of Hong Kong  
**Interviewee:** Mr. Tam Shu Wing  
**Position:** Senior Lecturer  
 School of Continuing Studies  
 Chinese University of Hong Kong

**Reference:** HKOLII  
**Time:** 17 December 1994  
**Site:** CWYA Building  
 Hong Kong  
**Interviewee:** Mr. Andrew Wong  
**Position:** Associate Director  
 Open Learning Institute of Hong Kong

Reference: HKOLI2  
Time: 5 June 1995  
Site: Headquarters  
Open Learning Institute of Hong Kong  
Hong Kong

Interviewee: Mr. Andrew Wong  
Position: Associate Director  
Open Learning Institute of Hong Kong

Reference: HKSPACE1  
Time: 15 December 1994  
Site: School of Professional and Continuing Education  
University of Hong Kong  
Hong Kong

Interviewee: Dr. John Holford  
Position: Former Senior Lecturer  
School of Professional and Continuing Education  
University of Hong Kong (1987 - December 1995)  
Senior Lecturer (Since January 1996)  
Department of Educational Studies  
University of Surrey

Reference: HKSPACE2  
Time: 13 January 1995  
Site: School of Professional and Continuing Education  
University of Hong Kong  
Hong Kong

Interviewee: Mr. John Cribbin  
Position: Secretary  
School of Professional and Continuing Education  
University of Hong Kong

Reference: HKSPACE3  
Time: 13 January 1995  
Site: School of Professional and Continuing Education  
University of Hong Kong  
Hong Kong

Interviewee: Ms. Jennifer G.H. NG  
Position: Lecturer  
School of Professional and Continuing Education  
University of Hong Kong

Reference: HKSPACE4  
Time: 6 June 1996  
Site: School of Professional and Continuing Education  
University of Hong Kong  
Hong Kong

Interviewee: Mr. John Cribbin

Reference: HKUCKM  
Time: 15 December 1994  
Site: Faculty of Education  
University of Hong Kong  
Hong Kong  
Interviewee: Professor Cheng Kai Ming  
Position: Dean  
Faculty of Education  
University of Hong Kong

Reference: HKVTC  
Time: 14 December 1994  
Site: Building of Vocational Training Council  
Hong Kong  
Interviewee: Mr. Horace Knight  
Position: Chief Executive  
Vocational Training Council of Hong Kong  
Interviewee: Mr. Leung Kam Fong  
Deputy Executive Director  
Vocational Training Council of Hong Kong

Reference: HKXAL  
Time: 12 January 1995  
Site: Xinhua Agency  
Hong Kong  
Interviewee: Mr. Lu Jianhua  
Position: Head  
Division of Foreign Trade  
Department of Economy  
Xinhuan Agency  
Hong Kong

Reference: HKXAW  
Time: 29 November 1993  
Site: Xinhua Agency  
Hong Kong  
Interviewee: Mr. Wong Xinqiao  
Position: Head  
Department of Education  
Xinhuan Agency  
Hong Kong

Reference: UKSYUJH  
Time: 22 May 1996  
Site: Interviewee's home  
Interviewee: Dr. John Holford



## **APPENDIX VII**

### **Interview with Mr. Dong Mingchuang**

Reference: SEC1B  
Time: 7 April 1994  
Site: Main Building  
State Education Commission  
Beijing  
Interviewee: Mr. Dong Mingchuang  
Position: Head  
Department of Adult Education  
SEC

**Questions:**

1. What has been changed in regard to the administrative structure in China since the late 1970s?
  - What was the structure of the Ministry of Education in the late 1970s? Which section was responsible for adult education?
  - Was there any change after then?
  - When was the Ministry of Education changed into the State Education Commission? Which section was responsible for adult education?
  - When was the Department of Adult Education established?
  - When did you started to be in charge of adult education? When did you start to be in charge of Central Broadcasting TV University and the Office of the National Board of Self-Study Examination for Higher Education?
2. Since 1993, government structure has been reorganised and the function of government has changed. Has your responsibility changed? What has been changed in terms of the relative organisations under your control?
3. How does the Department of Adult Education of the State Education Commission co-ordinate with other government (Party) departments, for example, the Organisation Department of the Central Committee of the Chinese Communist Party, the Ministry of Labour, the Ministry of Personnel, which have different responsibilities on adult education?
4. The Fourteenth Congress of the Chinese Communist Party decided to transfer the economic system from a planned economy into a market economy. Since then, has there been any policy change in adult education in terms of:
  - enrolments of adult higher education
  - Self-Study Examinations for Higher Education
  - TV university
  - schools run by social forces
  - 'Ganwei' training
  - adult education in rural areas?

What is the major principle of changes (Has it changed from micro-way management to macro-way management?)

Why (to meet reform of the economic system)?
5. In 1987, the *Decision on the Reform and Development of Adult Education* decided to focus on 'Ganwei' training? Has the policy changed? In the meanwhile, how has other types of adult education, including cultural education, been developed?

### **Contents:**

By the end of the 1970s, the Department of Education for Workers and Peasants was re-established by the Ministry of Education. It was renamed as the Department of Adult Education in 1982. In 1984, based on the original section of adult higher education in the Department of Adult Education, a new department, the Third Department of Higher Education, was set up. In 1985 the Ministry of Education was replaced by the State Education Commission. In 1990, the Third Department of Higher Education and the original Department of Adult Education were merged into the new Department of Adult Education which was responsible for adult education. I used to work in the General Office. In 1984, I became the deputy head and the acting head of the Third Department of Higher Education. I became the head in 1986. I became the head of Department of Adult Education in 1990 when the two Departments merged. The Chinese Co-ordination Committee of Adult Education, which was chaired by the State Education Commission and had members from various ministries, was set up to co-ordinate all aspects of adult education in China in 1986. Its members included: the Ministry of Labour and Personnel, the State Planning Committee, the Ministry of Agriculture, the State Economic Commission, the Central Committee of the Communist Youth League, the National Trade Union, the Organisation Department and the Propaganda Department of the Central Committee of the Chinese Communist Party. The aim of the Co-ordination Committee was to promote the reform and development of adult education in China. At the beginning of the 1990s, it merged with the Chinese Co-ordination Committee of Vocational and Technical Education which was set up in late 1986, because of the close relationship between adult education and vocational and technical education and because of the similar memberships of the two Committees. Starting from 1990, I also became the head of the Office for National Board of Self-Study Examination in Higher Education with broader responsibilities. Self-study examination is one of the important parts of adult education in China.

