

The Expansion and Improvement of Student Assistance in China

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Abstract

Inequalities in educational opportunities are a sensitive social problem in China, and much attention has been paid to student assistance programs. This paper describes the elements of student assistance system reform executed in 2007, analyzes its effects, and then discusses the current problems faced by institutions. The study uses data and materials collected from the staff in charge of student assistance programs in seven universities.

The findings include the following. On the whole, the student assistance system has been vastly improved, and the flow of capital has been drastically augmented. In particular, the National Grant-in-aid provision given to an average of 20 percent of enrollments is a significant source of support for students living in poverty. The injection of capital from local governments has also greatly increased, on the premise of an increase in central finance, and central finance is slanted toward backward areas. It is evident that student assistance is substantial at the national and public universities used in this study. Because of the inclined distribution of government funds, and differences in the financial power and assistance patterns between universities, divergent features were found in the student assistance of each university. The staff in charge of student assistance have some very real problems to contend with, one of the most difficult being the rationalization of poverty.

Key words: Reform, student assistance, the National Scholarship, the National Endeavor Scholarship, the National Grant-in-aid, Student loan

Introduction

In 2007, the Chinese government made a significant effort to expand student assistance at higher educational institutions, even extending the aid to middle vocational schools. As previous studies have illustrated, the reform's most important feature was a significantly increased budget. Reform also played an important role in the improvement of the student assistance system.

This paper is organized as follows. I will first explain the rationale behind student assistance and some history and context of Chinese higher education in which student assistance has been expanded and improved. I then review previous studies on the 2007 reform, clarify the elements of this systematic reform, and analyze its effects. After that, using original data and materials, I will clarify the features in the student assistance of these universities and examine the current problems faced by schools.

The Rationale behind Student Assistance

Regarding the necessity of student assistance, theories such as capital theory, theory of equality of opportunity,

and cost-sharing theory present several rationales.

According to human capital theory, a large number of skills and talents are necessary for economic development, and in modern society, these talents are nurtured chiefly through the educational system. Attendance at primary school and junior high school, the external effects of which are assumed to be great, is required in many countries. Because the external effects of higher education are relatively small, its circumstances vary from country to country. In fact, tuition fees are collected as all or a portion of training costs in the higher education stage in most countries. Students and their families must also pay rent and other living expenses. The amount of lost income that accumulates during the period of college studies is indeed large. Whether or not a student can afford to pay these educational expenses greatly depends on household income. Therefore, to secure access to college for children from low-income households, need-based assistance is essential, and for nurturing first-class talents, merit-based assistance is necessary as well.

Modern opinion dictates that talent should be selected based on the principle of achievement rather than economics. According to the equality of opportunity theory, it is unfair that one would be unable to attend

college because of a lack of funds. Hence, a wide variety of assistance methods should be enacted in order to secure access to higher education for children from low- and medium-income groups.

Johnstone, who established cost-sharing theory, suggests that if an individual is required to share the cost of higher education, student financial assistance is indispensable. The larger the payment of the individual, the more necessary effort to provide aid becomes (Feng 2009).

The problem remains that many are unable to enter college solely for economic reasons in fact. According to human capital theory, this causes society a great loss in talent. According to the equality of opportunity theory, the disparity is unfair. According to cost-sharing theory, the gap indicates a flaw in the system, and so on.

Higher Education Previous to the 2007 Reform

In China, the chief targets of systematic student assistance as an institution are full-time, normal and short-cycle course students enrolled in higher education. There are now about 19 million enrollments for full-time normal and short-cycle courses, which represent more than 70 percent of regular higher education enrollments.

The ratio of students who are at national, public, and private colleges is 8.9 percent, 72.8 percent, and 18.3 percent, respectively. It is clear that most are studying at public colleges. And yet, when we focus on student assistance, it is clear that the same assistance system is suitable for national and public colleges, although there is a difference in fiscal resources. The collection of tuition fees is also based on the same principle. But the collection of tuition fees and student assistance system of private colleges differ from national and public colleges'. At almost private colleges, student assistance has not been systematized to the same degree as national or public colleges.

