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**The Power of Market Mechanism in School Choice in Three Junior Middle Schools in Nanning: a Case Study**

Wu, Xiaoxin

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**The power of market mechanism in school choice in three  
junior middle schools in Nanning: a case study**

**Xiaoxin Wu**

A thesis submitted for the degree of Doctor of Education

University of Bath

Department of Education

January 2011

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I hereby declare that this thesis, submitted in partial fulfilment of the requirements for the degree of Doctor of Education, contains no material previously published or written in any medium by another person, except where appropriate reference has been made.

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Xiaoxin Wu

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## Abstract

The practice of parent-initiated school choice in China is characterized by the involvement of substantial amounts of money, various forms of capital, the explicit government policy of banning the practice in words but accommodating it in deeds. This research investigates the school choice situation in three middle schools in Nanning, China.

Drawing on Bourdieu's theory of the forms of capital and cultural and social reproduction and Brown's Positional Conflict Theory, this thesis argues that the use of cultural, social and economic capital is widespread in the school choice process. With more capital of various types available, middle class families are at a competitive advantage compared to their working class counterparts in the current struggle to gain a place in a good school. The resources of the former families enable their children to gain more cultural capital through extracurricular enrichment activities, exercise more social capital through existing *guanxi*<sup>1</sup> networks and focus more economic capital with which to pay large sums for choice fees, all of which result in the greater chances of entering a desired school.

The change of the school admission policy since the mid-1990s from universal entrance examination for junior middle schools to the present school place assignment by proximity has resulted in an unintentional shift from meritocracy to "parentocracy"<sup>2</sup>.

School choice effectively closes out opportunities for quality education for working class families, because they lack the cultural, social and economic capital that is necessary to "work the system". As a result, school choice tends to insure the intergenerational transmission of existing social classes and to decrease the possibility of upward mobility for the next generation.

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<sup>1</sup> A network of contacts which an individual may draw upon to secure resources or advantage in the course of social life (see 4.1.2 for detail).

<sup>2</sup> See Brown (1990).

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# Chapter 1 Introduction

## 1.1 Background of this research

School choice in China presents a very different story to the western audience. The differences are mainly caused by the exam-driven education system, the existence of *key schools* in the state sector which leads to great disparity between schools, insufficient education investment, the rapid economic development resulting in the rapidly rising incomes, large number of migrant children and the one-child family planning policy. Below a short introduction will be given to the general situation of the school choice phenomenon in the Chinese context, the market mechanisms used in the school choice process, and the current school choice situation in Nanning, the capital of Guangxi Zhuang Autonomous Region<sup>3</sup>, China.

### 1.1.1 Overview of school choice in China

School choice is a subject of considerable public and academic interest in China, as well as in many other countries, particularly the UK and USA. The topic did not attract much public attention in China until the early 1990s, but has been a subject of intense debate since the mid-1990s. The issue focuses on where a child will be able to attend school, both primary school (grades 1-6) and middle school (junior middle school [grades 7-9] and senior middle school [grades 10-12]). The most desirable schools of choice are the so-called “*key*” state schools.

In China schools are officially classified into two major types: state schools and *minban* schools. The literal meaning of *minban* schools is ‘people-run schools’, which are subdivided into two types: one claims not to make any profit, while the other expects to have a reasonable return on investment (NPC, 2002). In this thesis, the ‘for-profit’ schools are called private schools while the ‘not-for-profit’ school are called *minban* schools. However, this distinction is blurred since many *minban* schools also make profits.

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<sup>3</sup> Basically equivalent to a province in China.

The state schools are likewise categorized into two major types: regular schools and *key schools*. In general, *key schools* are chosen according to their high rate of successfully transitioning their students to the next level of schooling. The favourable policies that *key schools* enjoy include having priority in the assignment of fully qualified teachers, good facilities, sufficient funds, and the most important of all, matriculation of top-performing students on standardized exams. Among the regular schools, there are second-best schools (just below *key schools*), average schools and poor schools, as judged by school performance and their transition rate, in particular.

*Key schools* have obtained different titles since the mid-1990s: *demonstration school* for senior middle schools and *converted school* for junior middle schools and primary schools. The former is designed to set a role model for regular schools and the latter refers to those piloting schools of school-operating system reform. While demonstration schools remain in the state sector, converted schools have “opted out” to become quasi-public and quasi-private *minban* schools that allows them to charge high tuition fees and take only choice students (Wu, 2008). For convenience, this thesis uses the term “*key school*” to refer to all of the over-subscribed former *key schools* regardless of whatever label they have now.

Within the compulsory education system, places in key junior school were competed for before the mid-1990s through the Entrance Examination for Junior Middle Schools (EEJMS), which was administered by municipal or prefectural education authorities. Those students whose scores were above the threshold score were admitted to the coveted *key schools*; those whose scores were below the threshold score were assigned to their respective neighbourhood schools. In 1986, the *Compulsory Education Law of the Peoples Republic of China* (NPC, 1986) was passed, which required that all students in the compulsory education sector be allocated to places in their neighbourhood schools in an attempt to free pupils from the pressure of preparing for EEJMS. As a result, the EEJMS gradually came to an end and the method of proximity enrollment was soon fully implemented in urban areas. Subsequent regulations (SEC<sup>4</sup>, 1995, 1996, 1997a) have

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<sup>4</sup> The Ministry of Education was changed to the State Education Commission from 1985 to 1997 to highlight the importance given to education at that time since commission is more powerful than ministry.

reinforced that the proximity principle should be strictly complied with and no “school choice” is permitted in public primary or junior middle education. The proof of one’s residency is a part of the so-called *hukou*<sup>5</sup> system. Although school choice is not officially permitted, the practice is quite common in the compulsory education sector as revealed in this study as well as by many other studies (Li & Zhang, 2007; Xiao, 2005).

The economic reforms in China from a planned economy to a market economy, which began in the late 1970s, has greatly improved people’s living standard (see Table 1.1) and enabled many families to spend more money on their children’s education.

Table 1.1 Annual average disposable income per capita for rural & urban households in China (1980-2009)

Year	Annual Per Capita Net Income for Rural Household ( <i>yuan</i> <sup>6</sup> )	Annual Average Net Income Per Capita for Urban Households ( <i>yuan</i> )
1980	191.3	439.4
1985	397.6	685.3
1990	686.3	1,387.3
1995	1,577.7	3,892.9
2000	2,253	6,280
2005	3,255	10,493
2009	5,153	17,175

Sources: *China Statistical Yearbook 1996* (NBSC, 1996), *Statistical Communiqué of the People's Republic of China on National Economic and Social Development* (NBSC, 2001, 2010)

According to Table 1.1, the annual per capita income available for urban households increased drastically from ¥439.4 in 1980 to ¥17,175 in 2009, an increase of 39 times in the past 29 years. The number has doubled or nearly doubled every five years, a clear indication of the fast increase of people’s income. As the initiator of school choice, parents needed monetary means in order to co-opt the oversubscribed *key schools* and local

<sup>5</sup>A household registration record officially identifies a person as a resident of an area.

<sup>6</sup>Yuan (¥) is Chinese currency. One pound equals about ten *yuan*.

governments into creating the school choice movement.

Many other factors also contribute to the making of school choice in China, including the one-child policy<sup>7</sup>, insufficient state education investment, the great disparity between schools, and the rapid increase of migrant children resulting from rapid urbanization.

Most young parents nowadays, especially urban dwellers, attach great importance to the intellectual development of their only child. The high expectation on the only child for academic success is a stimulus for the parents to create the best possible conditions for the child in which to distinguish him or herself, including selecting a good school (Wang, 2007). As a result, numerous parents are willing to or have already sent their children to good schools irrespective of the cost (Luo, 2009; Wang, 2007).