As far as training is concerned, the State Education Commission (SEC) is also responsible for guidance on main policies on training for adults, including leading the Chinese Co-ordination Committee of Adult Education. As there are various departments, industries, and regions under the Chinese system, it is impossible for the SEC to do all kinds of training. For instance, training in railway and metallurgical industries is organised by the relevant government departments. In China it is called 'Departments are responsible for their training under the leadership of the government'. The main responsibilities of the SEC are guidance and co-ordination, including information exchange. However, the SEC is responsible for training in education field, especially training teachers from primary and secondary schools. This is the charge of the Normal Department under direct control of the SEC.

(What is the relationship between the Department of Adult Education and the Office of National Board of Self-Study Examinations for Higher Education?)

The original pattern is that the head of Department is the director of the Office and the deputy director of the Office is also the deputy head of the Department. Due to recent structural reform, we are going to be separated. The Office is going to merged with the State Examination Centre, an examination organisation under the SEC, which is responsible for all upgrading examinations under the SEC control, such as university and college entrance examinations, adult higher education institution entrance examinations, postgraduate examinations, English Profession Test, TOEFL, and united examinations for senior secondary school. The Examination Centre will be an institution under the guidance of the SEC, a government department, while the Department of Adult Education, will mainly be responsible for policy guidance and co-ordination rather than organising examinations in detail. After the Office merges with the Examination Centre, I will no longer be the director of the Office.

(What is the relationship between the Broadcasting TV University [BTVU] and the Department of Adult Education?)

After BTVU was restructured, one of the new tasks of the Adult Education Department, as a government representative, is to be responsible for guiding the provision direction and educational management of BTVU. We are now considering how to enable it to become more open. We are planning to set up a new

Open College under the Central BTUVU to offer more opportunities in higher education for young people who are not required to take any entrance examination. All those graduates from senior secondary schools, who have passed united examination for graduation, will be qualified to study in the new Open College. After passing examinations of certain courses that are organised by examination organisations, students will get qualifications of graduation.

In China, only 40% of graduates from senior secondary schools have opportunities to enter universities, whilst the other 60%, have no such opportunities. This is a big social problem, which is also a problem that needs to be solved in our educational system. Developing various forms of post senior secondary education may be one of the ways to solve this problem. Setting up the Open College is obviously an important measure to meet the demands of young people and other adults for education. It is necessary to develop both qualification education and non-qualification education, which meet various needs of people. It is possible to start from some urgently needed courses and then to complement them gradually. We could also learn from experiences of other countries, such as the UK, Thailand and Japan.

(What is the relationship between the Department of Adult Education and departments which are responsible for cadres and workers in other ministries such as the Organisation Department of the Central Committee of the Chinese Communist Party, the Ministry of Labour and the Ministry of Personnel?)

It is that of co-ordinating and co-operating with each other.

(Do you think that adult education has been moved towards a market orientation from a planning orientation in accordance with the changes in the economic system?)

The market system was raised by the 14th Congress of the Chinese Communist Party in 1992. A National Conference on Adult Higher Education which was held in 1992 decided to have a decentralised system of provision and administration. It used to be a centrally planning system. Local governments, industries and enterprises have now had great self-governing rights to decide what kinds of training they would like to take. The state education authority still has its macro-way control which means that the state remains some planning sectors. For instance, according to state planning, all heads and managers of enterprises of medium and large sizes should take training courses on management of modern enterprises. This is compulsory. Our systems of taxation and foreign currency should be reformed. Our accounting system should also be reformed to match international systems. As a result, all staff are required to take training. Such training is compulsory training which is also provided according to the needs of the market.

It is necessary to get permission from the SEC to set up a higher education institution that offers qualifications recognised by the state, whilst non-qualification education and training have been released and are now controlled by local government and departments.

In order to meet the needs of reform of the economic system, we have readjusted our policy since 1992.

(What is the main cause for all these policy changes?)

It is because of changes and reforms in a series of systems in our country and changes in people's system of values after the economic system being reformed. Therefore, great reforms in the economic system in a country can lead to profound impacts.

(What are series of reforms brought by reforms in the economic system?)

As far as political system is concerned, the Government used to control the economy and enterprises. It has changed now: more consideration should go to democracy and markets when political policy decisions are made.

In future, 'choice in both directions' will be developed in the same way as manpower markets. Departments of the central Government and employers will join labour markets to advertise their information and requirements for their vacancies. Institutions will also get information from there. This kind of meeting has been held in Beijing this year (1994). The general situation in this year is that supply cannot meet demand: the rate between demand and supply is 2:1 whilst the rate for a few popular professions is as high as 30:1. That means 'I have 30 vacancies while you can only provide one candidate.' In coastline areas, for example in Shanghai, where the market system is developing more rapidly, people have various aims of learning. Some young people would like to learn a skill rather than to obtain a qualification only. People's system of values has changed. Some people believe that they could raise their quality of life and earn more money through fair competition and hard working under the principle of 'distributing to each according to his work'. In this way they can broaden their chances to develop their careers to create varieties of opportunities. Some of them seek qualifications for a second profession after obtaining their higher degrees. In the past, some young people might worry that 'I may earn less if I take courses.' Nowadays fewer people worry about it because they believe that they will broaden their future career after studying. Qualifications for a second profession have now become most popular. Quite a lot of undergraduates are studying for their second qualifications. This is a change in value system brought by the market system.

I believe that economic development is a priority of a country with a lower level of the economy. This has been experienced by many countries. People will have more requirements on life quality as long as economic development reaches a certain standard.