The gross higher education enrollment rate was just 3.4 percent in 1990. It advanced to 9.8 percent in 1998, and rapidly reached 15.0 percent in 2002 and 23.3 percent in 2008, due to the accelerated expansion after 1999. As the gross enrollment rate advanced quickly, the 18-year-old population did as well. In fact, enrollments on normal and short-cycle courses continue to increase, while student recruitment has stabilized following the collection of tuition fees about three years ago.

Along with the rapid advancement of the gross enrollment rate and the rapid increase in enrollments, the number of students in need of financial assistance has correspondingly increased. The problem of how children of poor families are able to gain full access to colleges is frequently cited in politics and in the media. For this reason, tuition fees and the student assistance policy have been addressed more directly as a sensitive social

problem, rather than solely as an educational policy.

The country's regulations demand that higher education's tuition fee standards be formed in principle according to the level of local economic development, the educational and research environments of the institution, and affordability. Hence, the tuition standard varies according to region, major, and educational institution. Tuition fees began being collected under this regulation in all regular national and public colleges in 1997. In general, tuition fees for art and other popular majors are higher. In addition, private colleges and independent colleges collect 2-3 times as much tuition fees as do national and public colleges located in the same city. Thus, the gap in tuition fees among colleges, regions, and majors is very clear. Because of the diversification and the individualization of the tuition standard, even the Ministry of Education lacks statistical data showing the tuition standards of every higher educational institution.

However, Wang (2008) has calculated the ratio of tuition fees to per capita gross domestic product and national income. The ratio shows that tuition fees are at a high level, even in general majors in national and public colleges. I estimate that the burden has become increasingly small, because the national income is rising continuously, and tuition fees have not been raised in recent years. Still, besides tuition, families of students are still hard-pressed to pay additional costs such as room and board.(Wang ditto)

The People's Grant applied for the almost enrollments was abolished in 1983. Various merit-based scholarships were established in the latter half of the 1980s. Along with the expansion of the higher education scale and the rise in tuition fees, student assistance has gradually been altered and systematized. When the greater part of colleges began to collect tuition fees during the 1990s, the government introduced a subsidy and a tuition waiver for poor students, and set up a work-study fund. The National Student Loan was introduced in tandem to recruitment expansion in 1999, and the National Scholarship was set up in 2002.

In other words, student assistance shifted from a provision for almost members to a merit-based system, and then again changed into a dual, merit-based and need-based system. While need-based assistance such as temporary life allowances and poor student subsidies have not been institutionalized, they continue to be provided today. Although few people consider cheap dormitories, medical expense allowances, food allowances, and transportation discounts to be elements of student financial assistance, all students are supported directly or indirectly through these assistance measures.

Even though grants are an important feature of student assistance in China, the student loan has developed rapidly since 2000. However, the default rate exceeded 20 percent in 2003-04. At that time, universities'

finances were also greatly stressed by the nonpayment of tuition fees. Consequently, after 2004, the National Student Loan System was reviewed several times and revised. In this context, the Chinese government reviewed the entire student assistance system and began to significantly expand the grant after 2007.

Previous Studies on the 2007 Reform

While the 2007 reform policy was executed only two years ago, many researchers have already given it significant attention. Some researchers (Feng ditto, Yang 2008, Shen 2008, etc.) refer to the theory and the assistance system. Because of its huge budget expenditure, experimental studies on the effects of financial assistance have already been conducted. In the following pages, I review three experimental studies made by the China Institute for Educational Finance Research.

Study 1: Researchers collected 7197 students (17 percent) from those who entered universities in Shanxi Province in 2005, conducted a student questionnaire survey, and analyzed student assistance from the perspective of student attributes and type of university. Its main results were as follows. Financial assistance related to the government, especially grant-in-aid, was impartially distributed among different university categories. Students with low SES¹ received more financial assistance, which means that the aid corresponded to the assistance policy's purpose. The provision of non-governmental financial assistance is related to the university category more than the SES of students. It is worth noting that 20 percent of the students with low SES received no financial assistance. While the tuition fees of Category Three² universities are high, financial assistance is not substantial.