There are good reasons to attribute the emergence of school choice to insufficient government funding for education. According to *Global Monitoring Report Education for All of 2008* published by UNESCO (2008), out of 105 countries (not including any from North America or Western Europe), twenty-six spent 6% or more of GNP on education in 2005 while twenty-four spent 3% or less. Unfortunately, China is in the latter group, having spent only 2.81% of its GNP on education in 2005 (MOE et al., 2006) while the average total public expenditure on education as a percentage of GNP in East Asia and the Pacific region in 2005 was 4.95% (UNESCO, 2008). Despite its increase to 3.48% in 2008 (MOE et al., 2009), the highest in Chinese history, the total public expenditure on education is still below the average level in the East Asia and the Pacific region. It is also below the 5% average level seen in some developing countries in the sub-Saharan Africa (UNESCO, 2008). According to Xu (2004), it is even lower than the average 3.84% level of under-developed countries. Therefore, schools have a strong motivation to take choice students in order to generate additional funds (choice fees, i.e., money paid to the desired school for a school place) to maintain sustainable development.

The great disparity between schools is caused by the imbalance in the distribution of educational resources. Compared with regular schools, *key schools* receive more funds

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<sup>7</sup> In order to check the population explosion, the one-child per family policy has been strictly implemented in urban areas since the 1980s while in rural areas there is flexibility which allows families to have a second child if the first one is a daughter.

from the limited education budget (H. Li, 2005), more and better teaching facilities, more competent teachers and, most important of all, the more talented students. Almost all the studies have identified the *key school* system as the most important direct cause for the school choice phenomenon (Yang, 2005b; Zeng, 1999; F. Li, 2008; Tong, 1996) because the system has resulted in a near monopoly of good educational resources by the *key schools* (Wang & Wang, 2005).

In the mid-1980s China's urbanization began to speed up. Many young people in the rural areas have come to work in urban areas in places such as construction sites, factories, and shops. The children whom the migrant workers bring with them constitute a large share of the choice student population. In 2008 the number of migrant children in China reached over 7,660,000, accounting for a quarter of the 28,210,000 students in the compulsory education sector (Liu, 2009). Migrant children have helped to some extent the making of the school choice market in China, especially in big and medium-sized cities.

School choice first appeared in the late 1980s and began to take shape in the early 1990s. From the very beginning, various kinds of market mechanisms were used to match the incoming students to their schools, especially in the case of the oversubscribed schools. Common practices ranged from parents donating desks and chairs to the school of choice in the early days in the 1980s (Li & Jin, 2003) and transferring one's *hukou* to the catchment area of desired school in the early 1990s, to buying houses near the desired school and even to paying a substantial sum of "choice fees" to target schools in the late 20th century and at the beginning of the 21st century. Similar to the practice in supply-and-demand pricing in the economic sector, the choice fee for school places fluctuates depending on the reputation and popularity of the schools in question, as measured most notably by the transition rate of their students to the next higher level of schooling, particularly to *key schools* of the next level, and the student's overall academic performance. Despite its negative image in the media and in academic circles, this parent-initiated school choice in China became widespread in the mid-1990s. Since then parents' active involvement in making choices of schools for their children has been called "school choice fever", a phenomenon that should be eliminated in the eyes of the general public and the central government (Yang, 2005b, 2009; SEC, 1996, 1997a). But the reality of a growing school choice movement, which meets the needs of (middle class) parents,

schools and local governments, explains its continued existence. School choice is a means for parents to secure the kind of education they want their children to receive; a means for schools to generate substantial additional funds to create and maintain stronger and more sustainable development; and a means of relaxing the local government's burden of locating enough funding for education because the additional income generated by school choice is regarded as government investment in education.

Taking the removal of EEJMS as a dividing line, one distinct feature of current school choice in China is the shift away from a "meritocracy" (of the student) to a "parentocracy" (Brown, 1990). Academic ability alone cannot, in most cases, guarantee a place in a desired school. Other factors, such as the economic capital, social capital and cultural capital, also count, and can often count heavily. Brown (1990) has rightly pointed out that "The education a child receives must conform to the wealth and wishes of parents rather than the abilities and efforts of pupils" (p. 66).

#### 1.1.2 Market mechanisms in school choice process

Current parental choice in China is characterized by the introduction of a variety of market mechanisms, which demonstrates, on the one hand, the attempt made by the middle class to gain advantage in the positional competition in education, and, on the other hand, the accommodation of the Chinese government, the local governments in particular, to the needs of the middle class, and at the same time to gaining financial benefits from the process. Jin (2006) points out that in the making of education policy some leaders of education tend to think more about meeting the needs of high-income groups.

Bourdieu (1986) identified different types of capital that are at play in any system in which market mechanisms are involved. Three of those types of capital are used to describe the market mechanisms that have been investigated in this study; specifically, cultural capital, social capital and economic capital.

First, cultural capital is one of the important factors effectively influencing the securing of one's desired school place. For example, parents' educational experiences and

their personal histories inevitably influence the extent and effectiveness of their involvement in choosing schools for their children. Since entrance examination to junior middle school is banned by the Ministry of Education because it violates the Compulsory Education Law, it is very common in China to use prize-winning certificates (e.g., math or English contest) to screen applicants by the (*key*) school and to facilitate the securing of a place in the preferred school for the choice student. Having some of these certificates can not only help to obtain a place in the preferred school but sometimes also help to reduce the amount of choice fee depending on the value of the certificate(s).

Second, while it is true that social capital is important everywhere, it is at a premium in Chinese culture. The exploitation of social capital to obtain a place in the preferred school is quite common. In the media, choice students are sometimes referred to as “memo students”, “*guanxi* students” and “banknote students”, depending on by what means these students obtain their school place: power in the form of a memo written by an influential leader, influential networks called *guanxi* or money in the form of choice fee and donation. Among the three, “memo students” and “*guanxi* students” have used social capital to realise their school choice.

As a form of social capital, *guanxi* plays an important role in securing personal or institutional advantages in the school choice process. Since the number of places in a desired school is limited, *guanxi* is in many cases an indispensable means of securing a school place there. The positional competition for the places in oversubscribed schools depends to a large extent on the scale of *guanxi* one can mobilize, and more importantly, the influence of the *guanxi* network on the headteacher’s decision-making process. In the school choice processes, parents often approach their more highly placed social contacts to seek help to secure a place in a desired school.

Third, the most widely used market mechanism for school choice in China is economic capital. It is displayed and can be seen in the purchase of houses in the catchment areas of good schools, or alternatively the renting of houses nearby to baby-sit their children, either way it usually ends up costing a huge sum of money that only those middle and upper class families can afford; the implicit but compulsory requirement of donations ranging from a few thousand *yuan* to a few hundred thousand *yuan* (Li & Xie,

2009); and the charging of choice fees, including transient fee, co-operative fee<sup>8</sup> and extra high tuition. Paying choice fees is the most prevalent, effective and widely used means to obtain a place in the preferred school. Nowadays even those “memo students” and “guanxi students” have to pay choice fee though the amount may be lower than the normal requirement.

The acquiring of cultural capital in the form of various kinds of certificates also requires a substantial amount of money ranging from a few thousand *yuan* to many thousands of *yuan* depending on the length as well as the number of after-school classes the student attends. Attending after-school training class(es) for several years is not uncommon among primary school pupils. Hiring tutor(s) for one’s child is also common and that cost is considerable, especially when one has several subjects to catch up with others. All this requires strong financial support.