The working hours per week in China were recently changed from 48 hours to 44 hours. Due to an increase of spare time, people may want to spend more time on learning to raise the quality of their life. All citizens in Shanghai are required to take grading examinations in English and computer programs to meet needs of social development.

(Do you think that the management system of adult education in China will move towards a market orientation from a planning orientation in accordance with the reform of economic system?)

I believe that planning guidance is still needed in general policies in adult education in China. This is decided by the socialist system of our country. It is necessary for us to offer guidance being responsible for all people. Adult education, however, will move towards a market orientation faster and faster in accordance with changes in economic systems. Generally, it will speed up moving towards a market orientation. Nevertheless, our country is a socialist country with collaboration of various parties under the leadership of the Chinese Communist Party. It is necessary to maintain governmental guidance and macro-way control, which sometime could be very strong, under the centralised and united leadership of the Chinese Communist Party, including strengthening governmental macro-economic controls. This is the situation in China. Adult education in China used to be controlled directly by the Government through guidance and orders. It has now changed into indirect macro-way management, including information service, quality evaluation and policy guidance. In the future, we should complement it through legislation.

**APPENDIX VIII**

**Interview with Sir Geoffrey Holland**

Reference: UKHOLLAN  
Date: 30 January 1995  
Site: Goring Hotel,  
London  
Interviewee: Sir Geoffrey Holland, KCB, LLD, MA  
Position: Vice-Chancellor, University of Exeter since 1994  
Former Chief Executive  
the Manpower Services Commission (1982-1988)  
Former Permanent Secretary of  
the Department of Employment (1988-1993)  
Former Permanent Secretary of  
the Department for Education (1993-1994).

***Questions:***

Could you tell me briefly about the changes of policy makers of the education and training of adults in the UK since the late 1970s? In the Central Government, which departments have been in charge of the education and training of adults? What were your responsibilities for the education and training of adults when you worked for the Government?

What have been major changes in governmental policies on the education and training of adults in UK since the late 1970s? What are the main trends? In your view, to what extent the Government would like to push the education and training of adults towards the market orientation?

From the MSC to TEC, what were (are) the main changes in governmental policies on the education and training of adults?

What were the principles of management of the MSC? To what extent did the service rely on governmental planning or needs of market?

What are the targets and principles of management of TECs? To what extent has the management model move towards the market orientation under TECs? How do they develop and survive? In your view, are TECs associated with government's general policies towards privatisation and 'enterprising culture'? In your opinion, to what extent will they become private agencies?

In your opinion, to what extent will the education and training of adults become commodities? Do markets of the education and training of adults exist in the UK? To what extent will they develop? To what extent will the education and training of adults in the UK move towards the market orientation?

In your view, what have been the trends of social economic changes that have an impact on the changes of education and training of adults since the late 1970s?

In your view, what is the impact of privatisation on the development and changes of the education and training of adults? What is the impact of 'enterprising culture' on the changes of the management model of education and training of adults?

What have been the major changes in the education and training of adults in the UK since the 1992 Act was instituted?

How have the education and training of adults in UK been developed since the late 1970s in terms of:

- providers
- participants
- contents

### ***Contents:***

I became Vice-Chancellor in April 1994. Before that I was a career civil servant. From 1982 I became Chief Executive of the Manpower Services Commission (MSC). In 1988 I was appointed as a Permanent Secretary of the Department of Employment (DE). 1993, beginning of, I was appointed as Permanent Secretary of the Department for Education (DFE).

The great majority of my career, this is the angle that I come to your question from, is that of the DE. So that my slant on your questions has to do with vocational education and training. I can remember most things that happened over twenty or thirty years. To come to your main questions: there has been no fundamental shift in government policy in regard to one of the major principles, which is, the Government believes that the education and training of employees is a responsibility of employers and they should pay for it. So as far as employed people are concerned, there has been very little change of government policy. What there has been in that field, are two developments. One is government investment in the new technologies of education, training and learning, particularly open and distance learning. So that they put major investment into that as an up front catalyst to development in this country. The other thing that the Government has done is to pay increasing attention to means of inducing employees to take more interest in their own personal development. And has done that through various mechanisms, but notably through making available career development loans to employees. Employees can borrow money for their personal development, vocational education and training, But they have to repay. But the loan is guaranteed by the Government and the banks. The other major development, of course, has been towards unemployed people and the big shift in 1970s to 1995 is the gradual admission by the Government that what we have in this country is structural unemployment and not just cyclical. And increasingly, this has led the Government to put large sums of money into the training, to a basic level of qualification of unemployed people, particularly long-term unemployed people. Institutionally, the early part of your period, the first ten years or so, indeed, first fifteen years, to the period up to about 1990, was characterised by the existence of the MSC, a tripartite body with representatives of employers, Trade Unions and education representatives, further education and a Chairman. The Chairman was full-time. The representatives were part-time. But the representatives were nominees of the various parties. Thus it was a truly representative body and it had delegated to it by law and by the Government large sums of money, a large budget, and large responsibilities of policy in the whole field of vocational education and training, young people as well as adults. At a certain point of your period, I've forgotten the precise date, but you would know, no doubt, I think, it is about 1990 or 1991, perhaps little bit earlier. At this certain point of the period, the Trade Unions movement refused at its annual conference to endorse a major programme of the Government for long-term unemployed people, the Employment Training Programme. The Government used that as, some would say, as the pretext, others would say, used that as the trigger for saying that they could not continue with the MSC, constituted in that way, and they abolished the Commission. However, couple of years later, they invented the Training and Enterprise Councils (TECs). What they were seeking to do there, was to delegate executive responsibility for enterprise education and vocational education and training programmes to leading employers in particular localities. So instead of a central body, you had delegated authority to the eighty plus TECs in England and Scottish Enterprise Companies in Scotland. So those were the main developments that occurred during that period of time. Commenting on a problem, I think the Government has relied too long on the argument that it is for employers to invest in and pay for the training and retraining of their work force. Because, I think that the market and financial mechanisms which have obtained in Europe, or just this country, but also this country, have forced upon employers essentially a short-term view of investment and a concern with bottom line accounting of profits and with the stock exchange rather than the growth and development of people in their work force. And the result of this is, I think at the moment, in this country, clearly by international standards, an insufficiently highly qualified work force. That is because we have inherited the best part of century or more of too little education for too many people in this country. And we can go to the reason of that if you like. But the great, up until ten years ago, you see, seven out of ten people in this country left school and education at the minimum age they could, aged sixteen. Of that seven out of ten, no more than a third ever subsequently secured any broad based initial vocational education or training in employment. Thus we



have inherited a back log of a workforce under educated and under trained and the over reliance on employers, from the short-term view, I think, has left this country's workforce weak in terms of the education qualifications and skills of the great majority of its workforce in the last decade of the century by international standards, particularly by the standards of the Pacific Rim.

