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**Internationalisation and New Public Management in Higher Education Reform in  
Mainland China and Finland**

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**ABSTRACT:**

In the past three decades, many changes alongside with the globalisation occurred. The global trend promoted the global education movement, which stood on the outcome-based education reform, and then the movement evolved the education systems with the management thoughts of low cost but effectiveness education and high quality. Meanwhile, the international activities among higher education systems became more active; transboundary academic service from universities had been delivered rapidly. The scope of the mobility of students, scholars, and teachers became wider, more educational structure and culture networking transported and cross-border academic collaborated.

The current research explores the higher education reform in mainland China and Finland in the past decades, it has tended to examine closely about the structure reform in the two different social systems, which were under the influence of the globalisation, internationalisation and New Public Management. Furthermore, to find out convergences of the reform between the two nations. The research applies qualitative research method. The qualitative content analysis presents the two higher education systems' distinct reform process and reform contexts along with the line of globalisation, internationalisation and New Public Management, which answers the how-research questions. Later the research displays the findings and convergences by exhibiting the policies and practices in universities' administration.

The results of the study manifest the internationalised universities in both countries are heavily transformed by globalisation. The market-oriented higher education institutions, modified administration structures and highly autonomous universities governance in both systems are the products of New Public Management.

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**KEYWORDS:** Globalisation, internationalisation, New Public Management, higher education reform



# 1. INTRODUCTION

## 1.1 Research statement

The globalised communities nowadays mostly rely on science and technology for pursuing development, forces such as the state-of-the-art technology and competence of innovation are regarded as driven powers for sustainable development of nations. In the demanding world, talent acquisition and manpower play crucial support for surviving of nations and work as the competitive advantage.

There is a Chinese saying: “It takes ten years to grow trees, but takes a hundred year to school people.” Schooling population and schooling labour have been regarded as a universally curial part in education. Moreover, education as the core subject in the public and governmental management, it envelopes countless schools, teachers and students and more importantly it contains vastly influence on the development of the nations. The determining position of education makes the education management essential and pressing, especially the scientific disciplines.

In the 20<sup>th</sup> century, the uprising of New Public Management globally became a trend and it triggered the worldwide education system reform in 1980s. The reform was not only underway in the Anglo-Saxon countries or European countries but also it has been carried out in the east. The trend promoted the global education movement, which built on the outcome-based education reform; gradually the education systems adapted the management system, which contained the thoughts of low cost, effectiveness and high quality education.

In addition, there was another phenomenon within the global trend of higher education reform. The international activities among higher education systems became more active, transboundary service from universities had been delivered rapidly: international programmes and joint institutions developed intensively and straightforwardly, the span of the mobility of students, scholars, teachers became wider, more and more educational structures and culture networking have been transported; research collaboration have

been carried on. The number of the international students' mobility to OECD countries rose rapidly, for example, there were 0.8 million international students in 1975 and the number turned to 4.3 million in 2011. The internationalised higher education scope globally became greater, and the range has reached not only in students and academic mobility but also in international education cooperation and training. (Cerna 2014: 3; Tremblay, Lalancette & Roseveare 2012: 23.)

This thesis introduces the impact of globalisation, internationalisation and New Public Management (NPM) on the higher education reform in mainland China and Finland.

This thesis mainly focuses on the questions as below:

1. How do globalisation and internationalisation shape higher education reform in mainland China and Finland?
2. How does NPM influence higher education policies in higher education systems of mainland China and Finland?
3. Are there any convergences between these two different countries' higher education reform under the climate of globalisation?

Potential significance: The research will present the theories regarding the impact of globalisation and the NPM on the higher education system, as well as the role of higher education in national development. In addition, it will help people have more understanding of how globalisation influences in higher education, how universities become internationalised and how it leads to converged policies and governance in higher education reform in a global sense.

## 1.2. Structure and Methodology

Chapter 1 offers the research statement and research questions.

Chapter 2 presents a historical review of the theories.

Chapter 3 states the background of higher education reform in mainland China and Finland.

Chapter 4 demonstrates the higher education systems in mainland China and Finland.

Chapter 5 focuses on the higher education reform in mainland China and Finland respectively under the influence from globalisation, internationalisation and New Public Management.

Chapter 6 presents the answers to the research questions, main findings, convergences and discussion.

The applied method will be the qualitative content analysis of various sources, public documents and articles. Literature review is in the theoretical part for developing a conceptual and analytical framework. Education system study and the system reform study offer answers for the how-questions.

Why these two countries?

First, I am studying in Finland for my Master's degree, before that I obtained my Bachelor's degree at China. I have experienced two different higher education systems, comparing and finding the differences and similarities between them are my interests, especially focus on the impact of globalisation and New Public Management on the two countries' higher education. Finland is a welfare state, a member of European Union (EU) and mostly form its higher education system within the climate of EU. Mainland China is applying socialism and it merely conducted its open-door economy policy 36 years ago. Both countries have experienced the trend of globalisation and internationalisation from 1980s until now, then how are the higher education developing situation and the current development outcomes in these two nations? Curiosity about the higher education reform between the two systems drives me to explore the differences and similarities while I have studied in the systems.

## 2. THEORY AND ANALYTICAL FRAMEWORK

### Defining higher education

Higher education is “all types of studies, training or training for research at the post-secondary level, provided by universities or other educational establishments that approved as institutions of higher education by the competent state authorities.”

(UNESCO 1998: 1.) Academic universities, colleges and institutes of technology offer higher education, in addition, vocational schools, trade schools and the other academic career schools provide the education. Internationally, there are two divisions: higher education and further education. Higher education includes undergraduate and postgraduate education. Undergraduate takes three years or four years to complete; qualified students will be issued with higher national diplomas and degrees. In addition, the further education or continuing education includes vocational or training education, which are usually after the secondary education. The vocational schools offer non-degreed diplomas or certificates.

According to the social and cultural rights of 1966 in the United Nations (UN)

International human rights instruments, "Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education." It aims to “educate highly qualified graduates and responsible citizens and to provide opportunities for higher learning and for learning throughout life.” (ibid: 1.) Moreover, it intends to promote economic, political, cultural development and sustainable development. Higher education is regarded as public service with various sources of funding: public and private.

### 2.1. New Public Management

#### Defining NPM

New Public Management (NPM) was regarded as a product of globalisation, since the trend covered and affected most of the countries and the policies in governments all around the world. Moreover, it had been seen as a “marriage of two different streams of

ideas.” (Hood 1991: 5.) The two different streams were new institutional economics and managerialism in public administration.

As there was a concept of “New Public Management”, then there must be a traditional one. In the early 1980s, there was a term “paradigm shift”, which was directly from Weberian model of public administration. The shift was mainly about how a good administration should be and it stressed on a tidy and well-organised hierarchy and bureaucracy, which should avoid political aspect of influence and the process of making copy and repeat. The good administration aimed to change the public sectors and public organisations; it aimed to promote efficiency and competition in public service and application of sources. This was explained as the New Public Management.

(Promberger & Rauskala 2003: 1.)

Traced back to 1950s, there was a specific national orientated reform in public management and its influence spread out to most of the minor departments of national institutions. The public management reform was working as it stressed that making changes in organisational and bureaucratic fields.

In addition, the procedural process in the reform was welcomed by most of the Anglo Saxon society and European countries. They all shared an idea that the legal construction should be within the public management, and they were willing to develop this legal process in their own countries. Therefore, the law of constitution and the law of administration in the field of public management reform spoke with a lot of importance. Furthermore, some international originations played as important roles in the reform, such as the UN, the OECD. (Pollitt & Bouckaert 2011: 5.)

In the 1970s, under the influence of global economic depression, concerns and worries about the overweight of government and the doubts about affordable of the welfare states in West European had been discussed heavily. The atmosphere of “unaffordable, ineffective and overly constraining on employers and citizens alike” spread around and caused a demand for lower costs and higher efficiency and “simultaneously oblige

public bureaucracies to act more responsively towards their citizen users.” (Pollitt & Bouckaert 2011: 6.)

Afterwards, another stream of reform targeting on the central government had firstly been conducted in 1980s. It developed as the New Public Management until 1990s. Then the reform was not only about the legal and technical, but casted the concern back to the “governance, joined-up government/whole of government, partnerships, and then to trust and transparency.” (Pollitt & Bouckaert 2011: 7.) An innovative idea about public governance involved a claim with entrepreneurial government, for example, introducing the idea of competition to public department, supplying more choice and better service to citizens. Mostly, the idea of containing greater efficiency and high quality service were highly valued by NPM.

To sum up the reform started from 1950s until 1990s; the planning stage was watermarked from middle of 1960s to late 1970s. Then, in the late 1970s until late 1990s, the legal-like administration reform had developed as a business-like public administration reform and later it had gradually formed the New Public Management. The idea of better management was applied in almost every public administration. Later on, from the late 1990s until 2010, there were no specific standards or models for public administration to follow in the reform, but more and more public institutions and governance systems valued the transparency and trust, as well as partnerships and network.

Araujo presented the comparison in table 1 as below about the traditional public administration and NPM.

Table 1. NPM reforms compared with traditional public administration. (Araujo 2001: 918.)

Elements	Traditional administration	NPM
Government organisation	Service provided on a uniform basis operating as a single aggregated unit	Break-up traditional structures into quasi-autonomous units
Control of public organisations	Control from the headquarter through the hierarchy of unbroken supervision and checks and balances	Hands-on professional management with clear statement of goals and performance measurement
Control of output measures	Control on inputs and procedures	Stress results and output control rather than procedures
Management practices	Standard established procedures throughout the service	Using private sector management style
Discipline in resources use	Due process and political entitlements	Check resources demands and 'do more with less'

Pollitt & Dan (2011: 57) uttered candidate explanations about NPM:

1. Mostly NPM had been taken as “an issue of faith” instead of “demonstrated results.” Politicians and office-bearers who worked in the system under guidance of a whole set of ready mind-set and principles. However, these principles and mind-set did not work well as they claimed, and “NPM has been seen as one manifestation of a broader ideology of managerialism.” (ibid. 57.) Therefore, NPM was like a widespread value or faith; it was broadcasted by some communities and outside the range or limits of some particular standards or visible behaviours.
2. NPM stood for modernisation. It not only stood for the customer friendly public service but also was about “populist and anti-bureaucratic” attitude. It was a popular term often had been using by politicians to show their claims of reform.

Moreover, politicians and the institutions were likely to support reform within the bureaucratic system. Furthermore, some hidden meaning about the symbols, it would be the capability to recognize the right symbol, and then started to hold a group of comparable minds to reach their goals.

3. NPM was a tool for politicians and office-bearers to apply in their daily bases, especially when it came with high pressure of increasing public spending. Government, in this case, had to reduce the spending but they were aware of the objection from people. Therefore, reform was their veil to cover their real goals. The original goals were mainly economy controlled by “the top over operating agencies” instead of “improved customer service.”
  
4. NPM had been applied in some countries; they were not willingly but were forced by those NPM inventors and NPM supporters; the supporters were mainly from the Anglo Saxon society: Australia, New Zealand, the UK, the USA and some other international communities. The known international organisations, such as The World Bank and the OECD, they constantly made some intensive recommendation for some nations to apply “good governance”, or to apply their advocated reform in public institutions, there was limited freedom to choose NPM type of reform. The financial crisis in Eurozone in 2011 could be the further example of this.

Hood provided explanations about the NPM, Table 2 as below showed crucial doctrines of the New Public Management.

Table 2. Doctrinal components of new public management. (Hood 1991: 4-5.)

DOCTRINE	MEANING	JUSTIFICATION
Hands-on professional management	Visible managers at the top of the organisation, free to manage by use of discretionary power.	Accountability requires clear assignment of responsibility, not diffusion of power.
Explicit standards and performance measure.	Goals and defined targets which are specific, measurable, achievable, relevant and time.	Accountability means clear stated aims; efficiency requires a 'hard look' at objectives.
Emphasis on output controls	Resource allocation and rewards are linked to performance.	Need to stress results rather than inputs and procedures.
Shift to disaggregation of unites in the public sector.	Disaggregate public sector into corporatized units of activity, organized by products, with devolved budgets. Units dealing at arm's length with each other.	Make units manageable; split provision and production, use contracts or franchises inside as well as outside the public sector.
Shift to greater competition by the introduction of market disciplines in the public sector.	Move to term contracts and public tendering procedures.	Rivalry via competition as the key to lower costs, better standards and more innovation in product design.
Stress on private-sector styles of management practice.	Move away from traditional public service ethic to more flexible pay, hiring, rules, etc.	Need to apply 'proven' private sector management tools in the public sector.
Stress on greater discipline and economy in resource use.	Cutting direct costs, raising labour productivity, limiting compliance costs to business.	Need to check resource demands of the public sector, and do 'more with less.'

Tolofari (2005: 87-88): From the late 1970s, a trend of public administration reform resulted in both of social service, advocating of accountability of government and the structures of governance. During the reform, public administration had been influenced and applied business management practices and theories. It was called New Public Management, and it always associated with governance, which had been forming over the government. NPM was another vision of public administration.

### 2.1.1. Managerialism

Defining managerialism and its features

Customer service: For developing the quick response of public sector to people's demands, furthermore for building up residents trust and loyalty towards public administration. The officials launched a set of unified programmes and convenience-for-people measures. "One-stop-shops, interactive technology or case management strategies to make service delivery more seamless for citizens." (Promberger & Rauskala 2003: 6.)

Budgeting and accounting: For the sake of transparency, output-driven accounting system, the accrual accounting had been introduced to many nations; this made governments reforming their long-term plans.

Assessment for performance and outcome: Reforms introduced the management and measurement to evaluate the governance and management within the English speaking countries or some other way of evaluation, which related payment to employee's performance.

Privatisation and contracting: Reforms had made government developing some cooperate relationships with private companies or non-profit organisations, private-sector methods were introduced into public sectors. It helped government programmes reached their target market and citizens received faster service, in addition, it trained government with more flexibility when they confronted challenges. In another side, these activities attached to a doubt that government had been decentralised. (Promberger & Rauskala 2003: 6-7.)

### 2.1.2. Public Choice theory

Human beings were the animals who pursued the best interest, and the pursuit originally existed in their genes. When humans made decision to satisfy their personal interests, the instinct mostly might work. As to the public administration field, people who paid

tax would expect a relevant service back. Therefore, the service from the public sectors should meet the citizen's demands and had the accountability for their demands as well.

However, when public service was working in a relatively lower reward system, then it might lead to inefficacy, lower productivity, higher expenditure and waste of public resource. Consequently, a business as automatic working mechanism could analyse and verdict those inefficient and ineffective public institutions, which was demanded and welcomed in the public administration management. (Tolofari 2005: 80.)

Public service monopolies: "The theory suggests that if appropriate market structures are created in the public sector, then the behaviour of bureaucrats will be steered towards the general welfare of society rather than their own interests." (Promberger & Rauskala 2003: 7.)

Theorists regarded that the public sectors usually ran most of the national service market, such as education and health system; they were monopolistic public service suppliers and had no worries about market competition. In this case, the public monopolistic service was assumed as underperforming in the market even with more investment from the state. However, the activate private sectors in the market could show their long-living competence by earning profits. Thus, theorists concluded that bureaucrats would pay more interests on the needs of politicians instead of the citizens.

Promberger & Rauskala (2003: 7) suggested three "prescriptions" for solving the problem of bureaucracy. First, introduced competitive mechanism to the public sectors. Competition should not only exist in the private organisations but also lived in the public and private. Second, authority transformation from bureaucrats to politicians was claimed, and more request about the information sharing and transparency from public sectors. Third, large public sectors should be divided into small sectors. In order to break apart intensive bureaucracies, functional departments were suggested to reorganise into mono-function sectors. In addition, performance would be easily assessed.

