

Development of Chinese Funding System under the New Normal Economic

Development: Psychology and Rehabilitation Perspectives

Wang Da, S. M. Ferdous Azam, Jacqueline Tham

Management and Science University, Malaysia

Received: 17- June -2023

Revised: 08- July -2023

Accepted: 13- August -2023

Abstract: The development of the Chinese funding system within the context of the New Normal economic development from psychology and rehabilitation perspectives marks a pivotal aspect of the nation's commitment to education equity, poverty alleviation, and the enhancement of overall economic and social well-being. This abstract provides an overview of the evolution of the education funding system in China, highlighting its growing sophistication and the shift towards more comprehensive and precise funding policies. It also emphasizes the increasing richness and rationality of fund allocation structures within various stages of education. As China's economy transitions into the new normal phase, its education funding system has undergone significant enhancements. These improvements are geared towards addressing the multifaceted challenges related to education access and quality, with a focus on ensuring that education remains an essential element of poverty alleviation and social development. The commitment to this people-centric approach is evident in the continuous refinement of funding policies, which now consider a broader spectrum of educational needs. In recent years, there has been a notable shift in the priorities of financial aid within the Chinese education system. While access to education remains a key concern, there is a growing recognition of the need for more practical and effective strategies to prevent students from dropping out of school due to family economic hardships. The evolving funding system is not only about ensuring access but also fostering students' self-development capabilities, empowering them to thrive in an increasingly competitive global environment. Furthermore, the Chinese education funding system has evolved substantially under the new normal economic development from psychology and rehabilitation perspectives paradigm. It has embraced a holistic approach that encompasses not only the expansion of educational access but also the refinement of funding policies to cater to a wider range of educational needs. This forward-looking system seeks to empower students with the skills and resources necessary to navigate the challenges of the modern world, thus contributing to the broader goals of economic and social development, poverty reduction, and enhanced livelihoods for all citizens.

Key words: Student financial aid, Education finance, Funding system, Psychology, Rehabilitation

1. Introduction

Since the establishment of the People's Republic of China (PRC) in 1949, the evolution of the Chinese educational funding policy system has been intricately linked with the nation's journey from a planned economy to a dynamic

socialist market economy. Over the decades, this system has undergone continuous development and improvement, adapting to the changing economic landscape and educational priorities.

A significant turning point in the evolution of educational funding policies occurred in 1985 when the Central Committee of the Communist Party of China initiated reforms aimed at enhancing the accessibility and quality of education. This reform marked a crucial step toward recognizing the importance of education as a cornerstone of social development and economic progress. It laid the groundwork for comprehensive changes in the way educational funding was structured and distributed.

In 1987, the former State Education Commission and other relevant government departments introduced the “Measures for Implementing the Loan System for Junior College Students in Ordinary Colleges and Universities.” This marked a significant departure from previous funding models. The introduction of the student loan system was a strategic move to address financial barriers to higher education and promote inclusivity. It allowed students from various economic backgrounds to pursue higher education without being deterred by tuition fees and associated costs.

Against the backdrop of evolving educational priorities, including the promotion of “elite education,” China began to establish the scholarship system and student loan system. These initiatives aimed to both reward academic excellence and provide financial support to students in need. The scholarship system encouraged outstanding students to excel, while the student loan system ensured that those facing economic difficulties had access to financial resources to fund their education.

In essence, the development of the Chinese educational funding policy system reflects the nation’s commitment to creating an equitable and accessible education system that can cater to the diverse needs of its population. As China’s socialist market economy continued to flourish, these policies evolved to ensure that education remained a key driver of social mobility and economic progress, making higher education attainable for a broader segment of society and promoting the nation’s overall development and well-being^[1]. In 2007, The State Council issued the Opinions on Establishing and Improving the Financial Aid Policy System for Students from Poor Families in Regular Undergraduate Colleges, Higher Vocational Schools and Secondary Vocational Schools, which marked a new chapter in China’s student education aid work. Since the promulgation of the Opinions, the government has continuously increased its financial input, and the scale and amount of financial aid to regular institutions of higher learning, secondary vocational schools, regular senior high schools, and compulsory education have been expanded year by year. Remarkable achievements have been made in student financial aid work, and major steps have been taken to promote equality in education^[2]. Since 2012, China’s economic development from psychology and rehabilitation perspectives has entered the “new normal”. Starting from the construction of a diversified funding system that ADAPTS to the characteristics of economic development from psychology and rehabilitation perspectives and social times, this paper studies the development process and characteristics of the education funding system under the “new normal”, so as to provide reference for enriching the funding policy, improving the funding system and allocating funding funds in the future^[3]. On the basis of ensuring the original intention of the funding work, it provides help to improve the synergistic effect of various policies and undertaker s, and lays a foundation for the transformation of the funding research work from the support type to the development type^[4].

