

Research on the Division of Educational Powers and Expenditure Responsibilities between Central and Local Governments

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Abstract: The purpose of this paper is to explore the current situation of fiscal decentralization in education between the central and local governments in China, and to propose corresponding policy recommendations. After combing the status quo of the division of education powers between the central and local governments in China, this article proposes a specific plan for the division of powers and expenditure responsibilities in the field of education.

1. Introduction

“Education is the foundation of a century-old plan”. The level of educational development and the level of investment are important standards for measuring the quality and civilization of a country. Especially in the era of knowledge economy, scientific and technological progress has become an important source of driving force for sustained economic growth, and scientific and technological progress stems from the improvement of education levels (Jin et al., 2020). Therefore, education embodies the country's strategic goal of developing the economy and improving the quality of the people, and education expenditure has become an important part of the country's fiscal expenditure (Jin and Martinez-Vazquez, 2021). In China, education mainly includes general education, vocational education, adult education, radio and television education, study abroad education, and special education.

2. The Status Quo of the Division of Educational Powers between the Central and Local Governments in My Country

In 2018, the national education expenditure was 3,216.947 billion yuan, while the central and local government expenditures were 173.123 billion yuan and 3,043.824 billion yuan, accounting for 5.38% and 94.62% respectively (see Table 1). It can be seen that local governments bear most of the expenditure responsibility for education affairs (Zhang Hejie, Jin Hui, 2020). Specifically, the local government bears almost all of the education management affairs, preschool education, elementary education, junior high school education, high school education, vocational education, adult education, radio and television education, and special education expenditures, and shares with the central government the expenditures for higher education; while the central government is mainly responsible for the expenditure on overseas education.

Compared with other countries, there are differences and similarities in the division of administrative powers and expenditure responsibilities between the central and regional governments in China's education field. The similarity is that pre-school education and primary and secondary education are both borne by lower-level governments or local governments, such as the United States, the United Kingdom, and Russia. The differences are mainly reflected in three aspects. First, the education projects undertaken by the Chinese government, in addition to general education, also include adult education, vocational education, overseas education, radio and television education, while the United States, the United Kingdom, and Russia do not have these education expenditures even if there is a very small amount; second, China's education investment level is relatively low, China's education expenditures account for 3.57% of GDP, while the United States and the United Kingdom are 5.24% and 4.26% respectively; third, the share of education expenditure undertaken for China's local governments is 94.62%, which is much higher than that of

the United Kingdom and the United States.

There are two main problems in the division of central and regional affairs and expenditure responsibilities in China's education field. First of all, the Chinese government has both “absence” and “offside” in the field of educational functions. The absence is manifested in insufficient investment in education, especially in general education, which is much lower than that in developed countries; offside is manifested in the government's burden of adult education and occupation education, overseas education, radio and television education and other projects, the educated of these projects themselves can obtain more and higher knowledge and skills, and lay the foundation for finding a higher-income career or career promotion in the future. Therefore, these educations are different from compulsory education. In fact, they are not pure public goods and should be left to the market. Secondly, local governments have undertaken too many general education powers and expenditure responsibilities. For example, local governments have undertaken almost all compulsory education expenditures. This has caused huge differences in the distribution of educational resources and educational development levels in various regions, and has accelerated the differentiation of the education class.

Table 1 Division of The Right and Expenditure in Education in 2018

Items		Amount of fiscal expenditure			Proportion of fiscal expenditure(%)	
		Nationwide	Central	Local	Nationwide	Central
Educational Management Affairs		709.99	2.44	707.55	0.34	99.66
ordinary education	General Education Subtotal	25253.82	1506.94	23746.88	5.97	94.03
	Preschool education	1319.89	8.43	1311.46	0.64	99.36
	Primary education	8564.9	17.27	8547.63	0.20	99.80
	Junior high school education	5497.28	32.66	5464.62	0.59	99.41
	High school education	3033.78	19.31	3014.47	0.64	99.36
	Higher education	4649.88	1424.41	3225.47	30.63	69.37
	Other general education	2188.09	4.86	2183.23	0.22	99.78
Vocational Education		2829.5	7.73	2821.77	0.27	99.73
Adult education		48.49	0.13	48.36	0.27	99.73
Broadcasting Education		46.59	1.53	45.06	3.28	96.72
Study Abroad Education		85.07	84.65	0.42	99.51	0.49
Special education		128.11	0.05	128.06	0.04	99.96
Further education and training		468.79	30.33	438.46	6.47	93.53
Educational surcharge arrangement expenditure		1649.12	0.62	1648.5	0.04	99.96
Others		950	96.81	853.19	10.19	89.81
TTL		32169.47	1731.23	30438.24	5.38	94.62

In summary, the reform of the division of central and regional affairs and expenditure responsibilities in China's education sector should start from the following three aspects. First of all, the government should clarify the boundary between the government and the market. The government should pay more attention to general education, increase the level of investment in general education, especially compulsory education, hand over part of the general education projects to the market, and assume responsibility for legislation, regulation, supervision and control. Responsibilities. Second, appropriately strengthen the central government's power and expenditure responsibilities in the education field, especially in the area of compulsory education. Third, balance and coordinate the distribution of educational resources among regions, cities and towns in China, and slow down the trend of educational stratification.

