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Rethinking the World Bank Agenda for Chinese Higher Education Reform

Abstract This article explores the way in which the World Bank has worked effectively with China in higher education. It investigates whether or not the cooperation between the two has changed in line with their changing relationship. More specifically, it discusses whether the World Bank's China agenda reflects the reform package of socio-institutional neoliberalism which the World Bank has tended to promote worldwide in the era of the Post-Washington Consensus, and how China's higher education reform has been influenced by the agenda. The article argues that as China is transferring its role from that of a recipient country to that of a donor country, it is increasingly important to position itself as a global player. Other than mastering the game rules of the international community, China should also expand its influence within and through these major international organizations.

Keywords the World Bank, Chinese higher education reform, Post-Washington Consensus, socio-institutional neoliberalism (SIN), donor-recipient relationship

Introduction

The International Bank for Reconstruction and Development, generally known as the World Bank (the Bank), was established in 1944 as a key player in the Bretton Woods post-war international financial system and later became one of the most powerful multinational, financial institutions involved in the promotion of economic development. Different from other members of the United Nations family, in which every nation is treated equally, a member country's voting power in the Bank depends on how much the government contributes financially to the agency (Drake, 1989; Jones & Coleman, 2005). The United States, as the

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largest single shareholder, has therefore dominated the decision-making agenda of the Bank in the 58 years of the Bank's history.

The Bank started its first higher education project with China in 1981 (Hayhoe, 1989). Since then, 465 loan projects have been implemented in China, of which 18 have been related wholly or partially to higher education, and one remains active. The Bank-sponsored higher education institutions are distributed in almost all geographical regions of China and in various sectors of higher education development (see World Bank, n. d.). Loan projects and policy advice are two primary components of the Bank's agenda for Chinese higher education reform. The principles that guide the Bank's agenda for higher education development, both worldwide and in China, are mainly based on its own concepts, experiences and ideologies. Nevertheless, it has been able to work successfully with China.

When the Bank started its relationship with China, it faced an unfamiliar culture and ideology. Collaboration between the Bank and the Chinese government, however, proved surprisingly smooth, even though China had often been regarded as authoritarian, hierarchical, centralized and undemocratic. This was in marked contrast to the Bank's experience with India, which seemed to have an ideologically compatible government and was viewed as decentralized and democratic (Drake, 1989). The partnership has also been quite different from the Bank's cooperation with such other developing countries as Thailand and Uganda, a point that has been elaborated by some scholars (see, for example, Drake, 1989; Collins, 2009; Collins & Rhoads, 2010).

Despite the Bank's great influence on China's higher education reform and development, few studies have looked into the unique features of the partnership and the reasons for this uniqueness. This article aims to explore how and why the Bank has worked effectively with China in higher education. It investigates whether or not the cooperation between the two has changed in line with the changing relationship. More specifically, it discusses whether the Bank's China agenda reflects the reform package of socio-institutional neoliberalism (SIN) which the Bank has tended to promote worldwide in the era of the Post-Washington Consensus (PWC), and how this agenda has influenced Chinese higher education reform. While there have been many studies on the policies and practices of the Bank in the PWC era (Burki & Perry, 1998; Cameron, 2004; Stiglitz, 2004, September; Öniş & Şenses, 2005; Park, 2005), only very few explicitly elaborate and analyze the adoption of the SIN agenda by the Bank (see,

for example, Carroll, 2006, 2007; Collins & Rhoads, 2010). Empirical studies on the Bank's SIN agenda in advancing the higher education sector in developing countries are particularly lacking. This paper intends to contribute to the literature through examining the Bank's agenda in the transformation of China's higher education system in the PWC era. It first reviews the Bank's thematic and country reports pertaining to its support for higher education in the developing world generally and in China in particular. It then examines the policies and reforms of Chinese higher education to see how far the Bank's propositions have influenced the reform trends. Empirical data from semi-structured interviews are used to present the "lived experiences" of the respondents and combined with the findings from the policy analysis for the purpose of triangulation.