2. Development of the funding system under the New Normal of economic development from psychology and rehabilitation perspectives.

The 19th National Congress of the Communist Party of China (CPC) marked a significant milestone in China's political and developmental trajectory. At this Congress, it was explicitly recognized that as socialism with Chinese characteristics entered a new era, the primary contradiction facing Chinese society had evolved. This new contradiction was identified as the disparity between unbalanced and inadequate development and the ever-increasing aspirations of the people for an improved quality of life.

Within this context, promoting equity has emerged as a paramount objective in China's long-term development plan. Equity in various aspects of society, including education, is regarded as a foundational pillar of social fairness and justice. Among these, educational equity holds a central position as it is instrumental in ensuring that all citizens have equal and unhindered access to educational opportunities.

Educational equity in China is not merely a matter of access to schools and institutions, but also encompasses the broader aspects of quality, resources, and opportunities. It seeks to level the playing field for individuals from diverse backgrounds, ensuring that socioeconomic status, geographical location, or other factors do not impede a person's ability to pursue education and fulfill their potential.

Efforts to promote educational equity in China have been multifaceted. They include reforms in the educational system, such as the expansion of compulsory education in rural areas, the establishment of scholarship and financial aid programs, and the provision of additional resources to underdeveloped regions. These initiatives are geared towards narrowing the educational gap between urban and rural areas, as well as among different provinces and regions.

Furthermore, China's commitment to educational equity extends to promoting inclusivity for marginalized groups, such as children with disabilities and ethnic minorities. Specialized educational programs and support systems have been developed to ensure that these individuals are not left behind in their educational journey.

In summary, the 19th National Congress of the CPC recognized that the evolving principal contradiction facing Chinese society is the need to bridge the gap between unequal development and the people's increasing desire for a better life. Within this framework, the promotion of equity, especially in education, is seen as an essential component of China's development strategy. By striving to provide equal access to quality education for all its citizens, China aims to create a more equitable and just society, ensuring that everyone can contribute to and benefit from the nation's progress. [5-6].

2.1 A new starting point in the New Normal period

During the period of rapid economic growth, China has established a student financial aid policy system covering all stages of education, from preschool education to higher education. At the stage of higher education, various measures are adopted, such as state awards and grants, state student loans, tuition compensation and loan compensation, work-study, tuition waiver and "green channel". In secondary vocational education, the state grants and tuition exemption are the main methods, supplemented by on-campus grants and tuition waivers and internship. In the stage of ordinary high school education, the government takes the lead, the

state grant is the main body, the school tuition exemption is the supplement, and the social forces actively participate; For compulsory education, tuition and miscellaneous fees are exempted for all urban and rural students receiving compulsory education, free textbooks are provided to rural students from poor urban families, living allowances are provided to boarding students from poor families, and a nutrition improvement plan is implemented for rural students receiving compulsory education. For preschool education, a subsidy system for preschool education has been established since the autumn semester of 2011 in accordance with the principle of “local governments first and the central government subsidize”.

2.2 New development in the “New Normal” period

Since the economic development from psychology and rehabilitation perspectives entered the “new normal”, the Party and the government have attached great importance to the schooling of students from poor families, endeavored to guarantee equal educational opportunities, constantly improved the financial aid policy system, and institutionally ensured that “no student will be dropped out of school due to family economic difficulties”^[7]. In 2012, the government set up a national scholarship system for graduate students, and led by the China Education Development Fund and the National Student Financial Aid Administration Center, launched the admission fund for college freshmen. In addition, the policy of free tuition will be extended to all rural (including county and town) students, urban students majoring in agriculture-related majors and students from poor families who are enrolled in full-time secondary vocational schools. Chinese dictionaries will also be distributed free of charge to rural students receiving compulsory education. Since the autumn semester of 2014, the government has adjusted and improved policies related to national student loans, raised the loan compensation standards for college students who enlist in compulsory military service and college graduates affiliated to the central Ministry to go to grassroots units to compensate their vocational tuition fees, and raised the educational aid standards for former soldiers to enroll in colleges and universities, effectively promoting equality in education. In 2015, a system of student aid policies was established, providing full coverage for all school segments, public and private schools, and students from poor families^[8]. The state has taken educational aid as an important means of poverty alleviation, established repayment assistance mechanisms in some provinces, and formulated aid policies and systems for groups with special difficulties, such as registered students, students with disabilities and orphans. In 2016, under the implementation of the Party’s and the state’s poverty alleviation cause and the concept of shared development, educational aid began to shift from the support type to the development type, attaching importance to the cultivation of students who receive assistance to become talented, and comprehensively promoting the targeted funding work to the precise target, intensity, and time of distribution. In 2017, preparatory students were included in the financial aid framework for higher education, the government promoted full coverage of student loans and implemented the policy of equal financial aid for private colleges and universities, and established a developmental financial aid system featuring state financial aid, school grants, social donations and student self-help. With the requirements of education modernization, the management level of financial aid was further improved in 2018. The advance of early warning, publicity time, hotline opening event, student loan processing window and “green channel” made the student financial aid work more heartening. It not

