

Research on the Reform of Preschool Education Cost and Charge System in China

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Abstract: Preschool education is a quasi-public product with public welfare as its fundamental attribute. In order to reflect its most fundamental social public welfare, the government must bear the main financial investment responsibility. The overall strategy of the reform of preschool education system should be “the country advances and the people retreats”, that is, the preschool education market led and regulated by the government should be established, and the state should bear the main responsibility of investing in preschool education funds, so that every school-age child can enjoy the right to receive high-quality preschool education. Due to the limited financial resources of many local governments below the city level, the main source of preschool education funds is still family. In this period, the financial input of preschool education should be led by the government, and regulated by two tracks, that is, administrative planning and market means should be used together to macroscopically standardize and guide the reform of the financial system of preschool education. This paper studies the current situation of preschool education costs and fees in China, and comprehensively solves the problems of rational allocation and effective utilization of urban and rural educational resources, and more importantly, it must solve the inter-provincial flow of preschool education funds. The most effective way to solve this problem is to implement the preschool education voucher system as soon as possible.

1. Introduction

2010 was a very important year in the development history of preschool education in China. The “National Medium and Long Term Education Reform and Development Plan” officially promulgated and implemented on July 29th sets out programmatic development goals, tasks, and policy measures for the reform and development of preschool education; On October 24th, the country launched a pilot education system reform program for 50 projects in various fields, with preschool education being one of them. Preschool education is a quasi public product with public welfare as its fundamental attribute. In order to reflect its fundamental social public welfare, the government must bear the main financial investment responsibility. To establish a harmonious society where the people live and work in peace and contentment, and the world yearns for it endlessly, it is necessary to construct a people-oriented education system for all, covering the preschool to university stages. Among them, preschool education is the first battlefield to achieve the development strategy of this century and the foundation project of the national quality building. The overall strategy for the reform of the preschool education system should be to “advance the country and retreat the people”, that is, establish a preschool education market led and regulated by the government, and the state should bear the main responsibility for investing in preschool education funds, so that every eligible child has the right to receive high-quality preschool education. However, the main financial investment body for preschool education in China is still local governments below the prefecture level, with central and provincial governments only playing an auxiliary role.

Due to the limited financial resources of many local governments below the city level, the main source of funding for preschool education is still households. During this period, the financial investment in preschool education should be led by the government, with dual track regulation, that

is, the combination of administrative planning and market means, and the macro regulation and guidance of the reform of the preschool education financial system. It can be foreseen that preschool education will inevitably lead to a new round of great development nationwide, but the implementation of national macro policy documents at the grassroots level still needs to further clarify goals, refine policies, and scientifically organize and implement [3-4]. Preschool education has extremely strong external effects and spillover benefits, therefore, public welfare is its fundamental attribute. Almost all countries in the world prioritize the development of basic education, especially for developing countries. Education investment is a scarce resource and should be directed towards the stage of basic education with the highest return rate. At present, local governments at the grassroots level face five specific problems that are difficult to grasp but also difficult to avoid in the development of preschool education: the system of running kindergartens, the model of building kindergartens, the mode of public financial investment, the mechanism of sharing educational costs, and the system of teacher management.

2. Theory of Preschool Education Cost and Charging System

2.1 Present Situation of Cost Sharing in Preschool Education

Before the government launched the “Three Year Action Plan for Preschool Education” in 2010, China's preschool education expenditure accounted for a very small proportion of the total national education expenditure. In the “China Education Funding Statistical Yearbook”, the total income of kindergarten education funding is divided into five categories: national financial education funding, investment from private park organizers, social donation income, career income, and other income, but there is no detailed data on “national financial education funding”. Therefore, the research group is unable to analyze the cost sharing of governments at all levels. The percentage of national fiscal education funds for pre secondary education has increased from 2.1% in 2020 to 4.8% in 2022. From 2020 to 2022, more than 100000 primary school affiliated kindergartens will be built, renovated, expanded, and added across the country, supporting 72000 enterprises and institutions to run kindergartens, collective kindergartens, and inclusive private kindergartens.

In preschool education management, the objects and scope of management are few and partial. In the rural areas with better economic conditions in Gansu Province, the establishment and development of public kindergartens are emphasized, but in rural areas such as Tianshui, Pingliang, Dingxi and Longnan, preschool classes attached to primary schools and private kindergartens are the main ones, and the trend of changing from preschool classes to private kindergartens is gradually showing. In addition, preschool education in China is weak and owes a lot, which is still a weak link in the education system at present. Kindergartens need more investment to maintain basic education activities, but the government's financial allocation has not been increased accordingly, which leads to the heavy cost burden of family preschool education, and many vulnerable groups of children cannot receive high-quality preschool education.

