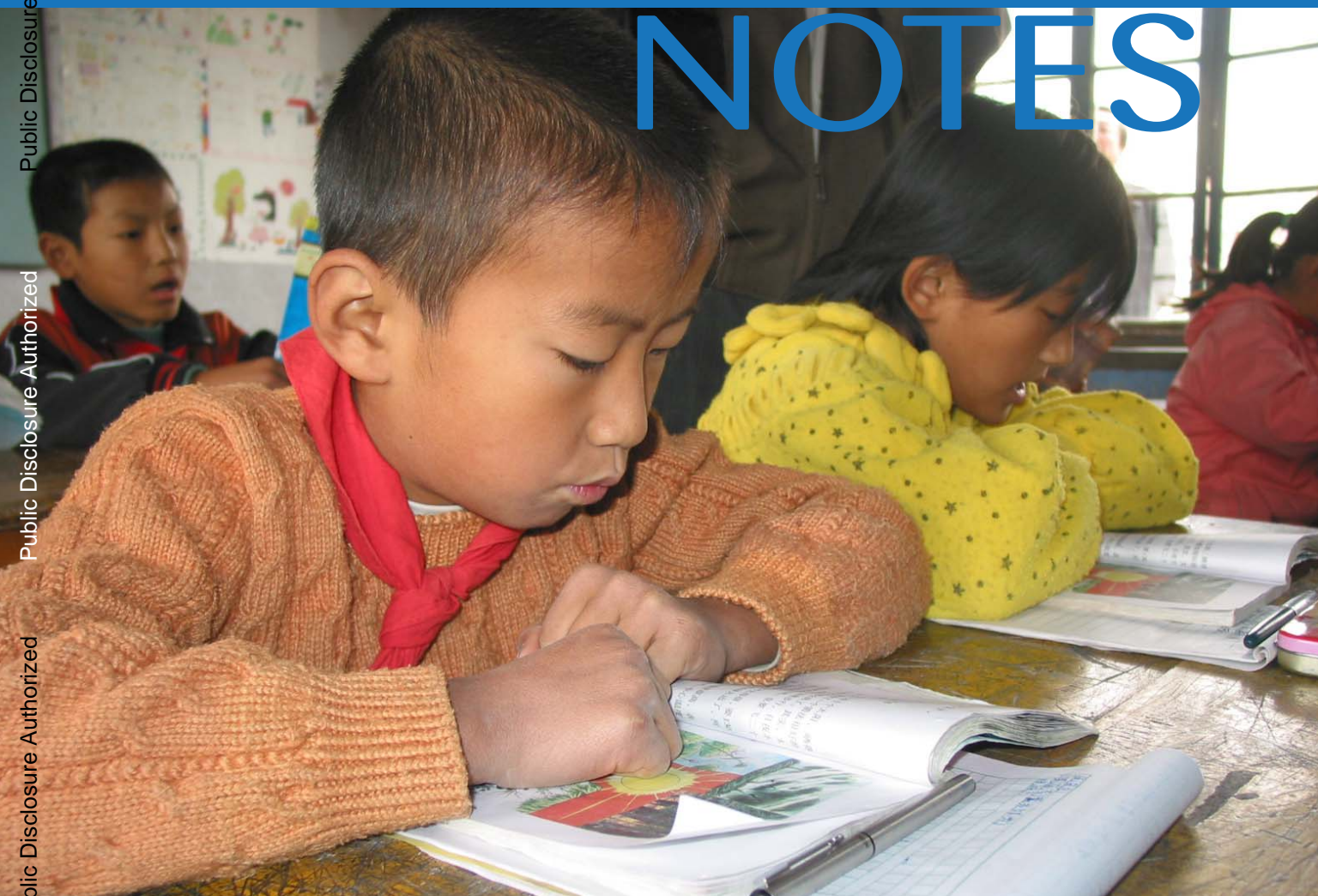


# Education NOTES

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## EFA and Beyond: Service Provision and Quality Assurance in China

China is not often thought of in the EFA context but its education sector over the past 20 years provides many lessons for countries that are approaching Universal Primary Education (UPE). The most important lesson may be that the need for educational reform does not diminish as countries approach UPE. The first challenge is to expand education opportunities. *As coverage expands, however, new challenges inevitably emerge that require constant attention and frequent updates to education policy and financing mechanisms.*

In the 1980s, although primary school enrollment reached over 95 percent nationwide, UPE continued to be an important issue. Of the roughly 180 million students enrolled in primary and middle schools, millions of children from rural areas, ethnic minority groups, girls and the poor remained out of school. In 1985, China launched a major decentralization reform to improve local involvement in management and funding for basic education. Under this reform, primary and middle schools in urban areas were placed under the management of district education offices, while schools in rural areas were placed under management at the county level.

