



## Completion Report

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# People's Republic of China: Policy Analysis and Assessment of Reforming Education Mode for Promoting Employment of Graduates in Applied Tertiary Institutions

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TA 8938-PRC: Policy Analysis and Assessment of Reforming Education Mode for Promoting Employment of Graduates in Applied Tertiary Institutions			Revised Amount: Not applicable	
Executing Agency: Ministry of Education		Source of Funding: Technical Assistance Special Fund (TASF-other sources)	Amount Undisbursed: \$47,532.72	Amount Utilized: \$352,467.28
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<p><b>Description</b></p> <p>The number of university graduates in the People's Republic of China (PRC) increased nearly fourfold between 2003 and 2015 as a result of demographic trends and the government's decision in 1999 to expand tertiary education to stimulate the economy. Given the PRC's slowed economic growth, there was an increasing concern that job creation was too weak to keep pace with the rising numbers of graduates, while skills gaps were widening as the economy transitions toward higher levels of economic development. The unemployment rate for college graduates aged 21–25 was approximately 16%. Even after gaining employment, many university graduates remained underemployed for several months, and employers were often unable to find employees with relevant and appropriate skills. Against this background, two key priorities for higher education were established through the National People's Congress and State Council legislation in 2015. The first was to improve policies aimed at stimulating employment and supporting self-employment and entrepreneurship among college and university graduates. The second was to reform higher education institutions (HEIs) so they could better contribute to these policies and respond to current as well as future economic and social needs. The reform placed specific emphasis on local HEIs (particularly lower tier universities) to improve education quality and relevance, and their linkages with local economies through the transformation of more than 600 HEIs into applied tertiary institutions that offer degrees in professional majors and a variety of employment-oriented majors. The policy and advisory technical assistance (TA) was requested to support the Ministry of Education (MOE) in reforming modes of education in applied tertiary institutions to promote graduate employment by identifying reform pathways adapted to local contexts.</p> <p><b>Expected Impact, Outcome, and Outputs</b></p> <p>The expected impacts of the TA were (i) an increase in employment-ready college graduates in the targeted provinces and sectors, and (ii) a shift in students' attitudes towards higher education and employment. The expected outcome was successful planning for the transformation of HEIs into applied colleges, which would be evidenced by the MOE's adoption of new guidelines and a road map for the transformation of selected HEIs into applied colleges by March 2017. The TA's main outputs included (i) local HEIs mapped, (ii) selected HEIs and their capacity to implement the transition toward a polytechnic model assessed, and (iii) recommendations to guide the phased strategy of the MOE and provincial governments to implement the transition toward applied colleges provided. The TA remains relevant to date as the expected outcome and outputs continue to be aligned with the policies and priorities of the MOE which showed strong ownership and commitment throughout the TA implementation.</p> <p><b>Delivery of Inputs and Conduct of Activities</b></p> <p>To meet the MOE's needs in the evolving policy context, the scope of the assessment and recommendations was expanded to include not only local HEIs being transformed into applied institutions but also the other categories of HEIs (the first- and second-tier universities as well as vocational and specialized colleges) in the PRC's higher education system. The assessment agreed with the MOE therefore covered reforms of education modes (instruction methods, assessment and evaluation, entrepreneurship education) undertaken at different categories of HEIs to make recommendations for improving the quality and relevance of education for each category of HEIs, and thereby promoting employment opportunities for graduates from all HEIs. Accordingly, the terms of reference for the TA consultants, including the inputs (from 18 person-months of international or national consulting services to 4.5 person-months of international and 32 person-months of national consulting services), the composition of experts (from one key expert to a team of two international and four national experts), and the selection method (from the fixed-budget selection method to the quality- and cost-based selection method), were reformulated in consultation with the MOE. The process caused delays in the recruitment of the TA consultants who were finally mobilized in October 2016. Moreover, additional 3.5 person-months of national consulting services were required to assess the reform of university-owned enterprises which create jobs for graduates and play an important role in promoting entrepreneurship education and supporting graduates' business startups. To accommodate the delays in the recruitment of the TA consultants and the delivery of the reports, the TA completion date was extended by 20 months.</p>				