In this study, Bourdieu’s theories on capital and cultural and social reproduction and Brown’s Positional Conflict Theory (PCT) are employed to provide a better understanding of the current school choice in China. This study also illustrates the convertability of capital as suggested by Bourdieu. Detailed discussion of these theories can be found in Chapter Two and Four.

### 1.1.3 School choice in Nanning

Nanning is the case study on which the thesis is based. In urban Nanning there are 57 public junior middle schools or middle schools (as some middle schools take both junior and senior middle school students) and two converted schools. According to the student performance in EESMS and the transition rate to the top key senior middle schools: No. 2 Middle School and No.3 Middle School, which is revealed on the webpage of each school, and the source of student intake, five schools can be classified as key junior middle schools, eight schools as second-best middle schools, twenty schools poor schools, and the rest average (ordinary) schools.

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<sup>8</sup> A kind of donation from an institution or company to the school for accepting the children of their staffs through the making of the former and the latter into “co-operative units” (see 4.1.2.6).



The number of poor schools is large because most of them were formerly run by state enterprises (companies, factories, and state farm) instead of local government. Those schools were characterized in most cases by poorly trained teachers, insufficient funding, poor teaching equipment and accordingly poor performance in EESMS. As a result of the difficult situations that state enterprises have confronted since China adopted the market economy system in the 1980s, few enterprises have enough funds to update the teaching facilities of their schools, attract qualified teachers and keep good teachers from leaving for better schools. They were transferred to the jurisdiction of the local government in the recent past in accordance with the central government's call for the separation of those self-run primary and middle schools from the enterprises they were attached to (NPG, 2005). Based on the growth of the local government investment in education in the past decade, it can be anticipated that it will take a long time to improve those schools to the average level in Nanning.

The catchment area of each school is designated by the local education bureau. The principle for state school place allocation is proximity based on the actual residence of the family. School-aged children should have Nanning *hukou* in the first place. If the location of the child's *hukou* is different from that of his or her parents' or guardian's, the proximity principle applies to the latter.

In practice, there are at least six different ways, which are not mutually exclusive, for parents or students to realize their choice of school:

- 1) Having extra-ordinary academic achievement;
- 2) Finding a guardian in the catchment area if parents can prove that they are not able to take good care of their child themselves;
- 3) Relocation by buying a house in the catchment area;
- 4) Having special talent if one can produce high level prize-winning certificates or graded certificates, hence the name "special talent student (STS)";
- 5) Having *Guanxi* or power to facilitate the completion of the school choice process;
- 6) Paying choice fee.

In fact, the last three methods still involve paying extra money to the preferred school. The primary motivation for schools to take choice students is the additional income represented by the choice fee, since schools would not do so without receiving something in return. For most parents, this is the most available way to get their child into the preferred school.

## **1.2 Research aims and questions**

The research attempts to establish the role of the market in the current parental choice of junior middle schools in Nanning, China. It investigates how market forces play a decisive role in the realization of parental choice, how the government, schools as well as middle class parents make good use of parental choice through this market to achieve their respective goals.

Research questions:

- 1) How do parents realize their school choices for their children by market means?
- 2) What are the respective motivations, roles and rewards of parents, schools and the government in the school choice process?
- 3) How do market mechanisms affect social equality through parental choice?

## **1.3 Significance of the study**

Although there is a huge literature on the debate about school choice in the past two decades, most of the contributions have come from Western countries, particularly the UK and USA, relatively little attention has been paid to school choice in Asian countries, and only sparse literature is available (Plank & Sykes, 2003; Wu, 2008). It is thus worth extending our attention to non-Western contexts to see how similar or different the school choice phenomenon may be in the Chinese context.

The school choice issue has been heatedly debated in China for the past decade, yet most researches focus on issues of educational equity and inequality, the relationship between the family background of the choice students and school choice has been largely ignored, particularly the role of cultural capital and social capital in the school choice

process. What is more, very little empirical research has been conducted in this regard. Therefore, this study attempts to describe and explain the market mechanisms used to obtain *key school* places and reveals the motivation behind and benefits from the current school choice fever in China.

#### **1.4 Outline of this thesis**

This thesis consists of five parts. The introductory chapter provides the background for this research, highlighting the causes for the creation of the school choice market, the major market mechanisms used in the school choice process, and the school choice situation in Nanning.

Chapter 2 reviews the existing literature on school choice in China as well as many other countries, the UK and USA in particular. Views about the positive and negative effects of school choice and the way that the issue of school choice should be handled are presented, with a focus on the striking Chinese characteristics (e.g., choice fee) reflected in the current school choice in China, which has made the issue of school choice as controversial in China as it has in other countries.

Chapter 3 describes the methodology of this research and provides a discussion of the use of a mixed methodology for this study, the research design, the identification, development and pilot study of the research instruments, data collection and analysis, and the examination of reliability and validity and ethical issues.

Chapter 4 presents and discusses the findings of this research. Discussion concentrates on the three market mechanisms: cultural capital, social capital and economic capital, highlighting their uniqueness to the Chinese context and their impact on educational equity and social equality, which need to be addressed by the government.

In the concluding chapter, the findings are summed up and the policy implications are explored using the evidence revealed in this thesis for parents, educational practitioners and policy-makers. Recommendations for further study are made in the hope of enhancing understanding of the school choice in the Chinese context within the shifting landscape of global public education discourse.

## **Chapter Two Literature Review**

This chapter will review the literature relevant to the subject of this study. The review of the literature is divided into three parts: one dealing with school choice around the world, the UK and USA in particular, one focusing on the school choice phenomenon in the Chinese context, and the last introducing briefly Bourdieu's theories on capital and cultural and social reproduction and Brown's PCT. Different arguments regarding school choice will be reviewed. The available research is categorized and reviewed leading to the research questions that form the basis of this thesis.

### **2.1 School choice in the global context**

The marketisation of public services has become a global trend since the 1980s and has been influential in decision-making related to social policies around the world. The New Right ideology manifested by Reaganism in the USA and Thatcherism in the UK is claimed to mark a move toward a more transparent and accountable public sector. Market criteria were introduced into different policy areas, such as education, health and the social services (Le Grand and Bartlett, 1993) in the belief that by using market-type mechanisms, the operation and delivery of public services could be more economical, effective, efficient, accountable to the public, and responsive to the changing demands of the public (Walsh, 1995; Walford, 1990).

Believing in the assumption that a state bureaucracy cannot deliver services efficiently and that it is vulnerable to producer capture, market liberals assume that all activities involving the delivery of goods and services can be more efficiently coordinated through the market (Walsh & Stewart, 1997). Their underlying belief is that producers will be more responsive to the needs of their consuming clients if consumers can quite literally vote with their feet (Chubb & Moe, 1988).

Parental choice and school diversity are generally associated with the present market-oriented education reforms that give parents more choice in the marketplace to choose the school that their children attend. Since school funding is directly related to

student enrolments, schools are forced to compete with one another for pupils in order to increase their income (West & Ylönen, 2010). Therefore, if a school fails to meet the needs of its students, parents and students will seek better education opportunities elsewhere in the educational market. “The market thus is being used as a disciplinary mechanism. By seeking out inefficiency and by rewarding successful schools, the market will eliminate the poor schools” (Ball, 1990: 66), although the “success” of a school could be the work of fabrication based on the rigid parameters and various quality assurance procedures advocated by Ofsted, which encourage opacity and the manipulation of representations (Ball, 1997).

