

Evaluating Educational Voucher Program in China: A Case of Changxing County

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Abstract

Using the Changxing Educational Voucher Program as an example, this paper presents a preliminary analysis of the origin, development, and current situation of educational voucher programs in China. More specifically, through adopting a comprehensive analytical framework, the research investigates the overall strengths and weaknesses of the Changxing Voucher Program in comparison with traditional Chinese public schools. It is found that the overall strengths of the Changxing Voucher Program outweigh its weaknesses, although the program appears to favor the principles of equity and social cohesion at the expense of freedom of choice and efficiency.

Keywords: educational voucher, school choice, privatization of education

Introduction

Privatization of education in China has grown at an unprecedented rate as a result of significant economic and social transformations over the past three decades. Soaring number of private upper secondary and tertiary educational institutions have emerged to meet increasing demand for quality education (Kwong, 1997; Yan & Lin, 2010; Lin et al., 2005). In recent years, the privatization process is also gathering momentum at the nine-year compulsory education level, which has been traditionally dominated by government-run public schools (Kwong 1997; Lin, 2007; Qin, 2008). Rapid growth of privatization of education at the primary and secondary level has not only introduced competition into the education market and give students and parents greater

school choice, but more importantly it has stimulated education finance reform and directly led to the emergence of educational voucher programs in China.

Using the Changxing Educational Voucher Program as an example, this paper aims to present a preliminary analysis of the origin, development, and current situation of educational voucher programs in China. In particular, the research adopts a comprehensive analytical framework proposed by Henry M. Levin (2002) to investigate the overall strengths and weaknesses of the Changxing Voucher Program in comparison with traditional Chinese public schools.

The remaining part of the paper is organized into four sections. The first section provides an overview of the development of *minban* (i.e. “people-run”) education and its connections with the emergence of educational vouchers in China. The second section presents detailed descriptions of the Changxing Educational Voucher Program. The third section focuses on the evaluation of the program using a comprehensive framework developed by Levin (2002). In the final section, conclusions and policy recommendations are made based on the advantage map of the Changxing Voucher Program.

Overview of *Minban* Education in China

In order to understand the issues surrounding the emergence and development of educational vouchers in China, it is necessary to first discuss a special form of private education in China—people-run (or

minban in Chinese) education.¹

China has a rich history of private education. More than 2000 years ago, prominent philosophers and educators such as Confucius and Lao-tzu established private institutions to educate common people. However, after the founding of the People's Republic of China, private schools were banned by the communist government. Private schools and school choice were almost non-existent between 1949 and 1978 (Tsang, 2000; Kwong, 1997; Ding, 2012). In 1978, Deng Xiaoping introduced the policies of reform and opening up to the outside world. The economic reform has not only led to rapid development of a market economy, but also stimulated a series of educational reforms in China including decentralization of educational finance, rural education reforms, and diversification and privatization of higher education (Tsang, 2000, 2003; Lin et al., 2005, Qin, 2008). The re-emergence of Chinese non-government education and the establishment of a *minban* education system was a direct consequence of these educational reforms.

Historically, in the 1950s and 1960s a special form of non-government schools called "*minban*" schools emerged in rural China. The reason why this type of school existed was because the Chinese government under the leadership of Mao was keen to expand basic education to the mass rural population. However, due to the inadequate government funding, the residents in many rural areas had to run schools by themselves. They had to build schools and hire teachers through their own resources (Yan & Lin, 2004; Ding, 2012). These *minban* schools thrived in rural areas because they can fill in

the gap left by the government and enable the rural population to attain a minimum level of education (Zhang, 1994; Tsang, 2003; Yan & Lin, 2004).