Study 2: Researchers randomly compiled 20 treatment groups and 21 control groups from poor counties in Shanxi Province, selected one of the best high schools in each county, one science class in each high school, and executed a survey on the information gap. The results were as follows: neither tuition nor assistance information factors had an effect on students' choice of college. Financial assistance information improved the possibility that students would decide to spend one year preparing for the entrance examination after they left high school, as well as the possibility of utilizing the Green Channel and the Student-origin-credit-based Loan. Only 27 percent of the students were familiar with Green Channel, and over 80 percent of the students knew about other financial assistance methods.

Study 3: Researchers targeted students who did not enter college even though they passed the entrance examination. The samples of this study were the same as those of Study 2. The following results were found in this

follow-up survey. Students who passed a Category One or Category Two university entrance examination almost entered the university. Students who passed a Category Three university entrance examination, however, fared differently. Approximately 36 percent of the students who reached the pass mark did not enter university for some reason or other. According to their own explanations, a small portion of students abandoned going to university for economic reasons. The influence of factors such as the register, education level of the father, and university category was found in the decision against going to university. If students of poor families decide against entering college, their chance to receive financial assistance is completely lost. For this reason, the researchers suggested that information on student assistance were provided for earlier.

These studies are valuable in terms of verifying the effect of student assistance policies after 2007. On the other hand, the staff in charge of student assistance at colleges also plays an important role between the assistance system and students. The interview surveys conducted in this study, targeting the student assistance staff at seven universities, present new findings regarding this key role.

2007 Reform

In 2007, the State Council presented "Opinions on the system of the assistance policy for poor students at regular universities, advanced vocational colleges, and middle vocational schools" (No. 13, in 2007), along with related measures. Based on these, the Ministry of Finance and the Ministry of Education established tentative regulations for higher education concerning the national scholarship, and began to make efforts to further improve the student assistance system.

As a result, the National Scholarship and the National Grant-in-aid were amended, and the National Endeavor Scholarship was newly established. The Student-origin-credit-based Loan began a trial program, and the policy was clarified that with regard to tuition and dormitory fees, student loans would play a central role, and the National Endeavor Scholarship an auxiliary one. With regard to additional living expenses, the National Grant-in-aid would play the central role, and work-study an auxiliary one. The establishment of scholarships or grants-in-aid by organizations, private companies, or individuals, was also greatly encouraged.

In the following, comparing the policies before 2006 to those after 2007, I describe the regulations of and changes in the main assistance methods, apart from University Excellent Student Scholarship.

1) National Grant-in-aid

In 2005, the Ministry of Finance and the Ministry of

Education created the National Grant-in-aid. It differed from the then-existing National Scholarship, in that its provisions were for poor students regardless of their academic achievements. Each of its 533,000 students accepted 1500 Chinese yuan (150 yuan × 10 months) in one year.

The National Grant-in-aid of 2005 was amended greatly in 2007, with the following changes.

① Changes in resources: In 2005 and 2006, the total amount of the National Grant-in-aid was supplied by the central government. Since 2007, however, central and local governments have applied for the total amount in partnership. National universities are supplied with the total amount from the central government. In the case of public educational institutions, central and local governments apply for the total in a constant ratio that considers local finances and the students' area of origin.

② Changes in the amount applied for: In the new regulations, the amount applied for increased to 2000 yuan on average for one student per year. In fact, this grant is provided within the range of 1000~3000 yuan.

③ Expansion of the number of recipients: In spite of the fact that, after 2007, it has been required that the number of total recipients must be audited and ratified every year, in 2008, this grant was given to 3.4 million students, approximately six times as many as in 2005. The distribution of a fixed number of grants to educational institutions also changed. Since 2007, the central government has controlled the distribution to national colleges' and local governments have controlled that of public colleges.

④ Permission to receive dual grants: Receiving both the National Scholarship and National Grant-in-aid was not permitted in 2005. In the regulations of 2007, however, it was permitted to receive both the National Scholarship and National Grant-in-aid or both the National Endeavor Scholarship and National Grant-in-aid. However, tuition-free normal college students cannot apply for this grant.

2) National Scholarship

The National Scholarship was first established in 2002, and its purpose was to encourage student excellence at full-time regular higher educational institutions. It was provided for 45,000 students each year; 10,000 students were awarded first prize, at 6000 yuan per person a year. 35,000 students were awarded second prize, at 4000 yuan per person a year. Recipients of the National Scholarship also had their entire tuition fees waived.