(Xiao: I assume that there are three kinds of management model of education and training of adults: one is academic oriented, like traditional adult education in this country, which means course is offered according to academic interests; the other typical model is planning oriented, it means course is offered according to state's plan; the other one is market oriented, it means course is offered according to market needs, 'I would do what markets pay', 'I would teach what you pay for'. Like China, used to be in this corner, in planning orientation. Hong Kong is a kind of market orientation. And the UK, do you think which direction it has moved to since the late 1970s and 1980s, according to the changes of education and training of adults. Do they moved towards little bit planning also towards a market orientation?)

Certainly not planning. Certainly not academic orientation, unless you view it from the point of view of individuals developing themselves. Because all through the period we are talking about and the number is increasing, are individuals who have been seeking for themselves at their own initiative higher educational qualifications, you are probably aware that at the moment, in the last year, which is the figure of 1993, according to the DFE, 52 % of enrolment in higher education are adult students defined over 21. The number increased dramatically virtually double last ten years. Most of these are people who have taken into their own hands and get themselves mostly part-time, often in evening, often in modules with short courses which accumulate credits to get higher education qualifications. They have been looking for something, which is more than what people would mean by a narrow market orientation. They are not interested in short term. They are not interested in the immediate job. They are not interested in the ad hoc 'so I could do this thing better'. They are much more interested in building for themselves what they can see to be a safety net or platform from which to re-launch their careers. So I think, from the adults' point of view, there has been a shift towards academic orientation. From the employers point of views, and indeed, the government, there has been a shift towards market orientation.

(Xiao: How? How could you prove that the Government and employers shifted towards market orientation or the providers shifted toward market orientation?)

Because of surveys done on what training is done in this country, if you are doing this, you ought to look out such material, national training surveys, labour force surveys done already. Such areas would show you that the great majority of training undertaken by employees at employers' instigation is short-term related to the immediate job and is not related to qualification, is related to immediate jobs and is short duration, say a class no more than two or three weeks, usually two or three days at a time. That I think, could be clearly documented. Also what employers said. That is to say, they were interested to say in surveys that they would rely upon education service and they regarded it as state responsibility that as a word, new entrants to the work force should arrive with a broad base, as high as possible, educational qualification on which they can build. In another word, employers have been trying to adopt what I understand to be the Japanese model. That is to say, an increasing expectation that the state or somebody else other than themselves would fund for longer a broad period of full-time education after which they would take on the employees. And all they have to do is adjust according to individual circumstance, new technology, new products, new services or new responsibilities. So one of the Government's concerns, it endlessly states the ideology of market orientation, it seems to me, not to recognise that the training market is a rather different market to any other kinds of markets and it's different in a critical respect in this country, anyway, that is to say, any investment made by anybody other than individual is an investment which is at risk, because an individual is mobile. So employers may invest a lot in individuals and employees may simply take off, and use that as a stepping-stone to some different jobs, a different employer. So there is no, in any sense, guaranteed return for an employer who is investing in employees. Not in the sense of broad based, as opposed to the immediate jobs and the immediate responsibility and the immediate targets.

(Xiao: From the MSC to the TECs, do you think that, in terms of government policy, it also moves towards to market orientation?)

Oh yes. Well, I mean, the whole rationale of the TECs is quite different from the MSC, from an institutional point of view. The MSC, from the institutional point of view, was looking at, if you are looking at its actual composition, at national point of view, consisted of three employers, three Trade Unions (TUs), three people from educational services and an independent Chairman. They were invited to take a broad view of the national needs. They were invited to take a view which was above and superior to that of a local community view. And they were invited to take a medium and longer term of view. And it did. And the vary bodies they came from, by their nature, were not short term horizon, time horizon bodies. They were bodies which were on the whole concerned with longer term developments of one kind or another. Now the TECs, by comparison, firstly, are not representative bodies. Who are directors. They are leading employers from locality. But there is no process of public election or indeed representative election, by which you become a member of a TEC. There were processes accountability to the employers body, the CBI and the TUC or the TUs members of the MSC. Not so the TECs. The TECs consist of directors or board level, of a group of individuals who happened to be there, because somebody knew them. They are, therefore, self-appointed. There has been a considerable debate in this country about their accountability to their local community or towards anybody else. On the whole, they are not in a sense which many institutions in this country would mean it. They are not representative and they are not democratically accountable. They are employers who are there because they are employers who care about these matters. But the prospective to them was, do what your community and the market places out there dictate. You are about new business expanding, existing business expanding. You are about getting people into jobs, into jobs as they are in the community now. All that is implicit in the documentation surrounding the establishment of the TECs. So the TECs, in my view, have all the strokes that comes from leading employers of the quality we never had engaged at community level in this country. But all the downside of non-accountability, variable quality and variable performance in different parts of this country. And beyond that, on the whole, a shorter-term view of local communities and their development, because much of the judgement of performance of the TECs is how many unemployed people get into jobs now.

(Xiao: Is the director of the TEC normally a businessman, an employer?)

