



LITERATURE REVIEW ON THE STUDY OF PRESCHOOL EDUCATION IN CHINA

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ABSTRACT

Preschool education is the essence and the cornerstone of national education in a country. It plays a very important role in the development of national education. Previous literature demonstrates that domestic scholars mainly focus on the current situation of educational funds, financial investment system of early childhood education and financial investment performance evaluation theory, while foreign scholars are more interested in the importance of early childhood education, the supply model and present situation of childhood education. The advantages and limitations of the research are summarized and the performance evaluation model of financial investment is also discussed.

Keywords: preschool education; finance; supply; achievements; evaluate; pattern

JEL Classification: H5

Introduction

Early childhood education plays an important role in the development of individuals and the society with vital significance. The problem of optimization financial investment in early childhood education is not only the urgent of the public finance management system, but also an effective way to improve the

efficiency of the financial investment, as well as to realize rational allocation resources of the children education and to realize the education goal.

Literature Review

Research on funds and investment of early childhood education

Huijie Shen, Bin Wang and Hong Wang (2003) stated in their article *The Investigation and Analysis about Kindergarten Education Cost and Charge System Reform in Guangzhou city*, that the sponsorship fee or tuition fee except donated outside Guangzhou is the most important source of funds according to the investigation on the kindergarten fees as well as expenses of 62 kindergartens in different systems from 10 administrative regions. However, some problems still exists such as the unreasonable charges and low charge standards which counted less than 50% of the costs.

Yajun Zhou and Huamin Wang (2003) found that there was an increasing gap between the urban and rural early childhood education funds distribution in China, 30% of state owned urban kindergartens occupied 70% of the national funds on the children education while the remaining 30% of funds was allocated to 70% of the total number of kindergartens such as the community ownership, enterprise ownership and rural township kindergartens.

About financial investment, Xiaoxia Feng ,Yingqi Cai (2006) indicate that there are two investment systems toward early childhood education in China: the main body of the investment is the national education finance, and the other works as the auxiliary part of the financial investment mechanism being called non-education finance. Each of two systems has their own way of financial allocation and policy formulation toward early childhood education. They argued that the two lines of financial investment mechanism of early childhood education could not be conducive to the free flow of funds, and yet it decentralized the financial capital for the effective integration of early childhood education resources in China.

Xiaodong Ceng (2009) states in his paper *the construction of the institution and the service - thinking of the supply of rural children education* that the government should provide educational services for rural children, and also try the mobile educational service in rural areas by making the service menu for county, town and the village to implement so as to construct the children education service model like the "film projection team" in rural areas.

Research on financial investment performance evaluation

Professor Guoxian Ma (2005) states briefly in his paper the government performance management that performance management is a public administration system. The first step is to set up a performance goal, the second to conduct performance budgeting and the third for performance evaluation on results of the implementation. Further more, Professor Guoxian Ma (2005) proposes a “one concept with three theories”, including a budget concept of “buying the effect” with the “goal-result direction theory”, “Public principal-agent theory and “customer-service theory” in his paper principle of government performance management.

Min Wang (2007) claims in the paper the research performance evaluation about government financial education expenditure that education output is the effect of the input of educational resources through the process under certain conditions, which can be divided into direct effect and indirect effect. The direct effect refers to that those receiving education gain their physical quality strengthening, their ideological and moral character changing and their labor ability improving, as well as their comprehensive quality enhancing. The indirect effect means that education will increase the national income and GDP level as well as the society civilization and harmony. The education performance evaluation focuses on due effect of the financial investment.

Qianli Lu (2007) suggests with three principles for the evaluation of fiscal expenditure, including economy with lowest cost for certain resource, efficiency with the minimum input for certain output and effectiveness with approaching the expected target. Furthermore, he argues that the methodology for performance budgeting should combine quantitative with qualitative analysis, progressive approach with standard management and unity with difference.

