

Reflections and Analysis on the Allocation of Educational Resources in China under Public Economic Theory

Xinfang Cui

Anhui University of Finance and Economics, Bengbu Anhui, 233000, China

Abstract

The problem of unreasonable distribution of educational resources among regions in China has been a topic of great concern. In the government work report in 2022, the need to promote educational equity and quality improvement is explicitly mentioned. One of the means to effectively improve educational equity and enhance the quality of education is to promote a more equitable, efficient and stable distribution of educational resources. This paper analyzes the problem of education resource allocation in China with the help of public economic theory and existing research results, identifies the respective roles of government and market in promoting education resource allocation, and accordingly proposes countermeasures and recommendations to make government and market better cooperate with each other to promote a more equitable, efficient, and stable allocation of education resources.

Keywords

Public Economic Theory; Education Resource Allocation; Government; Market.

1. Analysis of the Theoretical Perspective of Educational Resources

Before addressing the question of "how to make education resources equitably distributed," it is important to first define the nature of education resources, i.e., to define the scope of the study. In the context of public economics theory, it is important to understand what the "educational resources" in question are and how they are provided. The rationale is as follows.

1.1. Educational Resources Belong to the Study of Quasi-Public Goods

In public economics, products are classified into private and public goods based on whether they are competitive or exclusive. Public goods are further divided into pure public goods and quasi-public goods [1]. From the theoretical analysis, we define educational resources as a quasi-public good in the study of quasi-public goods.

First, educational resources are non-exclusive. For students, all of them can receive lectures from teachers and use the resources in the classroom. That is, when consuming educational products, students do not exclude others from consuming them or getting benefits from them. Secondly, educational products are not adequately represented in non-competitive[2]. Educational resources are not unlimited, and as the number of students increases, students compete to obtain better educational resources. An increase in the number of students leads to an increase in the burden on schools and teachers, which in turn leads to an increase in costs, and hence a degree of consumer competition. From this perspective, educational resources should fall under the study of quasi-public goods.

Designating educational resources as a pure public good research category is conducive to coordinating the rational positioning of government and the market in solving the problem of educational resource allocation. Since pure public goods have the nature of both public and private products, their providers include both government and market, which also provides a theoretical opportunity for government and market to jointly intervene in education resources to promote a fair, efficient, and stable distribution of educational resources.

1.2. Quasi-public Goods are Provided Through a Combination of Government and Market Approaches

Education is both a quasi-public good and a private good, and its provision is both government and market-based. On the one hand, education is a public good whose non-exclusive nature dictates that it cannot be sold at a market price; Its supply has to go through a public selection process by the government. On the other hand, education itself is competitive and exclusive, its marginal cost is not zero, and it can be technically "exclusive", i.e., the market price can be used to regulate the balance of supply and demand. As a quasi-public good, education has the dual nature of a public and private good, and thus the provider of education is both the government and the market. On the one hand, as a public good, the non-exclusive consumption of education products dictates that they cannot be sold at market prices and must be provided by the government through a public choice process. On the other hand, the marginal cost of education is not zero due to its inherently partially competitive and exclusive nature, and can be technically exclusive, i.e., the supply and demand equilibrium can be regulated by market prices [3]. Since educational goods have some characteristics of public and private goods, the supply of educational goods usually takes the form of a combination of government and market.

2. Public Economics Analysis of Education Resource Allocation

In public goods theory, there are several types of production and supply relationships for quasi-public goods: First, the private sector produces and the government purchases and supplies; Second, the private sector produces and produces and supplies to society at low or no cost, with the government subsidizing the private sector; Third, the private sector produces and produces and supplies to society at market or government-regulated prices, with the government subsidizing consumers; And fourth, the private sector makes an investment in production investment, which is supplied to society at market or state-regulated prices for a certain period of time, changing to free after expiration. This is used to determine what the respective roles of the government and the market are in the allocation of educational resources.

2.1. The Fundamental Position of the Government in Promoting the Equitable, Efficient and Stable Distribution of Educational Resources

In education, the government has the obligation and responsibility to be responsible for the development of education and the fair distribution of educational resources. In educational activities, the government's leading position is mainly manifested in scientific planning of national education, making relevant laws and regulations, creating a favorable environment for educational development, and conducting necessary monitoring and evaluation. In the case of compulsory education, the government has to take full responsibility, and it must ensure sufficient funds for education and implement free and compulsory education as early as possible. In the case of non-compulsory education, most of the education funds are borne by the state, such as the need to invest in providing financial support and financial help for poor students and encouraging the development of private education.

There are a variety of ways in which governments can promote equitable, efficient and stable distribution of educational resources. For example, the government uses financial means to run public schools, waiving tuition fees or charging students lower tuition fees; government grants, where the government provides financial support to poor students, poor areas or non-public schools. However, at the same time, the government should not blindly provide financial subsidies; only scientific and reasonable planning and allocation of educational resources is the best choice.