only improved the working methods, but also paid attention to the protection of students' personal information and privacy. Let this "fair" event, which guarantees people's livelihood, conforms to public opinion, and warms people's heart, be integrated into millions of families in China.

2.3 New Achievements in the New Normal period

Through years of hard work, China has gradually formed a government-led student financial aid policy system that covers preschool education and postgraduate education with the active participation of schools and the public, and has achieved full coverage of preschool education, compulsory education, senior high school education, junior college education and postgraduate education, public and private schools, and students from poor families. Compared with the period of rapid economic development from psychology and rehabilitation perspectives, the educational financial aid system in the new period has been further improved on the original basis. In the preschool education stage, we continue to provide greater support to children from poor families, orphans and disabled children, and continue to strengthen the responsibility of local governments in accordance with the principle of "local governments first and the central government subsidize". For compulsory education, we thoroughly implemented the policy of "two exemptions and one subsidy" in urban and rural areas, provided free textbooks to all students receiving compulsory education, and subsidized nutritious meals to rural students receiving justice education in contiguously poor areas. At the stage of senior high school education, the state and local government subsidies should be emphasized, and school and social subsidies should be combined to help students from poor families, such as tuition and miscellaneous fees. In the stage of higher education, in addition to the improvement of the corresponding subsidy standards, the graduate student subsidy system has been gradually enriched, such as grants, "three assistance" post allowances, national student loans and related tuition compensation loans. The scientific and standardized management level has been improved in the undergraduate and junior college subsidy work, and more attention has been paid to the achievements of subsidized education. Enhancing the effect of financial aid on students' self-development. At the stage of regular senior high school education, while increasing the amount of financial aid, we also strengthened the work of providing subsidies to registered students from poor families.

3. Financial aid work Improved under the Background of New Normal Economic development from psychology and rehabilitation perspectives

With the continuous improvement of the level of economic development from psychology and rehabilitation perspectives, student financial support has received important support from the government, universities, society and even students' families. In 2012, it focused on establishing the national scholarship system for graduate students. In 2015, it improved the student loan system and gradually established a repayment assistance mechanism. Since 2016, it has proposed to change the focus of financial aid work. By establishing a development-oriented financial aid system, it aims to cultivate students' growth and talents, help the students to change from "receiving assistance" to "helping themselves", enhance their spirit of self-innovation and practical ability, and train more talents with inspirational spirit and social responsibility for the development of the country and the nation^[9].

3.1 Financial aid work should promote the realization of educational function.

In the transition period of the focus of financial aid work, financial aid work should not only implement various national policies to each student, but also depend on the characteristics of students of different school age, the characteristics of economic difficulties faced by students' families in different social times, campus culture in the new era and the characteristics of the cultural environment of the class, etc. To fully create a work environment that can give full play to the function of subsidize education. Among them, schools are the main places for students' daily study and life. Schools and relevant educational funding departments of the government should focus on socialist core values and actively explore and practice educational activities on campus that can guide students to respond to and participate in. Society is a big family of children, and the changes in the social environment, to some extent, have influenced generation after generation to treat the concept of education, money, social responsibility and so on. These in turn require more social enterprises and institutions, government departments, public media, the public family and other concerted efforts to create a positive social and family environment for young people, around patriotism, integrity, civilization, progress and other themes, for young people to build a new era of development platform.