Research on the importance of early childhood education

J.M. Buchanan (1988) proposed that direct beneficiaries of any education were children and family that obtained education. And he deemed that education could be segmented similar as the general service in the market economy. However, education also generates social interest apart from its private one. Therefore, education is a kind of quasi public service that all members of the social group, at least most of them can receive good education and indirectly benefit from it.

Professor Heckman, the Nobel Laureate in economics claims that it is of significant importance to develop different abilities by investing in different stages

of life. The ability acquired in childhood not only affects the overall development of the stage, but also affect the next stage. The cost of recovery would be very expensive if you missed the opportunity to learn or develop a particular skill and ability in the childhood.

Research on the supply mode

As the famous childhood educator, M Robison Nancy provided us four models of early childhood education institutions:

The first is Latin-European model dividing childhood education by age into two stages. The second was the Scandinavia model that carried out mainly in Holland, Sweden, Germany, Norway and other countries. The third was the socialist national model that divided by age into two stages and managed by two different sectors. The last was called the Anglo-SA Saxon model that put into effect in the United States, Britain, Canada, Israel and Chinese Taiwan Province and other regions.

Blau David proposed in his book *The Child Care Problem: An Economic Analysis* that one of the important issues for American child education is the market failure. The preschool education market was scattered and lacked of the effective financial support, which lead to the quality of the supply downward in the past ten years in the United States, Particularly some poor quality private and non-formal educational institutions with expensive charges opened such a short time that kept away many parents. The private providers was isolated from each other and they didn't consider the national goals for child education, which caused the parents' anxiety facing the disordered preschool education market.

Edwards John mainly analyzed the impact of the price of early childhood education on the supply of American children's education with the survey of 100 samples in the United States. The survey indicated that the education provision is decided by its prices and the price has a negative impact on the number of hours the child education provides. There are overwhelming demands for early childhood education in the poorer areas where the black single parent lives with rapid population growth while the education supply is relatively adequate in rich areas. The above situations caused the dislocation and contradiction between supply and demand.

Summary of existing research

Most of the researches are empirical in China, and the suggestions are proved to be feasible in practice. However, there are also obvious limitations such as restricted

in statistics and survey, rather careless design, single methodology and more experienced analysis than theoretical research to be short of depth and scientific characteristics. On the contrary, Information on the fiscal policy of early childhood education seems more rich in western countries, including the project research and case studies in spite of its less holistic analysis. In detail, it can be summarized as the following advantages and limitations.

Advantages

The past study contributes a lot on the basis of institutional foundation, history of the financial investment and policy on Chinese early childhood education, some objective and practical suggestions on the allocation of the financial funds accompanying the Chinese reform. The design of financial integration was raised by analyzing the advantages and disadvantages about the domestic and foreign finance investment plan, form and the path.

The study has a strong practical significance to improve Chinese early childhood education finance, which provides reasonable suggestions for the government, departments and kindergartens to raise funds. And it provides an objective analysis of the allocation of various educational resources in China. In addition, some pertinence suggestions were proposed about strengthening all kinds of supervision and managing education institutions funds.

Limitations

The previous research in China focused more on the compulsory education and higher education while less on early childhood education from economic perspective. Early childhood education research in western countries is earlier than that in China. And the foreign study is also more in-depth with comprehensive relevant data as well as involved in various aspects in the field. But statistics are less about financial investment, which brings difficulty to find an objective and the national statistical information. The scholars in western countries demonstrated fully on the importance, external benefits and market defects. But there is little research on how to settle the financial burden under the combination of early childhood education development and education equity.

Conclusion and future expectation

The scholars have studied and explored the financial investment and policy of early childhood education from different perspectives, which has great practical significance. However, most of them placed their hopes on government, such as

requiring the government raising awareness, setting up clear responsibility, increasing investment etc. In fact, early childhood education is a public matter that requires the awareness, responsibility as well as investment of the whole society. Therefore, future study is suggested to enlarge its perspective, especially focus on the specific, comprehensive strategy and performance evaluation model design by drawing lessons from the practice of developed countries and basing on the national conditions of socialism with Chinese characteristics in order to realize a more efficient and equitable early childhood education.

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