In the past few decades, freedom of school choice has been one of the dominant values framing educational policy (OECD, 1994). A policy of school choice has, in various shapes, been implemented around the world as a vehicle to improve excellence and effectiveness in educational systems. Large-scale initiatives have been put into practice in several countries, such as Great Britain, the United States, New Zealand, and Chile (Liepa, 2001). Similar policies have been pursued by governments in Australia, Canada, the Netherlands, and Sweden (Elliott & MacLennan, 1994; Whitty et al., 1998).

In England, several specific policies were undertaken; e.g., the implementation of the open enrollment, formula funding, league tables and the grant-maintained school. The 1980 *Education Act*, the 1988 *Education Reform Act* and the subsequent case law and amending legislation have introduced a number of measures that have removed some of the restrictions which local education authorities (LEAs) had placed on parental choice. For example, state schools are required to admit pupils to their physical capacity and to publish public examination and national test “league tables”, as well as enabling parents to vote their schools out of LEA control and re-establishing them as free-standing, grant-maintained schools with direct funding from central government. As a result, parental choice among state schools has been enhanced (Whitty, 1997; Whitty & Edwards, 1998; Gorard et al., 2002) since schools are motivated to maximize their levels of funding and their outputs in terms of pupils’ test and examination results (West and Pennell 2000). Thus, a “quasi-market” in the school system was created (Le Grand and Bartlett 1993).

Similarly, changes in education policy in the US also reflect the government's attempt to move away from zoning in the public sector and extend publicly-funded choice into the private sector (Whitty & Edwards, 1998). The economic downturn in the USA in the 1970s was attributed at least in part to the poor education system, which led to the production of the seminal report entitled *A Nation at Risk: The Imperative for Education Reform* in 1983 (NCEE, 1983), a serious indictment of education in the United States for producing uniformity and mediocrity in the state school system as a whole under the previous "one best system" model (Chubb & Moe, 1990). The report became the impetus for two decades of educational reform. As a result of the reform, we see the emergence of open enrollment, home-schooling, intra-district and inter-district school choice, charter schools, magnet schools, tuition tax credits, and school vouchers, all of which are aimed at increasing parental choices in schools and types of schools and to create a system that enable parents to pursue their preferences (Lee, 1997; Wells et al., 1999; Gill et al., 2001).

According to the *Education Week's Quality Counts 2004* report (Education Week, 2004), by 2003 open-enrollment programmes were in place in 44 states, and more than 2,500 charter schools were in operation in 40 states and the District of Columbia.

In New Zealand, education was under attack by the early 1980s for the failure of schools to address social inequality and the creation of monopoly conditions through zoning, which led to entrenching the privileges of elite schools in wealthy suburbs and the marginalization of ineffective and inefficient schools elsewhere (Thrupp, 2007). It is in this context that the market liberal philosophy was translated into policy in late 1980s. The centralized bureaucratic system of education came to an end in 1987 when the New Zealand Treasury published a document extolling the virtues of markets in education (Lauder et al., 1999). The *Tomorrow's Schools* reforms of 1989 implemented major decentralising measures called for by the 1987 *Picot Taskforce* (Merrifield, 2005), which began to create market conditions by dezoning admissions and transferring operating responsibility from the Department of Education to the governing board of trustees of each school in order to provide parents choice of schools. *The Sexton Report* (Sexton, 1991) and the 1991 *Education Amendment Act* brought further changes towards a neo-liberal approach, which introduced full parental choice of schools by abolishing existing zoning schemes and establishing a competitive environment for the state education system with

funding following students to the chosen school, thus promoting freedom of choice for parents and full autonomy for schools in their management (Lauder et al., 1999; Ladd & Fiske, 2001; Thrupp, 2007). But the residential zoning system was reintroduced in 2000 in response to the concern that educational markets intensified the inequalities between schools (New Zealand Labour Party, 1999, p. 4).

The largest scale of school choice programme covering the whole K-12 sector operating under a “quasi-voucher” system took place in Chile in 1981 and remains in place since then. As part of the government’s sweeping market-oriented reforms, Chilean educational reform involves the decentralization of the state school system and the handing over of school administration to local governments, and instituting a new financing mechanism for public and private schools through a per-student subsidy mechanism. The nationwide comprehensive school voucher programme has been introduced to provide vouchers to any student wishing to attend a public or private school of their choice, and to tie the budget of state schools to their enrollment (Hsieh & Urquiola, 2006), with the aim of generating competition among schools to attract and retain students, and thereby promoting more efficient, better quality educational services. This extensive voucher system covers about 94 percent of all schools (public, religious, and secular private) and has been in place for nearly three decades (McEwan et al., 2008).

Other countries, such as Denmark, Netherlands, Sweden, Canada, Ireland and Australia, all have school choice in one form or another with varying differences and degrees of choice. In the Netherlands where public and private schools receive equal state support, school choice has been in place since 1917. Most parents can choose from several different schools in the vicinity of their homes. School administrative and financial autonomy were increased through the deregulation policy by the Dutch Ministry of Education in the 1990s in order to make schools more diversified and responsive to parental preferences (Teelken, 1999; Ritzen et al., 1997). Sweden introduced a school choice system at primary and secondary school level in 1992, enabling free choice among public and independent schools (Baker, 2004; Bunar, 2010; LaRocque, 2005). Various school vouchers or other demand-side financing mechanisms are used to finance education - varying from small/targeted to full/national programmes. The long-established tradition of public funding of private choice voucher programme in Denmark has created a

diversity of educational alternatives for parents because the Danish believe that the free choice of school is of central importance to a well-functioning education system (OECD, 1995).

In summary, under the influence of the ideology of the market in the 1980s, many countries have radically reorganized their state-maintained schooling systems over the past two decades, highlighting choice-oriented school reforms. These changes have come about despite the fact that freedom of choice in education was one of the most widely debated and contested public policy issues during this period. The topic has engendered such passion because it has different implications for different stakeholders on matters related to equity, accountability, innovation, outcomes, and individual freedoms. The result has been that school choice programmes -- in one form or another -- have proliferated around the world since the 1980s, creating a quasi-market in the field of education.

## **2.2 School choice in the Chinese context**

The change of policy from a centrally planned economy to a market economy in the mid-1980s has resulted in a market-oriented approach in education, which is in tune with the general trend in China's public welfare sectors, highlighted by emphasizing individual responsibilities and local initiatives (Chan & Mok, 2001). The policies of decentralization and marketisation were implemented, devolving/leaving the responsibility, especially financial responsibility, of compulsory education in the hands of local governments at the municipal and county level and tertiary education to provincial governments, thus, forcing local governments to use multiple channels to find resources and methods to provide for their own educational services. As a result, school choice in China soon gave birth to an important source of funding for education through the charging of a "choice fee" in order to obtain a place in an out-of-zone school. Now, the choice fee seems to be an indispensable funding source for many local governments.

School choice has been a controversial issue since its emergence in China. It has caused huge debates in the media, as well as in academic circles, over its legitimacy and consequences of educational equality, depending on which side one stands. There are basically three different positions that people take when addressing the issue of school



choice in China—an advocacy position, a critical position, and a pragmatic position, each of which is discussed in the remainder of this section.

### 2.2 1 Advocacy position

Supporters of school choice approach the school choice phenomenon mostly from the perspective of the economics of education and market mechanisms in their analysis of the educational needs, the distribution of resources, the education cost and educational equity. Those choice students who pay choice fees to attend a good school are cited as good examples of “who invests, who benefits” or “good quality sells at a good price”. The more the educational investment, the more benefits one will receive (Qiu, 2003).