Washington Consensus and Post-Washington Consensus

The government has been able to keep the cost of major education programs under control, and China has—unlike the rest of the developing world—been able to introduce improvements in the educational system without any serious strain on public expenditures. (World Bank, 1986, p. ix)

The above quote from the Bank's *China: Issues and Prospects in Education (1985)* gives positive recognition to the role of the Chinese government in financing its educational system. This is different from the Bank's approach to other developing countries in the mid-1980s, when it was strongly advocating a decreasing role for the state in funding higher education. In line with neoliberalism and market fundamentalism, the Bank adopted the position of the Washington Consensus as the "standard" economic policy prescription for developing countries (Soros, 1998). Based on the concepts and ideology of the Washington Consensus, the Bank's lending projects and policy advice were oriented towards marketization, privatization, decentralization and massification (Yang, 2009).

As it turned out, the Washington Consensus failed to understand the economic structures of developing countries. Its focus areas were found to be too narrow, and the set of instruments it used too limited. In addition, it ignored the fact that the market alone cannot always address technological change effectively, yet this is a crucial driving force of development. As a result, this approach could not solve many of the economic and financial problems faced by developing countries of different levels of development (Stiglitz, 2004, September). A

seemingly more promising consensus emerged in the mid-1990s, the Post-Washington Consensus (PWC) which was strongly advocated by Joseph Stiglitz, who was former vice president and chief economist of the World Bank. Stiglitz (2004, September) believes that the dominant advantage of the PWC is the attention it pays to strong institutions. The PWC acknowledges the state's ability to handle shocks better than an open market.

Distinct from the diffusion of traditional neoliberalism in the era of the Washington Consensus, a new form of neoliberalism has been promoted by the Bank in the PWC era, socio-institutional neoliberalism (SIN; Carroll, 2007). The core elements of SIN include promoting market extension in the realm of social life and rigorously specifying the strong institutions required by a liberal market, including social institutions. SIN stems from orthodox neoliberalism and remains within a liberal market discourse. An adjustment in the Bank's poverty reduction and country assistance strategies based on the SIN agenda constituted its response to the harsh critiques of its conditionality and its weakened credibility at that time (Cammack, 2004; Post et al., 2004; Carroll, 2006; 2007). In this so-called new consensus era, beginning from the mid-1990s, the Bank has supported 13 Chinese higher education projects, which have received about two-thirds of the Bank's total investment in Chinese higher education (see World Bank, n. d.).¹ To what extent does the SIN agenda underlie these investments, and how far are these Western ideas accepted by China's highly centralized higher education system? These are key questions to be explored.

The Bank's Worldwide and China-Specific Policies in the PWC Era

A credit higher education market, decentralization, and privatization, based on the ideas of neoliberalism and market-functionalism, were advocated by the Bank in the era of the Washington Consensus (Mundy, 2002). The Bank has disseminated the same package of higher education reforms throughout the developing world through its lending projects and policy reports, without taking much account of the social, cultural and historical contexts. It has been criticized for its "one size fits all" approach. In the PWC era, however, in response to these

¹ From 1994 to the present, the World Bank has committed 1,053.5 million US\$ out of a total of 1,678.7 million US\$ to Chinese higher education projects, 13 projects out of a global total of 18 projects.

critiques, the Bank has adjusted its economic and social reform package by promoting the SIN agenda, which appears to be another “one-world consensus” approach. Against such a backdrop, how has China positioned itself within this PWC framework?

Compared with many other developing countries, China has, to a large extent, taken the initiative in the Bank’s country operations. China has also won a certain degree of control over the lending projects of the Bank (Yang, 2009). As mentioned earlier, the Bank-China cooperation in the higher education project starting in 1981 was exceptional at the time, given the Bank’s conventional focus on primary and secondary education in its educational lending priorities in the 1980s. The original intention was indeed to focus on basic education. With a clear understanding of what they could and could not do by themselves, the Chinese government insisted strongly that what they received from the Bank should be what they could not do. Therefore, they proposed higher education. The Bank advisors then worked hard with the Chinese side in analyzing the situation carefully and identifying what was needed. The two sides came to an agreement that it was critical for China to develop a higher education system that was compatible with the Chinese idea of modernization (Song, 1994). The projects were unusually successful. While the Bank has often been viewed by its critics as a typical example of a powerful international organization that arbitrates the meaning of development and appropriate norms of behavior, its collaboration with China was one exception. To some extent this is one of the occasions when states drive the behavior of international organizations (Barnett & Finnemore, 1999).