Compared to the development of *minban* schools in rural areas, the emergence of *minban* schools in urban areas takes in a quite different context (Tsang, 2003; Ding, 2012). It can be regarded as an extension of the dramatic economic reform since 1978. The reasons for the rapid development of *minban* education in urban China can be examined from the perspectives of supply and demand (Yan & Lin, 2004). On the demand side, one important contributing factor of the increasing demand for *minban* schools is the political factor. Reform and opening up policies have created a more tolerant political environment, which allows some families to choose non-government schools that would meet their own needs. Another contributing factor is the economic factor. Great economic progress in the past three decades raises family income (especially in urban areas) so that many urban families can afford the relatively high costs of *minban* schools. Moreover, because of the "one-child policy" in urban areas, many city residents are willing to pay more and seek better education for their children. Finally, the large quality gap among government schools also contributes to the increase in the demand of good *minban* schools (Tsang, 2003; Yan & Lin, 2004).

On the supply side, the 1985 educational financing reform that includes the decentralization of financing responsibility to local governments and the diversification of educational resources has formed the financial base for the growth in the number of

¹ While the terms "*minban* education" and "private education" sometimes are used interchangeably in literature, it is important to point out that the term "people-run" or "*minban*" education is distinctively different from traditional private education. While traditional private schools are sponsored and operated by non-government organizations, social groups and

individuals with little government assistance, *minban* schools are often sponsored and financially supported by the government. See Tsang (2003) and Ding (2012) for detailed discussions on the definitions and history of *minban* education. In this study, the terms "*minban* school" and "private school" are used to refer to two different forms of non-government schools in China.

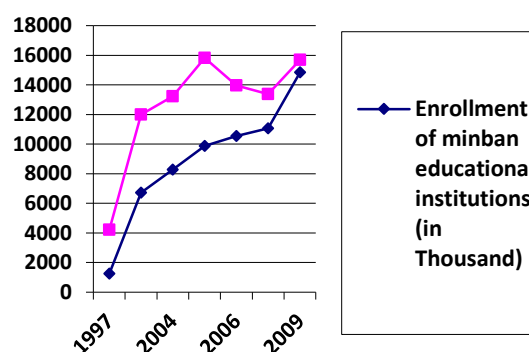
private-run schools. For example, the reform urges schools to seek alternative resources to fund themselves. *Minban* and elite private schools thrive because they can charge high fees and are subject to less regulation than government schools. Another reason for the increasing supply of non-government schools is the encouragement from the government. Compared to Mao's generation, the younger generation of leadership in the central government is more liberal, and holds a view that the competition from non-government schools can improve the quality of education system as a whole. Also, the policy makers consider the development of non-government institutions as an opportunity to mobilize additional resources to education (Tsang, 2003; Yan & Lin, 2004).

In order to promote and regulate *minban* education in China, a series of decentralized educational policies have been put into effect since 1985. For instance, in 1993 the State Council published its *Outline of Chinese Education Reform and Development* (State Council, 1993), a milestone educational law that encourages the establishment and management of schools by social forces and individual citizens (i.e. non-government schools). The 1993 *Outline* and a series of regulations passed by the State Council and the Ministry of Education provided the legal foundation for the development of non-government schools (particularly *minban* schools). Later, the *Law on Promotion of minban Education* was passed in early 2003, which further emphasizes the important role of *minban* educational institutions. In order to boost the growth of *minban* education, the government has provided a variety of financial incentives including loans and tax credits.

As a result of the government's intensive efforts, *minban* educational institutions have become more and more popular in China's urban areas. Recent statistics have shown that the number of *minban* schools and higher

education institutions have tripled between 1997 and 2007 (Ding, 2012; ZUCME, 2012). As of 2009, the estimated number of primary and secondary *minban* schools exceeded 15,000, with a total enrollment of 14.85 million students (Ding, 2012). Figure 1 illustrates the trend of rapid growth of *minban* educational institutions at primary and secondary levels between 1997 and 2009.

Figure 1. Development of primary and secondary *minban* educational institutions (1997-2009)



Source: Ding, 2012, p. 2, p. 48.

