



# Research on Reforms in China's Education Policy in Promoting Education Equalities since Economic Reforms in 1978

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**Abstract.** While China's dynamic urban population thrives, but its rural population still suffer from poverty. According to the World Bank, 70 million people live on less \$1 a day in the countryside [3]. Education is always the key to economic development in China with huge population as educated worker would be more competitive in the global production market. The Ministry of Education in China has implemented several education policies to tackle education inequality since the economic reform in 1978. This paper aims to investigate the effectiveness of major education policies in promoting education equalities, such as the Nine-year compulsory education, Two Basics policy, the *Binggui* policy, *Gaokao* or the policy of university entrance exam and also considering other factors that have limited the effectiveness of education policies such as *hukou*, income level and insufficient higher education funding support in China. The research was conducted from, current research and statistical data was analysed. The paper concludes that the increased enrolment rate in primary and secondary education has led to higher national literacy rate with the success of two basics policy to achieve the goal of nine-year compulsory education. However, there was unequal distribution of education opportunities and uneven provision of education opportunities due to social stratification between eastern and coastal and central and western regions. The number of good qualities education institutions was concentrated in the eastern and coastal region and decentralised funding policy in education increased financial burden for local government in rural areas and hence, exacerbates educational inequalities between urban and rural regions.

**Keywords:** China, Education policy, Inequalities, Income, Hukou

## 1 Introduction

China has experienced massive economic development in many areas since the opening up in 1978. The state recognized the importance of education in improving productivity and economic growth by increasing expenditure on the education sector and resumed the National Entrance Exam. The literacy rates and school enrolment have significantly increased due to increased government expenditure [10]. China, however, faced an

unique education problem. The government developed a graduate strategy by implementing market reforms in the eastern and coastal regions, and then extending to the rest of region. However, regional economic disparities led to differing allocations of educational resources, resulting in unequal distributions of educational resources. It also makes education an accelerator of class and class differentiation. Prior to 1986's Compulsory Education Law, most rural families in China were unable to afford primary and middle school tuition. There were inequalities in the distribution of educational opportunities and provision between urban and rural areas, leading to education stratification that high quality education resources were concentrated in urban areas. The decentralised admissions policy of higher education institutions in China also contributed to the problem of inconsistent university admissions scores in different regions and favoring local students, suggesting inequalities in educational opportunities across regions.

This essay discusses the effectiveness of education policies in promoting education development and equalities, such as nine-year compulsory education, Two Basics policy, Binggui policy, and the policy of university entrance exam, as well as other factors that led to educational inequalities in China, such as hukou, income and state funding support. China has its unique development path. The gradualist development strategy is adopted by Chinese leaders to promote economic growth in eastern and coastal regions. However, it has created huge regional differences in terms of education and economic development. Thus, research on the education policies and its effectiveness is necessary for understanding in reducing education inequalities in China.

## **2 Social policies to reduce education inequalities**

### **2.1 Nine-year compulsory education**

Education access and quality are widely recognized as the most effective strategies for eliminating poverty and achieving sustainable development [6]. The Chinese government has prioritized the development of a socialist countryside as part of its national development agenda, including ensuring universal access to nine-year compulsory education [6]. Education reforms designed to lower costs and improve quality of education in rural communities have been key to the success of this project. The introduction of nine-year of compulsory education in 1986, which included primary and middle school education. With the implementation of the law, rural youths were able to obtain basic education like their urban counterparts. Despite schools in rural areas facing the lack of teachers and financial problems, education attainment and literacy rates have both improved due to the compulsory education plan.

### **2.2 The 'Two Basics'**

The 'Two Basics' policy was implemented by the government to enhance the importance of achieving the goal of compulsory nine-year education in 2001. It aimed at universalising nine-year compulsory education and eradicating illiteracy among its

youth [2]. The goal of 'Two Basics' policy was achieved with poor provinces such as Tibet, Sichuan, Qinghai and Gansu passed the national standard in 2011 [2]. For example, the overall primary net enrolment ratio was 99.5%, while the overall middle school net enrolment ratio was 98.5%. The increase in the enrolment at higher level education also increased with the upper secondary transition ratios rose from 51.2% in 2000 to 83.4% in 2008 [2].