China has now become the second largest economy in the world, which makes it a reliable borrower and offers it autonomy to decide what it really needs from the Bank (Ma, 2007). Thus, while China has allied itself with the Bank’s “one-world consensus,” it is also able to act in ways that do not fully adhere to the “consensus.” As pointed out by Professor Mark Bray, the former director of the International Institute for Educational Planning, UNESCO:

The World Bank found working with China was a very different type of partner. When the Bank deals with the small African countries, the World Bank comes in with great authority and can overwhelm. It is not a very equal partnership. (Personal communication, February 27, 2007)

This also shows the nature of the relationship between the Bank and partner

countries, which is affected greatly by the capacity of the government to develop its own development vision. Mozambique, one of the poorest countries on the planet, was able to have a fruitful partnership with the Bank because it developed its own vision for the future of higher education.

As has been made clear by people such as Carroll (2010), the Bank is a technocratic institution that prefers clients who can stick to agendas. In promoting the “consensus” through the SIN higher education reform agenda, however, the Bank needs to consider fully the social, economic and political situation in its client countries. Its endeavors might be seen to facilitate the “universal convergence” of worldwide higher education systems. No matter whether the convergence is a driving force or it experiences resistance, it has an increasing role in shaping higher education policy in developing countries. Thus the role that China plays and the strategies it adopts in response to the convergence might be seen as an expression of its relationship with the Bank.

Higher Education: The Lessons of Experience and China’s Higher Education Reform

At the beginning of the PWC era, the Bank started to realize the significance of higher education in supporting knowledge-driven economic growth strategies and poverty reduction. The influential report, *Higher Education: The Lessons of Experience (Lessons)*, published in 1994, was a turning point in the Bank’s efforts to accelerate higher education reforms for economic development across the developing world. The Bank’s policy recommendations concerning higher education reforms in the PWC era were still mostly based on the neoliberal tradition of privatization, institutional autonomy, and funding reallocation. However, within the market-first framework, the role of the state was redefined and upgraded. Governments were expected to take responsibility for supervising the market, designing specific policies to address quality and equity issues, and allocating funding in rational ways. The modified reform agenda for the first time reflected the Bank’s application of the SIN agenda in the field of higher education worldwide (World Bank, 1994).

Just as it had done with the early lending projects, the Chinese government took the initiative to encourage the Bank to take a long-term view of China’s reform needs in various developmental sectors and to share relevant international experience and insights (Bottelier, 2007). In response to a request from China, during the same period of time when *Lessons* was released, the Bank’s Task

Force on Higher Education and Society (TFHES) had reviewed China's higher education reform over the past decade and released an important report in 1995 entitled *China: The Higher Education Reform*. It was formally published two years later (World Bank, 1997). The TFHES was convened by the Bank and UNESCO representatives from 13 countries. It was set up at a time when the Bank's credibility was weakening in order to re-establish its legitimacy through working on poverty reduction (Cammack, 2004; Post et al., 2004).

This report was the product of more than two years of fieldwork and in-depth research by TFHES members. The objective of the report was to provide insights and advice for the continuation of reform over the next 25 years. Key issues concerning the higher education system were identified in the report. Most of them reflected the actual situation at that time, and some are still more or less unresolved today, such as the imbalance between market-oriented programs of study and basic disciplines, and the disparity in capacity among different regions and institutions. The 13 policy recommendations to solve the problems identified were based on the SIN agenda: diversifying higher education institutions, building up a mechanism that would encourage public universities to diversify their sources of revenue and redefining the role of the state in the higher education sector (World Bank, 1997). The advice was in line with the policy recommendations in *Lessons* and emphasized the role of the state in even more specific ways. The Bank was clear about the fact that effective governance structures at all levels were the key to success in the Chinese case in order to optimize the Bank's investment in higher education and to help China reach its economic and social goals. Most of the Bank's Chinese higher education projects designed after the mid-1990s were based on this advice (World Bank, 2006), and the report became highly influential in Chinese higher education circles (Yang, 2009). An important factor which brought about this impact was the involvement of the members of the TFHES team who are experts in Chinese higher education, such as Professor Weifang Min and Professor Ruth Hayhoe.