A series of policies to improve the expansion of compulsory education in China accompanied the reform, including:

**1. Establishing education legislation to ensure enrollment.**

In 1986, the Chinese Government promulgated the Compulsory Education Law (CEL) establishing rights and obligations of individuals and governments. The CEL had two implications for compulsory education: (i) all children reaching age six were required to enroll in school and receive nine years of compulsory education (six years of primary and three years of lower secondary); and (ii) local authorities were responsible for compulsory education, including operating funds, construction and teachers' salaries.

**2. Mobilizing resources in rural areas.**

In the early 1990s, as the income of farmers in wealthy areas increased rapidly, the central government introduced a two percent education tax in rural areas. The introduction of this tax together with other types of contributions from parents amounted to US\$12.5 billion, which was added to the budgetary resources from the government for development of nine-year compulsory education.

**3. Increasing the central government expenditure for rural education.**

Since the mid-1990s, the government's spending on basic education increased in both budgetary expenditures and in special funds for rural areas. The national government allocates annually about US\$1.25 billion to rural areas for teachers' salaries, school construction

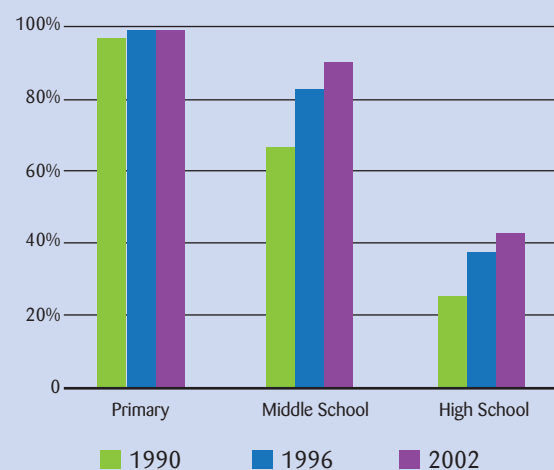
and renovation. The central special funds are matched by local government co-financing.

These policies led to an increase in primary education (Grade 1-6), a huge expansion of middle school education (Grades 7-9) and a significant expansion of high school education (Grades 10-12).

The success in expanding middle school education can also be attributed to policies that abolished the middle school entrance examination, sought to increase equity in funding, adopted a computer-based lottery to assign primary graduates to middle schools and provided for schools within easy walking distance of where children live. Many challenges remain, however, centered largely on issues of finance, equity and quality.

**Financing of compulsory education.** Education in China has been largely a public school phenomenon. According to official statistics, public schools account for 98%, 97% and 94% of students at the primary, middle and high school levels, respectively. However, public spending on education is inadequate. Limited public funding has led to a shift of fiscal responsibilities to principals and then to parents. Principals report

**Graph 1: Enrollment of Basic Education in China (1990-2002)**



Source: National Center for Education Development and Research (Ed., 2003). *2003 Green Paper on Education in China: Annual Report on Policies of China's Education*. Educational Science Publishing House. P. 26-27. Beijing, China.

that 25-50 percent of operational expenses are raised at the school level. According to official data, budgeted funding in education as a percentage of GDP was 2.5 in 1993 and increased to 3.2 in 2001. During the same period, however, out-of-budget funding, including contributions from parents and society, increased significantly from 0.55 percent of GDP to 1.65 percent in 2001. Since the 1990s, special funds from central government have been allocated to western provinces and poor areas, but inadequate funds remain a major obstacle for compulsory education.

In urban areas, good quality schools, known as key schools, manage to generate funds by recruiting students from outside school districts and charging fees for their attendance. Although charging fees for compulsory education is forbidden by national law, they are often disguised as “education donation and assistance” or “joint construction fees.” The “donations” range from 30,000 to 100,000 yuan (8.27 yuan = 1US\$) for each student for the duration of the middle school years. In rural areas, however, most public schools have neither the demand nor the reputation to generate additional funds and as a consequence, there is a huge disparity in student expenditures between urban and rural areas and between provinces. In 2001, per student expenditure in Guizhou, an economically disadvantaged province, varied from 887 yuan for urban areas to 485 yuan in rural areas. In Shanghai, an economically developed region, per student expenditure in urban areas was 5,886 yuan and rural per student expenditure was 3,605 yuan.