Yes. Other parties were almost deliberately excluded by the Government. The prospectus I mean, a vital document you need to get hold of, is the prospectus that went out from the Government to invite people to form the TECs. If you are doing studies in this area, you need to get hold of this document. There are published documents. It should be in the Sheffield University's Library somewhere. You see in there, that the pitch that was to have at least two-thirds of directors had to be chairmen or chief executives of private sector companies, not even public sector employers. So it was a private sector oriented, employer dominated programme with all that implies about whether or not they are in any sense representative of their own communities or what perspective that may have on the matters you are individually discussing.

(Xiao: Why has it been changed from the MSC into the TECs? What is the background?)

The background is the ideology of the Government. The immediate cause was, the Trade Unions Congress (TUC), of the year in question you'll have to check, refusing to endorse and fund for the employment training programme, which was a new training programme being mounted by the MSC for long term unemployed people. And that programme was the biggest single programme of the MSC. The Government argued, I think for some cause, I may say so, if the TUs members of the Commission, one third of its membership, were bidden by their Congress resolution to oppose this programme then they could not and should not remain in membership of the Commission. And if they didn't, it called into question of the whole structure of the Commission. That was the immediate cause. Behind it lay that, the Government had, of course, ever since it arrived in 1979, has been deeply sceptical of consensus since 1979, to a greater or less degree. But the last fifteen years, as you know, this country started with Mrs.

Thatcher, the Government deliberately set out to break consensus. They believed that consensus had got this country the lowest common denominator, that is, the lowest grey kind of policy and that we were drifting in a grey kind of way and making no progress at all and we would make no progress so long as there was consensus. So deliberately set out to break consensus of politics, of industrial politics and of many things else. Out of that breaking consensus, was antipathy to representative bodies at national level, seen by the Government as bodies of people, who had nothing better to do, who aren't at the forefront of international competitiveness, who sit endlessly on committees and write papers and they actually seek to bury their differences with any other parties in a grey kind of overall policy which takes nobody any further forward. And that was addressed to all elements such as the MSC, the government was as sceptical about the employers' organisations as the TU movement and was deeply sceptical about the local authorities & local authority organisations. Within all that, the Government had also set itself down the road, during the period we are talking about, leading up to the MSC being abolished, had set itself quite deliberately to press upon, restrain and restrict the power of the TU movement, to make the TUs, as the Government saw it, more democratically accountable. Now the whole movement that led to the MSC being abolished, that was part and parcel of that wider scene that I have described.

The TECs, by comparison, were as it were in the Government's views, the doers, the people who would take decisions, who are in charge of curves, who are out there, fighting the competitive fight in the world market place; many of them the Government hoped would be from smaller and medium sized firms, never represented properly at a national level by anybody, and certainly not by the MSC and so on. That's the scoop.

And also to one of your other questions, the Government's desire, if it could, you see one of the other strand that was going on the whole time, was the strand towards 'contracting out' Government services which led, in turn, to market testing of services, and lurking back in the back of all that, was privatisation of services. They believe that the private sector share the structure of organisations, are likely to be more efficient, and more effective, and more managerial, and more decisive, and they get all things better than underneath the grey public sector body. That is the Government's belief.

(Xiao: So, the TECs are related to such kind of enterprise culture.)

That's right. Oh, yes, indeed. Before the TECs were launched, I was present when Mrs. Thatcher remarked to a meeting that I happened to be at, an illuminating remark, when you think about what she said, 'we have no institutions at local level born of the enterprise culture we are seeking to create.' 'No institutions at local level born of the enterprise culture we are seeking to create': what she meant by that was that every institution, governmental or otherwise at the local level, was a hangover of the grey consensus days. When, as a matter of fact, this country was heading towards an economic and social distance, there is no doubt about that at all. You may argue about the way things happened since 1979, but in my view, this country was heading for the rocks in the late 1970s in a very rapid way, indeed, but she was right to break the mould. She set out to break the mould and she did break the mould.

(Xiao: The TECs is a part of enterprise culture.)

Yes, yes. And this is why you must get the prospectus, because what you have, is a prospectus which tried to encourage employers to come forward to do a particular job and they will all say to you that the Government has never encouraged or allowed them to do the job. What was the job? The job was employment regeneration: enterprise development in particular communities and through it, new job creation. Now, all the TECs will say, and correctly, that ever since they were created the Government has given them very little resources for that task, nor has the Government allowed or encouraged them to do much in that field. What is the Government requested or demanded that they do, a sequence of programmes on helping unemployed people and to boot the long term unemployed people who are the most difficult people actually to help in terms of jobs, and a lot of employers and the TECs, if you go to see them, will say 'we came forward in answer to one prospectus, but in fact the actual Government prospectus since we were formed have been very different.' Now against that, all I can say interestingly, is

that very few employers have resigned in protest. Very few employers have given up in disgust or dismay. We have not had great public letters written to the Government about how 'we came forward in answer one call and we haven't been allowed to get on with the job.' And all one can say is that once they get into that kind of position and have at their disposal, what for them are large sums of public money, and decisions about how they are spent locally, they become absolutely fascinated by being part of the nation's machinery. They are just seduced by a very different horizon in terms of reference and context from that in their ordinary notice and relatively small firms day to day. There's a world of difference just to take an extreme example between running a firm with two employees and sitting on a board which disposes of £50 million a year in terms of the locality. But the TECs were born with an aspiration, a prospectus from the Government and a hope that they would engage something very much more and very different from helping unemployed people.

(Xiao: So, they only concerned the vocational training, which would lead to employment.)

That's what they thought they were going to be about. And they thought that they were going to be about devising new ways of encouraging employers and some money from the state to encourage employers to invest in their employees and upgrade their skills. On the contrary, what they found themselves doing was being instructed by the Government, inspected by the Government and penalised if they didn't, to reach out to more and more unemployed people and draw them into either short term training programmes or temporary work programmes. That is the real dilemma.

(Xiao: To what extent, are the TECs becoming a kind of private agencies?)

