

# Research on the Dynamic Mechanism of Higher Education Cost Sharing Policy Change under Advocacy Coalition Framework

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Abstract: The cost sharing of higher education is a resource allocation mechanism in which the government, individuals and society share the cost of education. As the main bearer of the cost of higher education, the government's share of the proportion has gone through four stages: full control, high level, continuous decline and steady increase. Using the advocacy coalition framework to analyze, it is found that there are two camps with different ideas about the equity-efficiency relationship in the higher education cost-sharing decision-making system. Under the influence of the transition of the economic system, the reform of the fiscal and taxation system, and the negative feedback of policies, the concepts of the two sides are constantly competing, which has promoted the change of the cost-sharing policy.

Keywords: Higher Education; Cost Sharing; Policy Change; Advocacy Coalition Framework

#### Introduction

Educational finance is the guiding force to promote the continuous development of educational reform [1]. As higher education has entered the stage of popularization<sup>[2]</sup>, the financial pressure faced by the government has further increased. Since the resumption of the college entrance examination, a series of cost-sharing policies have been introduced, both inheriting the previous policies and completely denying them. What has been the driving force behind 40 years of cost-sharing policy changes? What are the implications for future policy making? This paper will use advocacy coalition framework to review and analyze the evolution history and dynamic mechanism of cost sharing policy, in order to provide reference for the formulation of cost sharing policy in the new stage.

# 1. The evolution of higher education cost sharing policy

### 1.1 The central government covers all the costs (1977-1984)

At the beginning of the resumption of the college entrance examination, under the highly centralized planned economy system, higher education finance was solely borne by the central government. Not only did students not need to pay tuition fees, they could also receive people's grants to subsidize living expenses. Although this completely welfare education financial system on the surface guarantees that admission opportunities are not affected by family economic conditions, it actually leads to the exclusive use of educational resources by some elite groups [3].

# 1.2 The government's share remains high(1985-1991)

In 1984, the "Decision on the Reform of the Economic System" was promulgated, and the market was cultivated to a limited extent within the framework of the planned economy. The prevalence of "diplomaism" has transformed higher education from a "supply-driven model" to a "demand-driven model", and the contradiction between the demand for education funds and the financial supply continues to intensify. The central government implements a "dual-track system", allowing a small number of "entrusted students" and "self-funded students" to be recruited. Meanwhile, the funding system has also made an efficiency-oriented attempt, changing from free comprehensive coverage to a "scholarship + student loan"

model. In view of the fact that my country is still in the stage of market-oriented exploration, tuition fees are only collected in a symbolic way, and the central government is still the main bearer of the cost of higher education.

## 1.3 The government's share continues to decline(1992-2004)

As the goals of the reform of the socialist market economic system become clearer, and under the guidance of the goal of "preliminarily establishing a new education system compatible with the socialist market economic system", market orientation in higher education governance has become more and more common. In 1997, higher education entered the era of comprehensive charging, and individuals became the second largest contributor of higher education costs. The interest-free student loan model has also been adjusted to a national student loan system in which students pay 50% of the interest. At the same time, it is required to "form a new system with two-level management of the central and provincial governments, and the integration of the provincial governments as the mainstay". Although the efficiency of resource allocation of higher education has improved in this stage, the disadvantages of uneven financial resources among regions and high tuition fees are gradually revealed<sup>[4]</sup>, and the goal of education equity has been eroded. The balance between efficiency and equity has become the top priority of policy formulation in the new stage.

### 1.4 The government's share steadily rising(2005-present)

After the 17th National Congress of the Communist Party of China, Policymakers make new arguments on the relationship between the market and the government, requiring that accelerate economic development on the basis of improving quality. The reform of higher education has also changed from "scale expansion" to "quality improvement", and the government's share has risen to more than 60%. Cost sharing policies tend to be "normalized". On the one hand, the power to coordinate higher education is transferred to the local government, and the central government makes up for the local financial gap through transfer payments and special funds to support the development of local colleges and universities to reduce regional imbalances. On the other hand, the tuition policy and subsidy system are also improving day by day, and the education fee announcement system is implemented. In addition, a compensation mechanism has also been established while expanding the scope of funding. With the standardization of the charging system and the implementation of the comprehensive funding system, the fair-efficiency relationship of benign interaction is reshaping my country's higher education cost-sharing policy.