To proponents of school choice, school place allocation by proximity (SPAP) is the right of an individual, not an obligation (Liu & Li, 2002). It is the obligation of the government to guarantee that every child can go to a nearby state school. However, parents have the freedom to give up the right of their child to attend the government-allocated school (i.e., SPAP), and, instead, to pay extra money in order to select an out-of-zone school for their child (Zhu, 2001). SPAP only guarantees every child a school place; it does not guarantee that every school place is equal in quality (Zhou, 2009). Therefore, it is not fair to require all parents to send their children to attend the nearest government-assigned local schools, given such large gaps in quality (or perceived quality) between them (Zhu, 2001).

In the context of the market economy, education does not simply concern the needs of the country but more of personal pursuit. As a result, SPAP seems to be out of place in the world today (Zhao, 2008). To a certain degree, school choice provides the opportunity for ordinary people to select a school of their choice for their child with the help of their personal savings. The banning of school choice cannot prevent those people with privileges from maneuvering their children into the good schools through power, *guanxi* or buying houses in the catchment area (Zhao, 2008). In principle, having school choice is better – a more equitable arrangement – than not having this option.

Those who adopt the advocacy position in regard to school choice cite three major goals of their movement: increasing competition between schools, creating more places

for choice students and acquiring additional funds for schools, all of which will be discussed below.

#### 2.2.1.1 Increase of competition between schools

According to supporters of school choice, one of the positive effects of school choice is that school performance can be improved as a result of the increased competition between schools to attract the choice students. They argue that schools under the existing educational system have lost their vitality and the pressure of free competition, which make them unable to adapt to the rapid development of the society. Under the SPAP system, those state schools with low teaching quality and poor management do not have pressure (economic or social) to make any improvement because students in their catchment area have no other choice. Meanwhile, without school choice, those good schools lack the motivation to maximize the supply of places in their schools to meet the greater demand from the vast number of parents who are seeking quality in education (Liu & Li, 2002; Zhao, 2008; Zhou, 2009). An education market without competition is bound to lead to the decline of the overall quality of education (Zhao, 2008). Evidence from regular schools in Zhengzhou, the capital of Henan Province, shows that except for the first two or three years after the implementation of SPAP, students' academic achievement on the whole have been declining (Xu, 1999), which demonstrates that having good intake of students does not necessarily result in a good academic achievement if the teaching quality and school management are not improved. The flight of top-performing students is unavoidable when the school's performance in EESMS becomes poor.

The introduction of a market mechanism through school choice can effectively reward those schools that have good teaching quality and management by maximizing the economic return in the form of more places for students that are available at elevated choice fees (Zhou, 2009; Luo, 2005). The efficiency improvement as a result of the increased competition between schools can be seen in the effective use of educational resources, granting more autonomy to schools, motivating schools to make full use of their potentials to improve their teaching and management in order to maximize their benefits from not only getting choice fees but also increasing the number of good students who

attend the school (Qiu, 2003). Shangguan's (2003) survey study among 308 headteachers of primary and middle schools in China reveals that nearly half of them believe school choice can increase the competition between schools and lead to the promotion of education quality.

#### 2.2.1.2 Creation of more places for choice students

One undeniable fact is that following the emergence of school choice more places in oversubscribed schools have been created. Spurred by school choice, and choice fees in particular, every effort has been made by the schools and the local governments to enlarge the intake of choice students. These efforts have included expanding class size, adding additional classes, turning state schools into converted schools and allowing good schools to take over poor schools (Zhang & Cheng, 2001; Qu & Yang, 2007; Zheng, 1998). It is not rare to see that offices, lounges and reading-rooms have been turned into classrooms in order to enroll more (choice) students (Lei & Zhang, 2005). Oversized class resulting from the expansion of enrollment has become a common phenomenon in China. A class of sixty or seventy students is very common. A class of eighty is not rare. Some class populations even exceed 100, much more than the normal size of 45 to 50 (Zhang & Guo, 2008). The space of a classroom in good schools has been so fully used that sometimes not even an extra chair can be placed in the classroom (Zhang & Huang, 2008). Despite many negative effects that such oversized classes may have, they do provide more school places for choice students.

The most effective and cost-efficient way of increasing good school places is to take over poor schools by oversubscribed schools since this action does not involve the construction of school buildings or a new campus. Leaders of the local government in Hangzhou point out that franchising reputable schools is the most effective, efficient way of expanding good educational resources at the lowest costs and with the lowest financial risks (He, 2009).

As a result of the government's as well as the schools' effort to expand the good educational resources by different means mentioned above, more places in these oversubscribed schools are indeed created to meet the need of choice students.

### 2.2.1.3 Acquisition of additional funds for schools

As discussed above, one important aspect of school choice in China is the choice fee. Nearly all choice students obtain their place in the preferred school by paying a choice fee. The school can then effectively make up the gap (missing portion) of between the costs of a quality education and the insufficient government funding. The choice fees can, therefore, provide strong support for further (sustainable) development. In effect, school choice is an effective means of attracting private investment in education, in order to tackle the problem of insufficient education investment by the government (Qiu, 2003). It has become a new source of educational funding (Yan & He, 2006) not only from the individuals but also from organizations or institutions (e.g. co-operative fee).

Although charging a choice fee benefits mostly the *key schools* and second-best schools, those headteachers of poor schools in Beijing hold a positive attitude to it because they receive 10-15% of the choice fees according to the arrangement by the local district governments (Zheng, 1996). In Nanning, the local government stipulates that 30% of the choice fees should go to poor schools for buying books and updating equipment (Zhou, 2003) so as to narrow the gap between good and not-so-good schools (Zhang & Cheng, 2001). Some scholars have supported the collection of choice fees as market-oriented means of allocating prized school places that is better than those allocation methods based on power or *guanxi* (Tong, 1996; Zhong, 2004). Most of the choice fees are used for purchasing and updating teaching facilities, constructing new buildings (classrooms or/and laboratories), and bettering teachers' financial conditions (Zhong, 2004). All this leads to the faster development and expansion of good educational resources.

### 2.2.2 Critical position

The majority of the Chinese scholars hold a negative attitude towards school choice. They point out that school choice violates the Compulsory Education Law, which states that school places should be allocated by proximity (NPC, 1986). Further, school choice causes unfair competition and results in the flight of substantial numbers of good and above average students and teachers from poor and average schools to the *key schools* and second best schools (CCTV, 2009c). Causing educational inequity and inequality,

polarizing schools, creating rent-seeking activities, and increasing financial burdens on working class families are the four major aspects of their criticism of school choice (Yang, 2000, 2005b; Wen, 2006; Zhu, 2005).

#### 2.2.2.1 Educational inequity and inequality

One of the severe criticisms that opponents raise is that school choice, and particularly choice fees, is an obstacle to the realization of educational equity (Zhu, 2005). The use of money to obtain a school place in an oversubscribed school has changed the rules for admission, which has resulted in unequal opportunities for schooling among different social strata (Wang, 2007b). The rules of the game for school choice, which are made to the advantages of the middle classes, have produced an unfair access to good schools (Wang, 2007a; Yu & Liu, 2007). The introduction of market mechanisms in compulsory education has effectively forced many families to dismiss the idea of sending their children to the *key schools* (Wen, 2006; Yang, 2005a), and this has created inequality and inequity at the start of education, which will naturally produce similar inequalities and inequities further on in the process and in the outcomes of education (Zhu, 2005). For example, the teaching quality of junior middle schools clearly affects one's chance of going to key senior middle school.

The fairness and equality dispute is exacerbated by the fact that the differences between state schools within the same area or district are so great that the competition between *key schools*, average schools and poor schools is not on a level playing field. Regular schools cannot compete with *key schools* in factors such as level of funding, qualification of teachers, amount of equipment, and student intake. If school choice is officially implemented, unequal educational opportunity is bound to occur (Zhu, 2003).