Quite considerably at the moment. When they were formed, in order to get them going, to get them started, the DE seconded to the TECs all the staff of the regions. And I should say that before the TECs were there, of course, there were areas and local staff of the MSC, so, what we said to those staff was, 'you go on secondment and work for the TECs for a period of time to get them started.' So to begin with their staff were entirely civil servants on secondment. The TECs themselves, being of the kind of body that I have just described to you, wanted very much their own staff to be their own employees not seconded civil servants. After some argumentation with the Government and discussion, the Government agreed that should be the case and that when a TEC had been in existence for, I think it was for three years, that they could give notice that they were going to move to a situation where they were employing their own employees. The seconded civil servants could apply for the jobs. Or they could say that they preferred to return to the DE. Or they might apply for jobs and not get them. In that case the DE would take them back onto its books. And the majority of the TECs now, the staff are their own employees. The TECs are companies limited by guarantee. It's what we call them in this country, and most of them are charitable organisations too, registered charity. So they are a company with a board, and the board and the company have a contract with the Government each year to deliver certain results and the Government will pay them for those results. And the staff of their employees, the steady employees of the TECs staff are their own staff employed with their own pension schemes. For example, if a TEC goes bankrupt, and one has gone into liquidation, there is no guarantee of further employment for the staff. So they are a very long way down the road to private companies now.

(Xiao: Are there any TEC now become bankrupt?)

One, South Thames TEC called in the liquidators just before Christmas. Well documented again. You'll be able to find the literature. And at the moment, there is a very interesting case in point if you want to look at TECs as such. What happen at South Thames TEC is enormously worth looking into. At the moment, those people who have been called in, the accountants, the DE called in liquidators and administrators, and did so because the end of the year, I haven't got the figures correct, but you'll have to get them, at the end of the year the TEC owed the Department £10 million. And the Department could see that there was no way in which the TEC was going to be able to balance its books, or indeed be paid back, so they called in the liquidators. The accountants are working in there at the moment and trying to establish the extent of the debts and it is a very interesting case in point of essentially incompetent

management on the part of the board and staff. But the question is, what is going to happen in that part of London at the moment. I don't know what the answer is. The DE and the TECs say that that is the only TEC which is at risk of folding and that may or may not be the case. I couldn't comment. I don't know enough about it. The DE might do. You ought to go and talk to them about it. But what is sure, and it is well documented, and the DE will supply you with the facts and figures, is that, there is a very variable performance between different TECs, very, some extremely good, some less good and you can see it because the DE publishes each year the bonus payments made to TECs for performance. TECs have contracts to deliver services, as results, if they do better than that by defined amounts they get bonus payments. There are some TECs that get nothing or very little and others that get a lot. You can see it's spread out all over the country.

So, what you've got is: companies limited by guarantee, private sector, employees of the TECs no longer public servants, with contract with the Government and extremely variable performance around the country.

(Xiao: So, very much market oriented.)

Oh, yes.

(Xiao: Actually, they run it as a business.)

Yes, they do. They own it as a business. I called it market orientation because I think that for many TECs, the Government contract is distorting what they would perceive as the most important local priorities. Because the Government contract is about so many unemployed people being given something to do whether by way of training or of temporary work. Whereas many of the TECs would see the priority in their particular locality being, for example to get more people started in their own business or to encourage small business and the Government contract may say very little about that or it may provide no resources for the TEC to do that.

(Xiao: So, if there is no resources, there is no possibility for the unemployed to be employed.)

That's right. Essentially you could say if you wanted to, but much of the TECs business operation is about trying to slot unemployed young people and unemployed adults into the short term turnover of the job market and it is not about, and a lot of them would deny it and try to say things to the contrary, but you could argue it, because a lot of the TEC effort is not focused on a systematic long term development of the capacity of the community.

(Xiao: So, they don't worry about the education level.)

They worry a great deal about that. They worry about it and they would like to do it and they feel frustrated because at their board meetings, month in month out, week in week out, they are being pushed to focus on something which they believe to be not essential as for example, the quality of education in the schools and colleges of the locality or the output that all higher education is doing or anything else.

(Xiao: Under the TECs the providers of education and training of adults, they have to be driven towards a market orientation as well.)

Yes, they have to be driven to a market orientation. But again, market being defined as short term job referral. It's as good as 'there are jobs in this area for seven' complete sentence. We'll put all our money in to get the long term unemployed people off the register into some kind of training programme which will fit them for those jobs. Are they for example, saying, 'what we need to do is to look at those who are under twenty-five and those who are long term unemployed, we need to fit them with a broad base of educational qualifications which will give them a launch pad of some chance of staying in work as we work towards the 21st century.' But no in general terms, they are not. They may say those things. They may think those

things. Their staff may write papers about those things. But the point I am making is that no resource or very little is coming from the Government to help them do those things.

(Xiao: During this period since 1979, apart from the DE, other Departments, for example, the DFE, has it been involved with the education and training of adults?)

Oh yes, several ways. Firstly and most importantly, the mere expansion of higher education and the expansion which has taken place in further education has opened the door to many more opportunities for adults, part-time in their own time, to study and get qualifications. I am not sure that that was a conscious objective of the DE but certainly the fact that the Government has put a lot more money behind higher education since 1979 and a lot more behind further education has that consequence, and it's a very healthy consequence for the country.

Secondly, not to be forgotten one of the biggest providers, in fact, the biggest provider for adults in this country in terms of education and training is the Open University, which is a major provider. The DFE has been responsible for ensuring the Open University thrives and possibly grows.

Thirdly, the DFE has come ever more close to the DE, in terms of programmes and the encouragement of schools and colleges and higher education to provide more relevant programmes offering, in terms of the application of what is learned afterwards. So there have been some big programmes in the schools, in the colleges and in higher education to that end, mostly for example, the Technical Education Initiative in schools, the Government has spent £1 billion over 10 years in enhancing the curriculum and its applicability of what is going on in schools to the world afterwards for young people. It is a huge programme. It's worth being taken note of.