3.2 The level of precise assistance should be improved in the funding work.

The amount of state funding is increasing year by year, the number of recipients is increasing year by year, and the coverage of educational assistance is also expanding year by year. The precise target, strength and timing of the aid are the key directions of state funding in recent years. However, due to the complex and special situation of the recipients, The poverty characteristics and difficulties of the recipient families are also mixed, and the number, professionalism and scientific management tools of the front-line workers in the aid work cannot meet the requirements of comprehensive "precision". Therefore, it is very important to establish an effective mechanism to identify students from poor families. Through the investigation, democratic evaluation mechanism to identify the degree of financial difficulties of the families of students. Education departments, schools, social science and technology enterprises and organizations cooperate to explore big data technology tracking analysis and survey feedback, and make full use of modern technological means to improve the scientific level of financial aid work; From the country, down to the specific responsible departments, in the process of fund allocation, we should take the overall situation into account, consider different regions, different target groups, different difficulties and other factors, avoid "one size fits all" fund allocation, and study better and more diversified allocation and reward models to achieve the maximum effectiveness of fund utilization.

3.3 The awareness of standardized management should be strengthened in funding work

After the long-term development and evolution of the funding system, more and more responsible subjects are involved. The improvement of funding policies and the increase of funding requirements year by year can ensure the smooth development of the funding work with more reasonable and effective management methods. Launched in 2017, the "Year of Standardized Management of National Student Financial Aid" activities clearly put forward six requirements, including standardizing the management system, standardizing responsibility supervision,

standardizing funding procedures, standardizing fund management, standardizing information management and standardizing institutional team construction. The supervision mechanism involving discipline inspection, auditing, the media and the society has constantly promoted the filing and upgrading of the financial aid work. Education on the sense of responsibility and sense of service of the school financial aid management personnel to further strengthen the sense of gain of the students receiving assistance; Cleaning up the irregular behavior in the implementation of the policy, correcting the irregular operation of the financial aid personnel, but also to a certain extent to ensure the realization of the precise goals of the financial aid; Standardizing the funding work, making operation manuals for the work related to the funding, and collecting, storing and sharing the related information in strict accordance with the standards and requirements.

3.4 The funding work should increase the warmth of the heart and humanity

Educational aid is not a cold material donation, but a reflection that the national government and relevant participants care deeply about the educational cause of the motherland, are enthusiastic about education and poverty alleviation work, and care about the growth of young children. It is student-oriented, thinking what students want and responding to what students are anxious about. While delivering policies to families in need, it also unimpeded the channels for students and their parents to enjoy policy dividends. Such as simplifying the loan procedures, shortening the acceptance and issuance time, “green channel” and entrance road aid to help prospective college students smooth report, open funding hotline, grant policy leaflets, timely release of funding related warning information, review and publicity link pay attention to students’ personal information and privacy, and so on, these measures make student financial work more temperature.

4. Finding

The continuous improvement of the government’s student financial aid policy in China has led to the establishment of a diversified and comprehensive student financial aid policy system. This system is characterized by active participation from educational institutions and society, encompassing the entire spectrum of education from preschool to postgraduate levels. Notably, this comprehensive approach has achieved “three full coverage” objectives: full coverage of all educational levels, full coverage of both public and private educational institutions, and full coverage of students from economically disadvantaged backgrounds. Moreover, it has successfully realized “three no worries” in higher education, which entails alleviating financial concerns before, during, and after enrollment.

The establishment and ongoing enhancement of the national student financial aid policy system represent a significant milestone in China’s commitment to providing accessible and equitable education. On one hand, it serves as a robust policy mechanism that ensures successive generations of young learners have the opportunity to pursue education, regardless of their economic circumstances. This is aligned with China’s broader goals of fostering a skilled and knowledgeable workforce, promoting social mobility, and contributing to economic development from psychology and rehabilitation perspectives.

On the other hand, the national student financial aid policy system plays a crucial role in supporting students as

they progress through their educational journeys and beyond. It acts as a necessary safety net, ensuring that individuals have the means to complete their education without the burden of financial hardship. This, in turn, enables them to contribute effectively to various sectors of society as ordinary builders and high-level talents.

As the national poverty alleviation policy evolves and succeeds in lifting many out of poverty, the nature of student poverty has also undergone a transformation. It has shifted from the simple “lack of money” to encompass a broader concept of “lack of development support.” This change reflects the recognition that financial aid alone is insufficient to address the multifaceted challenges faced by students from disadvantaged backgrounds.

This shift in focus presents new demands and challenges for future funding policies. It underscores the importance of holistic support systems that not only provide financial assistance but also address other critical factors hindering the development of students. These factors may include access to quality educational resources, mentorship, career guidance, and opportunities for extracurricular and skill development activities.