## 2. Change logic of higher education cost sharing policy under the

#### framework of advocacy coalition

# 2.1 The first change: the transition of the economic system

Looking back at the course of policy changes, the changes in social and cultural values caused by the transition of the economic system are an important reason for starting the cost-sharing policy reform. Before 1985, under the "centralized and unified" administrative system, social production activities relied on government-mandated plans, and the enrollment and graduate distribution systems had strong planning implications. As mandatory planning was gradually replaced by market regulation, the concept of efficiency began to permeate the field of public utilities [5], and the underlying beliefs of some actors shifted from "planning guidance" to "market regulation". Changes in relative stability parameters have a huge impact on the investment structure of government-sponsored higher education for a long time. Ministry of Finance officials, economic experts, etc. began to pay attention to the efficiency of resource allocation and formed new coalitions based on common beliefs. Since then, the two coalitions have started a long-term competition over priorities of fairness and efficiency.

# 2.2 The second change: the reform of the fiscal and taxation system

The fiscal and taxation system is in a leading position in social change. As a branch of the financial system<sup>[6]</sup>, higher education finance is bound to be affected by the reform of the financial and taxation system. Under the reform of the

tax-sharing system, financial and administrative powers have been redistributed between governments, and the educational management system has also been transformed simultaneously. The leadership and management of local colleges and universities are entrusted to the provinces, and the responsibility for cost-sharing has moved downward. Differences in local economic conditions have resulted in uneven financial input between regions. Among the 14.214 billion yuan of financial education funds in 1993, the central colleges and universities with a total of less than 100 scored 55.07%, while the local colleges and universities that undertake the important task of higher education development only scored 44.93%. The reform of the fiscal and taxation system has overwhelmed the local finances, they have to start considering the use of market forces. This transformation of the local government has brought a considerable amount of mobilized team resources to the coalition that advocates the priority of efficiency<sup>[7]</sup>, and the strength of this coaliton has been significantly improved.

## 2.3 The third change: negative policy feedback

Policy-oriented learning refers to the relatively lasting changes in thinking or behavioral goals related to the achievement of policy goals triggered by experience [8]. In order to win the favor of policymakers, each coalition will conduct policy-oriented learning based on the results of policy feedback to revise its own beliefs or dampen the beliefs of opposing coalitions<sup>[9]</sup>. Between 1990 and 2004, the tuition fee soared from 200 yuan to about 5,000 yuan, which caused public dissatisfaction. Policy participants who advocated educational equity immediately learned from the negative feedback of the policy and pointed out that the market-oriented changes in cost-sharing policies severely restricted educational equity. Coalition members' natural resistance to changing established beliefs leads to policy impasse. At this time, the convening of the professional forum provides an opportunity for policy-oriented learning among the coalitons, and promotes the two sides to reach a consensus on the view that higher education requires government supervision but direct intervention will restrict the improvement of resource allocation efficiency. This analytical debate has also made policymakers aware that equity cannot be achieved without development<sup>[10]</sup>. Therefore, while promoting the marketization of the allocation of educational resources, it is also necessary to strengthen the government's investment in education.

#### 3. Conclusion

The priority of fairness and efficiency runs through cost-sharing policy change. The change of social and cultural value promoted the occurrence of the first change. The second shift, which emphasizes the priority of efficiency, is the result of the influence of the fiscal and taxation system. In the third transition, the negative policy feedback provided policy-oriented learning opportunities for all coalitions, and contributed to the formation of the policy belief of "fairness first, taking into account efficiency". The analysis of the change mechanism of higher education cost sharing policy also provides some inspiration for future policy formulation: Firstly, give priority to ensuring fairness, and use fairness leverage to promote efficiency. Although the "efficiency mechanism" can undertake the historical responsibility of building a "big country in higher education", the "fair mechanism" is even more indispensable in the construction journey of "a strong country in higher education". Secondly, promote the development of private education under the premise of ensuring fairness. Looking back at the changes in the cost-sharing policy, it can be found that more than 80% of the university funds are from the government and individuals, and market forces have not been fully utilized. Therefore, the development of future policies should increase support for private colleges and universities, and promote the balance between fairness and efficiency in cost-sharing policies.

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