Compared to government schools, *minban* schools have the following distinctive features. First, despite their private nature, *minban* schools in many cases receive various forms of government support and public assistance (Tsang, 2003; Yan & Lin, 2004; Ding, 2012). For instance, they may use the school buildings as well as other educational facilities that are provided by either the government or state-owned enterprises. In some cases, *minban* schools may even receive government funds to pay teachers' salary (Yan & Lin, 2004). Second, *minban* schools, like the elite private schools, are allowed to charge much higher tuitions and school fees although the local government may set the ceiling for tuition and fees for different school levels. Third, with respect to school governance, the principals of *minban* schools take primary

responsibilities in school management and governance. This system is often called “principal’s responsibility scheme” (China Education Yearbook Editorial Board, 1995). Compared to their counterparts in the government schools, the principals of *minban* schools are given a great deal of decision-making power in terms of school management. They have autonomy to use the school budget, to collect contributions from companies, foundations and general public, to decide the use of teaching staff, and to raise the average teacher’s salary (under the standards set by the government). Such a system would allow the available resources being used more efficiently at school level. Fourth, *minban* schools are also given certain limited powers in arranging curricula and testing new teaching methods. In China, particularly at the compulsory education level, curricula of major subjects are strictly regulated by the educational authorities. Textbooks are written either by national educational authority or by provincial education committee. In addition to meet these basic requirements, *minban* schools are given a certain degree of freedom to select some additional subjects to teach, such as foreign languages, computer, and arts. They can also offer a wider range of extracurricular activities than government schools. With these characteristics, the individualized and specialized *minban* schools are able to meet the diverse needs of the large Chinese population (Yan & Lin, 2004; Ding, 2012).

Despite the aforementioned advantages of *minban* schools, there are still some disadvantages hindering the growth of *minban* education in China. One key issue directly related to the emergence of educational voucher in China is the uneven development of *minban* educational institutions across different regions.

Although *minban* schools expand rapidly in large metropolitan areas, it is not the case in many small urban cities. The reason why the voucher plan first appeared in Changxin County of Zhejiang Province is that the local government wanted to use vouchers to stimulate the development of *minban* schools in the county. Another related issue is the negative social perceptions towards *minban* schools. Many studies show that non-government institutions in China, including *minban* schools, still have relatively lower level of social acceptance (Kwong, 1997; Tsang, 2003; Yan & Lin, 2004; Lin, 2007; Ding, 2012). *Minban* schools often have lower status than government institutions. These perceptions are felt even more strongly by parents as they tend to believe that the reputation and quality of people-run schools is not as good as government schools (Liu, 2005).²

The educational voucher program in Changxing County that will be examined in the following sections is a direct effort of the local government in addressing these two issues. By implementing the voucher program, the Changxing County government attempts to boost the growth of *minban* schools and change the negative social perceptions towards these schools.

Changxing County Educational Voucher Program

General Background of Changxing County

Changxing County is located in the northwest of the coastal Zhejiang Province, bordering Jiangsu Province to the north and Anhui Province to the west. The overall population of Changxing County is approximately 642,000. There are 38 primary schools, 21 regular secondary schools and five vocational high schools with a total

schools and provide more school choice options for students and parents.

² Despite those negative stereotypes, *minban* schools still have a niche in the current education market because they break the monopoly of government

enrollments of 86,658 students in 2010 (CCG, 2011). Like other parts of Zhejiang Province, one of the most developed provinces in China, Changxing County has experienced rapid economic growth in the past three decades. The county ranks “Top 100 Chinese Counties” in terms of the overall economic performance. However, Changxing County is also facing a number of challenges in compulsory education, including relatively low quality of public schools and shortage of educational funding.³

Compared to some high profile cities in the eastern and southern part of Zhejiang Province such as Hangzhou and Wenzhou, Changxing is less well-known to most people from outside of the province. But, this situation was changed in 2001 when Changxing County became the first in the entire country to launch an educational voucher program through assisting *minban* and vocational education out of public funds (China Education Daily, May 17, 2001).