### 2.1.3. Governance

#### Defining governance

Stoker stated that

*“Governance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred. The essence of governance is its focus on mechanisms that do not rest on recourse to the authority and sanctions of government.... Governance for (some) is about the potential for contracting, franchising and new forms of regulation. In short, it is about what (some) refer to as the new public management. However, governance ...is more than a new set of managerial tools. It is also about more than achieving greater efficiency in the production of public services.” (Stoker 1998: 17-18.)*

According to Ewalt, NPM was a theory about rules of organisation and outcome while governance was a theory about the political aspect and focusing on process. Governance aimed to form some governing styles, which existed within public and private sectors, but borderless style of governance survived between these two sectors. (Ewalt 2001: 8.)

#### Governance in context of higher education

The essentials as below were the governance models practicing in universities:

- *the state regulation, a ‘government prescription model’ guided by external stakeholders, though advice from government, parliamentary, industry, union, and other bodies;*
- *the ‘academic self-governance’ model;*
- *the ‘collegial peer-review based decision making of tradition’ model;*
- *the ‘managerial self-governance’ model; and*
- *the formal hierarchical organisation of universities with Vice-Chancellors, Deputy Vice-Chancellors, Deans, etc., and competition for scarce resources both within and between universities. (Waduge 2011: 5.)*

Besides, governance in university referred to the external and internal process of organisation, which organised people and research within the system of higher education either in formal module or in informal one.

External governance: This was mainly about the relationship between state and universities, from government to governance. There was a trend existing in many nations that the traditional state controlled or manipulated regulation had been transferred. There were different actors involving in the forming of regulation, which was multi-actor governance. In addition, the declined influential of state in higher

education showed in these ways: supra-national policies and programmes were rising rapidly, such as European Union and World Bank. More management autonomy released from the state government to local governments and universities; role of state government declined and none-government or privatised organisations uprose, such as NGOs. (MODERN 2009: 10-11.)

In the idea of market mechanism, the role of government was reinforced and was regarded as the engine of the market. The market governance aimed to form a market by supplying and demanding as well as government interventions; furthermore, it promoted the self-regulation of the market. By mentioning of management of expenditures in the system and ideological changing about market mechanism, less government and more governance had been claimed. In addition, NPM approach casted much more influential impact on developing good public service. For example, more European countries valued the notion of good service in their public sectors for goal of more efficiency and effectiveness. (MODERN 2009: 11.)

Internal governance: It referred to the detailed management procedures and process within the intra-institution, for instance: policies making, financing and the valid sphere of authority. General speaking, traditional universities were all under the governance of states, the university system embraced a lot of different elements, such as the way of management, situation of operation, state of recruitment and so on. The diversity of the system in the way of sound and reasonable structure was highly rated by the European Union.

Institutional autonomy had been claimed and undertook in some significant governmental reforms, as well as by the shifting of relationship existed in state and universities.

*“Deregulation in the form of enhancing institutional autonomy has probably been the overarching governance trend in European higher education over the last two decades. The prevailing policy belief is that universities in Europe should be freed from over-regulation and micro-management while accepting in return full institutional accountability to society at large for their results. Another policy belief is that more autonomy within the higher education institutions will improve the performance of those institutions and of the higher education systems overall. The rationale for*

*this rests on the autonomous higher education institution being able to control and steer its outcomes and performance.” (MODERN 2009: 12.)*

### The New Public Governance

In the earlier 21st century, New Public Governance had been widely discussed among the public and private sectors or NGOs. Due to globalisation, policy and administration in public sectors had been transformed. New Public Governance stressed construction of policy and policy execution, such as making plans about the future policy and assessing the present policies, it supplied present analysis for indicating a future model. (Patapas, Raipa & Smalskys 2014: 4-6.)

Some innovation management and changing management based on the claim of the new trend had been practiced in public management: shifting targets of public sectors’ administration and approaches of policy-making, admitting national wide centralisation and decentralisation, privatisation and deprivatisation. It demanded that the systems should have a good understanding of management and awareness of their position in the content of New Public Governance. Meanwhile, innovative changes were not be formed by themselves but formed together with positive surroundings; the situation should be with “social, technological and intellectual creativity; stable politics administration power concentration, radical public governance reforms, abilities of public governance managers and leaders to use strategic management.” (Patapas et al. 2014: 5-7.)

Osborne (2006) stated the new public governance approach; it valued citizens more than government. The theory rooted in notion of citizenship and public interests. Table 3 as below demonstrated the main doctrines of the new public governance.

Table 3. Elements of NPG, in contrast to PA and the NPM. (Osborne 2006: 383.)

Paradigm/Key elements	Theoretical roots	Nature of the state	Focus	Emphasis	Relationship to external (non-public) organisational partners	Governance mechanism	Value base
Public Administration	Political science and public Policy	Unitary	The policy system	Policy implementation	Potential elements of the policy	Hierarchy	Public sector ethos
New Public Management	Rational/Public choice theory and Management studies	Disaggregated	Intra-organisational management	Service inputs outputs	Independent contractors within a competitive market-place	The market and classical or neo-classical contracts	Efficacy of competition and market-place
New Public Governance	Organisational sociology and Network theory	Plural and pluralist	Inter-organisational governance	Service processes and outcomes	Preferred suppliers, and often inter-dependent agents within ongoing relationships	Trust or relational contracts	Neo-corporatist

#### 2.1.4. Key reform ideas in the post-New Public Management era

The reform wave of New Public Management promoted the ideas of efficiency to make work better in the public sectors and the better service would cover more citizens' needs. It was a claim of structural decentralisation of central political-administration. Central authorities were shifted to different administration stages.

Rising of the post-NPM occurred in the late 1990s, mostly was still from the Anglo-Saxon societies. After the reform of NPM, there was a trend appearing among the public sectors that centralised authorities had been decentralised during the reform, the central administration seemed having less and less influence and power of handling information, public questioned their accountability and capacity. Moreover, responsibilities for accidents and problems usually went to administrative; even those

problems were raised from the NPM. Afterwards, a trend of getting back some authorities became a natural call from the post-NPM in 1990s.

Fragmentation and self-centred authorities seemed to become over-growing in the public sectors with the shortage of cooperation and coordination. Consequently, the shared common goal of efficiency and effectiveness in the reform of NPM had been appreciated again. Meanwhile, the over addressed performance of management and the single-purpose-organisations, as well as the structural decentralisation led to the direction of overlook of horizontal cooperation and integration.

Leading characteristics of post-NPM reforms

Hood had advocated the joined-up-government and whole-of-government in 2005; they were for those dated principles of public institutions. In addition, a holistic strategy was brought up in 2005, which was an attempt to integrate all the work beyond administrations for achieving the shared targets, fulfilling all the public service and service distribution without the limit of organisations and administration, so as to a borderless of policy-making process. The demand of policies could work efficiently and effectively within different organisations, which was the claim of horizontal dimension of post-NPM. Furthermore, the traditional boundaries among the public sectors should not be hurdles for policies making.

Cooperative work in post-NPM reform was generally regarded as a “smart practice.” The effort intended to deliver the public services smoothly and people could receive a whole set of thoughtful service. Moreover, a strong value of trust-based governance and collaboration forming training for the public servants were highly addressed during the post-NPM reform. Market as a mechanism worked in the cooperation, as well as networks. Central government worked as the main character who built up networks for implementing practices and policies for the cooperation of governance at all levels of administration. This state-centred governance made the public network functioned as the initial principle, and the network attached civil servants from all level of public sectors together to fulfil the claim of cooperative work accountably. Gradually,

partnerships in the governance of welfare service became a common practice.  
(Christensen 2012: 3-5.)

In conclusion, post-NPM did not separate from the NPM, but worked together with NPM transformed the public administration. New Public Management reform had been completed and complemented by the post-NPM, they both valued the main elements: effective, accountability and better service. In addition, post-NPM addressed more emphasis on cooperation, centralisation, governance and networks, which the over-developed fragmentation and decentralisation had showed up from NPM. The post-NPM horizontal coordination and integration of governance approaches promoted the centralisation of authorities and political control. (Christensen 2012: 8.)

## 2.2. Globalisation and Internationalisation

### 2.2.1. Globalisation

Definition in an involved context

The UK Department for International Development in 2000 defined globalisation:

*“The growing interdependence and interconnectedness of the modern world through increased flows of goods, services, capital, people and information. The process is driven by technological advances and reductions in the costs of international transactions, which spread technology and ideas, raise the share of trade in world production and increase the mobility of capital.”* (UK Government’s Second White Paper on International Development 2000.)

Brown stated three dimensions of globalisation. First, the rapid change within the global world had been regarded as a turn of globalisation. For example, in the area of high technology, abundant opportunities of international production, highly flexible monetary movement and investment, but weakened influence of state. Second, “it is referred to as though it an objective entity seemingly with its own conscious purpose.” (Brown 1999: 4.) Third, the way of globalisation actually was a way of saying, which confessed that the globalisation was actually happening, developing and changing the world. There were no any forces, which could stop the trend of globalisation. It became a process of operation, it was not managed under the control of human beings but it started naturally without any humankind effects. In the late 1990s, globalisation became

the dominate trend and it was referred as the product of neo-liberalism. Therefore, globalisation was a process in a complex situation, it enveloped the reorganisation and reshuffle of economy and policy in the worldwide arrange.

Singh demonstrated that globalisation had been regarded as a phenomenon and a vision; sometimes it referred as an argument as well. It worked from local to national and from national to global scope. Moreover, globalisation could be a set of theories and ideological concepts for academia to understand and study the new changes happening in economic, technology and cultural society. Meanwhile, process of globalisation happened differently from country to country. It could not be the same that process of globalisation occurred in a similar module among nations, the process of globalisation was not a uniform to be applied in everywhere. It was a time-space compression and global consciousness. (Singh 2004: 2.)

McBurnie presented that globalisation was a process of change throughout borders of nations and continents; it reformed institutions of organisations so as the everyday life of people. In addition, it was a trigger of change to the old world of higher education. It poked questions to the old system and required them to rethink them in a global context. In the meeting of auspice UNESCO 2001, McBrunie advocated two ambitions: “to promote education as public good” and “to promote quality assurance beyond national borders”. Besides, “higher education is part of the increasing globalisation of the trade in goods and services.” (McBrunie & Ziguras 2001: 1.)

In conclusion, globalisation embraced changes in economy and culture. It increased the flow of goods, capital, information and labour work internationally, therefore, there were many transnational firms and factories had been built. More important, the transformation and reconstruction in organisations had been conveyed, and the rise of network society had been formed. It weakened the sovereignty of states and the notion of national citizen. In addition, it was a discourse that global awareness was leading the changes in everyday life and reforms in education and politics.

### Globalisation in the context of higher education

Accordingly, the process of globalisation included economic and cultural revolution internationally. On the economic side, capital and goods largely flowed globally and worldwide markets had been established. On the side of culture, high technology, information and communication had successively driven a new network among mankind activities, such as travelling in countries with different economic and social systems, and mostly the functioning of data transferring was based on the knowledge-intensive production.

Networks and knowledge played important role in deciding the weight in power and inequality, thus, the developing of interconnectedness during the network constructing had been valued. Interconnectedness in the context of global consciousness referred to help development of mutual-dependence and convergence within globally or pan-area. Thus far, Anglo economic and cultural system has situated in the dominated position of the world, consequently the convergence in English-speaking world was most noticeable. (OECD 2009: 19.)

### Globalisation on the cultural side

In the “circuits of capital”, higher education usually was taken as the part, which was under the economy and it was a by-product of economy. Mostly research and knowledge production were the two main products of higher education and they related to intercultural communication heavily. While having research, it surely had to apply international databases, cooperation among universities and faculties boosted communication via the internet, teaching mobility internationally. Therefore, the highly intercultural flowing knowledge and information among nations had contributed the higher education, and it was more globalised than economy.

Meanwhile, it should be noticed that globalisation in higher education was not like a uniform, which could suit for every single country on the earth. Globalisation presented itself differently in nations according to their various traditions and systems on which societies were based on. Furthermore, phenomena related to globalisation were presented differently according to different policies, governance and management.

States could control how much participation they are in the process of globalisation but the autonomy of operation was rather restricted. (OECD 2009: 20.)

The impact of globalisation on higher education

As the centre of knowledge, universities naturally became the supplier for a globalised society, which were demanded to have spirit of innovation and creativity in scientific research and technological development.

Research and innovation were regarded as the engine for social development and economic growth, thus, the demands of knowledge increase vastly. It was not only a demand in the developed world but also a trend in the rest of the world.

The traditional scientific research model updated to Gibbons' Mode 2, role of research for helping corporation internationally had been enforced. Work of research essentially functioned globally and communicated internationally, such as issuing, forum and network all had to be functioned within the international community. Then international research market appeared and it promoted the mobility of researchers within a competitive environment. Meanwhile, the role of knowledge centre had not demanded as technology and science research, but more claims came from society that universities should take more responsibility in working as a role of negotiator when there was disagreement or conflict, moreover, being a role of spreading idea of democracy, helping ethical conscience awareness and establishing and promoting cultural communications. The new pressure from the globalisation required the old traditional universities made efforts to change. (Damme 2001: 2.)

Global demanding was increasing for higher education.

*“These developments underpin the assertion that higher education will become one of the booming markets in the years to come. This expansion and massification will not be matched by a proportional rise in public expenditure, leading to an increase in private and commercial provision and creating huge problems of access and equity.”* (Damme 2001: 3.)

In addition, due to the growth of population, modernisation or demanding of modernisation in some part of world, massification of higher education was requested in

many countries. Within the economic development, the demanding for higher education in system of qualification for the labour market became different from the past.

In developed countries, diplomas were not taken as important as before. Qualifications and certificates still were the main products of higher education, but higher education was not the only institution who could issue them. Alternatively, some specialised programmes, vocational training, skills oriented courses and lifelong learning thoughts had become extra enhancement and complement for it. At another side, credentialism in some part of the world still had been highly valued. Diplomas and degrees were still being regarded as the guarantee of job opportunities, social security and successful life.

Borderless higher education appeared. Europe, North America and Australia extended their educational offers to the international higher education market. The educational referred to the enlarge enrolment of international students with paying tuition fees and building up branch campuses or leaving schooling permission to some universities abroad. Furthermore, long-distance education and on-line education had been introduced internationally.

Borderless education business emerged. New providers, who were not part of the higher education system previously, now they were brought into the system and started working actively. Those providers were, for example, professional organisations, commercial non-public universities or corporate colleges and educational commercial companies. The providers intensively applied internet, which were different from the traditional campus and academic cultures. A new type of e-universities was established and the traditional identity of university had been challenged. (Damme 2001: 3-5.)

“Globalisation in higher education does not necessarily imply international standardisation and uniformity, but asks for policies balancing the global and the local.” (Damme 2001: 4.) Higher education policies, rules and tradition in the system were made from national institutions. Bologna Declaration (1999) boosted and formed the international market, education institutions noticed that the trend of change and the global demand from the globalisation, they adjusted their institutions and started to

grow their own networks and partnership for gaining a stable positions in the global market. Some programmes intended to encourage international student mobility were launched, like Erasmus, Socrates, UMAP and Nordplus. Additionally, new education policies among European universities were presented for accelerate internationalisation of higher education, such as the ECTS: European credit transfer system, all these new policies had based on the policy structures in different countries.

Consequently, encounters followed the globalisation reconciling or restructuring various degree systems, curricula and education systems to a “generalisation of the bachelor or master degree structure.” (Damme 2001: 4.) English still was the only research language in higher education scientific research.

Overall, higher education reflected all transformation phenomena from globalisation. Education and research played vital roles in the process of globalisation world widely, and the newly formed higher education communities manufactured high technology and knowledge, borderless higher education and marketisation. In the network world, demanding of massification had enlarged the enrolment ratio of higher education.

### 2.2.2. Internationalisation

#### Defining internationalisation

“Internationalisation is changing the world of higher education, and globalisation is changing the world of internationalisation.” (Knight 2004: 5.) The phrase became popular for mentioning the international dimension of higher education, particularly as it referred to the “process of integrating an international or intercultural dimension into the teaching, research and service functions of the institution.” (ibid: 12.)

In case of higher education, Knight stated that it was “a term that is being used more and more to discuss the international dimension of higher education and, more widely, postsecondary education,” and “internationalisation as the process of integrating an international dimension into research, teaching and services functions of higher education.” (ibid: 5.) In addition, Knight stressed the term might be used differently due to applying by different individuals and was applied in different ways. Because of this,

confusion about the relationship between internationalisation and globalisation might be caused.