Wen's (2006) study has confirmed that there is a significant difference between the proportions of upper and middle class families, on the one hand, and the working class families, on the other, who are involved in selecting schools for their children, with the former being much higher than the latter. Yang's (2006a) study of ten cities in China also found that the percentage of children from middle or upper class families attending *key schools* and regular school was 61.9% and 38.1%, respectively, whereas the proportions

were just the opposite for children from working class families. Yang also discovered that this social class disparity extends to the access to higher education.

The conversion of former key junior middle schools and key primary schools into non-public converted schools also causes inequity because the change of their identity has greatly reduced the provision of low-cost, high-quality education that children of the general public are supposed to receive. Children in the catchment area of the converted schools can no longer attend them for low fees since such schools do not take government-allocated students. In 2003 one third of places in good junior middle schools in Guangzhou, the capital of Guangdong Province, belong to the non-public (converted) schools, which means one has to pay higher tuition fees to attend one of those schools (Li & Shen, 2004). The alternative is to attend regular schools which are available at substantially lower cost.

The competition for school places depends more and more on social capital and economic capital rather than on academic merit which is in itself partly a result of other forms of capital, placing the children of the working class families in a disadvantageous position when it comes to access to *key schools* and universities (Yang, 2000). The result is a class discrimination against children of migrant workers, who cannot go to good schools because of lacking the relevant capital (Xin, 2006). The utilization of the relevant capital for school choice has introduced social networks and social stratification into the supposed fair and equal education system. This early social stratification of students is detrimental to the healthy cycle of social classes and has blocked a main channel for social upward mobility (Li, 2008; Wang, 2007b).

#### 2.2.2.2 Polarization of schools

Some scholars (Hua, 2004; Huang, 1997; Zhu, 2005) point out that the *key school* system plus the introduction of market mechanism into education has led to the consequence that the good schools get better while the poor becomes worse through school choice. The *key schools* have historically been better equipped with everything from hardware to funding to teachers than has been the case for regular schools. Therefore, there is an unequal competition between the schools in terms of teaching quality and

transition rates. Those *key schools* have made good use of their reputation to attract large number of choice students and collect huge sums of choice fees, which can be used to attract even more highly qualified teachers by offering higher pay and better welfare, further enhance their facilities and improve their infrastructure. As to the allocation of educational funding, leaders of local government prefer to “add flowers to the brocade” rather than “offer charcoal in snowy weather” (Wang & Wang, 2005), i.e., prioritizing the funds to high-performing *key schools* instead of to poorer schools since the former appear to achieve better results, even though the quality of their incoming students may significantly higher, making a direct comparison of results with regular schools of limited value (Yao, 2009c). As a result, the *key schools* have 15%-30% higher budgetary funds per student than regular schools (Jing & Tang, 2004). But Yuan (1999) points out that the greatest difference in funding between *key schools* and regular schools is in the area of non-budgetary funding, i.e., funds generated/collected and spent by the schools. His claim is supported by the audit of the non-budgetary funds (including choice fee) of 12 middle schools in Nanjing, the capital of Jiangsu Province. The highest one was ¥25,510,000 and the lowest one is only ¥240,000, less than 1% that of the former (Xiao, 2005) while the difference in student population is at most five times between schools according to the official website of the local education bureau. The current education system is still the old *key school* system in practice, if not in name.

Understandably, good teachers and students alike who find themselves in poor or average schools are dissatisfied. They would like to transfer to other better schools by whatever means possible (CCTV, 2009c; Cheng, 2008). The inducements are obvious; for example, a headteacher in Chengkou county says frankly that 30% of the choice fees are used to reward teachers who have done their job well (Xu & Zhang, 2006). A headteacher admitted that a teacher at a *key school* can earn several-fold times more money than a teacher at a regular schools (Li et al., 2007a). For example, in Kunming, the capital of Yunnan Province, the payment for extra classes conducted by a key junior middle school teacher could be as much as three to four thousand *yuan* a month (Zhang, 2006), which is three or four times more than the ¥897 average monthly income of the local urban citizens in that city (KSB, 2008). With such financial inducements it is clear why *key schools* are so attractive to good teachers.

The flight of good teachers from regular schools to *key schools* and from suburban areas to urban areas is quite common. In Changping District, a suburban area of Beijing, nearly 60 good teachers left for more urban districts of the capital between 2005-2006 (Cheng, 2008). In fact, *key schools* have become the “harvester” of both the top performing students and highly qualified teachers (Yang, 2005b).

As a result of the flight of the highly qualified teachers and top-performing students from average and below-average schools to oversubscribed schools, together with serious insufficient funding and poor teaching facilities, those poor schools have entered a vicious, downward spiral (Hua, 2004; Xu & Zhang, 2006) while those good schools become better and better.

#### 2.2.2.3 Creation of rent-seeking activities

Some scholars claim that school choice has caused many rent-seeking activities. As noted above, the current system of education management requires that governments at the county or city level cover most of the cost of compulsory education. When the budgetary funding for education is insufficient, the government has to locate other funding sources in order to fulfill its responsibility for education. Under such circumstances, the choice fee has become an indispensable funding source to make up the gap (Wang & Wang, 2005).

The government’s rent-seeking motivation was triggered after its decision (SEC, 1997a) that choice fee belongs to the state, which creates an additional deep source of educational funding for the local government (Zhao, 2009). A certain proportion of choice fee goes to the local government as their revenue, which is used as part of the government investment in education. The division of choice fee between the local government and the schools taking choice students varies from place to place. In Guangdong Province it is 50% (Lin et al., 2007). Turning the choice fee into a source of government revenue has made the government, in one sense, a ‘captured government’ (Stigler, 1989:210). It is no wonder that the local education authorities often turn a blind eye to the intake of choice students in the compulsory education sector though it is repeatedly “banned” by governments at all levels (SEC, 1997a, 1997b; NEB, 2007a). For instance, the intake of choice students in an oversubscribed primary school in Guangzhou accounts for 35% of



all the students (CCTV, 2009b). The number rises drastically to 88.6% and 85.6%, respectively, in two top primary schools in Guiyang, the capital of Guizhou province (Xiao, 2005), a very impressive figure demonstrating how choice fees have come to dominate some systems.

The development of converted schools is another obvious attempt by the government to seek rents by simply changing the status of those state schools to *minban* schools in order to free them of the restrictions concerning tuition fees stipulated by the Compulsory Education Law (NPC, 1986). No other way is more effective, efficient and reliable in generating funds in huge amounts, since state schools cannot charge tuition fees while *minban* schools can charge high tuition fees. What is more, *minban* schools do not take government-assigned students; therefore, all students are high fee-paying choice students. The Ministry of Education plays a key role in calling for the running of converted schools by reputable (*key*) schools in order to direct choice students there (Ding, 2004).

Other rent-seeking behaviours associated with school choice can best be explained by the emergence of “banknote students”, “*guanxi* students” and “memo students”. During the enrolment period, headteachers of oversubscribed schools receive without exception many “memos” from leaders, friends and relatives asking for the admission of a particular child, often their own or that of their friends, relatives or colleagues (Shangguan, 2003). Yang (2005a) points out that “memo students” are mostly children of leaders at various levels. Together with children of other middle and upper class families, they account for a very high proportion of *key school* students. For example, a primary school in Huhhot, the capital of Inner Mongolia Autonomous Region, enrolled 462 pupils in 2007, of which more than 200 were “memo students” (Li & Zhang, 2007).