2005's National Scholarship reform increased the number of recipients, reduced the annual amount, and abolished the recipients' tuition exemption. It is important to note that household financial situation was added to the application conditions. This means that the National Scholarship underwent a qualitative change from a merit-based system to a merit- and need-based system. Each of

the 50,000 students selected won 4000 yuan as a lump sum in one year.

However, the new regulations of 2007 returned the National Scholarship to a merit-based program. The main differences between 2005 and 2007's National Scholarship are as follows.

① Change in targets: Since 2007, the target of application is limited to students who are motivated, diligent, and who show excellence in the areas of morality, intelligence, physical culture, the arts, etc. The economic condition was deleted, and the restriction of the school year was clarified.

② Change in the number of recipients and the amount: In the new regulation, the total number of recipients must be audited and ratified every year, and the students selected win 8000 yuan as a lump sum. After 2007, 50,000 students were chosen for this scholarship each year, which represents 0.3 percent of total enrollments.

③ Change in the distribution pattern of the total number: The distribution pattern of the total number of grants shifted from being collectively managed by the central government to being prescribed by the central government to national colleges and local governments, who then dictate how the grants would be distributed to public colleges.

④ Permission for dual applications: Dual applications for both the National Scholarship and National Grant-in-aid have been permitted since 2007, but dual applications for the National Scholarship and the National Endeavor Scholarship have not.

⑤ Addition of the obligation to notify: It is necessary to post the inside selection results (i.e., the information of the recipient) on campus for five days or more. If there is no objection, the documents can then be submitted to the superintendent's section.

3) National Endeavor Scholarship

The National Endeavor Scholarship, newly established in 2007, is provided for students over the course of more than two school years. The students must be in poverty and must have received excellent grades; the Scholarship is hence based on both merit and need. The number of total recipients must be audited and ratified every year, just as the National Scholarship and National Grant-in-aid. Each of the selected wins 5000 yuan per year, and the grant has been provided for approximately 530,000 students each year since 2007. About 3 percent of enrolled students win this scholarship. The distribution of a fixed number, the selection time limit, and information notification are the same as for the National Scholarship. The central and local governments jointly provide fiscal resources. The central government pays the relative costs of national colleges. In the case of public colleges, the central and the local governments pay the cost jointly in a constant ratio, in consideration of the local fiscal

situation and the student's area of origin, tuition-free normal college students are not qualified to apply for the National Endeavor Scholarship, although they are qualified to apply for the National Scholarship.

Table 1 shows the central differences between the three national grants cited above.

The fiscal resources of the National Scholarship and National Grant-in-aid in 2005 or 2006 amounted to approximately one billion yuan. The sum of the three national grants was expanded in 2008 to 10 billion or more, about ten times as much as the amount in 2006. According to the staff of the Center of Student Assistance Administration, the local governments pay 2/3 and the central government pays 1/3 of the total.

4) Recruitment of Tuition-free Normal College Students

After 1997, students of normal colleges began paying tuition and dormitory fees. In 2007, six national universities, Beijing Normal University, East China Normal University, Northeast Normal University, Shaanxi Normal University, and Southwest University, again began recruiting tuition-free students. The dormitory fee for tuition-free normal students was also waived, and a living allowance was provided.

However, not all students or all students who study for a normal major in these universities are recruited as tuition-free students. The state limits the recruitment areas of tuition-free normal college students. Before entering university, tuition-free normal students must enter into a contract with the university and the educational administration section of the local province. The contract stipulates that the student must work as a teacher for ten years or more in elementary or junior high schools of the local province after graduation. Educational branches of the local government arrange the post for them before they graduate. Transfer to another school or to a post related to educational

management is permitted. If they find employment in an urban school of the local province, they must work for two years in the rural compulsory schools of the local province. In this limited period, they are not permitted to sit for a general graduate school entrance examination, but it is possible for them to take a master's course in pedagogy while working. If they pass a work assessment and master's thesis oral examination, a master's course diploma and degree are conferred.