So, the DFE has been very much in it. On the side lines, just to complete the picture of the Departments, there is the Department of Trade and Industry (DTI), which has increasingly weighed in on something which the Government has been very slow to admit. It may have understood, but it has been very slow to admit, that is, the slipping, indeed the long way slip of the competitive position of the UK internationally. And that motivator of the competitiveness of the UK economy, if you're tracing a movement since 1979, that has come increasingly to the top of the agenda, and has increasingly been determining government's policy both in terms of public expenditure and tax policy for example, and in particular company taxation, and also actually, where effort has been focused in terms of application of vocational training: there has been more and more emphasis on 'we need to do more, we need to invest more, we need to have more opportunities for people to learn throughout life in order to be internationally competitive.' And the DTI has played quite a major role in that. It hasn't had a lot of money. It hasn't been deploying huge sums of money like the DFE or the DE, but it has been very influential. So there are three Departments.

(Xiao: What kind of programmes have they been involved in?)

They've been involved in just about every programme: all the youth training programmes, all the programmes involving schools and teachers, their training and experience, practical experience, all the programmes to do with management education and management development in this country, in general, the programmes or all the incentives the Government produced to try to get employers more committed to investing more for their work force. And they have been very influential.

(Xiao: There have been a lot of developments happening in professional continuing education since 1979. Which Departments have been involved with these?)

On the whole, it's been the DFE responsibility, but all the Departments have been involved increasingly, because what also has been happening is that the sharp divide between youth training and adult training has gradually been lost, because what has taken its place has been an increasing awareness of lifelong education, indeed the continuum from youth all way through life, therefore, the rather poor relation, marginal activities as it was so many years, of continuing adult education were being lost in the core

lessons of progression from the youth through continuing lifelong learning, most evidenced by our new structures of vocational qualifications, which say nothing about youth, nothing about adults but all about levels and the progression from one level to another, irrespective of your age, background or whatever.

(Xiao: Is this from the DE or DFE, or both of them?)

Both of them together. It's been a joint endeavour and a lot of people that you may talk to in this country probably say the DFE or DE carrying on as if they have separate policies. Seen from the inside, for the last five years or six years the two have been very much working hand in glove, very much together. About 15 years ago, indeed, Mrs Thatcher to begin with deliberately set up the MSC to be an irritant to the DFE, which she regarded as immersed in the past which we must shake off and look to the future. So she put money towards MSC to do things which from her perspective the DFE had not done. So for example, the MSC, the DE were given money for programmes for schools and in higher education. Enterprise in Higher Education, a very good programme held in Sheffield University, is very good example of that. So that money has come from DE and was put there deliberately by the Government to stir the DFE into action believing that they had been slow to adjust to the modern world.

(Xiao: Since 1979 what has happened in traditional adult education, has it changed or not?)

No, but there would be much more recognition given, in the DFE, to the interest for adults of vocational qualifications and continuing professional development. I think about 20 years ago, I wasn't in the DFE, much of what was being said about adult education was on the basis of evening classes of basically a leisure kind or a hobby or interest kind, rather than equipping yourself with a vocational skill or qualification. I think there's been a big change.

(Xiao: In terms of management model, the vocational education for adults has been driven to a market orientation as well?)

Oh yes. There has been no where anywhere in Government where there has been any kind of planned structure with anything like the forecasts of numbers of people of this skill or of other skills. There have been studies done for the Government, major studies of the changing occupation of the structure, but there has never been something which, for example, said, 'by the year 2000 we are going to need what ever it was, or by the year 2010.' That has been fundamentally ideologically unacceptable to the present Government but equally unacceptable to the great mass of the British public, because once upon a time at about 1965, we had a national plan, under a Labour Government. Harold Wilson was Prime Minister, Lord Wilson since about, and the person who produced the national plan, the gentleman now dead, called George Brown, and he was the Secretary of State for Economic Affairs and it was a complete fiasco. It attempted to quantify by sector, by skill, by level and within two years it was absolute nonsense. And it was absolute nonsense because all kinds of things that happened, like oil shocks and changes in technology etc., and it was seen to be nonsense. That kind of planning was utterly discredited in this country and is still discredited. You won't find Labour or any political party in this country talking about that kind of things now.

(Xiao: In the MSC, did you do any plan?)

Yes, you'll find documents in Sheffield library, beginning with the document called 'towards a comprehensive manpower policy' and documents which were about a labour market and an employment market were produced each year. But we were very careful not to become specific about precise numbers or precise locations.

(Xiao: Just the macro trends.)

The macro trends and the influences and what we expected to happen, and it was revised each year, and it was written deliberately in a rather modest kind of way. That's to say, not categorical statements, not

'we're only putting money behind this, that or the other', 'this is how it looks to us.' One of my colleagues at the MSC had a very good French word for what we were doing at the right approach as he perceived it to be, I think, correctly. He described it as acting as an '*observatoire*', an observatory. An astronomer has an observatory when he looks at the sky. What he meant by that was, we stand where we stand, and we look around and we'll describe for you the landscape and the heavens as we see them, in employment terms, what is happening. And we would do so from a particular perspective but we would not particularly forecast what will happen, and we certainly won't become specific about numbers or locations.

(Xiao: So, in this way, we can say that under the MSC, the management models of the education and training of adults was a macro way planning oriented.)

Yes, you can. It would have been folly if you think about it, the MSC that spent most of its life under the present Government: the MSC was formed in 1974, so 3/4 of its life was under this Government. It would have been folly to embark on anything else, but incidentally, none of us in the MSC believed in anything else, because of the experience in the past and any time actually anybody in this country has tried to forecast anything, numbers of doctors, numbers of nurses or number of whatever it is, they have been entirely proved wrong because the world isn't like that.

(Xiao: Comparing with the MSC, until now, the TECs do not do any macro way planning?)

Well, you point to a gap, the TECs endeavour to do something of an '*observatoire*' kind for their communities, the best TECs. But since the MSC disappeared, there has been no comparable activity at national level. So that no TEC and nobody else of that matter has any kind of back cloth against which to see their endeavours, or against which to compare what they think. I think it's a rather serious omission from the country's affairs.

(Xiao: So, in that case, it means that on the national level there will be no macro way planning.)

That's correct. And there is nothing that comes down from the Government each year which says, 'this is what has been happening in the job market, this is what we expect to happen, this is what the effect that we have observed by using technology.'