**Equity.** There is an increasing debate regarding the equity and fairness of compulsory education in terms of quality and access. Key schools that are able to attract good students and to charge fees are also able to attract good teachers by paying them more bonuses. In rural areas, teachers are paid much less than their urban counterparts. In Guizhou Province, teachers receive only the basic salary, which is 700 yuan a month. In an urban school in Zhejiang province, the average teacher’s salary plus bonus is 2,500 yuan per month. These differences contribute to a massive flow of competent teachers from rural to urban schools, resulting in a severe shortage of teachers and a high student drop out rate in rural and poor areas.

Inequality in access to education is related to poverty, geography, gender, socioeconomic background and ethnicity. In several provinces, particularly those economically less developed provinces, studies show that there is variation in the gender gap in enrollment. In some poor areas, approximately half of the counties do not achieve nine year compulsory education and there are substantial ethnic differences in enrollment among primary and middle school age children, with the rate for boys sometimes as high as double those for girls from certain ethnic groups.

Moreover, inequality in access became a concern in big cities in the mid-1990s when the migrant student issue emerged. In 2003, there were an estimated 114 million rural dwellers working in urban areas nationwide. In Xiaoshan District of Hanzhou Municipality (Zhejiang Province), migrant workers account for one third of the entire population. The number of migrant students country-wide is estimated at 11 million. The increased number of migrant students imposes a challenge to the “local responsibility” principle in education. Is the responsibility for the children of migrant workers that of the local government in areas where they are from or that of the government where they reside and pay taxes? Provision for this group depends on decisions of local governments. In Shanghai Municipality, migrant students are accepted by public schools. In Xiaoshan District, Zhejiang Province, half of the migrant students are accepted by local public schools, but others must seek out private schooling (min-ban, or people-run) where they must pay “borrowing education fees”. Many of these schools are newly built and illegal because their conditions and facilities do not meet the standards for a school set forth by the government. In addition, a large number of migrant children are out of school due to the transient nature of their parents’ work. Currently, the Government is revising the Compulsory Education Law, trying to align policies to changes in society and the education sector.

**Quality control of teaching and learning.** China has a long tradition of using teaching research systems as a quality control mechanism. The system includes “teaching research groups,” where teachers teaching the same subject meet weekly to prepare lessons with “open lessons” held for peer review to identify problems. In addition, principals observe teachers’ classes, identify problems and provide guidance. Finally,

the district teaching research office (TRO), which consists of subject area experts, “diagnose” teaching problems, providing guidance in teaching content and methods. When schools encounter unresolved issues in teaching, they turn to the district TRO for help.

This quality control mechanism has faced a challenge since the new curriculum was introduced in 1999. The curriculum introduces new standards for 18 subject areas for compulsory education emphasizing the necessity for change in curriculum to respond to the rapid change in technology and knowledge-based economy. Students are expected to focus on problem solving and ability to learn and to act innovatively and creatively. This is a significant challenge for teachers who are accustomed to ‘teaching to tests.’ This means that TRO members have to update their knowledge and teaching methods and then train teachers in response to the requirement laid out by the new curriculum.

To ensure high quality education, China is also facing the task of developing a national assessment system. As global trends shift the focus toward outcome-based

education, there is a growing recognition that control of inputs such as resources, teachers, curriculum, school programs, facilities and equipment are inadequate indicators for measuring outcomes. This involves a change of the function of the Ministry of Education and local education bureaus.

## Conclusion

The China experience indicates that when UPE has reached a higher level, the focus shifts to reaching marginal groups and to issues of equity, quality and finance. Disparities among children from poor and wealthier families and children from urban and rural families require increased attention, even as governments seek to maintain and stabilize enrollment increases at the primary level. China’s experience with migrant students illustrates the importance of constant fine-tuning and adjustment to education policy and financing. In China, as in other developing economies, attainment of UPE will be one step in what must be an ongoing process of education reform.

**This note series is intended to summarize lessons learned and key policy findings on the World Bank’s work in education. The views expressed in these notes are those of the authors and do not necessarily reflect the views of the World Bank. For additional copies of Education Notes, please contact the Education Advisory Service by email at [eservice@worldbank.org](mailto:eservice@worldbank.org) or visit the web site: <http://www.worldbank.org/education/>**

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**Photographer: Changchun Education Bureau, China (2005)**