5) Introduction to the Student-origin-credit-based Loan

In 2007, the Chinese government introduced the Student-origin-credit-based Loan in four provinces and municipalities: Jiangsu, Hubei, Chongqing, Shanxi, and Gansu. The representing financial institutions are the Rural Credit Union and the China Development Bank. The latter has been shown rapid development since 2007, and has spread to over twenty provinces and municipalities. In 2007 alone, the China Development Bank made 113,000 contracts in 443 counties of 5 provinces / municipalities. The amount of money they loaned reached 1.35 billion yuan.

This loan differs in several ways from the existing National Student Loan, as shown in Table 2. In the following list, the National Student Loan is the former and the Student-origin-credit-based Loan is the latter.

① Contractor and debtor: In the former, the contractor (=debtor) is the student, and in the latter, it is both the student and his or her guardian.

② Application site: In the former, the application site is a college. The staff in charge examines the application materials first, and then hands them over to the bank for their review. The latter stipulates that application must take place at the local Center of Student Assistance Administration or a financial institution, and the financial institution conducts the final examination.

③ Qualification of the applicant: In the former,

Table 1 Comparison of the Three National Grants

	National Grant-in-aid	National Endeavor Scholarship	National Scholarship
Feature	Need-based	Merit and need-based	Merit based
Restriction of School Year	Post-freshman year	Post-sophomore year	Post-sophomore year
Financial Resources	Central and local government	Central and local government	Central government
Amount in One Year	2000 yuan on average	5000 yuan	8000 yuan
Method of Payment	Ten payments a year	One-time payment	One-time payment
Notification of Information	Unnecessary	Notification	Notification
Dual Applications	Possible with the National Scholarship or the National Endeavor Scholarship	Impossible with the National Scholarship	Impossible with the National Endeavor Scholarship
Inclining Distribution	Toward ethnic universities and universities that have majors such as forestry, water conservancy, geology, mining, oil, and atomic energy	Toward high-quality universities and universities that have majors such as forestry, water conservancy, geology, mining, oil, and atomic energy	Toward high-quality universities and universities that have majors such as forestry, water conservancy, geology, mining, oil, and atomic energy

application is limited to normal and short-cycle course students, second-degree students, and postgraduate students. In the latter, all full-time regular enrollments, including private college students, are targeted.

④ Repayment period: With regard to the repayment period, the former demands that repayment start within 2 years after graduation and the principal and the interest be paid off within six years. In the latter, the entire loan must be paid off within 14 years, the years spent in school and the two years after graduation are considered to be a grace period.

⑤ Sharing of compensated interest: In the former, the government in charge pays the total amount of compensated interest. In the latter, the central government pays the national colleges' interest, and the central government and local governments share the public colleges' interest.

⑥ Sharing of risk compensation: In the former, fifteen percent of the amount of contract money is assumed to be the upper limit. The central or local government and the educational institution share it in halves. In the latter, risk compensation is assumed to be 15 percent of the amount of contract money, and the central government and local government share it in some ratio.

Compared to the National Student Loan, the Student-origin-credit-based Loan significantly reduces the responsibility of educational institutions. While applying for the loan, a certificate from an educational institution is necessary, but document examination and sharing of risk compensation are not. When the default takes place, the party tracking comes to be possible through their guardian. Application for both loans is not permitted.

Findings of the Original Survey

Method and Objects

I interviewed the staff in charge of student assistance at two universities located in Shandong Province in March 2009. In August of this year, our research team for *Study on the Situations of Students' Financial Assistance at the Higher Education Stage*, a consignment from the Ministry of Education, Culture, Sports, Science and Technology, visited China to interview the staff or researchers at the National Center for Educational Development Research, the Center of Student Assistance Administration, and five universities. I use only the data and materials collected from the seven universities' full-time staff in charge of student assistance in this section.

Table 2 Comparison between Two Student Loans

	National Student Loan	Student-origin-credit-based Loan
Agency Financial Institution	Bank, etc.	The China Development Bank and the Rural Credit Union
Contractor and Debtor	Student	Student and guardian
Application site	Educational institution	Center of Student Assistance Administration or bank
Target	National/Public full-time regular higher educational institutions	Full-time regular higher educational institutions including private colleges
Repayment Period	Grace period of 1-2 years, within 6 years after graduation	Years at college + 10 years, maximum 14 years
Compensated Interest	Government in charge	Central government pays national colleges' interest. Central and local governments share the public colleges' interest.
Sharing of Risk Compensation	Government in charge and college share in halves.	Central government pays national colleges. Central and local governments share public colleges' in some ratio.

