

Positive Integration of Government and Effective Market: the Basic Direction of Improvement of Private Colleges

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Abstract:

Various ways used to improve private colleges and universities have their limitations, embodied in the failure of cultural connotation construction, market failure, limited government, etc. The reasons lie in the institutional framework, the objective existence of market defects of private higher education, and the difficulty of the government's education supply limit. To explore the primary direction of the improvement of private colleges and universities, it is necessary to start from the joint effort of government and effective market to form a complementary institutional arrangement of market and government functions and delimit the boundary of government behavior in joint participation, and build an efficient supervision mechanism of collective participation.

Keywords:

Promising Government, Efficient Market, College Improvement, Institutional Arrangement

1. Introduction

Higher education's connotative development has entered a new historical period in a new era. Within the increasingly fierce market competition and under the guidance of several national policies, institutions of higher learning of different levels and types have also carried out several rounds of reform. Judging by the improvement effect, there are differences between public and private colleges and universities caused by many combined factors. Among them, the government and the market are two key factors. Schools are different from other social organizations for their public welfare, education, and ethical properties. But in terms of the influence of the government and the market, private colleges have their particularities, and government and market factors often have a particular impact on them. It can be found from experience that the government has actively introduced the market competition mechanism in higher education and has achieved remarkable results. [1] When we think about the role of these two elements of equal status in educational activities, we often fall into an absolute situation unconsciously. That is, to approve the reasonable existence of one

side will deny the fundamental role of the other side. Therefore, to get rid of prejudice and look at the combination of the two from a more just standpoint, and then to implement the double thinking in the single election, to seek the effective combination of the two seems to be a path for private colleges and universities to improve their choice.

2. Doubt and Confusion: Private Colleges Have Encountered Confusion in the Improvement Path

2.1. The Failure of Cultural Connotation Construction

Private colleges face tremendous competitive pressure from public colleges, peer colleges, and their development needs. In the final analysis, it is reflected in how to take the lead in the process of enrolling high-quality students, testing their internal governance ability and level. In the new era, the limitations of the traditional development mode are gradually highlighted, so it is necessary to force private colleges and universities to constantly seek the improvement road suitable for their development. Many private colleges have tried to increase capital investment, strengthen internal management, expand the efforts to attract talent and other strategies, but the results are not noticeable. This result encourages university administrators to explore deeper factors. People gradually realize that culture has a more far-reaching influence on people. The shared values, beliefs, and norms among school members and the school's campus culture have a far more significant impact on students' learning, the cultivation of teachers' and students' conduct, and the realization of effective teaching than any external influence, which is more permeable and lasting. However, in the actual process of exploration and improvement, it was thought that this improvement path could play a huge role with its unique advantages, but the reality is that it also encountered the same confusion as other improvement strategies; not only that, but it also fell into multiple contradictions.

2.2. Market Failure

We can get the same theme from the concepts of “uncertain era” and “free choice”. In the market economy, while affirming the outstanding achievements made by the market, we should not ignore several inevitable defects in its evolution, development, and maturity. In other words, macroeconomic instability, microeconomic inefficiency, and social inequity require government policies and interventions to deal with these drawbacks. Moreover, the government has unique advantages favored by pro-government groups, such as well-informed information acquisition, efficient action capacity, and humane support purposes. Moreover, their theory is based on the defects of the market, which have long been proven and recognized by most people. Adam Smith, the father of economics, clearly pointed out that when the market is in a perfectly competitive market, the market will achieve the Pareto optimal state of resource allocation. However, as mentioned above, this is only an ideal state. In our reality, it is often shown that the market is not entirely competitive, and it is difficult to achieve the effective allocation of resources only by the power of the market, which leads to the failure of the market. In private higher education, an essential manifestation of market failure is monopoly; in addition, there may be other characteristics like public goods, external effects, information asymmetry or incomplete symmetry, economies of scale, etc. [2]