In the context of the current market economy in China, the running of state schools has become a business. School management is increasingly profit-oriented (Yu & Lin, 2007). Oversubscribed schools have become money-making machines by using their reputations and social capital in the school choice process (Yu & Lin, 2007). Choice fee is the product of the rent-seeking behaviours of the *key schools*, with strong Chinese characteristics (Zhao, 2009).

#### 2.2.2.4 Increase of financial burden

Although being disadvantaged in society, many lower middle class and lower class families are also active in school choice in the hope that their children's future will change for the better by receiving a high quality education (Li, 2007). But the choice fee has become the heaviest financial burden for those who want to "keep up with the Joneses" in the race for the access to a place in the desired schools (Wen et al., 2005). Yan and He (2006) point out that the present amount of choice fee is beyond most urban citizens' ability to pay. A migrant worker, whose child is academically qualified to enter a *key school* in Beijing, brings ¥50,000, the earnings of his several years' work, to pay the choice fee, only to discover that it is far from the school requirement of ¥120,000 (Li & Xie, 2009). The increasing choice fee has become a heavy burden for even ordinary families (Hua, 2004; Zeng, 1996). It is one of the important factors contributing to the continuing cycle of poverty common to many low-income families (Xu & Zhang, 2006).

In 2002 the choice fee of three second-best primary schools in Beijing amounted to as much as fifty thousand *yuan* (Xiao, 2005), four times more than the average annual income of ¥12,463 for Beijing urban citizens in that year (BBS, 2003). In Shenyang, the capital of Liaoning Province, the situation is even worse, where the choice fee in 2005 was sixty thousand *yuan* (He et al., 2005) while the average annual income per capita for urban citizens in the same year is ¥10,098 (SBS, 2006). These figures mean that it will take a doubling of the income of the average family for three years in order to afford the cost of the school choice fee, and even a much longer time for working class families whose income is below the average.

Many unemployed families also want to select a good school for their only child, who represents all their hopes (Yu, 2005). No wonder there are cases of families' borrowing money to support their children's education (Wen et al., 2005). The pressure of choice fee on family members can lead to tragic consequences, such as the 13 year-old daughter of a poor family in Yinchun, the capital of Ningxia Hui Autonomous Region, who committed suicide indicating that her death could save her parents one hundred thousand *yuan* (choice fee) (Meng et al., 2005). As choice fees continue to rise, more and more low income families will have to give up their attempt to select an above average school for

their children.

### 2.2.3 Pragmatic position

Different from the two positions above, some scholars hold a more pragmatic attitude towards school choice. They approach the issue of school choice from the perspective of solving practical problems relating to the interests of individuals, schools and the local government. Acknowledging that school choice is not something that should be promoted due to its negative effects pointed out by the opponents of the school choice, the scholars of the pragmatic position think it would be too hasty to ban it completely because there must be good reasons for its emergence on the part of the parents, the schools and the local government. It should be handled step by step in a long-term process (Zhang et al., 2007; Zhang, 2004). They believe the following practical reasons justify the present existence of the school choice in the Chinese context.

To begin with, since education acts as a means of social stratification and mobility, one's level of education is an important index of one's acquisition of social resources and an indicator of the likelihood of securing good jobs in the employment market. In short, education is an important means of increasing one's economic gains. Therefore, there will be school choice as long as there is great disparity between schools, in terms of the qualification of teachers, funding, teaching facilities, and learning environment (Zhou, 2009; Zhang et al., 2007). Take funds for example, the disparities of per-pupil budgetary funding between provinces (municipalities) in China in 2008 can be as great as eight times (MOE, 2009) and the 106-fold differences in non-budgetary funds (including the income of choice fee) between some *key schools* and regular schools in Nanjing (Xiao, 2005). Under such circumstances, it is unfair and unrealistic to require children to accept the unequal compulsory education of having to attend poor schools in their neighborhood. In this sense, school choice reflects parents' demand for and an attempt to obtain more equal education (Zhang, 2004) given the sufficient economic capital those choice students' families have.

Furthermore, schools are usually not given full funding for operation. Zhang et al's (2003) study indicates that in the best case, schools in developed regions can have 95.55%

of the funds for operation, which means they have to find other funding sources to make up the gap of the remaining 4.45%. However, in the worse case, schools in the underdeveloped regions have to locate 32.25% of their funds beyond the funds provided by the government to conduct just routine operations.

What is more, in today's exam-driven educational system, the transition rate to the next level of schooling is the dominant criterion used by parents and administrators in the evaluation of a school's performance. Therefore, schools have good reasons to recruit excellent teachers and students, update and/or purchase more modern teaching facilities if they want to maintain their position in the league table or distinguish themselves and be ahead of others in achieving high transition rates. To be able to achieve this level of performance, collecting choice fee through taking choice students has proven to be an effective way to raise the required funds (Zhang et al., 2007).

In short, scholars of the pragmatic approach think that for the time being, school choice is a practical way to meet parents' demand for better education for their children and generate additional funds for schools to maintain routine operation and sustainable development if the current condition of insufficient funding for education from the government remains unchanged.

### **2.3 Measures to deal with school choice**

To its proponents, school choice is an effective measure to further develop the education of contemporary China and should be promoted and maximized by the government through adopting supportive policies (Qiu, 2003). School choice is seen as complementary to SPAP, and the two can develop harmoniously. Any policies concerning school choice should be made in a cautious manner, however. It is unrealistic and unreasonable to ban school choice. The best strategy is to standardize or even legalize the school choice practice rather than prohibit it (Qu & Yang, 2007; Yuan, 1998; Zhao, 2008).

To its opponents, school choice is something that must be banned. The measures they suggest include a) abolishing the *key school* system (and its substitutes, such as the demonstration schools and the converted schools) as it has been identified as the direct

cause of school choice; b) equalizing all schools in terms of funding, teachers' qualification, teaching facilities, etc is the most important suggestion proposed by the school choice opponents; c) increasing government investment in education, in particular the poor schools in the compulsory education sector, is the guarantee of healthy development of all schools and an effective measure of preventing school choice from happening; d) establishing the system of rotating teachers and headteachers among all the schools, and especially between good schools and poor schools, on monthly or annual basis within a district, a country or a city in order to narrow the gaps between schools; e) strengthening government's monitor on the implementation of SPAP and terminate the practice of securing a school place by power, *guanxi* or money (Wang, 2007b; Sun, 2005); f) local government should be held accountable for providing equitable education and the evaluation of the performance of local government should focus on educational equity, instead of transition rate (Zhang & Guo, 2008; Yang, 2005, 2009).

To the pragmatists, agreeing with the critics of school choice, sufficient government investment in compulsory education should be guaranteed, schools should be equalized in all aspects, and headteachers and teachers should be rotated between schools on a regular basis (Zhou, 2009; Zhao, 2009; Zhang et al., 2007). In addition, taking over poor schools or average schools by good schools is seen as an effective way of expanding the good educational resources by making good use of the reputation capital of the good schools to provide a substantial number of places in good schools (He, 2006; Zhong, 2004; Zhang, 2004). Such takeover presents a win-win situation for both parties. The use of government-funded educational voucher is another possible way to balance the demand of parents, schools (market) and the government (Zhou, 2009).

Scholars of the pragmatic approach also regard the settlement of the school choice issue as a long-term process in which the issue of choice fees should be handled in a step-by-step manner (Zhang et al., 2007). Any hasty action of banning the use of choice fee for school place would likely result in the creation of a "grey market" or underground market of school choice, that would lead to greater educational inequity than it intends to solve because those "memo students" could not be easily banned, and "*guanxi* students" will also survive (He, 2006; Li, 2007).