Higher Education in Developing Countries: “Peril and Promise” and “Strategic Goals for Chinese Education in the 21st Century”

Following *Lessons* and its promotion of the SIN agenda in worldwide higher education was the release of *Higher Education in Developing Countries: Peril and Promise* by the TFHES (World Bank, 2000). The report again highlighted higher education as a strong area of interest for the Bank's education endeavors

(Salmi, Hopper, & Bassett, 2009). Major foci of the report were privatization, access (particularly for women), diminished government funding and increased demand. In order to shore up the Bank's credibility, the report introduced conceptions of strengthening citizenship and financial well-being. Moreover, knowledge creation and preservation were emphasized to reflect the Bank's new image as a knowledge agency. Aside from advocating more public involvement in the funding of higher education and the training of talent, and further regulating and constructing the role of the state in exercising control and allocating autonomy in the higher education sphere, the report also emphasized the need to identify societal benefits in both the short and the long term (World Bank, 2000). Compared with the 1994 report, this one reflected the core notions of SIN more comprehensively. SIN is not only concerned about the policy content, but also the delivery devices and the instruments used to realize and maintain policy content. Cultivating talent is one of the vital means of constructing strong state institutions. Identifying and communicating the resulting social benefits is another key component of the SIN framework (Carroll, 2006; 2007).

At the same time, the SIN agenda was even more saliently reflected in the Bank's China-specific policies. The Bank believed that the structures needed for Chinese educational reforms would produce high-quality results in a flexible manner, use resources efficiently, be equitable and maintain social cohesion. A changing role of the state in policy making, target setting, supervision and administration was emphasized in the report, *Strategic Goals for Chinese Education in the 21st Century* (World Bank, 1999). The report urged the Chinese government to position itself more favorably in a higher education market, and try to create an environment in which higher education institutions could enjoy more autonomy in their finance and management (Yang, 2009). This was in line with SIN policy advice concerning worldwide higher education development that was proposed in *Peril and Promise*, with specific implications for higher education reform in China (Yang, 2010).

“Putting Higher Education to Work: Skills and Research for Growth in East Asia” and “China 2030: Building a Modern, Harmonious, and Creative Society”

Nowadays, the Bank's operations in higher education are still under the umbrella of SIN, which can be observed from the regional higher education report, *Putting*

Higher Education to Work: Skills and Research for Growth in East Asia, released in December 2011. Noting the disconnections among higher education systems in the region (p. 2), the report identifies the technical, behavioral and thinking skills required for the contemporary labor market and suggests research for higher education innovation and the cultivation of innovative talent. Other than that, the report continues to stress the role of government in higher education financing and management, which is nothing new, but reflects the advice put forward 11 years previously in *Peril and Promise* (World Bank, 2011).

Several months later, on 27 February 2012, a China-specific research report, *China 2030: Building a Modern, Harmonious, and Creative Society*, was jointly released by the Bank and the Development Research Center of China's State Council. The report recommends a development strategy for China's stable transition to a market economy, suggesting ways of dealing with the interaction between government and market, private sectors and society. Moreover, the report advocates a market that is open to greater competition and innovation, and emphasizes a new structure for economic growth that ensures equality of opportunity. Although it is not a sector report specifically concerning higher education, it has considerable implications for higher education reform (World Bank, 2012). Both regional and China-specific reports emphasize the pressing need for skilled talent in a competitive market, and they both promote new elements and structures that can support innovation. These suggestions clearly fall within the Bank's SIN framework.

From the above reviewed reports, it is evident that the Bank has been disseminating concepts rooted in a SIN framework for higher education in China and the world. These concepts are not only presented in the policy reports, but also implied in the Bank's project proposals and implementations, as the Bank's loan and aid projects are designed on the basis of its policy reports. Moreover, the adoption of the Bank's SIN reform agenda is a precondition for winning the projects. Through the channels of both policy advice and project design, the Bank's economic policy prescriptions are likely to be adopted by developing countries in their reform processes. Most Bank-recipient cooperation follows this policy-project-reform pattern. However, what is the case for China?