Purposes of the Changxing Voucher Program

As we know, the fundamental goal of Milton Friedman’s voucher proposal is to bring competition into the American educational system. Friedman believes that the voucher mechanism would provide parents with greater freedom of choice. He also argues that competition would force schools (public as well as private) to improve their quality (Friedman, 1962; Levin, 2002). However, given the large differences in social and economic contexts between the United States and China, Changxing Educational Voucher Program was implemented with very different purposes and to achieve very different goals.

Initially, according to education authorities in Changxing County, the educational voucher plan was launched by the County government to deal with two major tasks regarding its educational policy. The first goal, as mentioned earlier, was to address the issue of inadequate development of *minban* education in Changxing County. Through assisting *minban* schools with educational vouchers, the local government intends to boost the growth of *minban* schools in Changxing County. In the meantime, the government also wants to mobilize additional (i.e. private) resources to education, particularly at the compulsory education level. Making good use of private educational resources would allow the local government to reduce its spending of the governmental budget on education. More importantly, public schools can also benefit from the development of *minban* education since *minban* schools are required to transfer a portion of their revenue to the local government to assist low-quality public schools.

The second goal of the voucher program was to stimulate the development of vocational education in Changxing County. As a result of fast economic development, there are increasing demands for skilled workers in Changxing. However, the negative social perceptions towards vocational education greatly hinder its development. Many vocational schools could not recruit enough students and thus were operated under their capacity. On the other hand, however, employers often complain that they could not find qualified workers even though they offer very attractive salaries. In order to change this situation, the government decided to provide more

³ It should be noted that educational development, compared to economic development, hasn’t received adequate attention from the Chinese government. After three decades of rapid economic growth, the

overall government spending on education remains low (less than 4% of China’s GDP). Even in a relatively wealthy county like Changxing, shortage of educational funding is still a big challenge faced by local schools.

incentives to vocational schools to attract students.

In addition to these two original goals, assisting students from low-income families and ensuring educational equity, the goal Friedman emphasized in his proposal, has also become a main goal of the voucher program at the later stage (Xiong, 2003; Liu, 2005).

Major Components of the Changxing Voucher Program

Given the experimental nature of the Changxing Voucher Program, the types of vouchers in the program have changed over time. Generally speaking, there are four main forms of educational vouchers in the program: first, vouchers for *minban* school students, second, vouchers for vocational school students, third, vouchers for students enrolled in bottom-tier public schools, and fourth, vouchers for low-income students (Xiong, 2003; Liu, 2005). In 2001, the Education Bureau of Changxing County issued the *Regulations on the Educational Voucher Program in Changxing County*. According to the “Regulations,” students who choose to go to the primary and lower secondary *minban* schools are eligible to get a voucher of 500 *yuan* each semester. For those students who graduated from lower secondary schools but choose to continue their study at upper secondary vocational schools (regardless of public or private) can get a voucher of 300 *yuan* each semester. The official statistics show that in 2003 the county government issued 4,618 vouchers with a total value of 1.32 million *yuan* (Liu, 2005). Furthermore, it shows that vocational school vouchers accounted almost half of the total vouchers issued in that year: 2,198 out of 4,618 vouchers were given to vocational school students, while 1,014 vouchers were given to students attending *minban* schools (Liu, 2005, p. 16).

In 2003, the local education board

broadened the function of vouchers, from its original aim to assist *minban* and vocational schools to subsidize the students from low-income families and the students enrolled in bottom-tier public high schools. Under the new *Rules on the Utilization of Subsidizing Aid for Underprivileged Students*, starting in the fall of 2002, the low-income students in the public primary schools obtained a voucher of 200 *yuan* each semester, and students in lower secondary schools received a voucher of 300 *yuan* (Xiong, 2003). By 2005, the Changxing Education Bureau has issued 25,261 vouchers and allocated 7.37 million *yuan* in total. It is estimated that approximately seven percent of total students in Changxing County have benefited from the voucher program (Liu, 2005).