Table 3 Analysis of the Seven Universities

	Type	In Charge	Seat	Tuition Fees of Normal/Short-cycle Courses
A	Comprehensive	Ministry of Education	Shandong Province	Science faculties, 3800 yuan; Liberal arts, 3600 yuan; Foreign language majors, 4160-5000 yuan; Medical departments, 4000 yuan; Departments of art, 6200-6800 yuan; Sports majors, 4800 yuan; For popular majors, they can be raised by 10%.
B	Comprehensive	Shandong Education Department	Shandong Province	Science faculties, 3600 yuan; Liberal arts, 3400 yuan; Foreign languages, 4800 yuan; Departments of art, 6000 yuan; Sports majors, 4800 yuan; For popular majors, they can be raised by 10%.
C	Comprehensive	Ministry of Education	Beijing Municipality	4800 ~ 5300 yuan. Medical departments, 6000 yuan; Bilateral degrees in software engineering major, 32,000 yuan, two years.

D	Comprehensive	Ministry of Education	Beijing Municipality	5000 yuan. Some majors of the Academy of Art & Design are 12,000 yuan. The third and fourth year in departments of software are 12,000 yuan.
E	Teacher Training	Ministry of Education	Beijing Municipality	4800 ~ 5400 yuan. Departments of art, 8000 yuan. Some students get free tuition.
F	Comprehensive	Beijing Municipal Education Commission/ Private	Beijing Municipality	15,000 yuan. Liberal arts are about 13,000 yuan. Departments of art are about 18,000 yuan.
G	Comprehensive	Hebei Education Department	Hebei Province	5000 yuan. Departments of art, 7000 yuan; Some unpopular majors are 4500 yuan.

Note : Data for tuition fees of the seven universities was derived from www.eol.cn or by interview.

Table 3 presents the pertinent information for the seven universities. A, C, D, and E are key national universities. B and G are public universities. F is a private university. C and D received a large injection of capital from the central government. E is one of the universities that recruit tuition-free normal students. F was known as a private vocational college initially. In 2003, it won approval from Ministry of Education and was promoted to university status.

Each university formulates its tuition fees according to the guidelines set by the Price Bureau and local educational administrative departments. Although the tuition fees of famous national universities are no higher than those of other local public universities, the tuition fees for certain majors are very high. The tuition fees of F, for which the government does not allocate an educational subsidy, are approximately three times as much as those for the general majors of local national or public universities.

Results of Interview Surveys

1) A and B University

At A and B University, the National Grant-in-aid is applied for about 14 percent of all undergraduates, which is below the national average. A University changed the budget for the messing allowance to a university's grant-in-aid, which is given to 30 percent of its undergraduate students. In all, approximately 50 percent of the undergraduates receive the need-based grant at A University. Merit-based scholarship is about 40 percent. There appears to be a policy of providing a large number of students with a small amount of aid at A University. Among the six national and public universities, B University controls the ratio and the amount of University Excellent Student Scholarship at its lowest level. The percentage of the undergraduates of receiving the need-based grants is also about 50 percent at B University. Ten percent or more of the undergraduate students use the student loan, although the percentage of receiving the grant is very high at these two universities. A University receives a contribution of three million yuan each year from social organizations and individuals. B

University receives one million yuan.

2) C, D, and E University

At C University, it is estimated that the university capital and contribution used for student assistance greatly exceed the relative state budget, and the government budget accounts for only 1/4 of the student assistance funds at D University. The two universities are truly exceptional in terms of financial power; their finances are abundant, and their percentage of poor students is relatively low. Therefore, the original scholarship and grant-in-aid of the two universities show a high percentage and a large amount. Since the percentage of receiving the grant has risen rapidly, the borrowers of student loans have continued to decrease in recent years. Opinions regarding tuition exemption vary between the two universities. At D University, the university lends tuition fees to poor students without interest, rather than exempting them entirely. C University remits the tuition fees of 3 percent of freshmen.