Söderqvist (2007: 29) defined the internationalisation of a higher education institution as “a change process from a national HEI into an international HEI leading to the inclusion of an international dimension in all aspects of its holistic management in order to enhance the quality of teaching and research and to achieve the desired competencies.”

Wende referred internationalisation was systematic efforts: “any systematic effort aimed at making higher education responsive to the requirements and challenges related to the globalisation of society, economy and labour markets.” (Wende 1997: 19.) It was the product from supra-national policies and it internationalised higher education. International collaboration, mobility of students, cross-border teaching, international curricula and ECTS recognition had been brought together into higher education.

Teichler stated that internationalisation of higher education became a buzzword in Europe since 1990s. Teichler defined it as “the growing border-crossing activities between national system of higher education is losing ground to globalisation, increasing cross-border activities of blurred national systems which is often employed to depict world-wide trends and growing global competition.” (Teichler 2004: 1.)

#### Relationship between internationalisation and globalisation

In Knight’s statement (2004: 5), internationalisation and globalisation were two different concepts but they always engaged each other’s during the changes and process. The word international stressed the relationships among countries and states, as well as the idea of nation. As to the globalisation, it was mainly about the speeding development of high-tech, economy and information in the whole world, and globalisation was being a portion of the social, political and economic change, people noticed about the over-expanding higher education and its changings as well.

Teichler claimed that internationalisation, Europeanisation and globalisation were three terms to describe the development of internationalisation. Europeanisation was a product of internationalisation and globalisation, or a European edition of internationalisation and globalisation. ERASMUS and the Bologna process were two main representatives of this phenomenon. It was a process of shaping system within European academic relations.

Furthermore, Teichler defined that internationalisation was as some certain massive significant changes and cross-border events within higher education system, but the system was under the institution of national system. As to globalisation, it was another massive transforming phenomenon happening in higher education but aimed to develop relationships with rest of the world. The boundary of nations for the cross-border activities during the globalisation seemed not as important as before and even borderless for them. (Teichler 2004:1-15.)

Scott argued that globalisation and internationalisation were opposite concepts. In perspective view of internationalisation, the political, economic and social situation in the world had their particular principles, and different nations formed and governed their own principles. "It has been deeply influenced by the retreat from Empire, the persistence neo-colonialism, and by the geopolitics of Great Power rivalry-most notably the Cold War." (Scott 2000: 4.) Under the geopolitical background, all activities in higher education, such as enrolment of international students, teaching mobility and partnerships among universities were all follow the geopolitical setting.

However, Scott pointed that globalisation was about the global market and global labour flowing. It was not merely about the transmission and international competitiveness but also about the way to deepen cooperation and teamwork internationally. Consequently, globalisation intended to make a change about the current situation and advocated a new world-order, which opposed to the internationalisation.

Some would regard globalisation was an updated internationalisation. Scott disproved it and stressed three reasons to against it. First, globalisation and internationalisation held

different ideas about nation states. The former one hold an uncertain or even “positively hostile” to the notion of nation states. Second, as to the way of express themselves, they communicated in respective ways. Globalisation worked in “mass consumerism and global capitalism.” However, internationalisation functioned itself in way of culture historically and the skills of world diplomacy. Third, hierarchy and hegemony were inventions of internationalisation. (Scott 2000: 5.)

Mitchell and Nielsen believed that internationalisation was the engine of globalisation. It boosted reconsideration of citizenship, jointed research in science and scholarship, decentralised the service of campus, international entrepreneurialism and neo-liberal managerialism. Furthermore, they applied ancient Chinese philosophy Yin and Yang forces to understand internationalisation and globalisation. Two strengths teamed up, they made transforming in organisations and higher education systems, and they rooted in notion of renewable communication to produce “global interdependence in economics politics and culture.” (Mitchell & Nielsen 2012: 1.)

Huang stressed three differences between them. First, two concepts came from different times; internationalisation was talked earlier than globalisation. Since 1960s, internationalisation became a catchword but globalisation was discussed merely at the end of 1980s. Second, two concepts aimed at different goals. Internationalisation targeted in cultural communication and conversation among nations, globalisation mainly planned to produce a universal recognised model for the global world, which was outside the range or limited of nations and cultures. Third, two notions were with different preconditions. Internationalisation arose with claim of existing of different nations but globalisation advocated their statement of borderless and declined influence of countries. (Huang 2007: 4-6.)

### **3. BACKGROUND OF HIGHER EDUCATION REFORMS IN MAINLAND CHINA AND FINLAND**

This chapter mainly introduces the different reform backgrounds of the two countries and the influential international movements on them.

#### 3.1 Background of modern higher education reform in mainland China

This background introduction of Chinese higher education reform is focus on mainland China but not includes Hong Kong, Macau and Taiwan.

The reconstruction in the 1950s-1970s

After suffering fourteen years of war to fight against Fascist Japan and a followed four years of civil war, the Chinese Communist Party came into power on October of 1949. A trend of reconstruction and restructuring of higher education institutions had been advocated by the Ministry of Education. The reorganised higher education system applied the model of the former Soviet Union in 1950s.

A national conference in 1951 composed national department regulations, which was mainly organised by the rectors of several engineering colleges. According to the meeting, some crucial problems and the demand of allocations of colleges had been brought up. They were mainly about the disparity of geographical allocation, dispersal of human resource was over wide and it caused wasteful and inefficiency, subjects design in the colleges were mal-deigned and unpractical, and the last one was: be lack of students. The meeting was their first attempt on trying to organise the administration from different regions in a united way.

The Ministry of Education had launched a draft about China higher education regulation in 1952. It aimed to function the higher education institutions working accurate and effective. It was mostly about the colleges in North, East, Central and South part of mainland China. The demand of building up comprehensive universities and special training colleges perfectly met the citizens' needs, as pursuit of knowledge was a necessary for the well-being of the society.

According to the draft, in each administrative region, one comprehensive university as a minimum should be established for responding the science research. Demands for increasing number of specialised engineering colleges were rising and numbers of technical colleges were suggested to close. Beside, one to three Agricultural universities should be built up, and one to three teachers' training colleges as a minimum in every region should be constructed, which was responding for increasing teachers' labour force for the secondary schools. (Yang 2000: 321.)

The higher education reform in 1950s boosted enormously the development of economy; however, problems appeared since it copied the former Soviet Union higher education system: higher education was one of the pieces attaching to the national planned economic system, which meant all the spending would go to state's budget. Humanities and social sciences was being underestimated heavily in the system at the time, in addition, comprehensive universities were not the largest sector in the system anymore. Unfortunately, the coming ten years of Culture Revolution from 1967 to 1977 was a disaster for Chinese education, the functioning of the system were paused. (Kang 2004: 142.)

After the Culture Revolution, the national higher education entrance examination was brought back again in 1977. The examination was an academic test for University Admissions annually. Similar type of examination for enrolling in higher education was adopted in other South-eastern Asian countries due to the impact of Confucianism. The reintroducing of examination symbolised as a restart of the Chinese higher education.

National interests consistently affected national higher education. The Open-door economic policy launched under execution of the economic reform in 1978. The market-oriented economy system replaced the planned economic system since then, a new type of economic demanding from the market determined the role of education, and it had adopted the demand-supply principle. Thus, a system-wide expansion was undergoing during that time. (Yang 2000: 322.)

The restructuring in the 1980s-1990s

The higher education reform closely related to the economic reform in the 1980s. The central government stressed that the weight of education boosted the development of the economy, and measures had been applied for having a close relationship between the central government and the education department, for example, transferred the State Ministry of Education to the State Education Commission in the 1980s. However, Ministry of Education was transferred back in 1990s because of the government construction adjusting.

Strategies presented the prime concern in developing the education:

*“The 14th Central Communist Party Congress in 1992 declared that “to develop education is the first priority to the realization of the four modernizations.” The 15th CCP Congress in 1997 reemphasized the strategy of reinvigorating the country with science and education and the strategy of sustainable development should be the two most important means for China to build a socialist market economy with Chinese characteristics.” (Ma 2003: 5.)*

There were five doctrines from a national meeting in 1994 suggested in higher education development: promoting cooperation between universities, promoting cooperative administration among universities, consolidation of institution, engaging more social actors in the institutional managing and transfer jurisdiction. After that, there were 400 universities in 30 different provinces practicing and working in an ally under the claim. Moreover, in 1998, the call for construction the first-class universities had been appealed and it showed the significant position of the education in national economic development. Furthermore, the market’s effect on the higher education system became heavier, so as the mechanism had been introduced to the system. The system had been shaped and formed many times by the market. (Yang 2000: 322.)

### 3.2. Background of higher education reform in European context

Finland joined the European Union in 1995 and later became a member of country of Bologna Process. In 2005, under the influence of the Process, in addition, according to the Finland’s goal of enhance the quality assurance within the EU higher education

field, Finnish higher education system applied the two-cycle degree system and reshaped its international strategies. (Ministry of Education and culture 2016 a.)

Mainly there were two movements occurred in the late 1990s, which contributed the higher education system transformation in European context: The Bologna Declaration in 1999 and the EU's Lisbon Strategy in 2000.

In 1998, there were four Western European countries: France, Germany, Italy and the UK had formed an ally about higher education. They made a Sorbonne Declaration. It aimed to build up a set of European higher education system with much diversity in higher education cultures, studying and teaching. A year later, twenty-five other European countries took part in the four nations' group in Bologna. They targeted to build up a European Higher Education Area by 2010.

The Bologna Process suggested a uniform degree structures two-cycle bachelor-master structure for concerning comparability. Combining study programmes had to be the initial task to be full-filled. European Credit Transfer System (ECTS) was suggested to EU membership countries. The shared ECTS system promoted the free movement of students and higher education staffs. In 2003 Berlin, the Bologna declaration had been enlarged to the third cycle, Ph.D. was introduced to the European Higher Education Area in the European Research Area.

In 2005, the further discussion about the third cycle had been widely developed. The discussion mainly concerned about how to improve and enforce further research of higher education in supporting the economic development, cultural development and condensation of societies. In 2007, the London communiqué casted more concern in student-centred higher education and international mobility. (Enders, Boer & Westerheijden 2011: 9; Ministry of Education and Culture 2016 b.)

People argued that the Bologna process mainly changed national higher education systems and the policies towards higher education within the nations. Legally the Bologna Declaration was an agreement without attachment and auxiliary conditions. Under a common degree structure: "there is unity in a European dimension at face

value, while diversity at the national levels continues.” (Enders et al. 2011: 9.) Nations could “conceive of striving towards a common Europe degree structure as coercion.” The changes because of “coercion” would be taken as a symbolic outcome, which was the contribution to the European higher education system.

In addition, the third cycle of engaging the Ph.D. into the European Higher Education Area in 2003 was an education development, which internationalised the doctoral education and reformed doctor education and studies in the nations. Again, the value of diversity of Europe and the world had been reinforced during the Bologna process.

On the other side, higher education institutions and international organisations played as vital roles in expressing and communicating the higher education policies, especially the organisations explained policies by handing out publishes and handbooks.

Erasmus had been introduced and it promoted students, teachers and researchers’ mobility. Consequently, these policies contributed some happenings of European higher education, such as the ECTS, the European Qualifications Framework, changes in quality assurance systems and the Bologna declaration. Moreover, the emerging supranational organisations had grown faster and bigger.

Lisbon strategy: Members of European Union in 2000 reached the Lisbon Strategy for targeting the goal of “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.” (Enders et al. 2011: 8.)

The Strategy aimed to urge European policy-makers to guarantee the policies about the investment in Research and Development could reach up to 3% of the GDP, which was already figured in the Bologna reform. Investment was not only within the country but cross-national.

Furthermore, a renewed Lisbon Partnership for Growth and Jobs in 2006 came out under the unexpected inefficacy of the old strategy. The updated one emphasised more

on how the growth of EU member states would be influenced by knowledge and innovation. This had been initiated as one of the three top must-do goals. Being act to the depression of economy and limited support of industry, the Europe 2020 of EU Committee was launched in 2010, it aimed to increase, as to higher education, the amount of population from 30 to 34 who had finished tertiary-level education should be up to 40% by 2020. (Enders et al. 2011: 8-10.)

Consequently, the role of University was strengthened and it had been confirmed by the European Commission that the knowledge producer and transmitter were mainly rely on universities. Education, research and innovation were forming a knowledgeable triangle that universities were the pillar to. Since 1980s until 2000, the changes in Europe, such as globalisation and internationalisation, clasp of Eastern Communist countries, they all have affected and formed the current situation. There were two topics in higher education had been lively discussed: role of state and sovereignty of higher education.

The sovereignty of higher education made the institution system had its own thinking about role of higher education. More market-type mechanisms and updated way of governance had been advocated for more accountability and transparency, especially the system was being in the trend of New Public Management. The role of higher education was expected to develop into self-employed, it responded to own costs and spending. Meanwhile, higher education institutions backed up innovation of industry, motivated competency of state and profited other social actors.

Following advocates above, the thought of less government but more governance appeared and was valued in higher education. A new type of relationship between government and higher education institutions had been advocated in 1990s. More participants from all level of society engaged into the system shifting, it made the relationship more diverse and complicated than before. It had been termed as transition of government to governance, meanwhile, relocated strengthens in government occurred throughout the whole system. (Enders et al. 2011: 14-16.)

## **4. CONTEXT OF HIGHER EDUCATION SYSTEMS IN MAINLAND CHINA AND FINLAND**

This chapter presents the system structure and administration bodies respectively in two countries' higher education institutions.

### **4.1. Education system in mainland China**

The education system of mainland China is demonstrated in Figure 1 on page 38. Generically, there are two types of education in China: compulsory education and higher education. The first category of education rests on the compulsory education law and it envelops nine years of compulsory education and three years of senior secondary education. The law ensures legally the rights for every child (age from six to fifteen) to receive the compulsory education. After that, it comes the second category of the senior secondary education. It requires young pupils (at the age of fifteen or sixteen) to take the entrance examination, which is arranged and launched by the local educational administration organisations. Based on Pupils' examination results, students can have choice between senior secondary school and vocational school. Senior secondary school requires higher examination grades and it lasts three years.

After senior secondary school, there is a crucial examination waiting for every high school graduate whom desires to be enrolled in higher education. It is the national higher education entrance examination; it is Gaokao in Chinese, it would be the most important examination for the most of Chinese people in their lives. The graduates' examination grades will determine which level of the Pyramid of Chinese higher education institutions they can go. The pyramid will be explained on Page 39 Figure 2. Ever since the 2001, there is no more age limits for the entrance examination.

Higher education contains undergraduate programmes and graduation programmes. The undergraduate programmes provide two and three years of associate degree and four years' Bachelor's degree. In addition, the vocational colleges provide associate degrees. Graduation programmes are merely offered by research institutes and Universities, three years for Master's degree and four or six years for Doctor's degree.