2.2 Based on the Theory of Public Goods - Preschool Education is a Public Product

Generally speaking, governments around the world view compulsory education as a purely public good, provided free of charge by the government to students. Although we may find that primary and secondary schools, as public goods, also have a certain degree of competitiveness and exclusivity when analyzing the attributes of compulsory education products, which do not fully conform to all the characteristics of public goods, countries still determine compulsory education as a public product based on the positive impact of education on society. Subjectively, among the 12 provinces and cities surveyed by the research group, 25.24% of principals believe that the government's financial investment has significantly increased; 54.12% of principals believe that the government's financial investment has increased, but the magnitude is not significant; 21.62% of principals believe that the government's financial investment has not increased; 1.34% of principals even believe that the government's financial investment will decrease instead of increasing. Objectively speaking, there have been significant changes in the increase in financial investment in

preschool education among the five level governments of these 12 provinces and cities, as detailed in Figure 1.

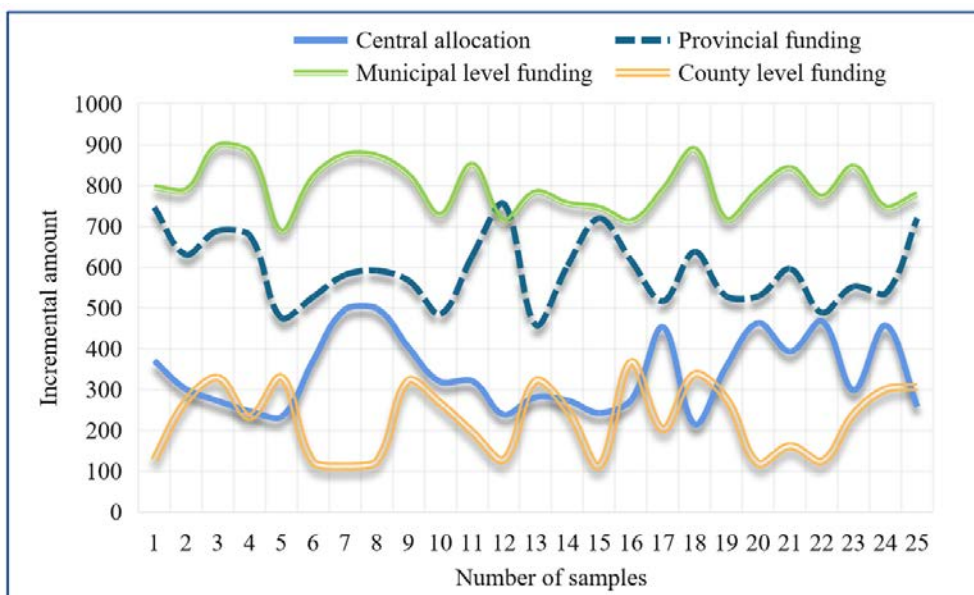


Fig.1 Incremental Financial Investment in Preschool Education by Governments At All Levels

In 2022, the largest increase in financial input is the municipal government, followed by the provincial government, while the increase in county and township governments with greater financial input pressure is not obvious. Compared with provincial governments and municipal governments, the financial input of the central government is not large. Although local education authorities dominate the development of local preschool education, the main object of management is public kindergartens, ignoring preschool classes, kindergartens and private kindergartens attached to primary schools. What needs our attention is that in the development of rural preschool education, local governments are separated in political and economic functions, but there is basically no government financial input, and rural preschool education institutions have obvious manual workshop-style commercial color [9]. In management, it supervises the safety and health work of preschool institutions, but ignores the provision of educational equipment and facilities and the establishment of teacher training system. Almost all countries in the world give priority to the development of basic education, especially for developing countries, education investment is a scarce resource, and it should be invested in the basic education stage with the highest return rate [10]. The high rate of return of financial investment in preschool education has been proved by a 40-year cost-benefit tracking study in the United States.