Nine-year of compulsory education fundamentally solves the problem of low literacy rate in China since the economic reforms in 1978. It allowed rural youths to obtain basic education like their urban counterparts and increased their chances of advancing to higher education. Although the expenses of upper middle school tuition accounted a large percentage of household income in rural families, subsidies were set up by the central government for secondary education, including student loans and deferred payments eased the financial burden on rural families and students. However, there were still many rural youths left the schools after completing the nine-year compulsory education and began agriculture activities with their families. For instance, the number of students from rural regions took high school entrance exam was only 60% compared to nearly 100% of students from urban areas [8].

Moreover, rural areas lack teachers and good facilities for education. Since the reform, examination content has diversified to include topics such as foreign languages, arts and technology [2]. The rural school, however, struggled to hire teachers in these subjects. Many teachers prefer to work in urban schools, which were better developed and offered higher social benefits. Provinces with economic growth were more likely to invest in education and provide funding to education institutions, which contributed to the disparities in the level and quality of education between urban and rural areas. As a result, education resources were concentrated in urban regions, which further contributes to the problem of education inequality. Therefore, the urban-rural and social stratification divisions had greatly contributed to educational inequalities in China.

### **2.3 The *Binggui* Policy**

The state-funded system of higher education ended in 1995 with the implementation of fee-charging by all types of higher education institutions, also known as the *Binggui* policy [4]. China's *Binggui* policy promoted marketisation of higher education and the finances were transferred to local governments, families and individuals. The state could concentrate its funding on selected universities to develop world-class institutions and improve educational qualities. In the 1990s, the *Binggui* policy also contributed to the rapid expansion of higher education institutions. For instance, there was an increase of 42% in the number of higher education institutions between 2000 and 2005, and another increase of 22% between 2005 and 2009 [4]. As a result, more students were able to enrol in higher education, as more education opportunities were provided for students to pursue higher education, either within or outside their hometowns.

The distribution of higher education institutions and types of universities, however, was unevenly. Students from different geographical regions had varied education opportunities. Even though the central and western regions were heavily invested by the

state until 2004's 'The Rise of the Central Regions' campaign, there were still a significant gap in education opportunities and provision between the eastern and western region [1]. For instance, the majority of China's higher education institutions were located in eastern provinces, 25% of its elite universities were located in Beijing and another 13% in Shanghai and while only 15% of the elite universities were located in western regions [4].

## **2.4 The University entrance exam**

National entrance exam was a standardised examination system at the national level, also known as Gaokao. Gaokao was considered as the fairest examination to allocate the limited higher education resources for Chinese students. China has experienced three education reforms of Gaokao during the past few decades. The first reform took place in 1994, the second reform in 1999 and the third reform in 2001. The first and second reforms mainly dealt with the changes of exam structure, such as more varied subject choices [2]. The education reform of the 21st century was considered to be the most important, since it affected both the content and the structure of university entrance exams.

The Ministry of Education has expanded university enrolment quotas to decrease education inequalities since 2000. For example, the enrolment quotas increased nearly five times from 2000 to 2011 (4.1 million in 2000 and 23 million in 2011, respectively) [8]. However, in a decentralised admissions and recruitment system for higher education institutions, students from different geographical regions would be impacted at varied levels on the opportunities in accessing to higher education. Hence, the effectiveness of Gaokao as a fair selection system for students from different geographical origins remained unclear [4].

The decentralised admissions and recruitment policies were supposed to be used to plan recruitment of new students for higher education institutions based on the funding levels and teacher supply. However, differentiated selection and the quota policies allowed universities to determine the number of students recruited from each province, and it was usually favoring local applicants. According to quota policies, different standards would apply to students from different provinces for entry into universities or the specific courses that entry requirements could be adjusted based on their province of origin, and usually giving less places to applicants from other provinces and giving preference to local applicants [4]. Thus, the decentralised admission and recruitment policies led to geographical discrimination and local protectionism and contributed to geographical stratification, thereby contributing to inequalities in education.