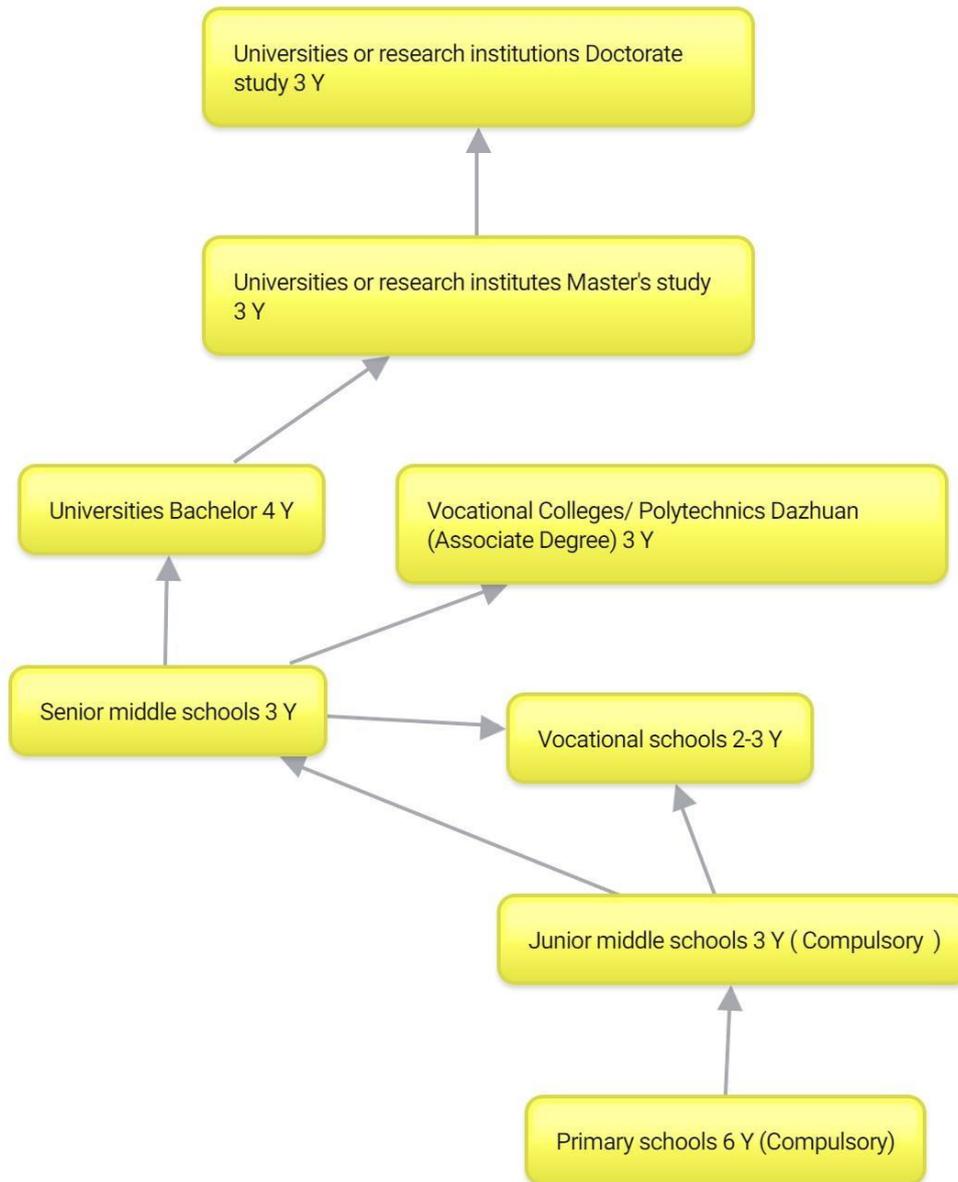


Figure 1. Structure of Chinese education system. (Pettersen 2011: 11.)

#### 4.1.1. Higher education institutions

Until 2015, there are 2529 higher education institutions and 1215 higher vocational colleges in mainland China (China statistical yearbook 2015). Generically, the Chinese mainland higher education system is divided into four levels. The top one is the '985' Universities and follows the '211' Universities. Both '985' Universities and '211' Universities are research Universities.

What are Project 211 and Project 985?

In November 1995, Chinese State Council launched Project 211, which planned to strengthen approximately a hundred higher education institutions and national key disciplinary areas for meeting the challenge of the 21<sup>st</sup> century. Furthermore, in the context of social and economic development, Chinese government aimed to have more professional talent pool. The purpose of Project 211 is that the educational institutions will school and produce more high-level professional manpower at home. Project 985 is being part of the project 211; it aims to build first-rate universities in the 21<sup>st</sup> century. Currently there are 116 'project 211' institutions and 39 'project 985' institutions in mainland China.

The third tier is teaching oriented institutions; they mainly provide three years associate Bachelor's degree or four years' Bachelor's degree. In addition, the last tier is higher vocational colleges, which offers three years' undergraduate programs.

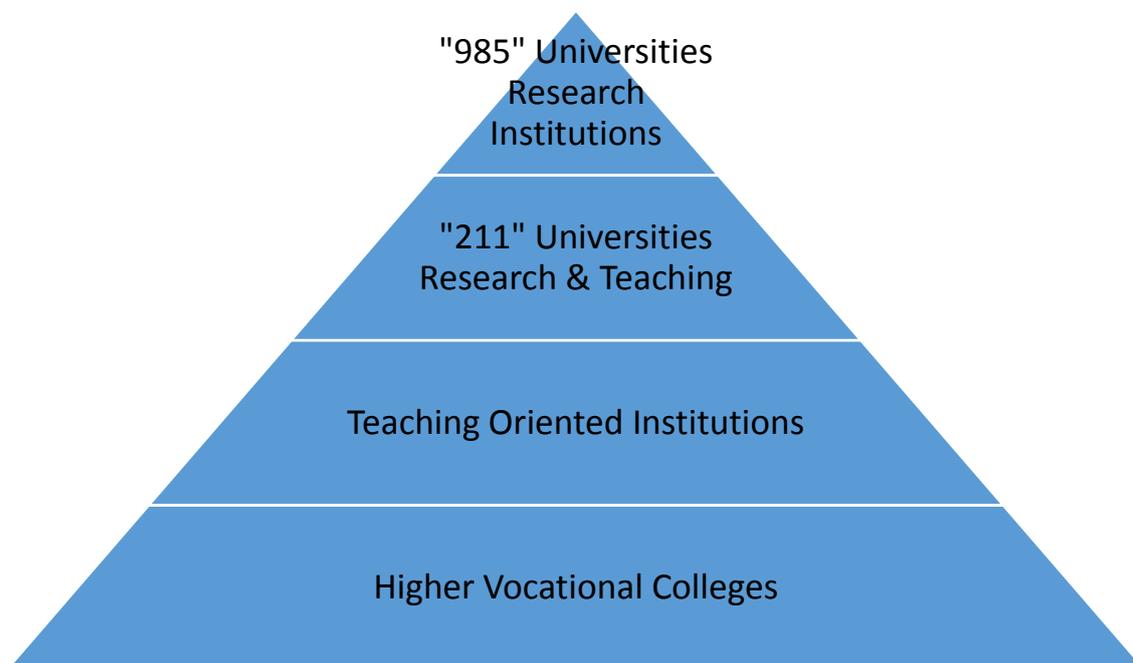


Figure 2. Pyramid of Chinese higher education institutions. (Cai 2015: 5.)

#### 4.1.2. Administration and university governance

In mainland China, the administrative implementation of the higher education system is practiced by two categories: central state government and local provinces' government. The Chinese Ministry of Education (MoE) is the highest education administration organ; it is an educational executive organ under the State Council. Everything about the national education development is charged by the MoE, such as implementing strategy of the national educational development plans, composing institutions, guidelines and regulations for the higher education organisations, conducting education reform and policies, assessing the school-running conditions and standards, and education quality; authorising the qualification of University, and approving the grants for academic institutions and so on. (Pettersen 2011: 15.)

Together with MoE, the Academic Degrees Committee of the State Council roles as a leader responses to “macro-guidance and administration” on the matter of national higher education. (Finnish national board of education 2007: 9.)

Under the MoE, provincial education departments and municipal education departments are the secondary administration implementation. Under the jurisdiction, provincial level of education commissions practice and coordinate the policies from the MoE.

At the higher educational institutions, figure 3 as below presents the administration of Chinese higher education. The University Party Committee is a supreme administration body; the chief of the body is Party Committee Secretary, similar as the Chairman of University Council. The committee makes certain that the development of University is following the guidelines of the State Council, and charges every university member's political education. Thus, the Secretary is legally authorised with all the university governance and practices, it takes more responsibility than the president of university does. Usually, there is an academic administrative dean in a department, and there is a party secretary paralleling to them. (ibid. 15.)

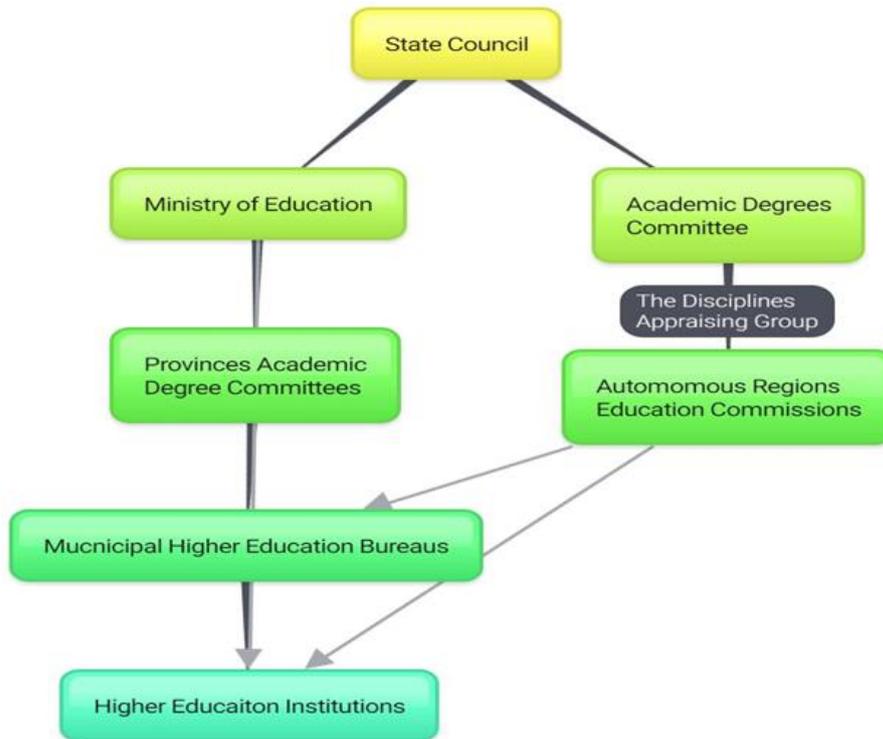


Figure 3. Administration of higher education in China (Finnish national board of education 2007: 9.)

#### 4.1.3. Funding of higher education

The central government was the biggest investor and cooperated with social partners to build up the education system; the State appropriations funded all institutions from 1950 to 1980. The “incremental approach” was the most frequently practice for educational funding budget, it was granted by the State Council and the number of budget of the year was based on the budget of previous year. In addition, the adjustments would be made according to the needs of higher education. At present, the numerous funding methods have been applied, such as funding support from provincial governments. Ever since early 1990s, higher education began to charge tuition fees. (Pettersen 2011: 17, *ibid.* 9.)

## 4.2. Education system in Finland

The current Finnish education system envelopes one year of pre-primary education, nine years of basic education, three years of upper secondary and vocational education, higher education and adult education. Higher education divides into universities and polytechnics. Figure 4 as below sets out the system structure.

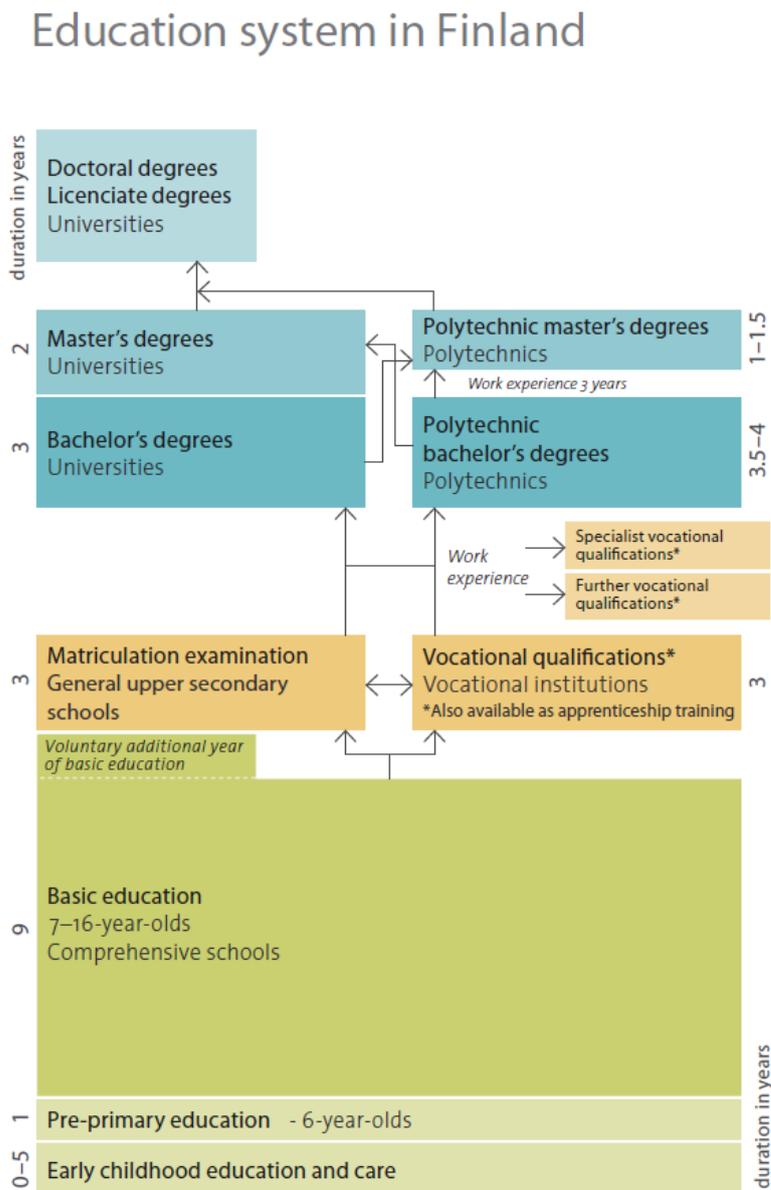


Figure 4. Education system in Finland. (Finnish national board of education 2016.)

Finland as a welfare country and the social system is based on education, culture and knowledge. As the three elements placed, education is above the other two and regarded as the crucial factor, which can bolster competitiveness of the country. The core line of Finnish education shows that every citizen can be supplied with equal opportunity in receiving education. Finnish education system values learning above testing, and there is only one national examination: matriculation examination. It is for higher education admission and similar to the higher education entrance examination in China. Compare with general western education model, the flexible education system consists of:

- *“one year of voluntary pre-primary education*
- *nine years of primary education (comprehensive school)*
- *upper secondary education, which consists of vocational and general education*
- *higher education in universities and universities of applied sciences” (Study in Finland 2016.)*

Basic education contains pre-primary education, basic education and upper secondary education. Higher education is delivered by universities and polytechnics (universities of applied sciences), universities offer degrees at all academic level from Bachelor’s to Doctor’s, and it stresses more emphasis on academic research and instruction; polytechnics only supply Bachelor’s degree programmes and the Master’s but focus more on practical training. (Ministry of Education and Culture 2016 c.)

#### 4.2.1. Higher education institutions

In Finland, higher education spreads into two branches: university and polytechnics. At present, there are 16 universities, on the other hand, there are 24 polytechnics or known as the university of applied science (*ammattikorkeakoulu* in Finnish). The polytechnics are the product of the higher education reform at the early of 1990s. Universities and polytechnics are both public institutions and carry out education and research. In universities, it takes three years of full time study for achieving Bachelor’s degree and two years for Master’s degree. For gaining a polytechnic degree, it takes 3.5-4.5 years of full time study. (Ministry of Education 2000: 22.)

#### 4.2.2. Administration and university governance

In Finland, the general education principles and policies all are endorsed by the Parliament. The operation of education administration work into two levels: national level and local level. For the first level, there are two organisations responding the education: Ministry of Education and Culture (MoEC) and the Finnish National Board of Education. Education and science policies are from the Government and the Ministry of Education and culture. Every four years, the government collects adjusted education and research plans, and those plans will influence education and science policies. Within the statutory basis, the Ministry fulfils the policies while preparing the educational legislation, the state budget and government proposals.

The Finnish National Board of Education (FNBE) is a subsidiary of the Ministry; it implements policies from the government and the Ministry, and works on all the aspects that relate to the development of education, such as issuing the educational qualifications to vocational schools, formulating the curricula of general education and training. These two organisations cooperate to work out educational development plans for the education system. The Finnish National Board of Education also charges general and vocational education, but as to the higher education, it merely goes to the Ministry of Education and Culture.