In conclusion, China’s commitment to education and its continuous efforts to enhance the student financial aid policy system have been instrumental in ensuring that education is accessible to all, regardless of socioeconomic status. This comprehensive system has played a pivotal role in supporting students at every stage of their educational journey and has contributed to the nation’s development by nurturing a well-educated and skilled populace. However, as the nature of student poverty evolves, future policies must adapt to provide the necessary development support to empower students from disadvantaged backgrounds to reach their full potential and contribute meaningfully to society.

5. Conclusion

Financial aid for education is an indispensable pillar of the higher education system, and the availability and accuracy of financial aid resources play a pivotal role in determining the effectiveness of support for college students. Recognizing the evolving nature of the primary challenge in student financial aid within colleges and universities is essential. It is not only about establishing a funding model where the government, educational institutions, and society actively collaborate but also involves constructing a resource system that aligns with the requirements of the new era.

Breaking away from the conventional notion of merely providing “security,” it is imperative to adopt a more holistic perspective that places people and education at the center. This shift means embracing a student-centric approach that aims to facilitate the comprehensive development of students hailing from economically disadvantaged backgrounds. In this context, the concept of “developmental” funding resources gains prominence. Developmental funding resources extend beyond financial assistance to encompass a broader spectrum of support. They include moral guidance, the expansion of students’ capabilities, and spiritual encouragement. By integrating these developmental resources with material aid, financial support, and other security-based resources, a more comprehensive and effective funding mechanism can be established.

The ultimate objective is to create a sustainable and cyclical process. This process begins with addressing immediate financial difficulties, allowing students to access education. As they receive support, they are better equipped to excel academically and personally, transforming into talented individuals who can contribute

positively to society. In turn, these individuals become a resource themselves, giving back to their communities and the broader society.

This virtuous circle not only aids in resolving immediate financial obstacles but also fosters qualities like self-reliance, integrity, gratitude, and responsibility among students. It empowers them to not only overcome economic hardships but also develop into well-rounded individuals who can contribute to the betterment of society.

In summary, the provision of financial aid for education is a fundamental element of higher education, and the availability and precision of financial resources are pivotal. Recognizing the shifting nature of the primary challenge in student financial aid, it is essential to move beyond the traditional concept of “security” and adopt a more comprehensive, student-centric approach. By integrating developmental resources with material assistance and financial support, a sustainable funding mechanism can be established, fostering a virtuous circle that empowers students from disadvantaged backgrounds to achieve their full potential and give back to society.

References:

1. Han Lili, Li Tingzhou. Review and Prospect of China’s higher Education funding System in the past 40 years of Reform and opening up [J]. *China Higher Education Research*,2018(06):29-36.
2. Qu Shaowei, Wang Hao, Shi Jiaqi. Educational Equity in Major Countries: Forty Years’ Review and Prospect of China’s Student Financial Aid Policy Reform [J]. *Educational Economics Review*,2018, 3 (6) : 14-30.
3. Jiao Zhongning. Review and Prospect of Research on Subsidizing Education in Colleges and Universities: Policy Intention and Practical Dilemma [J]. *Journal of college Counselors*,
4. 2023 (01) : 69-77 + 99-100.
5. Zhang Yong, Zhuo Zelin. From Security to Development: Current Situation, Influencing Factors and Countermeasures of Financial Aid Resources for Chinese University Students [J]. *Educational exploration*,2023 (01) : 36-41.
6. Bai Zhanjun, Ni Dazhao. The Value Implication and Practice Path of University Development Funding in the New Era [J]. *Management Engineer*,2022, 27 (6) : 59-63.
7. Tang Zhiwen. On Promoting the High Quality Development of University Funding Education in the New Development Stage [J]. *Ideological and Theoretical Education*,2021(11):105-111.
8. Qu Shaowei, Wang Yinghui. Effects, Problems and Suggestions of Precise Funding for College Students [J]. *Contemporary Educational Science*,2017 (7) : 89-92.
9. Qu Yinjiao, Yue Changjun, Qu Shaowei. Development context and characteristics of financial aid policies for college students [J]. *China Higher Education*,2019(07):28-30.
10. Zhang Xiaojuan, Sun Banghua, Wang Congying, Liang Erming. The Evolution of National Policy on student financial Aid in the 70 years since the founding of New China [J]. *Beijing Education (Higher Education)*,2019(10):56-60.
11. Wang Na. Problems and Solutions in Realizing precise funding for Colleges and Universities [J]. *Ideological and Theoretical Education*,2018(07):102-105.