### **3 Other factors that contribute to education inequalities in China**

#### **3.1 Hukou**

Hukou was another factor preventing rural populations from obtaining high quality education. The hukou system played a crucial role in defining the urban-rural relationship in China by dividing the total population into agricultural hukou and non-agricultural hukou [7]. It functioning as an important mechanism of state-society relations [5]. In addition to providing proof of identity, citizenship, and official status, hukou registration was vital for every aspect of daily life. If without hukou, people could not establish eligibility for social benefits and education [5]. Statistics had shown that Chinese population who held agricultural hukou accounted 74.1% in 2005 [7]. As a result, a great number of rural youths experienced institutional barriers to obtain high-quality education outside their hukou origins. Most of high-quality education resources were concentrated in urban areas and one without urban hukou was less likely to get into urban schools. Hence, hukou system contributed to social stratification between the urban and rural population since students in urban regions had greater chances of entering quality institutions.

#### **3.2 Income and Education inequalities**

Income level was an important factor that contribute to education inequality. Household income would affect individual's education attainment as urban and wealthier families were more likely to invest in their children's education by sending them to fee paying school and extracurricular tuition. The relationship between income and education also had the casual effect that education had an impact on income levels, people with higher education levels were more competitive in the labour market and were more likely to earn higher incomes. Hence, income and education inequalities were closely related. The Chinese economy under the leader Deng Xiaoping was further marketized in 1992, which resulted in a rapid rise in income inequality [9]. For instance, the Gini coefficients grew rapidly from 0.357 in 1990 to 0.449 in 2005 [9]. Hence, the rapid economic growth had worsened income inequality in China.

In addition, the Chinese government played a major role in creating an uneven pattern of economic development with its gradualist approach of implementing market reforms first in the eastern and coastal regions, and then spreading them to other regions of the nation [1]. Eastern and coastal regions had the geographical advantage in accessing overseas trade and export, whereas the central and western regions were located inland. The growing income inequality between coastal and western regions since China's economic reform had led to education inequalities due to geographical stratification, that geographical unevenness would lead to inequalities of opportunity and is related to the education inequalities [4]. Economically advanced regions had higher income levels and students from eastern and coastal regions had better educational resources and facilities compared to less developed regions in China.

### 3.3 State education funding support

Despite education development was viewed as a basic state policy in China, but the ratio of public expenditure on education did not keep pace with the GDP growth rate. The share of China's GDP that invested in the education sector was much smaller than the United States in recent years [7]. In addition, educational investments in each province also differ, with developed regions receiving higher education funding support, which included national scholarships and fellowships. In contrast, less developed areas had lower education development support which made it difficult to improve the quality of education without sufficient funding support and led to a lower education expansion level. The central government had spent a large amount of funding on higher education which included secondary education and tertiary education in urban regions, instead of compulsory education in rural regions [7]. Insufficient educational investment in rural areas led to unbalanced educational development and education inequality in China.

In addition, funding responsibilities for education were delegated to the local governments by implementing a decentralised funding policy in education. Hence, local governments were responsible for raising funding for compulsory education and contributed the majority of the total funds for rural compulsory education. However, local governments in rural areas often struggled to generate enough funds to cover the operation fees for compulsory education without bargaining power [7]. The local government chose to transfer the responsibility to local peasants by taxing them to pay for education, which further decreases their disposable income [7]. The urban-rural divide was enhanced with rural parents paying the majority of education funds for rural compulsory education. In contrast, developed areas had better financial capacities in providing education than poor areas, thus leading to greater regional differences. Hence, the government should increase education funding and investment in rural areas.

## 4 Conclusions

China has experienced several structural and institutional changes on education policy since the economic reform in 1978. The state has played an important role in the expansion and the development of higher education while, at the same time, being responsible through its decentralised governance for the uneven geographical development. Although policies promoting education have led to significant progress in educational attainment, education inequalities still exist. The national examination system and decentralised admission and recruitment policies have affected students' opportunities to get access to higher education and to different types of universities, particularly in relation to their geographical origins and leading to unequal distribution of education resources. There is a need for social policy to solve these issues and step up targeted support to the most marginalised; investments to improve the overall quality of education in rural areas. Despite the state implementing funding support policies for higher education, it was less sufficient in achieving equal distribution of education funding between regions in order to education inequalities. This paper could have been improved by conducting surveys to provide more data analysis based on each specific policy and its impact on the average years of schooling of students, particularly from

rural areas and their percentages to get into universities each year to better examine the effectiveness of education policy in China.

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