2.3. Limited Government

Limited government is discussed from the standpoint of non-market defects. A fully functioning market economy can promote economic and technological progress, the use of scientific resources, the improvement of people's living standards, and the establishment of social mobility and liberal politics. Here, we emphasize the value of the market to highlight the limits of government functions. The arbitrary involvement of the government will reduce the effective use of resources to varying degrees, hinder economic development, and limit social mobility and political freedom, mainly through its formulation of public policies, because not all government decisions will bring benefits to the economy, often because of the complexity of the market, the part of the policy cannot be reached. Misguided decision-making can be devastating to the economy. Therefore, a reasonable economic model should be built on the premise of perfect competition, avoid direct government intervention, and let the market adjust itself according to its own needs. In addition, for the overall planning of equal distribution of educational resources, it is impossible to achieve absolute fairness and absolute equality artificially. The concept of "equality" not only varies from person to person but also varies with environment and background. To achieve equality, there is bound to be conflict with efficiency. As a subject of behavior, the government has an insurmountable weakness: the government is the most monopolistic. One cannot compare government efficiency, so there is no reason to believe that government is necessarily more efficient than the market. However, private higher education is a critical area in which government policies are challenging to play an influential role. Excessive government intervention or lack of necessary intervention or assistance are two extremes that are common in private higher education. It is often difficult to strike a balance in the field of how much supervision and assistance are implemented or how much autonomy is given to running schools.

3. Write the Truth Directly: Analysis of the Reasons Why Private Colleges Have Encountered Confusion in the Improvement Path

3.1. Not Escape the Framework of the System

The existing improvement paths, such as increasing investment, strengthening management, and taking cultural construction, have not achieved significant results, and people have also carried out a multi-dimensional analysis to understand the reasons affecting its failure to play a full role. Some viewpoints stand in the perspective of the development goal of the college, think that the development direction of the college should be determined, and the development direction should be shared by the college members. Only in this way all the faculty can move in a clear direction. [3] The dominant and guiding value of shared goals cannot be denied, but it does not seem to be the deep-seated reason for the failure of the above path to realize its value, nor is it the real crux of the problem. When the improvers of private colleges and universities are in trouble, a new perspective of analysis comes into people's view: to examine why several improvement strategies are challenging to achieve their expected goals through institutional analysis. At the same time, a bold hypothesis is put forward: that is, when people seek reasons, they ignore the fact that these improvement strategies are carried out within a specific institutional framework and ascribe the cause of the problem to the process itself, while the actual system has never been questioned.

3.2. The Objective Existence of the Market Defects of Private Higher Education

As mentioned above, when the market has the characteristics of public goods, external effects, information asymmetry or incomplete symmetry, and economies of scale, the market will show a state of failure. According to China's existing education policies, from the national level, various social forces are encouraged to participate in the organization of private education through multiple forms. Therefore, private education is also an essential part of the national education sequence, and its attributes can also be defined as public goods. Like public education, private education has positive external benefits. The so-called positive external benefits mean that the activities of an economic individual can make others or society benefit from them, and the benefit party does not have to bear any input or cost. [4] When an individual receives an education, from a macro perspective, others and society benefit directly or indirectly. On the one hand, education can directly affect the factors of productivity, improve the comprehensive quality of workers, transform the potential labor force into a direct labor force, and then improve production efficiency. In addition, education also has political functions, demographic functions, scientific and technological functions, and cultural functions. These functions will eventually act on people and affect all aspects of society. In addition, to catch up with the public schools regarding student supply and demand, there may be information asymmetry or incomplete symmetry in information communication, such as false publicity. In addition, from the current stage, especially high-quality private colleges and universities, the student market is vast, and the monopoly phenomenon also occurs. These existing attributes and characteristics would inevitably lead to the market failure of private higher education.

3.3. The Limits of Government Education Supply Are Difficult to Handle

Objectively speaking, the function of the government is the same as that of the market, which has certain defects. We can learn a thing or two from the composition of government organizations. The smallest unit of an organization is the people, and the government is a complex organization composed of people. However, people always have certain limitations, and there are more or less certain human factors, such as the differences in styles, abilities, knowledge, and insights of different leaders will also show apparent differences in attitudes toward education. The decisions may not be entirely consistent with the requirements of the particular facts, and there is no guarantee that the government's actions are infallible. The government has an absolute discourse advantage in the public education system, which influences the running of schools from many aspects, such as the administrative system, fund investment, personnel appointment, and so on. However, private higher education has its unique attributes. Due to its quasi-public nature, the government should be responsible for private higher education. However, under this system, private higher education is also affected by the bureaucratic management system, which destroys the autonomy and independence of private higher education to a certain extent. Gradually, it evolved into direct micromanagement. In many cases, it is difficult for the government to deal with the contradictions in education supply effectively. On the one hand, it is unavoidable to promote the development of private education and urge it to provide education that the people are satisfied with; on the other hand, it is challenging to provide similar support to public schools in many aspects. Private colleges and universities only rely on their strength to complete the same task of talent

training as public colleges and universities. Apparent contradictions inevitably arise. So, we see the limits of government in their respective attributes.