Chinese Higher Education Policies and Reform

In the context of the universal convergence promoted by the Bank, higher

education, as a social institution in different parts of the modern world is becoming stronger and more sensitive to changing social and market needs. Also, it has grown into an indispensable instrument for achieving an integrated global system along market lines. It is thus interesting to situate Chinese higher education reform within this global context, whose nature and meaning have been institutionalized by various impetuses including such multinational education-related organization as the Bank, the WTO, and UNESCO (Ball, 1998; Yang, 2003; Meyer et al., 2007). Chinese higher education has certainly gained increasingly strong links with the global community. The main stakeholders are changing their frame of reference and looking at the global community for policy innovation and solutions to problems of higher education development. The reform ideas are often generated from the policy objectives projected by international lenders such as the Bank (Yang, 2005, June).

China's higher education policies and reform trends are in accord with the Bank's agenda. However, when it came to determining how this agenda actually affected the direction, pace and details of the reforms, none of the participants from this study with substantial connections with the Bank's operations in China could provide an accurate answer. It is clearly difficult to measure the connection between foreign advice and China's policy decisions due to a lack of reasonable indicators. However, some correlations might be seen to demonstrate the effects of the advice.

Chinese higher education policies issued after the 1997 report are fully in line with the Bank recommendations. The *Higher Education Law of the People's Republic of China*, passed in 1998 is a good example in the following areas: (1) the role of the central government was defined as policy maker and planner, and was distinguished from the role of higher education institutions, with power gradually being decentralized from the central to provincial governments; (2) higher education mergers were initiated to achieve efficiency and reasonable resource allocation; (3) higher education institutions could have more autonomy in terms of admitting students and developing their strategic planning; (4) student loan policies were implemented to achieve cost-sharing in the massification of higher education. These structural and institutional reform policies of Chinese higher education, which were based on the Bank's SIN policy recommendations, were largely accepted by Chinese policy-makers (Wang, 2001; Yang, 2009).

Another salient example is the expansion of Chinese higher education enrollment. An important suggestion made by the Bank in its 1999 report,

Strategic Goals for Chinese Education in the 21st Century was to increase higher education enrollments massively. This advice was immediately taken up and became the most influential recent policy in Chinese higher education. From 1999 to 2001, the enrollment rate in Chinese higher education nearly doubled (Yang, 2009). Nevertheless, we still cannot determine whether the Bank has played a role of a “director” or that of a “guide” in Chinese higher education reform. In fact, in some cases, the reform programs started before the emergence of the Bank’s agenda; and in other cases, when the Bank’s agenda became clear, the Chinese decision-makers only accepted it partially and strategically.

The principles of neoliberalism, on which the SIN agenda is based and which underlie the marketization of higher education, could never be whole-heartedly accepted by stakeholders in the Chinese system. The trend in China should more properly be called “quasi-marketization,” with regards to both internal market settings and ideology (Mok, 1997). In addition, the strategy adopted by the Chinese leadership to support the growth of private higher education is purely “instrumental.” The purpose is to create more educational opportunities in response to emerging market needs in order to fill gaps where the public sector and state financing for higher education are inadequate (Yang, 1997). Although private institutions have gradually received more support in various ways, they are still playing peripheral roles in the system, and their position will not change in the foreseeable future (Umakoshi, 2004; Lin et al., 2005). This makes the situation very different from that of South Korea and Japan.

The Bank views the new role of the state as that of facilitator, regulator, and service coordinator. While the Chinese government claims to have shifted its role in keeping with the Bank’s expectation, it has actually taken a somewhat different path. The Bank assumes that in an educational market composed of non-state sectors and a fluid international labor market, the influences of the state should be weakening. However, the Chinese government has never retreated from governing the higher education market. This “market” was strategically established by the state in order to mobilize university-government-industry collaboration, as well as interaction between universities and other non-state sectors. These mobilization activities have never undermined the role of the state in the process of collaboration and in the higher education system more generally. Rather, the central role of the Ministry of Education has been consolidated not weakened under the policy of decentralization. This particular tendency in China is thus called “centralized decentralization” (Yang, 2003; Mok, 2004).