Characteristics of the Program

The design features of the Changxing voucher program can be examined from three important aspects: finance, regulation, and support services (Levin, 2002). The program has utilized these three policy instruments to achieve its main goals.

Finance – The size of Changxing vouchers is quite small in comparison with school tuitions and other fees. For example, the voucher for students who study at Qingquan Martial Arts Schools, a *minban* vocational school, is 500 *yuan* each semester, which is less than one-tenth of total expenses (including tuitions and living expenses) per student per semester (Liu, 2005). Due to its small size, the voucher has very limited direct impacts on students and schools; however, there are important indirect impacts of the vouchers. From the perspective of *minban* schools, the vouchers are seen as an important gesture of government giving *minban* schools equal standings with public schools. In a highly politicized society like China, the supports from the government are critical for the development of *minban*

education because it gives school administrators and investors a lot of confidence about the future of the school. In fact, three years since the implementation of the program, Changxing County has managed to attract 3,500 million *yuan* private investment in *minban* education (Liu, 2005). In the meantime, government support also gives parents confidence to send their children to people-run schools. Recent studies show that many parents who used to be concerned about the quality and legitimacy of those people-run schools changed their views and become much more positive about the schools largely because of the government's encouragement (Liu, 2005; Liu, 2005).

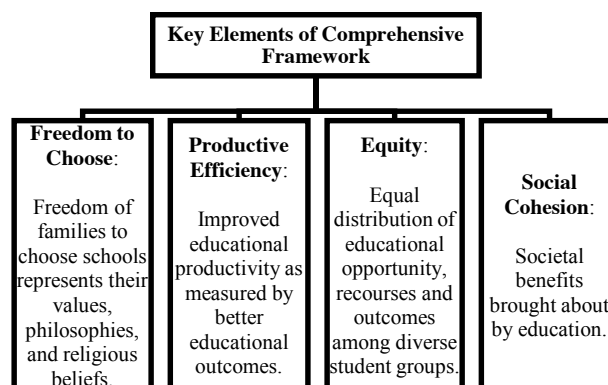
Regulation – The regulation of the program clearly reflects the local government's priorities in the program. With respects to *minban* and vocational components of the program, eligibility for vouchers is restricted to a relatively small population of students who choose to go to certain *minban* or vocational schools. Unlike most voucher plans in the U.S., Changxing Voucher Program is school-targeted rather than student-targeted, which means that the government first selected particular schools, and then issued vouchers to students who choose to go to those schools. Thus, students and parents actually have limited freedom to choose schools. In essence, this type of vouchers is more like government's compensation for certain types of *minban* schools. With regards to the vouchers for poor students, parents have relatively greater freedom to choose schools and the families would be benefited more from this type of vouchers. Actually, because of its potential benefits, the low-income voucher has been expanded to a province-wide voucher program aimed at assisting those disadvantaged students (Liu, 2005).

Support Services – Support services have not been emphasized in the Changxing Voucher Program since the freedom of choice is not the priority of the program in the first place. Given the small number of schools to choose from, parents would not have too much difficulty to obtain information on school programs and other aspects of schools. Also, unlike in the U.S. where the availability of public transportation is very limited, in China transportation usually is not a serious issue for parents and students, and, thus, would not significantly affect their decisions on choosing a particular school.

Evaluation of the Changxing Voucher Program

In evaluating the Changxing Educational Voucher Program, this research adopted a comprehensive framework proposed by Henry Levin (1999, 2002). According to Levin, four criteria that are important for policymakers and stakeholders can be used to assess educational vouchers: freedom to choose, productive efficiency, equity, and social cohesion (Levin, 2002). Figure 2 presents detailed descriptions of each criterion.

Figure 2. Comprehensive Framework for Evaluating Educational Voucher Program



Source: Levin, 2002, p. 17

While Levin stresses the importance of each element of the framework, he stresses that “tensions and conflicts” exist among these four criteria; therefore, there are always tradeoffs or sacrifices in fulfilling certain goals. He further uses Friedman’s vouch plan as an example to illustrate how programs aimed at maximizing freedom of choice and productive efficiency might sacrifice equity and social cohesion (Levin, 2002, p. 19).