At E University, over 30 percent of first- and second-year students are tuition-free students. They receive 400 yuan a month for living expenses, and do not pay tuition or dormitory fees. A similar assistance system to that of a general university is available to other students. Contributions from social organizations and individuals represent 10 percent of the assistance capital. Receiving two scholarships or more and the upper limit of grant-in-aid are a little severe, and it seems that the university is apt to support a greater number of students than to provide large amounts.

3) F University

At F University, the children from poor families are only a few, and so student assistance is not an urgent issue. Though it is a private university, a large number of dormitories have been constructed and 60 percent of the students use them. The dormitory fees are near the standard of national and public universities, and below half those of local national/public universities' tuition fees.

Because this university has constantly met the

conditions set by the government, three national grants are suitable, and student loans have been introduced. A small sum for scholarship and grant-in-aid is also provided independently.

4) G University

Approximately 1/3 of the undergraduate students receive the National Grant-in-aid at G University. It is the only one of the seven universities, in which the percentage of receiving the National Grant-in-aid exceeds the national average. The amount of the University Excellent Student Scholarship is comparatively small. Five percent of tuition income is spent on subsidies for poor students once every six months, and another 5 percent is spent on work-study. The upper limit amount for receiving two scholarships is slightly severe, and 2/3 of the students receive some need-based financial assistance. Unexpectedly, there are few who take advantage of the loan, although the ratio of poor students is comparatively large.

Conclusion

Various social institutions in China have begun to focus on justice in education. Student assistance has hence come to the surface not only as an important educational policy, but also as an important social policy.

On the whole, the student assistance system has been vastly improved, and the flow of capital has been drastically augmented. In particular, the provision of the National Grant-in-aid for an average of 20 percent of college enrollments has been a significant support for students in poverty. The injection of capital from local government has also greatly increased, on the premise of an increase in central finance. Moreover, central finance tends to support backward areas. This is a subject worth further evaluation. The development of the Student-origin-credit-based Loan will be investigated closely to in the not-too-distant future.

The staff members we interviewed discussed many changes in student assistance programs. It is clear that student assistance is substantial at the national and public universities chosen here, although it must be noted that these universities are special. Because of the inclined distribution of government funds, and differences in the financial power and assistance methods of universities, some features were found in the student assistance of each university. It is also important that we can not neglect the results of the studies conducted by the China Institute for Educational Finance Research.

The student assistance staff allocates a fixed number of grants, checks the documents based on the first selection, selects students for some scholarships and grants, sets students up with part-time jobs, etc. The faculty and the institute also play an important role in

these national and public universities. And these staff members must deal with some very real problems. Recognizing a poor student, or a special poor student, is a thorny issue. Each university has formulated a standard for recognition. Even if students do submit a family situation questionnaire, some simply cannot be trusted. As a result, the opinions of the teachers and the student directors are also evaluated in the first round of the selection process, in addition to one's academic achievement and income. People are apt to regard poor students through a special lens, and the issue of how to distribute assistance while respecting a student's privacy and pride remains. What is an effective method of distribution? What assistance should be given to students who have different backgrounds? Many such questions in the selection process need to be answered.

Of the national and public universities I or we visited, it is only D University in which the University Excellent Student Scholarship was placed under the management of the Assistance Center, and in which assistance of the whole university was unified. As for the University Excellent Student Scholarship, the budget has been continuously secured for over 20 years. In contrast, the budget for national grants must be examined every year, and it is uncertain whether large budgets will continue to be the norm. I believe that future challenges for the assistance system will be the rationalization of the definition of poverty, the assurance of stable revenue, an efficient distribution mechanism, and smooth repayment of loans.

Notes

1. SES is the acronym for socio-economic status. It has been developed as a way to measure social class.
2. In China, universities are divided into three categories for the student recruitment process. Category One consists of national key universities, the 211 project universities, and some majors of the public universities designated by the Ministry of Education. Category Two consists of almost all public universities, and some national universities that were promoted from a college to a university after 2003. Category Three consists of private universities and independent colleges.

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