For the local level, municipalities and joint municipal authorities, such as the education and culture departments of provincial state offices, will charge all the educational responsibilities about regional administration, assessment of education, division of funding, local curricula, and staff recruitment. The figure 5 and figure 6 as below supply overviews of the system in explaining the administration and structure. (Ministry of Education and Culture 2016 d; Vossensteyn 2008: 74.)

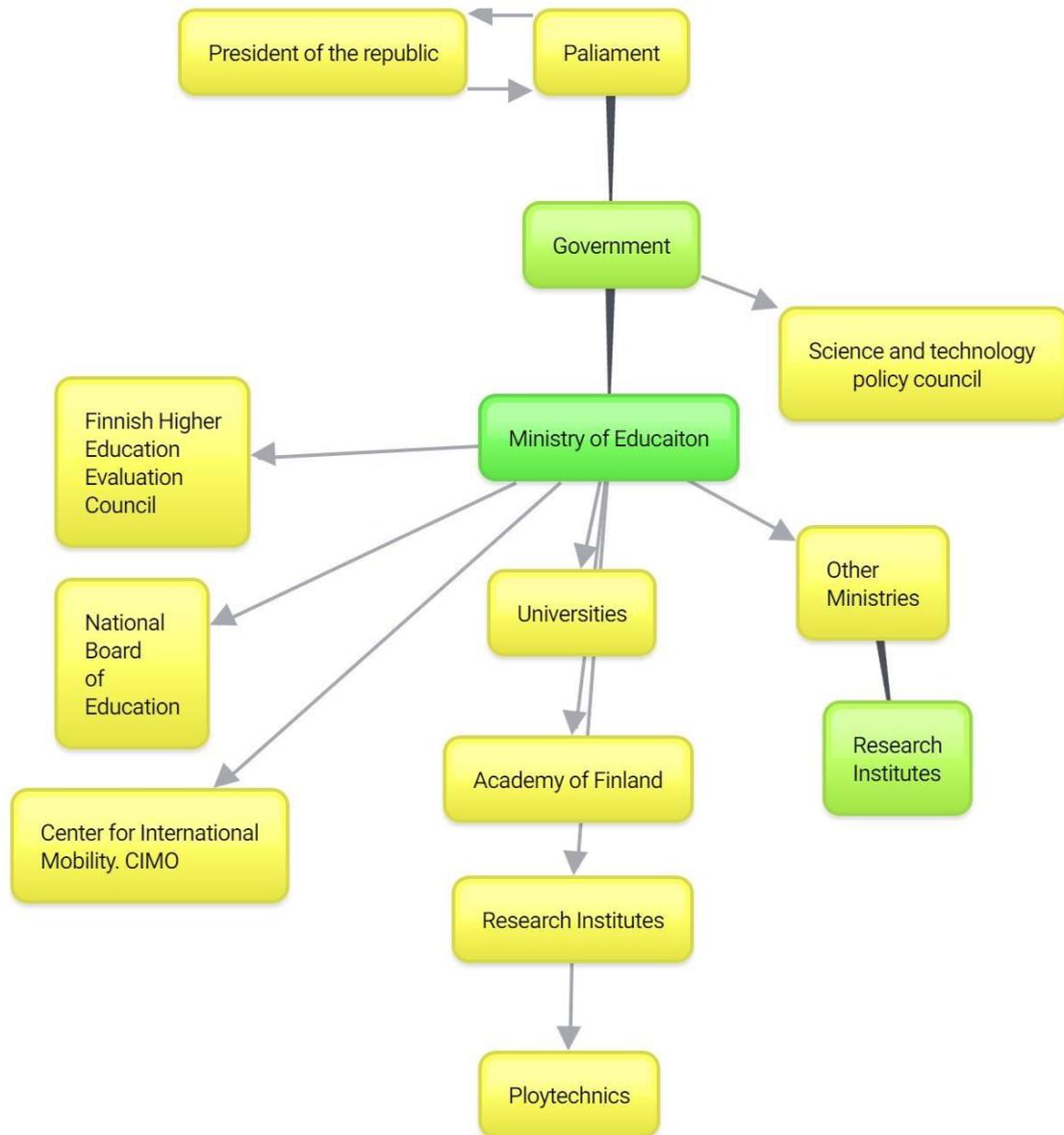


Figure 5. Administration of the higher education system and research. (Vossensteyn 2008: 75.)

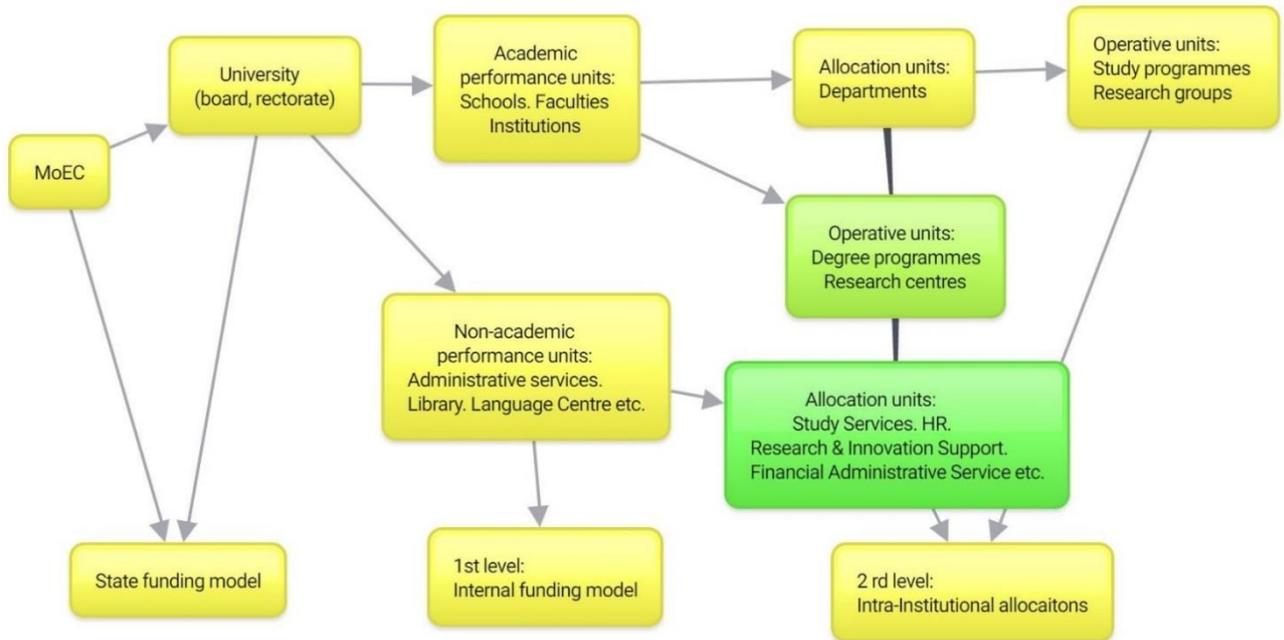


Figure 6. Structure of performance units. (Kivistö: 16.)

There are four main actors take responsibility for decision-making in Finnish Universities.

- **University board:** It is the supreme executive organ in public university. On stance of University, it accepts the agreement with the MoEC. It responses to operate the university in its fields of financial plan, annual budget and investment propels; formulating the development strategies of university, financial sustainability of university; drafting the internal funding models and making decisions of the executive structure of university. The board elects rector; in addition, the board decided the number of enrolment. In every four years, chairperson of the board works together with Rector, they have to sign a performance agreement with the MoEC.
- **Rectorate:** It contains rector and vice rectors; they are elected by the Board and the maximum tenure is five years. Initially, they need to practice efficiently management in order to achieve the university mission, as well as low-cost execution. They supervise the implementation of the budget and the internal funding models, offer service to the board and conduct personnel management.

Every year, they have to navigate the performance units about the planned development objectives, goals and items. Meanwhile, rectorate evaluates the work of those units.

- Deans, faculty councils, directors and non-academic units: They charge their own units' admission criteria, financial operation; make own units' disciplines and principles relating to teaching and researching.
- Department heads, inferior leaders and managers: Their administration position is higher than regular staffs; they need to understand the running of their units, as well as their intra-unit budgets. (Kivistö: 17; Barzelis, Mejere & Saparniene 2012: 6-7.)

#### 4.2.3. Funding of higher education

Mostly the finance support for basic and general upper secondary education is from the state and the local municipalities. For higher education, all Finnish universities are public and the funding support is mostly from the state and other organisations. The budget is based on “unit costs per student, project funding and performance-based funding.” (OECD 2013:16.) There are no tuition fees for Finnish students in the higher education. Furthermore, Finnish students receive student financial aid, which contains study grants and housing supplements. Funding for the polytechnics is mostly public as universities, but the expenditures have to split into the State and the local authorities. Budget planning is being planned as Universities, it bases on degree unit price per student. (Ministry of Education 2000: 31.)

## **5. HIGHER EDUCATION REFORM IN MAINLAND CHINA AND FINLAND**

This chapter focuses on stating the influence and impact on higher education reform from globalisation, internationalisation and New Public Management in mainland China and Finland.

### 5.1. In mainland China

#### 5.1.1. Higher education reform in the 1950s-1960s

The Chinese Communist government was newly established in 1949. A reform on the higher education of former government was called upon at mainland China. The higher education system and the system model copied from the former Soviet Union.

Particularly, the government set up two expectations for the higher education system: A. With right political nature and led by the central government and the Chinese Communist Party. B. The system needed to favour and help the economic development.

Three major changes in this reform: Decreased number of universities, comprehensive universities dropped from 49 to 13. Set more emphasis on planning economy and applied subjects than humanities and social sciences. Number of colleges and polytechnics related to economics, agriculture, medicine, teaching and politics had been increased, student enrolment in the area of humanities declined. Universities relocated for the balance developing of the country, numerous universities from eastern developed area or coastal areas moved to developing west and inner land.

Funding and governance: The system was running by the centralist model, the top-down or the one-way was the main relationship between the state and universities.

Universities were part of the national planned economic system and the state took fully charge of the universities' costs and funding. The state decided distribution of the higher education resources, universities' personnel arrangement and number of admission. In addition, graduates would appointed employment after graduation. (Kang 2004: 141-143; Pettersen 2011: 21; Varghese & Martin 2014: 69.)

### 5.1.2. Higher education reform in the 1970s -1980s

As the open-door policy was announced in 1978, it was an economic reform policy, which transformed the society from a central planned economy system to a market-oriented economy. In addition, the process of globalisation started in the same year with the Chinese economic reform.

In 1984, a new economic reform mainly focused on the city was issued. In the following year 1985, a policy about reforming the higher education was published. It was the Decisions on Education System Reform. Two highlights were mentioned: role of higher education on promoting the process of social modernisation had been emphasised; the higher education autonomy was mentioned. (Pettersen 2011: 21; Kapur& Perry 2015: 5.)

#### Low enrolment

In 1977, the first year of the education system was revived after the Culture Revolution. There were 5.7 million high school students taking part in the National College Entrance Exam (NCEE), but the enrolment rate of the year was only 4.8%, the rate raised up to 6.1% in 1979. Due to the severe competition and low enrolment, in metaphor, the NCEE was regarded as a single-plank bridge but for thousands of people to pass at the same time. (Gu & Hua 2010: 18.)

#### Ideology changes

Ideology about the higher education: In the past, higher education was the weapon of revolution and its conceptual role was heavier than its educational natural. Now it became the centre of cultural, scientific and teaching in the society, which could promote the modernisation of China. The attitude of facing western culture and education changed as observing, studying and cooperation. In addition, the three goals for education from the former influential Chinese leader Deng Xiaoping had been given out: Chinese education should face the world, the modernisation and the future. Deng Xiaoping, the former leader of mainland China in 1970s, encouraged the education system and the country to have more communication with the world. Education Law of

the People's Republic of China enacted in 1985, it specified the fundamental position of education in the socialist modernisation. (Zhong 2005: 1; Kang 2004: 143-144.)

#### Massification

Updating colleges to universities became the trend in the early of 1980s due to the economic reform. Number of higher education institutions increased from 404 to 1016 between 1977 and 1985, so as to the enrolment of students, the growth number of enrolment from 625,319 to 1,703,115. However, the average enrolment rate was still rather low. (Ma 2003: 5; Pertersen 2011: 26.)

#### Introduced market mechanism

China as a socialist country, along with the Nordic welfare states, shared some common grounds, one of which was the free education. From 1949 until 1985, Chinese higher education was free to every qualified student, and the enrolled students received government grants during the study. It was similar to the current Finnish system. However, a few Chinese universities in 1985, like pioneers in the market, opened their entrances for a group of self-funding students whom were not in the national admission plan. (Hölttä & Cai 2012: 9.)

Followed the open-door economic policy, Chinese higher education started to response to the market. Numbers of specialised college and universities increased, universities and colleges updated into universities, it became a trend in the reform. In addition, the study duration became longer, three-year became four-year for traditional Chinese medicine college and three-year of professional vocational college replaced the two-year vocational school. There were only one economic and Finance University in 1977 but there were 74 in 1987, there were only one politics and Law University in 1977 but it turned to be 25 by 1987. Within the 1976-1985, there were 618 vocational schools or colleges had been transformed into colleges or universities. (Ma 2003: 7.)

#### Governance reform

In 1985, with the Decision on the Reform of the Education System was approved by the central committee. Universities autonomy was addressed as priority. In the Decision,

one of the main targets of the reform was to loosen the tight control over universities from the central government. Furthermore, for having close ties with the society and the market, universities were encouraged to have their own autonomy within the scope of the national principles. (Li & Yang 2014: 23.)

#### Internationalisation in Chinese higher education system

The process of internationalisation in China began in 1978 because of the open-door policy. Before that, the student international mobility started with sending students to former Soviet Union or other socialist nations. For serving the economic reform, the programmes and scholarships regarding studying abroad were increased by the central government. There were merely 248 students going abroad for studying in 1978. Meanwhile, the international self-funding students were approved to study in China; the number of international students was 300 in 1978 and it grown to 2,500 in 1989. (Pettersen 2011: 40; Ministry of Education 2016 a.)

#### 5.1.3. Higher education reform in 1990 until now

With the open-door policy and economic reform intensified, the old Soviet-style higher education system was far behind the development of the society and many problems appeared, such as poor efficiency and low quality, limited scope hardly met the demands. Restructuring the higher education system was a must-do work in early 1990s; the US ready university model became the country's favour, and it has been adopted, as well as the notions of decentralisation and marketisation in the higher education.

#### Four strategies in 1995

The Chinese Ministry of Education (MoE) published four main strategies for reconstructing the higher education system.

**Joint development:** It was a jointly administer together with the MoE to fund the local universities. The local provincial government could supply investment to the geographically universities. This would not decrease the grant from the MoE but supplied new funding resource by the dual-leadership, and it helped the universities'

curriculum and enrolment to meet the local market. It firstly appeared in the Guangdong province and later the model spread to the rest of the country.

**Restructuring:** Transformed universities and colleges to the management of the Ministry of Education, the local government or joint leadership. It was a part of the progress of the China's 1998 administration reform. Before that, non-education central ministries, such as the Ministry of Coal Industry, Ministry of Machine-Building Industry, and Ministry of Forestry, charged most of the Chinese universities. However, those ministries were abolished and the institutions had to be transformed.

**Merger of universities:** For the goal of stronger academic research and for more efficiently applying the administration resources. In the late 1990s, a group of newly appeared universities had been established, those universities were mingled by several universities, or mostly all the well-known universities amalgamated with some other small-sized but specialised colleges; and the less well-known universities would have combination with other lower ranking colleges. (Zhao & Zhu: 118-119.)

**Cooperation:** It contained inter-institutional cooperation and cooperation between higher education institutions and non-educational organisations. The former one referred to gathering resources from different neighbouring universities and formulating a university city, then the academic and teaching resource would voluntarily supply to students and researchers. The later one strengthened the tie between universities and the market. (Pettersen 2011: 26.)