Evidence on Freedom to Choose

Freedom of families to choose schools is the most common claim for educational vouchers. Advocates of vouchers tend to place a heavy emphasis on the private benefits of education. In their view, it is important to allow parents to choose schools to ensure what their children learn at schools are consistent with the values and philosophies of the families. However, in the Changxing Voucher Plan, the criterion of freedom to choose was not given high priority to begin with. According to the education authority in Changxing County, to implement a voucher plan emphasizing freedom of choice has to satisfy certain conditions that do not exist under China’s current situation. The director of the Education Bureau of Changxing County, Mr. Xiong, argues that, unlike the U.S. where the educational resources are abundant and therefore is possible for people to choose different types of schools, China is still facing a serious problem to obtain adequate educational resources (Xiong, 2003). In some poor rural areas, parents cannot even find a school for their children, let alone to have the freedom to choose schools. Currently, according to the officials in Changxing County, the top priority is to meet the basic educational needs of Chinese people through

boosting the growth of *minban* schools and vocational schools. Only when these goals have been achieved, is it realistic to consider bringing in more competition and giving parents greater freedom of choice.

Although freedom of choice is not emphasized in the Changxing Voucher Program, it nevertheless provides some choice to parents and student, which is better than the old system where there is no choice at all (simply because the government is the monopoly). As introduced earlier, at the initial stage of the program the eligibility for the government-financed voucher was restricted to students in *minban* schools and vocational schools, with a clear emphasis on attracting students to attending these two types of schools. However because of the small number of *minban* and vocational schools in the county, families and students can only have very limited freedom of choice.

In comparison, the second stage of the program, which has an emphasis on assisting poor students and increasing opportunity for these students, offers a greater freedom of choice. First, the number of students who are eligible for the vouchers is much larger than in the first stage. Second, and more importantly, there is much less restriction on the schools that these students can choose from. Thus, compared to “*minban* school vouchers” and “vocational school vouchers,” “low-income student vouchers” offer much greater freedom of choice. Meanwhile, it should be noted that the low-income student vouchers have more significant meanings than giving greater school choice; it actually makes it possible for poor students to have an opportunity to receive an education. Without these vouchers, many of the poor students would not be able to go to school, let alone to make a choice.⁴

⁴ The 1986 Law on Compulsory Education guarantees school-age children the right to receive nine years of education (i.e. six year primary and three years lower-secondary education). However, it is important to note

that compulsory education is not completely free. Although families are exempted from paying tuition, they still need to pay for textbooks, uniforms, and other school fees. Poor students drop out of school

Evidence on Productive Efficiency

According to Levin (2002), the assessment of productive efficiency consists of two dimensions. One is school site productivity; the other is the efficiency of the overall system. In the case of the Changxing Voucher Program, there is no direct evidence available with respect to school site efficiency. So far no study has been done on the academic performance of the students participating in the program. However, the data on the enrollment and graduation rates of *minban* schools and vocational schools can provide some indirect evidence on the productive efficiency at school level.

As the County government report shows, the student enrollments of *minban* schools have increased rapidly since the implementation of the program. For instance, the enrollments of Qing-Quan Martial Arts School, one of the first schools that are eligible to take vouchers, have increased from 341 students in 2000 to 1,171 students in 2003 (Xiong, 2003; Liu, 2005). In the meantime, the voucher program also boosts the growth of vocational education in Changxing County. The enrollment ratio of vocational schools versus regular public schools has increased from 0.7:1 in 2000 to 1:1 in 2003. Moreover, the employment rate of vocational school graduates has reached to 95 percent (Xiong, 2003).