2.2. The Role of the Market in Promoting the Effective Allocation of Educational Resources

The government dominates the allocation of educational resources, but the market also plays a crucial role in facilitating the effective distribution of education. By introducing market competition mechanisms, educational resources can be made more diverse and thus better adapted to different educational needs. Introducing market mechanisms into education can promote competition between public and private schools, competition among public schools, competition among private schools, etc. Through competition, the quality of education can be effectively improved, and the enthusiasm and initiative of school operations can be stimulated. The government dominates the allocation of educational resources, and resource allocation mechanisms outside the government become an essential complement to the government, providing public goods in the same way as the government, and reducing the problems that arise when educational resources are provided exclusively by the government through a combination of government and market approaches. The introduction of market mechanisms can also have negative effects. For example, the burden of students increases, extracurricular courses become more and more frequent, and education fees become higher. At this point, the government needs to intervene again. Various policies such as "double reduction" and closure of various educational institutions came into being. From this perspective, in order to achieve the ultimate goal of optimizing the allocation of educational resources, it is necessary to introduce market-oriented competition mechanisms and expand the supply of education on the basis of giving full play to the leading role of the government, so that the two can be combined organically.

3. Countermeasures and Suggestions

3.1. Establishing an Open and Unified Market for Educational Resources

Gradually establish a unified and open domestic market for education resources and realize free competition for education resources[4]. First of all, from a national education fund investment perspective, it is appropriate to reduce education fund investment in areas with high education levels and increase it in areas with low education levels. At the same time, we should reduce or increase enrollment fees for students in colleges and universities in a reasonable way to balance local education funding and thus achieve a reasonable allocation of education resources in each local region.

Secondly, for the number of students admitted to higher education schools, the admission can be proportional to the number of college entrance exams in each region. For example, the existing problem is that the number of college entrance examination students in Beijing is small compared with the number of other large provinces of college entrance examination, but the number of students with Beijing household registration admitted to Beijing colleges and universities is the largest. Unifying the education resource market and sharing the admissions in proportion to the number of college entrance exams could effectively reduce the current problem of tight education resources in the large college entrance exam provinces and allow students from all regions to enjoy a relatively fair education.

3.2. Play the Role of the Market in Resource Allocation, Attracting Funds to the Education Sector

Currently, most of the education funding in China comes from the state's public finance and is to a large extent allocated by the state treasury. The financial income varies greatly from place to place, so it is difficult to achieve a fair distribution of education resources by government input alone. Compared with the needs of society for education, the investment in education funding is still a drop in the bucket. For more funds and resources to go into education, it is

necessary to focus on diversifying sources of education funding and encourage social capital to develop education in various forms.

We will actively encourage and guide the participation of social funds in education, and encourage enterprises, social organizations, social groups and individual citizens to make investments, joint ventures and cooperate in the operation of schools in accordance with the law. Powerful enterprises are encouraged to invest in the construction of private schools with high starting points and high standards. Or through school-enterprise cooperation and other ways to achieve resource exchange, businesses provide equipment to schools and internship opportunities for students, and schools provide business decision-making, training and other related business support to businesses. Secondly, we should establish a sound incentive mechanism for universities to donate to education, and encourage and guide the community to donate and fund through various ways. Implement tax deductions for charitable donations to education in the pre-tax deduction of personal income tax. Broaden donation channels and shorten connections to facilitate donors to donate directly to schools. Encourage foreign schools to conduct cooperative schooling in accordance with relevant laws and regulations.

3.3. The Government and Market Cooperate to Attract and Retain Outstanding Talents in the Education Industry

As society continues to develop, more and more talented and talented people are choosing to start their own businesses and are not willing to stay in school as teachers. And there is a serious shortage of excellent teacher resources in rural and relatively poor areas. In the competitive labor market, the education sector should continue to attract talented people to become teachers and retain talented teachers who are willing to continue working. Attracting talent and making more teachers willing to teach in rural areas requires strengthening its own market competitiveness. Strengthening the competitiveness of the education market requires the "visible hand" of the government to regulate it.

First, to strengthen the localization of teachers, local college students should be encouraged to return to their hometowns for employment and given appropriate policy preferences. For example, professional teacher recruitment positions should be created for candidates of local household registration; teacher-training students graduating from the province should be given full consideration in choosing their careers. Second, improve the treatment of teachers in poor areas to relieve the pressure of their lives. Third, reduce the workload of teachers outside of teaching and reduce non-teaching work. At present, the pressure of teachers' teaching work is very high, and if other work is assigned to teachers, it will not only affect the professional quality of teachers and the improvement of their teaching level, thus it is also not conducive to the improvement of education quality and the guarantee of education equity. Fourth, we should vigorously select outstanding teachers, especially in music, art, physical education, physics and chemistry.

4. Summary

In summary, educational resources are quasi-public goods from the perspective of public economic theory. As quasi-public goods, they are provided jointly by the government and the market. Therefore, the role of the market in resource allocation should be given full play, and the government and the market should coordinate and cooperate, with the government being the main market to effectively promote fair, efficient and stable distribution of educational resources.

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