#### Market drifted

The idea concerning about the market was officially introduced in 1993: The Outline for Education Reform and Development in China was published. Market forces were firstly brought into operation for bringing more freedom to the education system, the central government encouraged institutions to have more creativity and innovation. As a result, massification of Chinese higher education merged. (Pettersen 2011: 21-22.)

Tuition fees were introduced and conferred legal status under the law. Chinese universities began to charge tuition fees since 1997. Earlier in 1993, the Programme for Education Reform and Development in China had announced the cost-sharing policy for universities. The Higher Education Law enacted in 1998 and it stated that enrolled students had to pay the fee. As to the legal status of universities, the Higher Education Law 1998 stated the legal person status of a higher education institution, and the legal representative of the higher education institution was the president of the institution. (Li & Yang 2014: 23, Pettersen 2011:10.)

#### Massification of higher education

Previously, the Chinese higher education was applied merely for elites for decades; until 1998, the Higher Education Law stressed that higher education institutions' enrolment plans should meet the social requirement. After that, MoE published the Plan for Revitalising Education for the 21st Century.

To boost the development of the national education, one of the important steps was to make the higher education accessible in urban and developing regions, and the sphere of the higher education needed to be expanded. In the Plan, the gross enrolment rate in higher education institutions should be up to 15% in 2010 and 40% by 2020.

Meanwhile, the increasing number of students' enrolment was going along with the growth number of universities. Consequently, the higher education system was enlarged radically for confronting the quickly development in economy and society. Table 4 as below presented the changes from 1998 to 2010. (Zhong 2005: 3; Li & Yang 2014: 16-23.)

Table 4. The development of regular higher education in China between 1998 and 2010. (Pettersen 2011: 28.)

Year	Number of regular higher education Institutions	Average students number/institution	New intake of undergraduate Students (1000)	New intake growth rate over the previous year
1998	1,022	3,335	1,083.60	8.32%
1999	1,071	3,815	1,548.60	42.91%
2000	1,041	5,289	2,006.10	29.54%
2001	1,225	5,870	2,682.80	33.73%
2002	1,396	6,471	3,037.60	13.22%
2003	1,552	7,143	3,821.70	25.81%
2004	1,731	7,704	4,473.40	17.05%
2005	1,792	7,666	5,044.60	12.77%
2006	1,867	8,148	5,460.50	8.24%
2007	1,908	8,571	5,659.20	3.64%
2008	2,263	8,931	6,076.60	7.38%
2009	2,305	9,086	6,394.90	5.24%
2010	2,358	9,298	6,617.60	3.48%

#### Governance structure changed

##### Decentralised Administration and autonomy

The Outline for Education Reform and Development of 1993 and the Higher Education Law of 1998 both granted more autonomy to universities and claimed the importance of decentralisation in universities. The policies of autonomy and decentralisation had been specifically demonstrated in the following seven regions: “student admission, specialisation establishment, teaching affairs, research and service, international exchange and cooperation, internal structure and personnel management, and property management.” (Varghese & Martin 2014: 69.)

Besides, the principle of presidential responsibility came into force because of the 1998 Higher Education Law. The presidents of universities grew to be the chief leaders who response for formulating universities' policies and development proposals. Universities gained more freedom in teaching, researching, personnel and resource assignment. Consequently, the reform transferred the state-controlled system into a state-supervised system.

The most significant step of the decentralisation was in 1998, the central government shifted almost all of their administration control to the local provincial governments. Furthermore, government structure reconstructed nationwide at the same year, many central ministries were abolished or reshaped. Universities and colleges were mostly moved to under the management of the Ministry of Education or the local provincial education authorities, whom were originally belong to the abolished ministries. More importantly, the Higher Education Law of 1998 granted autonomy of universities, therefore, a number of higher education institutions could have more freedom in policy making. (Kariwo, Guonko &Nungu 2014: 14.)

#### Privatisation and diversity in ownership in higher education

For meeting the needs of market, the non-state organisations had been introduced to join the educational development. With published outline of 1993 and an Education Law of 1995, Schools were encouraged to have funding resources from social organisations, companies, local communities and individuals. In addition, the State Council in the following year issued two major Acts: Regulations on the social forces running educational establishments and Law for promoting private education. It strengthened the non-state governance grounding in the higher education. By 2014, according to the Chinese statistic yearbook, there were 728 private universities and colleges.

A new type of ownership was supported by the state: The ownership of institutions. The central or local government owned and funded all the higher education institutions. In 2003, the MoE released a document to help and regulate the development of the new ownership of higher education institutions. Private owned universities and colleges were

permitted, and even some private enterprises joined the public universities to charge administration. (Zhong 2005: 7; China statistic yearbook 2015.)

#### Various funding

Due to the decentralisation and deepening of reform, tuition fees and the emerged private universities had already moved the financial responsibility from the state to individuals, families and non-state organisations. Motivated or persuaded by the policies, Chinese universities had various funding methods to support themselves, for example involving companies, donation or running their own business. The state funding, the student's tuition fees and the income from universities' own business mainly supported the Chinese higher education institutions. Afterwards, the proportion changed, the state funding took 83.4% weight of the whole income of universities. In 2010, the number declined to 48.8%. (Cai 2010: 233-234; Hölttä & Cai 2012: 14; Varghese & Martin 2014: 70.)

#### Internationalisation of Chinese higher education in era of globalisation

##### Student mobility

Outgoing: In 1993, the Decision on Some Major Issues Concerning the Socialist Market Economy System had been issued. The supportive policy for studying abroad was concluded in twelve Chinese characters, translating them into English would be “supporting studying abroad, encouraging coming back from abroad, having freedom to go and come back.”

Appreciated to the fast economic development and the supportive policies, the number of studying abroad increased rapidly. The trend of studying abroad was originally funded by the government, however it gradually turned to be mostly self-funding studying abroad by students; it was supported by the state for aiming to have more technical skilled talents to construct the socialist nation, and then it developed as goals of improving personal career prospects, skills and enlarging horizons. There were around 523,700 Chinese students heading abroad for studying in 2015, simultaneously, there were 2,218,600 students coming back to China from abroad. The annually

increasing rate of studying abroad was 22.46%. (Ministry of education 2016 b; Pettersen 2011: 43.)

Incoming: The number of international students studying in China was comparatively less than the outbound one. According to China Scholarship Council (2016), the entire matriculated international students until 2015 was 397,635. The legislation about enrolling international students was strict and the size of admission was usually decided by the state. Nevertheless, since the trend of decentralisation and autonomy in 1990s, universities had more authority to make policies. This helped the growing number of the international students. In addition, another reason was because the rapid developing of Chinese economy and the growing international interests in working with China. (ibid. 43.)

Teaching and researching in international dimension

The two main steps of promoting the international situation in teaching and researching were curriculum reform and international research cooperation.

Curriculum reform: A great number of programmes regarding the foreign languages and intercultural studies had been largely settled. These programmes had shaped more qualified international profession dimension graduates than before. In addition, numerous English textbooks initially coming from America had been translated into Chinese and were widely applied in universities. Constantly efforts to put the English or bilingual teaching instruction had been implemented in the higher education system, as well as the efforts to improve foreign language skills for instructors and students.

International research cooperation: Joint research projects and bilateral agreements with international universities had been greatly promoted by the government. For example, the Science & Technology Agreement between China and EU had been agreed in 1998. It increased possibilities for both side to cooperate and develop in technology researching and studying.

International cooperation: The Sino-foreign joint education provisions were the most important steps in the 21st century for developing the internationalisation of Chinese universities. Traced back to 1980s, there were rather few cooperation agreements between Chinese universities and foreign institutions. Until 1995, the MoE published the permission for the international cooperation in running schools. In 2001, China joined the World Trade Organisation (WTO), the State Council issued regulations on Chinese-Foreign Cooperation in Running Schools for adopting the WTO conventions. It showed powerful support for universities developing cooperation with renowned international universities and the academic programmes, moreover, it emphasised that the cooperation would be highly valued, such as importing advanced academic resources from abroad to enhance the domestic education surroundings.

Growing numbers in the cooperation: There were merely two authorised international cooperation programmes in 1995, but the number increased rapidly in 2004, there were 754 programmes working with 164 international universities and 51,839 students studied in them.

Administration of internationalisation of higher education: The administration responsibility regarding the internationalisation of Chinese universities was spread to the following organs both in national and province level. The Ministry of Education (MoE) was the chief body who responded to international education business and composed regulations and policies regarding the international education. Hanban, it was the Headquarter of the Confucius Institutes, another sub-organ under the MoE. It offered services globally in Chinese language and cultural resources; in addition, it helped the progress of multiculturalism. On the other hand, the local level. The provincial education bureaus were the local players in the cooperation field. They responded for coordinating and managing the admission of international students within the local universities. (Pettersen 2011: 40-48.)

## 5.2. In Finland

### 5.2.1. Higher education landscape in the 1980s

The Finnish higher education in 1980s could be summarised as below:

- Size: Comparatively small in a moderated market.
- Governance: Strictly centralised in control of resources by the Finnish government. Limited competition and rarely considered market, low institutional initiative.
- Funding: State-controlled resources and free charge of higher education study.
- Doctrine: Socially equal opportunity in higher education had been shaped intensively.

Until the late 1980s, the emerged principle of managing by market competition and results had gradually replaced the old educational running rules. (Fägerlind & Strömqvist 2004: 91.)

#### 5.2.2. Higher education reform in the 1990s

##### Increased enrolment

The figure 7 as below illustrated the reform in the Finnish higher education system during 1920 until 1999. The increasing flow of students demonstrated how the small-sized old Finnish higher education had been transformed to a way of massification.

There were two sharp growths respectively in 1960s and 1990s showing the increasing number of students. As the binary model had been introduced in 1990, it boosted the amount of undergraduate's enrolment vastly.

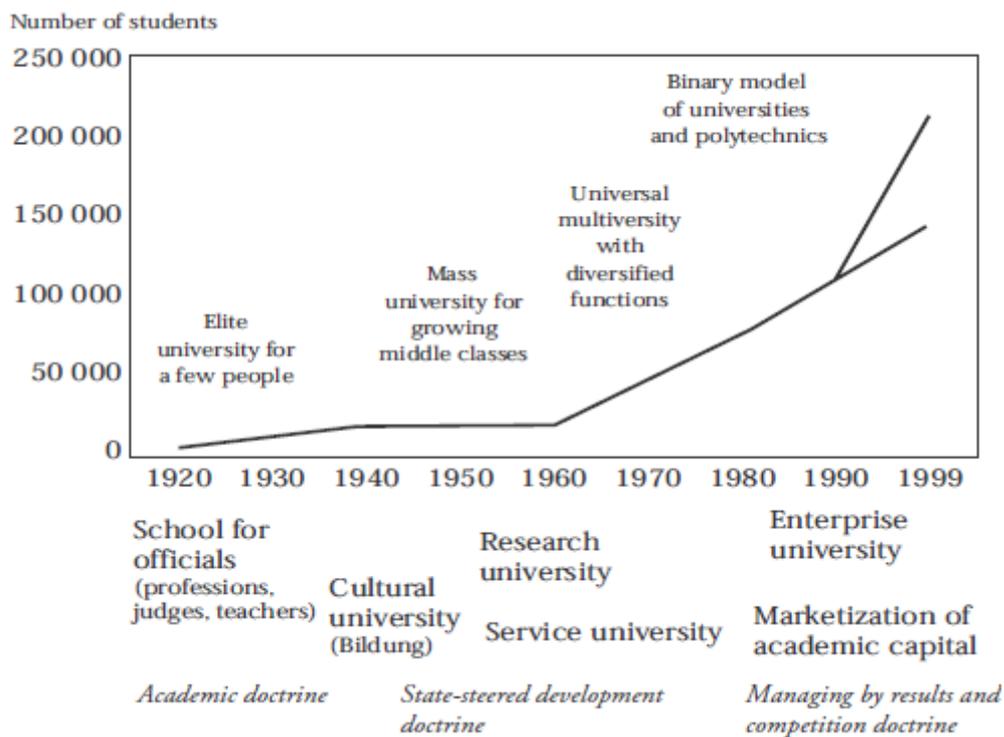


Figure 7. Total number and percentages of students studying at AMKs and Universities. (Fägerlind & Strömqvist 2004: 99.)

Introduced the binary system

In 1990, Polytechnics was launched. Finnish higher education system had been transformed enormously, from then on, the system comprised two branches: Universities and Polytechnics.

**Polytechnics:** Polytechnics were generally non-research and professionally oriented institutions; they were designed to offer professional educational degrees and improve the talent pool with highly trained labours. Polytechnics were multi-field municipal institutions but nationally network covered, they serviced for speakers of both national languages (Finnish and Swedish). It aimed to meet the international perspective and demands of market; moreover, nationally for having a tertiary quality in vocational education field, the structure of higher vocational education positively was reformed. The reform divided the Finnish vocational system into two different sectors: vocational institutions and polytechnics. The former one offered secondary education and training,

the polytechnics provided professional higher education, the first qualified polytechnics established in 1996. (Vossensteyn 2008:19; Huisman & Kaiser 2001: 67.)

#### Bologna progress

One of the Bologna goals was to set up an education system with a friendly travel environment for students within the member states of the European Union. For example, a credit system had been shared within the member states: The European credit transfer system (ECTS). And a suggested standard degree system: three years for Bachelor's degree and two years for Master's degree, three or more years for Ph.D. Finland joined the European Union in 1995 and applied the suggested degree system in 2005. (Tjeldvoll 2008: 4.)

#### Market drifted

Consequently, the binary system led competition between the two branches in a market drifted way. Under the law of market, both branches had to promote themselves and their products to the market, universities had to compete with polytechnics in the market for gaining more recruit and funding. In another way, the universities system and polytechnics were both transformed to be academic drifted and market drifted. (Fägerlind & Strömqvist 2004: 104.)

#### Deregulating legislation and re-organising governance

Under the Finnish school legislation in 1999, all the education system was ran and controlled by the state, there was no any non-public funding universities or vocational institutions. All education was free to every citizen.

Since the 1998 Finnish Universities Act and decree were published, a legislative reform had been triggered. The reform intended to have a change in area of decision-making, autonomy, affordability and efficiency in the universities system. It was a call of decentralisation and deregulation. The changes followed by the new Act were summarised as below.

The autonomy of universities had been enhanced; the freedom of arts and sciences and the highest level of teaching had been protected and assured by the Finnish Constitution. According to the Act, the basic university term of functions, operation and objectives had been given; consequently, universities had more freedom in their administration and policy-decision. Consensus as to the spirit of the new Act, universities had to set up their own regulations.

The new office named as vice-chancellor replaced the administration office. Professors were assigned directly by universities. Moreover, the cooperation with the market became more intensive and closer, for the better cooperation with the market, the new legislation agreed the members from the market could join the senate of the university as full time members; nevertheless, number of the non-university members could not over one-third of total according to the law. Furthermore, the senate of university was strengthened and they would charge the universities business by themselves, such as the annual budget, operation plans and formulating guidelines. (Fägerlind & Strömquist 2004: 107-109.)

#### NPM approach applied popularly

Started from the late 1980s, under the influence of New Public Management, the reform of legislation and the following changes happened and shaped the operation and occupation system of Finnish public administration, so as to the higher education system. Management by results was regarded as a main doctrine within the public system.

A result-orientated mechanism of management was introduced to Finnish universities in 1994, which was a biliary agreement between Finnish universities and the Ministry of Education. The universities received grants from the state and had the freedom to arrange it. However, the operation was within an incentive mechanism system and the assessment, which was based on the theory of results. It would affect the universities budget.

Funding by results system. It referred that the universities financial funding was based on their products and procurement, such as the admission situation of doctoral degrees and master's degrees, the required teaching credit units, the amount of external sources and the amount of researches and articles. Furthermore, the grants for admission of doctoral and master's degrees could be enlarged and it was negotiable. For better allocating the funding and the assessment, every Finnish university was required to build up own massive information bank, which included enough information about each department and each faculty.