## **APPENDIX IX**

### **Observation List**

Reference: HKBU  
Time: 25-27 November 1993  
Site: Hong Kong Baptist University  
Hong Kong  
Event: International Conference on Developments in Continuing Education:  
An East-West Perspective  
Organisers: Centre of East-West Studies  
Hong Kong Baptist University  
School of Continuing Education  
Hong Kong Baptist University

Reference: UKSCUTRE  
Time: 2-4 July 1996  
Site: University of Leeds  
UK  
Event: 26th Annual Conference  
Standing Conference on University Teaching and  
Research in the Education of Adults  
Organiser: SCUTREA

Reference: SASPBAE  
Time: 27-29 November 1996  
Site: Trader Hotel  
Singapore  
Event: ASPBAE-SACE Conference '96  
Adult & Continuing Education into the 21st Century  
ASPBAE and SACE

Reference: UKSUEH  
Time: 26 June 1995  
Site: Heathcote Room  
Earnshaw Hall  
Event: Day training course  
Organiser: Professor Geoff Chivers  
Division of Adult Continuing Education  
University of Sheffield

Reference: UKSUACEA  
Time: 28 October 1995  
Site: Division of Adult Continuing Education  
University of Sheffield  
Event: African-Centred Research: an one day international conference  
Organiser: African Centred Research Group

Reference: UKSCCM  
Time: 10 September 1996  
Site: Crookesmoor Community Centre  
Sheffield College  
Event: Register Day  
Organiser: Crookesmoor Community Centre

## **APPENDIX X**

### **Key Notes of Interview UKTUC**

Reference: UKTUC  
Time: 10 March 1995  
Site: Building of  
TUC  
Education Service Yorkshire and Humberside  
Leeds  
Interviewee: Malcolm Ball  
Position: Regional Education Officer  
TUC  
Education Service Yorkshire and Humberside

*Key Note:*

1. History of the TUC and target of its education service.
2. Weakening of the TUC and the reasons.
3. The direct cause of closing the MSC, could see TUC reports (1988-1989) in the North College library.
4. The Government's attitude toward the TUC.

*Observation:*

Entering the building with the sign of TUC Education Service Yorkshire and Humberside at 30 York Place, Leeds, I saw nobody around the cold building. On the left, there was an office with a door open. I saw a table with some files on it: nobody sat there. I entered the room, which was quite big but almost empty: no more furniture or decoration. There were three people standing at the corner. Two of them seemed to be workers with blue jeans. 'I made an appointment to see Mr. Malcom Ball,' I said. A young man with smiling face replied, 'If you go up stares, he is on the top floor.' On the top floor, I pressed a bell by a closed door. Pushing the unlocked door, finally, I arrived at a warm office with two ladies and a gentleman, who was busy with typing. A lady made a cup of tea for me while I sat and waited for Mr. Macolm Ball. Apart from tables with computers and type writers, the room was occupied by a copy machine and boxes of material and paper. They were chatting while typing.

Ten or fifteen minutes later, Mr. Macolm Ball came in to meet me. His tidier office was on the next door with some document laid on the floor and teaching material on book shelves. 'I should check all these documents before moving them away,' he explained. During the interview, he told me that they cut their staff, from nine to six people, due to financial problem.

## **APPENDIX XI**

### **List of Publications, Seminars and a Lecture Based on the Study**

***Papers Published:***

1. Pan, Maoyuan & Fang, Xiao (1993), 'The Present Status of Continuing Education in China', presented at the International Conference on Developments in Continuing Education: an East-West Perspective, Hong Kong, November 1993 (this paper was drafted by the writer).
2. Pan, Maoyuan; Fang, Xiao & Deng, Yaocai (1993), 'The Role of Continuing Education in Economic Development: a Theoretical Investigation and Future Perspective', presented at the International Conference on Developments in Continuing Education: an East-West Perspective, Hong Kong, November 1993.
3. Fang, Xiao (1995), 'Adult Education in China', accepted by the international conference in adult continuing education in Hungary in September 1995.
4. Fang, Xiao (1996a), 'British NVQ (National Vocational Qualifications)', a seminar presented in Beijing Research Institute for Adult Education on 12 April 1995, published in *Higher Education Abroad* No. 1, Xiamen.
5. Fang, Xiao (1996b), 'Changes in British university adult education', presented at and published by SCUTREA 26 Annual Conference at the University of Leeds in July 1996.
6. Fang, Xiao (1996c), 'Development of Adult Education in China since the Late 1970s: a Systematic Analysis', presented at ASPBAE-SACE international conference in Singapore: Adult & Continuing Education into the 21st Century in November 1996.
7. Fang, Xiao (forthcoming), 'Adult Education in China Today', accepted by the Division of Adult Continuing Education to form a part of distance learning teaching material.

***Unpublished Seminars and a Lecture:***

1. 'Research Methodology', a seminar presented at the Research Institute for Higher Education Science of Xiamen University on 10 June 1996.
2. 'Relationship of Socio-Economic Developments and Changes to the Development and Changes in the Education and Training of Adults in China', a seminar presented in the Division of Adult Continuing Education of the University of Sheffield on 28 March 1996.
3. 'Relationship of Socio-Economic Developments and Changes to the Development and Changes in the Education and Training of Adults: a Comparative study in China, Britain and Hong Kong', a seminar presented in the Division of Adult Continuing Education of the University of Sheffield on 20 May 1996.
4. 'Relationship of Socio-Economic Developments and Changes to the Development and Changes in the Education and Training of Adults in China and the UK with Hong Kong Aspects as Comparison', a seminar presented in the Faculty of Education of the University of Hong Kong on 6 June 1996.
5. 'University Adult Education in the UK', a seminar presented at the Research Institute for Higher Education Science of Xiamen University on 10 June 1996.
6. 'China Open Its Doors: Social & Economic Changes in China since the Late 1970s', a lecture for the public in the Division of Adult Continuing Education of the University of Sheffield on 8 May 1996.