Nevertheless, the Bank's agenda has been adopted partially and strategically. Without the considerable input of the Bank, no doubt the development of Chinese higher education would not have been achieved so efficiently (Hayhoe, 1996). As remarked by Professor Ruth Hayhoe, "The Chinese learned a lot from working with the Bank people on accounting, administrative management, through their loans and programs" (personal communication, February, 26, 2007).

Discussions: Transcending the Bank's Agenda

The Bank's worldwide and China-specific higher education policies and the reform trends of Chinese higher education can open up discussions on both sides: On the one hand, the Bank's agenda is clearly positioned within the SIN framework, yet there are also aspects that transcend the framework. The Bank has not applied its universal reform package mechanically or indiscriminately, but has carefully taken into consideration the actual needs, conditions, and contexts of Chinese higher education. On the other hand, China's policy-makers have adopted selective elements of the Bank's agenda which are useful for China's own reforms; therefore, its policies transcend this agenda. This point is discussed below starting with a story behind the Bank's Chinese higher education reports.

The Bank's China-Specific Reports

It can be seen that the reports contain detailed analyses of policy choices available to China and of the prospective consequences of these choices. The development of each major report involved several complex steps: (1) conducting extensive field work and in-depth research; (2) drafting the report; (3) discussions within the Bank; (4) discussions with relevant Chinese officials and analysts; (5) revising the draft to take into account various viewpoints; and (6) publishing and distributing the reports. This multi-step procedure enabled the Bank staff to engage in extensive dialogues with knowledgeable Chinese officials and researchers about policy choices concerning crucial educational issues (Jacobson & Oksenberg, 1990). In this process, some consultants, such as Professor Weifang Min, had a particular influence on the formulation of the reports. One of Professor Min's colleagues in the TFHES team talked about his role on the team

and in the reports:

People like him, who is both outsider and insider.... He has done lots of work in the Bank. I found him to be quite pragmatic and cautious. So to some extent, he influenced the report. The report might have been a bit different (without him); he knew how to manage the report so that what it said would be the emerging policy. (Personal communication, February 26, 2007)

Professor Min not only played a dual role with the Bank, but also took an international and national role in China's higher education system. He later became the Party Secretary of Peking University. He brought his expertise and insights to making the report and the Bank's agenda more consistent with China's reform needs. As remarked by Professor Stephen Heyneman, a former Bank official who had significant links with the Bank-China relationship, "Usually the Bank finds someone to write the book (report) who knows China...like Min Weifang...is a pretty good indication. The Bank tries to use very good experience in China in addition to having world experience" (personal communication, February 28, 2007).

One of the significant contributions of the Bank is the sophisticated and fresh international educational ideas and values it offers, through inviting knowledgeable and qualified international consultants to advise on policy-making as well as on practical institutional management of project universities (Yang, 2009). Even though most of the Bank officials and consultants who are responsible for setting the Bank's agenda ought to be sufficiently knowledgeable and experienced in dealing with the Chinese case, the reports still have to reflect the basic principles of the Bank concerning economic development generally and higher education development specifically. Although diverse opinions exist within the Bank, the development principle of the Bank in the era of PWC has been a SIN agenda. In view of this, what is China's approach to the Bank's agenda and what are the practical suggestions offered by the Bank?

China's Pragmatic Learning-By-Doing Approach

As early as the Bank's first official mission to China in April 1980, led by its president, Robert McNamara, Premier Deng Xiaoping told the mission: "We are very poor. We have lost touch with the world. We need the World Bank to catch

up. We can do it without you, but we can do it quicker and better with you” (C. Koch-Weser, personal communication, n. d.).² Since then, China has been very strategic in learning from the Bank and using the Bank. Professor Stephen Heyneman provided his insider view on China’s approach, “Chinese officials just pick the suggestions that are suitable for Chinese development, which is normal. Every smart country does that. [If] the Bank has ten recommendations, the smart country will pick the one that is the most compelling” (personal communication, February 28, 2007).