Significant support was provided by ADB and the MOE to the TA consultants who were challenged to improve the quality of the reports. With these robust interventions, the TA consultants delivered reports of satisfactory quality and their performance was also satisfactory. During the TA implementation, the officer in charge of the TA at the MOE changed and new issues and priorities surrounding the PRC's higher education system emerged. Nevertheless, the MOE consistently and effectively offered guidance on successful implementation of the TA. ADB fielded five missions to consult, review, and discuss the reports with the MOE and the TA consultants and adjusted the TA implementation arrangements to respond to the MOE's evolving needs. The performance of both MOE and ADB was satisfactory.

### **Evaluation of Outputs and Achievement of Outcome**

The three main outputs were achieved, albeit with significant delays. The TA consultants delivered the first report which included a review of various higher education reform policies in the PRC and abroad, and annotated lists of HEIs by category and by region (eastern, central, and western) in February 2017, followed by the second report containing in-depth case studies of 12 selected HEIs in May 2018. The third report, delivered in November 2018, summarized findings of the case studies and presented recommendations for improving teaching quality, graduate employment, entrepreneurship education, assessment and evaluation for each category of HEIs, including those for local HEIs being transformed into applied institutions. The recommendations included further reform actions needed for each category of HEIs and good practices in reforms of education modes collected from the 12 selected HEIs which could be replicated by other HEIs. Although the MOE, together with the National Development and Reform Commission, and the Ministry of Finance, issued the *Guidelines for Steering Certain Provincial General Universities towards Application-Oriented Undergraduate Education* in October 2015, significantly in advance of the TA completion, the reform of higher education to improve the quality and relevance continues at different categories of HEIs against a background of the PRC's shift in emphasis on high quality growth, including at local HEIs being transformed into applied institutions.<sup>a</sup> In this regard, the good practices identified would be useful for further accelerating the reform of higher education at different categories of HEIs.

### **Overall Assessment and Rating**

The TA is assessed as *successful*. Through timely adjustments, the TA design and outputs maintained its *relevance* to the PRC's emerging issues and priorities regarding higher education reforms in the context of the PRC's slowing economic growth and transition to a new growth path. The production of outputs was *efficient* with TA funds savings utilized to engage additional consulting services. Significant delays in the delivery of outputs may have reduced the timeliness of some of the outputs but the MOE expressed its satisfaction with the TA results and its interest in continuing the TA activities. Therefore, the TA is rated *effective*. With the dissemination of replicable good practices in reforming education modes to HEIs (see Recommendations and Follow-up Actions), the TA outcome is *likely sustainable*.

### **Major Lessons**

The TA set a good example by opening up dialogue on potential lending operations in the area new to ADB in the PRC. The TA could have been more effective if the approval and implementation was more expeditious, and if some provincial governments, especially in the central and western regions, were involved in the design and implementation of the TA.

### **Recommendations and Follow-Up Actions**

The TA identified and collected good practices in reforming education modes at different categories of HEIs in the PRC. These good practices will be transformed into a series of good practice notes and will be disseminated to HEIs in the PRC and to other ADB developing member countries. Moreover, the TA contributed to the establishment of a platform for knowledge generation and sharing among HEIs in the PRC. It is therefore recommended that the platform be maintained and, if possible, upgraded in collaboration with the MOE and HEIs in the PRC.

<sup>a</sup> At the request of the PRC Government, another TA was approved in May 2018 to support the reform of application-oriented undergraduate education in Yunnan Province (ADB. 2018. *Technical Assistance for Accelerating the Reform of Application-Oriented Undergraduate Programs at Local Universities in Yunnan Province*. Manila).