With respect to the efficiency of the overall system, the data shows that the voucher program is very effective in obtaining additional resources for basic education. Because of the encouragements from the local government, the voucher system provides much greater incentives to attract private investment in basic education. For example, since the implementation of the program, Changxing County has attracted 45 million *yuan* private funds to set up the people-run and other forms of private

institution. As a result of such rapid growth of private education, Changxing County has successfully achieved the goal of universal compulsory education in 2003 (Liu, 2005).

In particular, from the perspective of the local government, the voucher system is especially cost-effective because it allows the government to use a small amount of public money to achieve much better educational outcomes. For example, in 2001 the county government invested about 650,000 *yuan* in the voucher program, which only accounted for 7% of the total educational spending. But, this 7% of public fund has substantial impacts in terms of mobilizing educational resources and increasing the quality of basic education (Xiong, 2003; Liu, 2005).

Evidence on Equity

As introduced earlier, the Changxing Voucher Program has placed great emphasis on the issue of equity. This emphasis of equity can be seen from two aspects: First, the program provides equal standing for *minban* schools; and second, it increases opportunity for poor students. In the initial stage of the program, for instance, the government set out extensive regulations with a clear focus on non-government schools and vocational schools. Although these regulations might inhibit freedom of choice, it provides more opportunities for the development of these schools. Over the past two decades, *minban* and vocational education has played an increasingly important role in the Chinese educational system. However, these two types of schools have always been treated as inferior to regular public schools. In order to change this situation and boost the growth of *minban* and vocational schools, the local government restricted the eligibility for vouchers to students attending these two types of schools. In other words, only students who are

mainly because their families cannot pay for these expenses.

enrolled in *minban* schools or vocational schools are eligible to receive vouchers issued by the Changxing County government. This favorable regulation not only has strong positive financial impacts, it also has important social impacts. The public-financed vouchers symbolize the government supports and are critical to the development of *minban* and vocational schools. As the principal of Qian-Quan Martial Arts School, Mr. Zhou, said, “Giving us educational vouchers means that the government begins to treat us equally with public schools; in other words, it sends an important message that the government begins to recognize us” (Changxing Education Daily, 2003).

In the second stage, the eligibility for vouchers expands to students from the low-income families regardless of the types of school they attend.⁵ The program’s emphasis on equity issue is more obvious at this stage. The “low-income vouchers” explicitly focus on subsidizing economically disadvantaged students and increasing educational opportunities for them. With these vouchers, schools are able to obtain additional resources for poor students, and have greater incentives to attract such students.

Although the program has a strong impact on promoting educational equity, it still has some limitations that need to be addressed. First, like many other voucher plans, Changxing Voucher Program also reflects the tension between freedom of choice and equity. The Changxing Program has achieved greater equity at the expense of freedom of choice. As explained previously, the voucher program explicitly targets disadvantaged *minban* and vocational schools and helps to close the gap between those schools and public schools. Meanwhile, providing vouchers to low-income families

and students also helps to address the issue of educational inequality and inequity. However, the regulation of restricting vouchers to a small number of schools and students inevitably limits choice. Second, the scope of the program is still very small in comparison with the large population of students. Only 10% of students in Changxing have received vouchers in 2005 (Liu, 2005). With respect to low-income vouchers, not all poor students are included in the program given the limitation of the funding. According to the government regulation, the low-income vouchers can only be given to one student per family. In other words, if a poor family has two children to go to school, only one of them is able to receive the voucher. This may explain why less than 50 percent of total poor students (by the government’s standards) can actually get the voucher. Third, the issue of transparency and fairness in the selection process also need to be addressed.

Evidence on Social Cohesion

The issue of social cohesion and social stability has always been the biggest concern of the authoritarian regime like the Chinese government. The emphasis of social cohesion in the Changxing voucher program can be clearly seen from two aspects. First, looking at the regulations imposed on curriculum and teaching methods of non-government (including *minban*) schools can help us deepen understanding on the issue. According to the *Compulsory Education Law of the People’s Republic of China*, compulsory education in China has the purpose of “promoting elementary education and the building of a socialist society that is advanced culturally and ideologically as well as materially” (The National People’s Congress, Compulsory Education Law,

⁵ In other words, low-income students who are enrolled in public, non-vocational schools are also eligible for the vouchers at this stage.