3. Policy Recommendations

There are many problems in the current division of central and regional powers and expenditure responsibilities in the education field. First, the government has “offside” in the field of education functions, and has overtaken adult education, vocational education, overseas education, radio and

television education, and other projects that can be assigned to the market (Jin and Qian, 2020). Second, the division of powers and expenditure responsibilities lacks rationality and scientificity. For example, local governments bear almost all compulsory education expenditures. This has caused huge differences in the distribution of educational resources and educational development levels in various regions, and has accelerated the education class differentiation(educational stratification).

In response to the above-mentioned practical problems, this article proposes a specific plan for the division of central and regional administrative powers and expenditure responsibilities in the education field based on the principle of division of powers, combined with China's national conditions and international experience, and using fiscal data in 2018 as a reference object. The specific plan is as follows:

First of all, clarify the relationship between the government and the market, and delegate part of the power to the market. As mentioned above, the educated in the six programs of higher education (including postgraduate education), adult education, vocational education, overseas education, radio and television education, and further training can obtain more and higher knowledge and skills from them, to lay the foundation for finding a higher-income career or career promotion in the future. Therefore, these educations are different from compulsory education. In fact, they are not pure public goods, but a kind of quasi-public goods, which should be shared by the government and the market. What needs to be pointed out is that the marketization of these education projects can not only serve as an incubator for private education enterprises, but also make these education projects more in line with market needs and cultivate more talents that cater to market needs. If referring to the practice of developed countries such as the United States and the United Kingdom, adult education, vocational education, overseas education, radio and television education, and further training programs should be reduced by at least 70% of related expenditures, and higher education (including postgraduate education) should be reduced by at least 50%. expenditure.

②Secondly, rationally divide various powers and expenditure responsibilities in the education field. First, local governments should undertake preschool education, adult education, vocational education, radio and television education, and further education and training projects that have less externalities and can better leverage local information advantages. Second, the central government should bear all the funding for higher education institutions directly under the central government. Third, the projects jointly undertaken by the central and local governments include funds for compulsory education, high school education, provincial and ministerial joint construction of colleges and universities, and colleges and universities in the province. Specifically, compulsory education and high school education are both basic education and have relatively small externalities. In theory, the local government should bear the main expenditure responsibility; in fact, due to the continuous advancement of urbanization in China, the migrant population is huge. The Ninth National Congress of the Communist Party of China proposed to “promote educational equity”, “promote the integrated development of urban and rural compulsory education”, and “strive to ensure that every child can enjoy a fair and quality education”. The central government should bear more expenditure responsibilities than before (Guo Qingwang, 2017). If we refer to the practice of developed countries such as the United States and the United Kingdom, the central government’s expenditure on compulsory education and high school education should be increased to at least 50%.

Thirdly, taking into account the differences in economic levels, fiscal revenues, and educational resources in different regions, compulsory education and high school education implement different central and regional expenditure division ratios in different regions, that is, adopt a “stage sharing” measure. Compulsory education and senior high school education funds are shared by the central and local governments in proportions. The first, second, third, fourth, and fifth tiers of the central government share 90%, 70%, and 70% respectively, 50%, 30% and 10%.

Table 2 Division of The Right and Expenditure in Education

Items	Amount of fiscal expenditure	Proportion of fiscal expenditure(%)
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		Nationwide	Central	Local	Central	Local
Educational Management Affairs		709.99	2.44	707.55	0.34	99.66
ordinary education	General Education Subtotal	25253.82	9977.25	15276.57	39.51	60.49
	Preschool education	1319.89	0.00	1319.89	0.00	100.00
	Primary education	8564.90	4282.45	4282.45	50.00	50.00
	Junior high school education	5497.28	2748.64	2748.64	50.00	50.00
	High school education	3033.78	1516.89	1516.89	50.00	50.00
	Higher education	2324.94	712.21	1612.74	30.63	69.37
	Other general education	1094.05	2.43	1091.62	0.22	99.78
Vocational Education		848.85	0.00	848.85	0.00	100.00
Adult education		14.55	0.00	14.55	0.00	100.00
Broadcasting Education		13.98	0.00	13.98	0.00	100.00
Study Abroad Education		25.52	0.00	25.52	0.00	100.00
Special education		128.11	0.00	128.11	0.00	100.00
Further education and training		140.64	0.00	140.64	0.00	100.00
Educational surcharge arrangement expenditure		1649.12	0.62	1648.50	0.04	99.96
TTL		25365.59	9265.68	16099.91	36.53	63.47

According to the above division plan, the division mode of various powers between the central and local governments and the corresponding expenditure structure can be obtained, as shown in Table 2. After the re-division, the national education expenditure was 2,536.559 billion yuan, and the central and local government expenditures were 926.568 billion yuan and 16099.91 billion yuan, accounting for 36.53% and 63.47% respectively. This means that after the reclassification, education expenditure has declined slightly. The reason is that the government's investment in higher education (including postgraduate education), adult education, vocational education, and overseas education has decreased; the proportion of central government expenditure has increased significantly, especially in primary and secondary education.

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