UNESCO argued that the management by results, which was originally from the New Public Management, it led to the following situations: The state control was not decreased but became even more severe due to the newly established assessment and result system. Compared with the old system, universities in the new system were more centralised. Faculties and departments required developing new courses and projects for ensuring general funding and gain more support funding from the state. (Fägerlind & Strömqvist 2004: 110-113.)

#### Internationalisation

In the higher education plan of 1987-1992, it presented the idea of international cooperation firstly; it aimed to promote the Finnish institutions' connection with the international networks. Before the EU, the Nordic exchange programme NORDPLUS was the main cross border cooperation. When Finland became a member of European Union and with the declaration of Bologna, more claims and calls for internationalisation. Finland had been offered plenty of European programmes, such as COMMETT II (the vocational education and training programme), Erasmus (higher educational programme), and some other European Union research programmes. Later, the five-year development plan was issued, internationalisation turned to be the day-to-day routine regarding the higher education policies.

Consequently, internationalisation was one of the goals that the higher education intuitions and the Ministry of Education had to achieve when it came to the agreements between them. The introduced polytechnics system was one of the internationalisation

products, for example, polytechnics would be authorised an operating licenses only by obtaining internationalisation features control. Similar to universities, the funding agreement with the state would be taken into account only if universities reached to a certain level of internationalisation. (Maassen, Nokkala & Uppstrom 2004: 42-45.)

### 5.2.3. Higher education reform in 2009 until now

#### Reform background

For confronting the challenges of globalisation, the Finnish government updated their expectations towards the higher education system in November of 2007. According to the government 2007, they targeted to build up the best innovation system in the world. Higher education was regarded as the powerful strength to support the sustainable development in information economy. The more emphasis had casted on higher education for promoting growth of economic and social welfare, the more important position that universities would be situated. In addition, universities research regenerated the system with its knowledge productive function. Universities responded for knowledge production and the innovation research devoted for the system and policies as well. (Tjeldvoll 2014: 5.)

Moreover, in November of 2007, a call for the university modernisation came from the European Union council, later the peer pressure from the Nordic neighbourhoods both merged as an urge for Finnish government to modernise universities. Within the trend, universities autonomy was taken as the essential element during the process of universities modernisation, they called for the enlargement of autonomy so that the universities would have more capabilities and flexibility to meet global market demands and challenges. Comparatively, Finnish universities' autonomy was not granted more from the government, however the Finnish government reform received assistance from Finnish universities allies. Even though, the autonomy of universities still developed quite limited, the area such as judicial status and financing were under the reform plan of the government. (Tjeldvoll 2014: 95-97.)

### Changed judicial status

On lawful aspect, with the proposal of a new act to the Finnish Parliament in early 2009, the higher education system no longer practiced the Act of 1997. The new legislation came into effect from the beginning of 2010. Under the public law or the Foundations Act, Finnish Universities were not being a part of the public administration system but worked as self-governing organisations. Following the new Act, universities were independent legal persons and they had been offered with a brand new landscape in operation system, such as “new status, administration, financing and steering of universities and matters relating to research an education, students and personnel.” (Ministry of Education and Culture 2010: 16.) The relationship between universities and the State functioned as employers and employees.

### Amalgamations of Universities

Numbers of universities decreased from 20 to 16. Newly combination and integration within the same areas between universities started: Two newly emerged foundation universities appeared, Aalto University and the Tampere University of Technology. Three different institutions from the Helsinki area formed Aalto University; they were Helsinki University of Technology, Helsinki School of Economics and the University of Art and Design. The Universities of Joensuu and Kuopio formed the University of Eastern Finland. Two universities combined into one: The University of Turku and Turku School of Economics. (ibid. 16.)

### Affected governance arrangement

With the trend of New Public Management has transformed the Finnish higher education system since the 1980s, economic efficiency, effectiveness and accountability style of working were gradually adapted by the system. The doctrine of management by results transformed the idea from planning of input to quality of output; university autonomy was valued more than before.

Following the 2009 Universities Act, state universities became corporate universities. The main changes to the university governance were the function of the rector, the board and the collegiate body. As the executive operator in the university corporation,

the law reinforced rector's supreme leading role, the rector was more as a decision-making manager in the corporate university. In addition, the board, the new Act handed them rights to choose rectors for the university or discharge rectors since 2010. The board, it still acted as the supreme governance executive body of university. There were four organs under it, the three of the organs members were from university, they could be professors, teaching and researching crew, other staff and students. The fourth organ was the external members.

Furthermore, under the new Act, the non-government external stakeholders were given much more power and emphasis than before. Accordingly, half of the board members could be from external of the university as minimum. However, later the Finnish Constitutional Committee announced that the vast majority of external members in universities would go against the constitution. It had taken as a limited autonomy development for the Finnish universities.

Previously, with the introduction of the 1997 University Act, the university board was open for the external members. The collegiate body would select the external members or fire them; moreover, the body would charge the responsibility of the annual report and financial announcement, and cleared liability of the rector and the board members. With the external members introduced by the law, Finnish universities' links and connections with the market turned out to be tighter and more intensive than before, and university research and teaching could offer trendy education information to students, which was from the market. Students could receive more updated career information at the same time. (Ahola, Hedmo, Thomsen & Vabo 2014: 52-53; Kottmann & Weert 2013: 26-28; Aarveaara, Dobson & Elander 2009: 8-9.)

### Funding

The university funding model was still being applied for the mission of universities and assisted every activity of university education life, such as education and research quality, regular administration, internationalisation and so on. When the new Act came into force, nevertheless, the State was the main source where the Finnish universities had the fund from as before. According to the old 1986 higher education Act, the

universities would receive a certain amount of fund from the state and the fund would be annually increased. Likewise, the new Act assured the increasing funding to universities but the funding would rely on a specific index of the university. In 2011, the Finnish government reduced nearly half of the index owing to the unexpected weakening Finnish economic situation.

The assignment of the funding depended on the performance of universities; and the distribution of the funding depended on the results management. Operation of the universities and resources allocation would be negotiated by agreements between universities and the Ministry of Education.

Various funding methods had been introduced: donations, fundraising and tuition fees. Theoretically speaking, tuition fees were a way of increasing the funding source. With the tradition of Nordic welfare system, free charge of tuition fees was guaranteed by the Finnish constitution. However, with the newly introduced tuition fee policy in 2017, non-EU/EEA students would be charged with a tuition fee but it was still free for domestic Finnish students and members of EU/EEA. Finnish universities now owned the rights to take donation from private organisations. (Ahola et al. 2014: 53; Aarrevaara et al. 2009: 13.)

#### Student admissions reform

A plan about transforming the student admission in higher education had been formed by the Ministry of Education committee in March of 2010; it was implemented in September of 2010. The new features in the new student admission were spread as blow:

- A. A student friendly policy would help students enrolling in the higher education from upper secondary easier than before.
- B. The application criteria was based on students' matriculation grades or their vocational certificates.
- C. Within the same system, students could apply universities and polytechnics.
- D. All the student admission in higher education was conducted in transparency and foreseeability principles.

E. A detailed study plan was required for every enrolled student.

F. Career advising and guidance would be emphasised. (Ministry of Education and Culture 2010: 17.)

#### Policies for promoting internationalisation

National level: Since 2011, thoroughgoing policies were published regarding internationalisation process of Finnish higher education, such as the government Programme 2011, Development plan of Education and Research 2011-2016 and the Research and Innovation Policy Guidelines for 2011-2015. They all aimed to internationalise Finnish higher education. Furthermore, the Centre for International Mobility (CIMO) was established. CIMO was an organisation attaching to the Finnish Ministry of Education and Culture; it aimed to promote Finnish higher education with more international and cultural cooperation and mobility with the rest of the world.

At the end of 2011, a new funding model for universities had been published; it made the municipal policy makers to reconsider and relocate their resources. The model set its funding standards mainly on the internationality; it contained the international students' mobility and master's degrees achieved by international students. In addition, under the goal of internationality, The Government Programme promoted the following fields: adjusting the funding and governing of the polytechnics, having a national language strategy, extending the trans-Atlantic cooperation, making educational exporting, outlining universities' own research strongpoints and rethinking of immigration.

European scope: The process of internationalised Finnish higher education was not merely shaped by these policies from the Finnish government but also was formed by EU strategies and Nordic programmes. Bologna process shaped a common European higher education community and the role of higher education as the vital player had been settled for the development of intelligent in the 2020 strategy. Erasmus for All in 2011 was published by European Commission, which was grounded on the strategy. From the Nordic cooperation, an updated vision of Nordplus programme for 2012-2016 was published within the Finnish presidency of Nordic Council of Ministers; it deepened the ties among the Nordic countries.

Global scope: Cooperation with BRIC countries (Brazil, Russia, India and China) had been mentioned greatly in the national policy guidelines, especially the connections with the neighbouring countries, such as Russia. In the Government Programme, it emphasised to cast more energy to have more students' mobility between EU and Russia.

Asian Network Programme was published by CIMO at the end of 2007 and the Ministry of Education approved it in 2006. It was a programme mainly for teaching and student exchanging. Owing to the programme, Finnish universities and polytechnics built up connections and friendship with 30 Asian higher education institutions. Among them, the cooperation with Chinese higher education institutions was closer than other Asian nations; there were 18 Chinese universities, 6 South Korean universities and 6 Indian universities. (CIMO 2011: 4-14.)

### Polytechnics reform

#### Goals of Finnish government

The polytechnics reform commenced in September of 2011, it was a preparation for a new polytechnics Act. By plan, the new act would be published at the beginning of 2014. Polytechnics as the local innovation field player owned an independent legal status by the new Act in the same way as universities. Moreover, the state offered them more freedom in having their own market orientated administration management. With the reform, the state expected polytechnics to have better quality and effectiveness of teaching and stronger international competitiveness. (Vuorinen 2013: 30-31.)

#### License for polytechnics

According to the old Act, there were four organs having the license to run the polytechnics, they were the local municipality, a joint municipal organ, some private registered Finnish limited organisations or the Finnish government. At the first day of 2014, the new polytechnics Act came into force, the legal rights of owning the license for running the polytechnics could go to those organisations, such as “a private organisation, a registered Finnish limited company where stakeholders could be several

kinds of organisations, regional municipalities, cities, joint municipal federations, universities or several kinds of associations.” (Tenhunen 2014: 15.) In the board, it required having the non-government or non-university system external members as the market representatives.

#### Decreased student admission

For meeting the demands of labour market and effective education, the number of polytechnics decreased from 30 to 25 and the size of admission was smaller than before. Before the policy, the annual admission of Finnish polytechnics was 24607 and the number decreased to 22577. Finnish government still aimed to shrink the following areas by 2030: engineering, tourism, agriculture, culture and natural science. Nevertheless, the government enlarged admission in business, social and health care, humanities and education. (Tenhunen 2013: 10.)

#### Funding

Polytechnics were private government-dependent institutions. According to the new polytechnics Act in 2013, the quality and the results-oriented funding system transformed the polytechnics from municipal financing to government funding based. Moreover, the polytechnics worked as independent legal persons, legitimately polytechnics worked as limited companies. (Vuorinen 2013: 31.)

## 6. DISCUSSION AND CONCLUSIONS

This chapter demonstrates answers to the research questions, it also presents and discusses the findings and convergences from the two higher education systems, which are the theory reflected results of the study.

### 6.1. Answers to the research questions

The answer to the first research questions, “How do globalisation and internationalisation shape higher education reform in mainland China and Finland?”

As Singh (2004: 2) stated the globalisation could be a set of theories and ideological concepts for understanding the new changes and happenings in economic and cultural society. However, the process of globalisation was different from nation to nation and it could not be a uniform to fit on every country. In addition, McBrunie (2001: 1) demonstrated that higher education was the part, which supported to accelerate goods and service in the globalisation. Meanwhile, Damme (2001: 2) stressed that universities as the centre of knowledge were required more by societies due to the growth of population and modernisation, for example, massification of higher education and the borderless education business. With the trend, international collaboration, mobility of students, cross-border teaching, international curricula and credits recognition had been brought together into higher education.

The open-door economic policy of mainland China was not only a self-wakening call for the modernisation of the nation but also it was a response in a good timing with the trend of globalisation and world economy. The impact of the trend was not merely on the striking rapid growth of economy but on the reform of higher education system in mainland China. The present research showed that the historical reform was an echo to the markets. Firstly, the scale of higher education had been gradually enlarged in early of 1980s and the higher education institutions became popularised accessible in 1998 due to the published new Higher Education Law. Consequently, the massification of Chinese higher education occurred. Numbers of updated universities and enrolment of students largely increased. The system was not only for fostering elites but opened for

more people who were qualified. Afterward, the internationalisation of Chinese higher education showed with growing number of student mobility and wide span of international cooperation. The initial internationalisation feature in the system was the student mobility within the former socialist nations. Later, the national-funded students and self-funded students rapidly increased with the development of the economy reform, especially the later one. In addition, many policies were published for supporting the self-funded students. The incoming number of international students grown faster at the same time because of the supporting scholarships, increased English programmes and the rapid development of Chinese economy. Furthermore, the curriculum reform, international programmes and international research cooperation were contribute to internationalise Chinese higher education institutions.

Similar massification was triggered by the trend in Finland. There were two main sharp growths respectively in 1960s and 1990s. The binary model of the system in 1990 boosted the amount of undergraduate's enrolment vastly. Meanwhile, the enlarged system and the binary model were the Finnish echo regarding the demands of having highly trained labours and talent pool, as well as for meeting the international perspective and the market. Then, the Bologna progress formed Finnish higher education system when Finland joined the EU in 1995. The system adapted the European Credit Transfer System and a suggested standard degree system. After that, the call for modernisation from the EU and the Nordic neighbourhoods pushed Finnish system conducting reform in the system again. Such as amalgamations of universities, student admissions reform and so on. Later, certain policies regarding internationalisation process of Finnish higher education were issued and a specific organisation for promoting internationalisation in Finnish higher education had been set up, such as the Government Programme 2011, the Research and Innovation Policy Guidelines for 2011-2015 and CIMO. Moreover, Finnish universities had to internationalised themselves for meeting the funding standards.

The answer to the second question, "How does NPM influence higher education policies in the higher education systems of mainland China and Finland?"

As the raising waves of public sector reforms in 1980s, both higher education systems have been under reform for decades. As parts of the public system, the reforms of the systems have been conducted by the NPM, which advocated the efficiency, accountability and effectiveness public service in a modern way.

Hood (1991: 5) stated the main doctrines about the NPM, which were the explicit stands and performance measures, shift to greater competitions by introduction of market disciplines in the public sector and stressed on private-sector styles of management practice and business concepts.

In Finland, the introduced binary system in 1990s was a product of the NPM and the market. The two branches competed in a market drifted way. Universities and Polytechnics as players in the market, they had to promote themselves by facing the massive and demanding clients and aimed to earn more profits by selling their education products and service. Later in 1994, a result-orientated mechanism of management and assessment were introduced to Finnish higher education institutions, which referred to the biliary agreements between universities and the Ministry of Education and the funding by results system. It referred that the universities' performance, such as the educational products and procurement, admission situation of Doctoral degrees and Master' degrees and the required teaching credit units, the performance would have influence on the financial funding that they received from the government. In addition, the university governance arrangement had been transformed by the published new Act in 2010; the Act handed in more power to the rector and had more members that are external in the board. Rector became influential in the board and played as a decision-making executive operator in the university corporation. Moreover, with introducing more non-government external stakeholders in the board that the links and connections between Finnish universities and the market turned out to be tighter.

The public sectors in mainland China started to have the management with consideration of market ever since the open-door policy was announced. The higher education system made moves for responding the market after the policy. Tuition fees, massification and changed universities settings were the main features regarding the

market within the system. Some universities like the pioneers in the system opened entrances for self-funding students in 1985 and eventually the system began to charge tuition fees by following the published Higher Education Law 1998. For meeting the market and social requirement, the massification was triggered as the same year as the tuition fees charging. A plan from the Higher Education Law 1998 stressed that the gross enrolment rate of higher education institutions should be up to 15% in 2010 and 40% by 2020. After that, the radically development and growth of enrolment number enlarged dramatically. Meanwhile, the dual-leadership was launched and spread to the rest of the country, which was the local provincial government working as a jointly administer together with the MoE to fund the local universities. Furthermore, the Education Law of 1995 encouraged the non-educational organisations, companies or individuals to join the funding resources of local universities, and the various ownership and privatisation appeared in the system, which were under the regulation of the MoE by issued governmental documents. Then private owned universities and colleges emerged in the system and competed with the public institutions in the market.