3. Research on the Reform of Preschool Education Cost and Charge System

3.1 Strengthen the Consciousness of Cost Sharing of Central, Provincial and Municipal Governments.

As far as the principle of obtaining benefits is concerned, the state, society, individuals and families are all beneficiaries of preschool education. It has long been proved that preschool education can promote children's individual physical and mental development. At the same time, preschool education can also produce great social benefits. Because it is not easy to accurately measure the proportion of government financial investment in the cost of preschool education, here we use the proportion of government funding in kindergarten financial expenditure to approximately replace the cost-sharing index of government funding for running schools at kindergarten level. The cost of pre-school education is entirely borne by the central government, and the cost of pre-school education in Norway is entirely borne by local governments. Most other countries implement the system of two-level government sharing or three-level government sharing, as shown in Table 1.

Table 1 Inter-Governmental Sharing Ratio of Pre-Education Costs

Country	Proportion of central financial input	Upgrade the proportion of financial input	Proportion of local financial investment
Denmark	<5%	<4%	>90%
Iceland	<5%	0%	>92%
Britain	<24%	0%	>75%
Switzerland	0%	>50%	<48%
Austria	2%	>45%	<45%

The sharing ratio is an indicator that reflects the amount of education costs shared by the sharing entity. It is expressed as the ratio of the education amount shared by the sharing entity to the total amount of education expenditure. The higher the ratio, the greater the sharing pressure borne by the sharing entity. Relatively speaking, financial means are generally more effective than administrative orders under market economy conditions. Therefore, the government's financial means for preschool education in the next decade should and can only be incremental investment and increased investment. It can be seen that although local governments have an important proportion in the financial investment in preschool education, other levels of government also need to invest in preschool education funds and assume corresponding responsibilities. Although China's national conditions are different from OECD countries, the logic of government financial investment in developing preschool education should be consistent.

3.2 Implement a Financial Investment System Shared by Five Levels of Government

Although the policy that the cost of pre-school education needs to be shared by all beneficiaries has been generally recognized by researchers, there is no clear standard on how much funds should be invested and how much to share. Many local governments in China have implemented a “reward and compensation policy” for the development of preschool education. In this way. The areas with better pre-school education have developed better after receiving government funds, while the areas with relatively backward economic development will still be unable to fully develop pre-school education because of the shortage of funds, leading to a vicious circle. It is suggested that the central government should mainly bear the responsibility of funding children with financial difficulties in the central and western regions and a certain proportion of public funds, and the burden ratio should not be less than 20% of the total budget for preschool education. Due to the difference in ability to pay, the proportion of kindergarten fees in the per capita disposable income of residents should be analyzed in two lines: urban and rural. As far as urban residents are concerned, the per capita disposable income is high, so the economic burden they bear is relatively small.

The district, county, township and street governments shall bear the responsibility of land supply, a certain proportion of staff salaries and welfare funds and public funds for kindergarten construction and transformation, and the burden ratio shall not be higher than 55% of the total budget for preschool education. Education can encourage individuals to improve their natural ability and sense of social responsibility. Promote each individual to become a person who promotes economic and social development. According to horace mann's theory, we believe that educational equity is not only beneficial to the educated individuals, but also of great significance to the long-term stability of the country. To solve the problem of rational allocation and effective utilization of urban and rural educational resources in an all-round way, it is necessary to solve the problem of inter-provincial flow of preschool education funds. The most effective way to solve this problem is to implement the pre-school education voucher system as soon as possible.

4. Conclusions

The key to solving the problem of nationwide difficulty in entering kindergarten is to scientifically and reasonably design the financial investment guarantee mechanism for preschool education, in order to reconstruct the entire supply system and explore new social welfare systems. From a national perspective, on the surface, during the implementation of the “Three Year Action

Plan”, there was a significant increase in funding from higher-level governments, which can to some extent alleviate the financial pressure on county and township governments. But on the premise of ensuring the good operation of public parks, we should play its radiating and exemplary role in private parks, while increasing financial support for social and low-quality parks, vigorously developing inclusive private parks, thereby reducing the payment burden on low-income families and achieving fairness in the education process. Due to the different levels of economic development in different regions of China, the cost accounting of private kindergartens should not only ensure the normal operation of kindergartens, but also fully consider the actual situation of local economic development level and per capita disposable income of residents. The limited funds invested by the government in preschool education. Due to the lack of effective tracking and accountability mechanisms, investment efficiency is not high. The construction of an effective supervision and management mechanism also belongs to the cost of preschool education, requiring the government to invest a certain amount of manpower and material resources. A preschool education system that comprehensively meets the needs of parents; Finally, establish a new model of early childhood education development that has contemporary Chinese characteristics, meets the needs of social development, is standardized, high-quality, and diverse. Ultimately, achieving a win-win situation among the interests of the park owners, the quality of private parks, and the rights and interests of the educated.

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