Article 1, 1986). Therefore, all schools, regardless of public or private, are required to impart socialist ideology to their students in order to maintain social cohesion along the lines of socialist ideas.

From the perspective of regulation, these are the factors that are strictly imposed on all *minban* schools, and all of these factors strongly affect educational outcomes related to social cohesion. For example, most of the textbooks and the subsidiary teaching materials are selected by the government. Some additional courses offered *minban* schools to fulfill the social needs are limited to subjects like foreign languages, computer and arts. Although in some cases, *minban* schools have some freedom to choose the non-core curriculum, they have to follow strictly the guidelines made by the local education bureau. Also, they are required to meet the standards provided by the education bureaus. Thus, through regulating textbooks, core-curriculum and teaching methods, the government can effectively strengthen social cohesion.

In addition, the evidence on social cohesion in the Changxing Voucher Program can also be found from its emphasis on increasing educational opportunity for poor students. Including these low SES students in the program will help to create a more diversified school environment, which will have positive effects on social cohesion. It is widely believed that both low SES students and high SES students will benefit from greater exposure to student diversity.

Discussion and Conclusions

As Levin (2002) has suggested, any voucher plan that pertains to the privatization of education tends to place emphasis on different mix of priorities among the four criteria; therefore, a particular plan must choose priorities among the different criteria in considering tradeoffs. In the case of the Changxing Voucher Program, it appears that

the voucher plan aims to maximize educational equity and address the special needs of certain schools and student body, at the expense of freedom of choice and productive efficiency.

In order to better understand the strengths and weaknesses of the Changxing Voucher Program with regard to the four criteria, it would be helpful to draw an “advantage map” that compares the advantages on each of the four dimensions of Changxing voucher approach over the traditional approach. Figure 2 presents the advantage map for the Changxing Voucher Program in comparison with the Chinese traditional public school system.

As Figure 3 shows, compared to the traditional schools, the Changxing Voucher Plan appears to hold advantages in all of the four areas that have been evaluated. In particular, it has strong advantages in equity and social cohesion. Equity advantage of the program is clearly reflected in its special focus on assisting certain disadvantaged groups including *minban* and vocational schools, and poor students. Such focus on promoting equity would ultimately help to maintain social cohesion in larger society. With regards to freedom of choice, the map shows that the voucher plan still has an advantage over traditional schools simply because that limited choice provided by the vouchers is still better than no choice under the old system. Moreover, in this map, we can also see that efficiency advantages at the system level are sustained, although efficiency at the school site is not very clear due to the lack of data.

Figure 3: Mapping the Advantages of Changxing Voucher Program

	<i>Favors Traditional Schools</i>	<i>Favors Changxing Plan</i>
Freedom of Choice		X
Efficiency		
School Site System	?	
Equality		X
Social Cohesion		X

Based on the findings of the analysis, we can draw the conclusion that so far the overall strengths of the Changxing Voucher Program outweigh its weaknesses, although the program appears to favor the principles of equity and social cohesion at the expense of freedom of choice and efficiency. Therefore, it is reasonable to propose that the local government should continue the implementation of the program and, under certain conditions, may gradually expand it to include more students attending public schools. More specifically, it is recommended that the Changxing government should continue its efforts and commitment to the development of alternative educational institutions including people-run schools, technological and vocational schools so that students and parents from different

backgrounds can have greater school choice. While it is important to promote social and educational equity and justice through implementing preferential policies for low-income families, it is also important to accommodate educational needs of majority, middle-class families. A new, carefully designed school voucher program that offers different types of vouchers for different groups of students would help to achieve the goal of educational equity and social cohesion and, at the same time, enhance freedom of choice and productive efficiency. Given that the Changxing Program is the first educational voucher program in China, its long-term impacts still need to be observed and examined in greater detail in future research.

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