In addition, like Pollitt & Dan (2011: 6) mentioned that some known international organisations made suggestion and recommendation to apply their advocates in the area of public institutions but nations would have limited freedom to do choices. The supra-national level of organisations casted much influence on national higher educational policies choices and principles forming, such as the EU, OECD, WTO. In Finland, since it joined the EU in 1995 and later became a member of country of Bologna Process, the two-cycle bachelor-master degree system and the third cycle Ph.D. had been applied respectively. China joined the WTO in 2001 and the policies toward the international education cooperation were adjusted for meeting the conventions of WTO.

## 6.2. Main findings and convergences

The main findings and convergences were based on the current research.

	Main convergences in the two systems
Autonomy	Rector as the leading role in decision-making President responsible
Market drifted systems	Massification
Various funding	Tuition fees and donation
Internationalisation	Students and staffs mobility Cross-border education cooperation

Institutional autonomy: Based on the doctrines of NPM, the role of state changed and the relationship between the higher education institutions and the state was reshaped as well. Finnish universities practiced the board operation system, the role of rector was reinforced much power than before, and the president responsible system for managing of the university appeared in mainland China. Both systems had been developed from state-controlled systems into state-supervised systems, and the market orientated university administration had been shaped up.

The autonomy of universities in both systems had been enhanced. The freedom of arts and sciences and the highest level of teaching had been protected and assured by the Finnish Constitution. The basic university term of functions, operation and objectives had been given; universities had more freedom in their administration and policy-decision. In 2009, all Finnish universities no longer belonged to the public system and they became self-governing sectors. The role of state was as an employer for universities, a new status of governance among the higher education institutions was setting up, the 2009 Universities Act reinforced rector's supreme leading role of administration, and rector mainly charged the decision-making process.

In mainland China, the most significant Higher Education Law of 1998 changed the governance in the universities. The administration control from the central government had been shift to the local provincial governments in 1998; presidential responsibility came into force at the same year. The Outline for Education Reform and Development of 1993 and the Higher Education Law of 1998 both granted more autonomy to

universities and claimed the importance of decentralisation in universities. The presidents of universities grew to be the chief leaders who responded for formulating universities' policies and development proposals. Universities gained more freedom in teaching, researching, personnel and resource assignment.

Expansion of higher education: Triggered by the globalisation and a realisation about the importance of educated population in helping economy growth, both system expanded their scale of higher education and enlarged the size of enrolment since 1990s. Finland started with binary system appearing, the formulation of polytechnics was by vocational schools and colleges combination. Furthermore, the conduction of amalgamation had been carried on until 2000s; it was presented as fewer numbers of universities but more newly formulated universities. For example, University of Helsinki was the intention of Finland by combining several institutions. Meanwhile, the connection between polytechnics and universities became closer and the system grew more efficient by reducing overlapped programmes but increased the cooperation in researching and sources sharing. Mainland China had its higher education striking massification in 1998. The movement of building up the mass higher education system generated the rapid growth of enrolment, and it had a huge amount of funding support for building first-class universities, such as the Project 211 and Project 985. Afterwards, massification changed the higher education system vastly and the transformed system properly to meet the call from the high-speed developing economy.

Marketisation: Progressively, NMP rested increasing weight in the public sectors, and then markets as measuring devices influenced public policies. Higher education systems in both countries adopted market-oriented behaviour. The business concepts of administration could be observed, such as the various funding to support universities, charging tuition fees, receiving donation from individuals or private companies. In Finland, market-result drove the administration; the non-government external stakeholders were permitted much more power and were highlighted than before in the university board and the number of external members increased. The external members in the board connected the universities to the markets closely and helped the education products and service link to the markets. Incentive mechanism system and assessment were introduced to Finnish system in 1994, which was based on the theory of results

and it would affect the universities budget. Universities financial funding had to base on their products and procurement. Operation of the universities and resources allocation would be negotiated by the agreements between universities and the Ministry of Education. Tuition fees toward non-EU/EEA students as a good resource of funding to support universities merely have been applied in Finland since 2017; Furthermore Finnish universities now owned the rights to receive donation from private organisations. In mainland China, the funding resource for higher education institutions was fully supported by the government, however since 2010, the weight of funding decreased from 83.4% to 48.8%. Thus, Chinese universities had various funding methods to support themselves, for example involving donation from companies, running their own business and charging tuition fees. Higher education system was free to citizens in mainland China but it started to charge fees in 1998. In addition, the non-state organisations were introduced to join the educational development, new type of ownership and private universities were permitted and promoted, even private enterprises were allowed to charge administration in public universities.

Internationalisation: The cross-border mobility of the higher education institutions extended in all levels, such as student mobility, faculty mobility and programme and institution mobility, which were the most obvious features that we could find in the internationalisation of universities in both systems, as well as the borderless educational cooperation and education service. Within the EU context, the Bologna Process internationalised the Finnish system, the best example could be the Erasmus programme. It boosted the tremendous student mobility and higher education cooperation within not only Europe but also the rest of the world. In Finland, CIMO was a certain organisation under the MoEC for promoting internationalisation of Finnish universities, which had been set up in 2007. It organised the Asian Network Programme to build up connections with 30 Asian higher education institutions, the connections and cooperation with China were rather close. Besides, the agreement and the new funding model between universities and the state had to meet internationalisation standards. Plenty of Government Programmes regarding the process greatly internationalised the Finnish system, such as adjusted funding and governing of the polytechnics, extended the trans-Atlantic cooperation and made educational exporting.

In mainland China, regarding the trend of internationalisation, the MoE was the chief organisation dealing with international education, and Hanban was a sub-organ of the MoE, which offered Chinese culture and language services throughout the world and constructed international connections for Chinese universities. At the same time, exercises like curriculum reform, international research cooperation, English programmes and bilateral agreements for international mobility had been heavily practiced in institutions, and the published policies or scholarships for encouraging outgoing studying and incoming studying. The number of Chinese self-funding studying abroad increase rapidly and the number of incoming international students in China raised quickly at the same time.

### 6.3. Discussion

In the past 30 years, many changes happened alongside with the globalisation; the present research explored the higher education reform in the two countries during the last decades. Higher education was involved in the rapid changes and the higher education reforms were the consequence of the trend. In addition, the present research tended to examine closely in the higher education reform in the two different social systems, which were under the influence of the globalisation, internationalisation and New Public Management.

According to Brown (1999: 4) stated that the rapid change within the global world was actually the process of globalisation, it was literally happening, developing and changing the world. It could be a process of operation, which included reconstruction of economy and policy throughout the world. McBrunie (2001: 1) stressed that the process of the globalisation was a change beyond borders of nations and reformed institutions of organisations and live of people; it also made changes to the old world of higher education. Nevertheless, Singh (2004: 2) pointed that the process of globalisation could not be applied as a universal doctrine in every nation and the process was various from country to country. Furthermore, Knight (2004: 5) argued that the globalisation was a notion of global world with its fast developing of high-tech and economy and the internationalisation focused on the relationship beyond borders among nations and

national systems. In addition, Wende (1997: 19) referred that the process of internationalisation was systematic efforts, which aimed to transform higher education system to meet the demands and challenges from the globalised world, such as international collaboration, mobility of students, cross-border teaching, international curricula and ECTS. Teichler (2004: 1) stressed that the buzzword in 1990s of Europe was internationalisation and it triggered some massive changes and borderless events within the higher education systems. Meanwhile, OECD (2009: 19) presented that the borderless higher education appeared and it developed the networks, inter-dependence and convergence due to the global process.

The current research showed that higher education has been regarded as the centre of knowledge; schooling and research were two main characters to be taken as the engine for the economy growth and culture evolution. Meanwhile, the higher education gained stronger support by interacting with economy and culture, the relationship was mutual benefit for each other. Consequently, the global higher education market appeared. The dramatically increased cross-border researching, cross-border education service and the student mobility emerged in the market, and the intensive connections and abundant networks among international universities made the higher education in a rapid development process of internationalisation.

Finland and China like other nations in the world both have been heavily affected by the significant influence on their national systems, and they reformed the systems and institutions for echoing the globalisation process, the process started naturally without human being's effects. The historical higher education reform started almost as the same year of join the EU for Finland. Finland as a member of the EU adjusted own management of the system by receiving suggestion and applying policies from the EU and some other influential organisations. Finnish higher education system worked as a binary system in 1990s. The Bologna Process transformed the system vastly and the system reform was mainly based on the scenario of the Process, such as applied the ECTS like the rest of the EU universities and the most successful Erasmus programme for promoting mobility of students and staffs. The direct public sectors for speaking to the Process were the MoEC, Finnish National Board of Education and the two branches

of the system. Later the reform in 2000s, the reform scales and policies updated according to several published Acts and a certain organisation specially responded to the internationalisation of Finnish universities was established CIMO, which was an organ under the MoEC.

Mainland China had its historical reform for the higher education system since the most striking Higher Education Law 1998 was published, the system had been in the process of transforming after the open-door policy announced. The noticeable results in the reform regarding the process of internationalisation in the reform would be spread out as below. The scale of international cooperation in education was enlarged, the Sino-foreign joint education provisions were the main engine to internationalise Chinese universities, the growing number in education cooperation, the number of outgoing student mobility were largely increased since 1993, and a Decision for promoting the studying abroad was issued. The incoming of international students grew vastly due to the developing of Chinese economy. Moreover, the international organisations casted influential policies suggestions on the process of internationalisation, such as WTO. Furthermore, the main administration organs for the process were the MoE, Hanban, the local education bureaus and universities.

During these years, the relative organisations, forums and projects were growing rapidly for promoting the understanding and cooperation between the two countries, such as China-Finland ICT alliance, the global Tampere Education, the Sino-Finnish learning Garden, EduTech Business Ecosystem and EduTech Research Forum. The Chinese president Xi Jinping and the Finnish president Sauli Niinistö both in 2013 stressed the China-Finland relationship should be a future-orientated cooperative partnership, the cooperation in education was an initial section and should be strengthened. In the coming visiting of Chinese president to Finland in April, the stronger tie in education cooperation would be strengthened.

Within the reform, On the other hand, New Public Management as the product of globalisation had covered and affected most of the countries regarding their policies in governments, according to Hood (1991: 5). Araujo (2001: 918) stated the NPM mainly

valued the “break-up traditional structures” in the government organisations, it advocated the hands-on professional management with clear goals and performance measurement and private sector management style. The results of the research showed operation of administration systems in the two systems were distinct from each other but the basic operation concepts were original based on the claims of NPM. As the Singh (2004: 2) stated as above that there was no a uniform of globalisation for every countries to apply. In addition, as the convergences presented previously, the doctrines of NPM could be noticeably traced in the reform policies respectively in the two systems.

The Finnish universities casted much energy in proving their managerialism style of administration and management, such as customer service, budgeting, assessment for performance, privatisation and contracting. Finnish universities invested vast in academic research and academic equipment for developing good service; students were studying in the campus with modern equipment and comfortable studying surroundings. Students could own much freedom regarding their academic studying. On the other hand, the good service from the universities must have enough financial support. The state funding was still the chief resource for Finnish universities, it was based on the performance and results of universities, an agreement had to be signed between universities and the state, as the NPM claimed. Therefore, universities’ education life, such as the quality of education and research and the degree of internationalisation and so on, they would affect the budget. For example, the recent news of the transferring University of Vaasa (UVA) language studies to University of Jyväskylä since the 1st August 2017. The news showed the two Finnish universities’ goals were “clear and hand-on” for having stronger specialised academic studies and for gaining more weight on the “performance based funding”. It meant that the UVA would spend more emphasis on business, technology and administration, the more energy UVA put on the fields above, and the more stable funding support that UVA might receive from the Finnish government. In addition, the move also helped UVA to grow its competence in national and international markets. However, the language students of UVA as customers would not have their own options based on their needs and they had to follow the management decision and relocated to the new city for continuing studying.

The current research found that the operation system regarding funding in mainland China was different from Finnish system but still sharing the basic NPM doctrines, such as responding to market, various funding and more autonomy. The initial response to the market in the higher education reform of mainland China was the emerged specialised colleges and universities and the number of them increased rapidly. Then, the first move symbolised the introduced market mechanism in the system was the tuition fees charging and the massification. At the beginning, higher education institutions were fully funded by the state, with the deepened reform, there were mainly three ways of support for Chinese universities: the state funding, tuition fees and own business of universities. Later, the state funding decreased from 83.4% to 48.8%. Furthermore, the privatisation and diversity in ownership in the system could be found from the research. The non-public organisations were allowed to running the educational development and institutions could have financial support from companies, local communities and individuals.

The Finnish performance-based funding system showed the funding support for the system was still from the state. Finnish higher education institutions were all public, there was no private ownership university could be found in the current research, but the funding resource already had been found with various support from individuals, organisations and companies. The privatisation and diverse ownership of higher education institutions in mainland China have developed widely, the dual-leadership model of governance made the local universities to receive various financial support. The provincial universities in the economic well-developed areas would benefit it and gained more support, however, the universities were not from the developed provinces would gain limited financial support.

As Promberger & Rauskala (2003:1) stated the business like working mechanism and market structures were created in the public sector and it would steer the society instead of benefit the sectors' own interests. The present research manifested that the introduced market disciplines and the public choice had consequently produced the Finnish binary system, which left the two branches to compete each other in the national market and compete with other rivals in the international market. The binary system was not only

the product of the internationalisation but also the result of the market. On the other hand, the changed ideology towards the market, the massification of the system, established specialised or updated universities and colleges and tuition fees charging were all the responding, which were speaking to the needs of markets in mainland China.

Meanwhile, as Waduge (2011:5) suggested the various governance models for universities, such as government prescription model, academic self-governance model, collegial peer-review based decision making of tradition model and managerial self-governance model. Finnish universities became self-governing organisations by following the Foundations Act. They became independent legal persons with comparatively more autonomy in regarding their operation systems, such as matters regarding to admission of students, academic research, financing and personnel. The external and internal governance in the Chinese system transformed as the notions of NPM claimed. The Higher Education Law of 1998 granted the decentralisation and more autonomy to universities and the principle of presidential responsibility came into force. Meanwhile, the dual-leadership worked as the sign of more autonomy to the universities. At last, the state-controlled system transferred as a state-supervised system in mainland China. The governance model of the Chinese system could be regarded as “managerial self-governance” and “government prescription model” according to the suggestion of Waduge.

The present research showed that the higher education institutions still had to reply on the public funding. Governments remained the dominated roles in charging the direction and operation of the system due to the importance of the system in the national development. The regulated funding support and restriction of resource allocation made the universities in both systems to develop own funding support and development though the internationalisation or applied the internationalisation as the tool, which in some degree helped universities to internationalise themselves and gained support from it at the same time. Furthermore, the research showed that the demands about the internationalisation of universities were swell from the states but the financial support from the governments was decline. Higher education institutions had to work out their

own strategies to cope the deficient funding from the states. It pushed universities applying more business like managing concepts to develop own education products in the markets for gaining more profits, which it again reflected the two main results from the globalisation: market and competition. In this case, usually diversities could be easily noticed under the same global umbrella, however the dilemma situation in the both system had presented the different national systems could speak in similar operation and organisation language to deal with the same situation in a global context.

The research helped to understand the collected phenomena in higher education internationally, the global movement usually results in convergences in regional and national development, especially in education. Even under the respect social systems, the globalisation influence on the national policies remains still heavily and profoundly. The future research will be on the topic of “before and after” phenomena of internationalisation of Finnish higher education system with introducing tuition fees to the non-EU/EEA students, as well as whether the education quality, education service and international competitiveness of universities would be influenced by it.

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