4. Conclusions

We examine market failures, limited government dilemmas, and what causes them. However, it seems that it is not easy to completely separate the different influences and functions of the government and the market on private higher education. Then, one of the best ways to eliminate the dilemma is to promote the organic integration of positive elements within the two. Now that we have identified the problems on both sides and that these shortcomings are, to some extent, inevitable, it is only worth acknowledging the indispensable role that government plays in improving and expanding markets and the value of markets in helping governments make decisions. Only in this way can we eliminate this dilemma, promote the progress and development of private higher education in content and form, and truly achieve efficiency and fairness.

(1) Establish an institutional arrangement whereby market and government functions complement each other: Whether it is government action or market regulation, we need to clarify that all needs to be realized through an essential element: the system. Not improving the system but only improving some related features cannot fundamentally solve the problem. Institutions and rules are developed to curb apparent inefficiency, not constantly, but often. [5] Therefore, the school improvement strategy aiming at institutional improvement can remove obstacles to further improvement of schools, and it is also an important starting point and inevitable requirement for the organic integration of government and influential market. According to China's current economic development situation, private higher education should be based on complementary functions and practical cooperation between the market and the government, establish an effective cooperation mechanism, advocate the multi-center governance model, and encourage joint participation. Because the relationship between the government and the market is like a pair of teeth in the engine: although you have me, I have you, each gear should have its fixed rotation trajectory. [6] However, considering the public nature of private education and that China's market economy has a short development history and is not mature enough, the government should bear the primary responsibility in this governance model to prevent the emergence of uncentered and disorderly phenomena. In this process, there must be a firm supporting policy and system to guarantee the development of private higher education support, and the role of incentives should be fully considered in the institutional arrangement. Only when the motivation is in line with the actual situation does the result of individual decision-making benefit both individuals and society. In this case, the benefits of one person will also bring benefits to others, [7] thus ensuring that both functions are entirely performed.

(2) Boundary demarcation of government acts in joint participation: A successful government should have its boundaries when it dares to take on its responsibilities. Only by keeping a good degree can various undertakings be promoted and developed in an orderly manner. In the book *Politics, Markets and Schools*, American writers John E. Chubb and Terry. M. Moe constructed a new public education system for public schools in the United States. The guiding principle of this new public education system is: "Public authority must be used to establish a system that is almost completely away from the control of public authority... Eliminate high authority as much as possible." [8] As we all know, the development of schools is in a specific

historical situation, closely related to political, economic, cultural, and other factors; imitating or touting school governance models under different backgrounds is unrealistic. Therefore, under the existing system, it is possible to return the school to the school as much as possible. Mark Hansen states, “A strictly bureaucratic school system, in the general sense of bureaucracy, contains powerful barriers to change.” [9] Therefore, to “return the school to the school”, the government should start from itself and “loosen the restrictions” for private colleges and universities from the outside, “the government management mode should be changed from the specific administrative management under the planned economy system to the macro-guidance management adapted to the market economy system.” [10] In this process, while giving full play to the supervision and management responsibilities, it promotes healthy competition and cooperation between public and private enterprises, establishes a financial investment system between public and private enterprises, encourages private institutions of higher learning to formulate goals that are compatible with the development of schools and form unique school-running characteristics on the premise of complying with relevant national policies, laws, and regulations.

(3) Establish an efficient supervision mechanism for joint participation: People’s usual understanding of the system causes a negative experience of the establishment and implementation of the system. However, a genuinely scientific and reasonable system should be conducive to the organization’s development, conducive to the practical cooperation of members, and an essential part of the construction of organizational culture rather than becoming a stumbling block to the development of reasonable activities. Therefore, the flexible mechanism often originates from the reflection and examination of the advantages and disadvantages of the existing system. It has been said that effective markets depend on competent governments, and capable governments focus on promoting efficient markets. [11] The development of high-quality private higher education requires the joint participation of the government and the market. On the one hand, it is necessary to clarify the mechanism of effective operation of the private education market and stimulate its vitality; on the other hand, supervision and guidance on the process should be strengthened. Therefore, it is necessary to build a set of efficient supervision mechanisms involving the government, the market, and the public to ensure the effective play of various functions. The first is to strengthen the supervision of the government and clarify the duties of the relevant government departments by formulating industry standards and norms by the law to supervise the conduct of private colleges and universities. The second is to establish a supervision mechanism for the participation of the public, including the market demand side, relevant industries, parents, teachers, and students, and fully mobilize the general public’s enthusiasm to participate in supervision. In addition, an information disclosure system can be established through the education information platform, which is more convenient for the public to understand the status of schools and promote the better development of private colleges and universities.

Conflicts of Interest

The author declares that there is no conflict of interest regarding the publication of this article.

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