Professor Mark Bray further added his observation on China’s interaction with the Bank:

China is a massive country with very smart, well-educated people. They know what they are looking for. That was much more equal partnership. Chinese officials always have the clear ideas of what they are doing and where they are going and how they can get there. So they are more likely to be an equal partner than the small African countries. (Personal communication, February 27, 2007)

As both Professor Stephen Heyneman and Professor Mark Bray said, China is a smart country with smart people. The Chinese policymakers elicited the Bank’s views and the advice that was compatible with their thinking. This advice was drawn upon and reinforced the predilections already present among the reformers and has provided them with additional valuable evidence and argumentation, enabling them to rebut their internal critics. In this regard, “the visits by McNamara, Clausen, de Larosiere, and Dunkel; and reports, and the annual meetings and consultations have increased the self-confidence of the reformers to persist in their course and to battle their bureaucratic opponents...” (Jacobson & Oksenberg, 1990, p. 140). By means of this pragmatic learning-by-doing approach, China maintains an equal partnership working with the Bank. That said, with this equal partnership and successful collaboration, what has China learnt from the Bank?

Institutional Building

The capacity for institutional building including administrative management,

² Caio Koch-Weser, the World Bank’s first Division Chief for China after China rejoined in May 1980 and participant in the initial meeting with Premier Deng Xiaoping as Mr. McNamara’s personal assistant.

monitoring procedures and accountability conforming to sound international standards have been effectively learned and adopted by the project universities and relevant individuals. Professor Ruth Hayhoe talked about China's learning from the Bank in the processes of project implementation:

The Chinese are very pragmatic. They know they are going to be modernized and open their minds. They need international practices. They wanted to learn. It doesn't mean they learned perfectly, but a lot of learning took place. It was very beneficial to China. They had many young people working in these offices. They have to figure out how much accountability the Bank requires. The Bank is very strict about corruption, so they have very strict accountability, monitoring procedures.... (Personal communication, February 26, 2007)

However, the Chinese have gradually gained more access to international capital markets, and they possess the financial resources, expertise, and confidence needed to transform their own higher education system. Hence, since the close of the *Higher Education Reform Project* in 2005, China has stopped borrowing from the Bank in the form of major higher education projects. In these circumstances, what kind of partnership in the field of higher education should be maintained between the Bank and China?

Maintaining the Dialogue

How to maintain this partnership is a two-way decision. As an insider, Professor Stephen Heyneman believed that the Bank still had good advice to offer and China should continue to borrow and learn from the Bank in reforming higher education:

I think China needs to maintain the dialogue with the Bank. I would suggest China continue to borrow the IBRD loans for the dialogue, particularly in the field of education, not borrow a lot, but continue to borrow some. China can buy good advice, on management, accounting and banking...I would hope and expect that in the future, China would borrow some IBRD loans from the Bank on higher education programs. I think it would be counterproductive for China to be rigid about that. They should retain some flexibility, they should use the Bank. They should pick the sectors where they want the ideas. I think higher education reform is one of the areas where China could use continuing good advice. Take the issue of research in education; probably it is a good idea to have the Bank's views on that, for sector work, for some flexibility studies.

(Personal communication, February 28, 2007)

He considered that the Bank could be a kind of mirror of China's reforms:

China can find the answers on its own, but I think it helps if it has an external advisor. It is kind of like a mirror. You know what you look like, but why do you use a mirror. It is good to have an external view. You could be judged as to your success in part on the basis of having had ideas presented to you. That would be challenging. (Personal communication, February 28, 2007)

He further emphasized, "I can tell you that the Bank is always ready to have the dialogue especially with China, so it is ready when China is ready" (Personal communication, February 28, 2007). This means that in the present-day Bank-China cooperation in the higher education arena, China can be the decision-maker, as suggested by Professor Mark Bray:

If China will borrow money from the Bank on higher education programs depends on the Chinese government. Why should they have loans, why do they need to borrow from the Bank? The reason would be they like the expertise and team with the loan, they like the international insights. They may or may not like the procedures for handling the money. But there may be other ways to get that expertise and the procedures. (Personal communication, February 27, 2007)

Now that China has increasing alternatives in terms of getting valuable international expertise and insights for higher education development, the role of the Bank in China and in the field is changing. On the other hand, the role that China is playing on the international higher education stage has changed from that of a major recipient to a dual role of both recipient and donor. Also, its role as an aid donor in the educational field is becoming increasingly noteworthy. Therefore, it is high time for both sides to reposition themselves in their partnership.

Furthermore, China has become "an active participant" in education-related international institutions; Professor Justin Yifu Lin, a Chinese economist, served as a former vice president of the Bank. It was the first time for a Chinese national to take a leading position in the Bank, where leadership roles had been dominated by the US, Japan and the Europeans for more than half a century. Dr. Qian Tang, another Chinese national, who is now the Assistant Director-General for Education within UNESCO, is the head of UNESCO's Education Sector, and

UNESCO is, without doubt, the most well-known international organization specializing in education. These two prominent examples demonstrate that China's membership in education-related international organizations has gradually achieved quality rather than mere quantity. China is gaining increasing voice of speech in the international education arena in this regard. More importantly, with respect to how to use the platforms of international organizations to influence matters relating to global higher education transformation and spread ideas from China, there is still a long way to go; as pointed out by Yang (2009), China still needs to learn to master the rules of engagement for international higher education in flexible ways, since these are based on Western experiences and concepts.

Concluding Remarks

The central argument put forward by this article is that the most pressing task for Chinese higher education is to learn to master the game rules of the international community, which are deeply rooted in Western cultures. Therefore, a variety of challenges are faced by stakeholders of Chinese higher education. Taking the successful cooperation experiences as an indicator, one of the most effective strategies they may utilize to achieve international higher education relevance and success is to work more closely with the Bank, the world's largest provider of educational development finance, expertise, and ideas (Mundy, 2002; Jones & Coleman, 2005; Yang, 2009). For the Chinese higher education system, the key point is how to tap the potential of the Bank as both a financial and a "knowledge bank," and further, to be prepared to take up the role of rule-maker.

In general, the Bank's policy advice and lending projects based on the SIN Agenda have been an influential driving force in the development of Chinese higher education. China's cooperation with the Bank in this field has been unusually successful, given that the Bank's investments have always been criticized by the conditionality demands attached to them and ignorance of the contextual conditions of the recipient countries. This does not mean China has never struggled between conditionality demands and the pressing needs identified by itself. After all, China has shown its cooperative attitude by adhering to the values and standards expressed by the Bank. It would thus be more effective to make strategic use of powerful international organizations such as the Bank than attack them head-to-head (Yang, 2009).

Despite all this, as remarked by Professor Mark Bray, the Bank and China maintain an unusually equal partnership. This harmonious and productive partnership can not only be attributed to China's unique pragmatic and independent approach to the Bank, but can also be seen as a sign of the Bank's open-minded attitude to China, which is also unique. What is unique and what is beyond the Bank's "one-world consensus" reform agenda, and beyond the traditional donor-recipient relationship? The convincing answer from the perspective of the donor side is the concern with the specific historical, social, political and economic context of each recipient country; from the recipient side, it is a set of specific development strategies which do not blindly follow any model. As remarked by Timothy Geithner in his speech, *The World Bank and the Frontier of Development Challenges*, "I don't think anyone believes there is some universal model that can or should be imposed on the world, Washington Consensus, Post-Washington Consensus, or not."³

Nevertheless, the power of models is tremendous. China's experience working with the Bank in higher education reforms, and in other developmental sectors or with other donor agencies and countries, can be referred to by other developing countries in reflecting on their donor-recipient relationships. Furthermore, now that On top of this, when China has been increasing its higher education aid to African and Southeastern Asian countries on a considerable scale, how has China dealt with the donor-recipient relationship as its role has shifted? Does China show concern for the particularities of the recipient countries? Under these circumstances, China should explicitly position itself as a global player, rather than a follower of the rules. The Bank has been promoting its SIN practices and ideologies in China particularly in terms of expert knowledge. China has also shown its cooperative attitudes in adhering to the values of the Bank. In the long term, other than proactive participation, China should also spread its spirit and expand its influence within and through these institutions in order to promote its national interests further as well as fulfill its international responsibilities.

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³ Timothy Franz Geithner is an American economist, central banker, and civil servant. He is the 75th and current United States Secretary of the Treasury, serving under President Barack Obama. He was previously the president of the Federal Reserve Bank of New York. The words are quoted from his remarks delivered to a conference at Northwestern University, May 14, 1999.

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