## **2.4 Relevant theories for this study**

The major theoretical approaches used in this study are Bourdieu's analysis of various forms of capital, including his theory of cultural and social reproduction, and Brown's positional conflict theory. These theories are used to further understand the current school choice phenomenon in China. In the following sections, Bourdieu's theoretical frame is broadly outlined and Brown's positional conflict theory is briefly surveyed.

### **2.4.1 Forms of capital and cultural and social reproduction**

The term capital is usually associated with a narrowly defined economic category of monetary exchange for profit. However, in the article "The Forms of Capital" (Bourdieu, 1986), Bourdieu reintroduced capital "in all its forms and not only in the one form which is recognised by economic theory" (1986:242). He attempted to reformulate Marx's concept of capital and expanded the category of capital to include something more than just the economic but other forms of capital as well, such as cultural capital and social capital. While economic capital refers to command over economic resources (cash, assets), cultural capital may take various forms, reflecting the modes of thinking, values, dispositions, sets of meaning and qualities of style that are primarily transmitted through the family. It can be understood as cultural products which are embedded in the human mind and body, as well as in objects. Cultural capital appears in three states: the embodied state (cultural products), the objectified state (dispositions of mind and body), and the institutionalized state (educational qualifications) (Bourdieu, 1986). Social capital consists of the actual or potential resources that are generated from interactions and exchanges between individuals. It exists as social relations and networks within a group (such as contacts and group memberships) from which the individual group member can profit - socially as well as economically.

According to Bourdieu (1993), all forms of capital are the products of investments and are resources to be exploited. An important concept is that each form of capital can be converted into another. For instance, cultural capital can be translated into (or more precisely, can be utilized to acquire) social resources (e.g., wealth, power and status). The acquisition of these various material and immaterial forms of capital gives access to power

and ultimately to material wealth. The concepts and the manipulation of cultural, social and economic capital in the school choice process are discussed in detail in 4.1.

The seminal works of Pierre Bourdieu (1977, 1984) focus on the unequal distribution of power resources (social, cultural and economical capital) between classes, transmitted over generations. Bourdieu argues that social class differences begin in early childhood through the transmission of cultural capital from parents to children and cumulate over time. Families from different social class positions transmit different types and quantities of cultural capital to their children. The result is that children are socialised into the culture that corresponds to their class.

There are clear class differences in the possession of cultural capital by the time children reach school age. In addition, children from culturally advantaged are better able to exploit their cultural capital. In fact, Bourdieu attributes much of school success to the amount and type of cultural capital inherited from the family milieu, rather than by measures of individual talent or achievement. Since schools tend to reproduce a general set of dominant cultural values and ideas, children from culturally advantaged families are privileged in the educational system because their families possess the dominant cultural knowledge and language skills that are valued and rewarded by teachers. They can communicate easily with teachers and master the course material quickly because of their familiarity with the dominant culture or 'the rules of the game' (Bourdieu and Passeron, 1990), and therefore are more likely to perform well in school (Bourdieu, 1977). Children of less advantaged social backgrounds, however, perform less well because their parents do not have the appropriate knowledge and behaviours of the dominant culture to pass on to their children.

Bourdieu (1977, 1984) argues that the educational system plays a key role in maintaining social inequalities and creating social reproduction by enabling a dominant social class to reproduce its power, wealth and privilege legitimately. Despite the fact that children from less advantaged backgrounds are seriously disadvantaged in the competition for educational credentials, the results of this competition are seen as meritocratic because everyone seems to have an "equal opportunity" to succeed. Failure is supposed to be

attributed to individual failing, rather than a fault of the way in which the system is structured to favour one class over another.

...it [education] is in fact one of the most effective means of perpetuating the existing social pattern, as it both provides an apparent justification for social inequalities and gives recognition to the cultural heritage, that is, to a social gift treated as a *natural* one. (Bourdieu, 1974: 32)

In Bourdieu's view, schools tend to reinforce and consecrate initial inequalities through the cumulative reinforcement of privilege or deprivation. One of the major roles played by the school is social elimination. That is, progressively removing students from access to higher knowledge and social rewards by making them different in ways that are recognised as valid by a dominant culture. Thus cultural capital becomes the principal mechanism behind the intergenerational reproduction of social status (Bourdieu, 1977, 1984; Bourdieu & Passeron, 1990).

#### 2.4.2 Positional conflict theory

Pointing out the weakness of the existing theories of social closure for failing to pay sufficient attention to the various sources of positional advantage (including economic sources and social networks) that the middle classes draw upon in order to perpetuate their status, Brown (2000, 2006; Brown et al., 2003) advances PCT as a way of examining the impact of globalisation on the competition for educational credentials.

PCT has been introduced as a way of viewing the changing relationship between education, employment and the labour market. It offers a conceptual framework to study how positional competitions are structured and how individuals and social groups fare within the 'rules of the game'. PCT approach considers both the 'rigging' of the market for credentials (changing the rules of the game) and 'ranking' of individuals in the labour market on the basis of social and cultural capital. Taking employability as an example to illustrate the PCT, Brown et al. (2003) point out that employability can be defined as the relative chances that individuals have of finding and maintaining different kinds of employment. It depends on how one stands *relative to others* within a hierarchy (which



may be explicit or implicit) of job seekers (Brown, 2000; Brown *et al.*, 2003). The ‘positional’ aspect of employability determines the kind of job one is expected or not expected to have. Positional competition is a question of how to out-smart others (Brown and Lauder, 1996) in anything that involves competition (for scarce resources). This model illustrates how positional competition is organized and legitimated and “how individuals and social groups mobilise their cultural, economic, political or social assets in positional power struggles, whatever form they take” (Brown, 2000: 638). PCT adds to the existing theory by emphasising the role played by various forms of capital in securing positional advantage, in a manner similar to Bourdieu’s assessment.

The concepts included in PCT are applicable to the practice of school choice in China where, the “admitability” of students to the oversubscribed schools also depends on how one stands relative to others in terms of the amount of cultural, social and economic capital each family has. In short, the current study concludes that despite the fact that the primary focus of Brown in the developing PCT was on employability in the workforce, the theory is nonetheless relevant to a consideration of processes of social closure at earlier points in students’ educational careers. Therefore, PCT is usefully employed in this study as a tool for understanding the positional competition among all the students and their parents for the limited places in the oversubscribed (key) school(s) in the school choice process.

Having laid out the background to the school market in China, the three different positions on it, and the major theoretical approaches used in this study, the next chapter turns to a description and justification for the methodology in this thesis. This is followed by an analysis of the workings of the market mechanism and who wins and loses by it.

## **Chapter 3 Methodology**

### **3.1 Introduction**

This chapter presents a discussion on the methodological considerations associated with the present study. It is divided into seven parts. The research strategy is described briefly, with the justification for the use of a case study approach. There follows a description of the selection of the research setting. Then, the instruments used in the study and the proposed analysis of the quantitative and qualitative results are discussed. The remaining sections are devoted to the discussion of other issues, such as validity and reliability and ethical considerations.

### **3.2 Research strategy: A case study approach**

The choice of a research strategy depends, to a large extent, on the research focus and questions being investigated. In order for the findings, conclusions and claims to be considered credible the correct research strategy must be used (Opie, 2004). This study employs a case study strategy. A case study is an exploration of a case (or multiple cases) over time through detailed, in-depth data collection involving multiple sources of information rich in context (Creswell, 1998, p. 61). It gives one a chance to study one aspect of a real-world problem in detail from many different viewpoints. It provides unique examples of real people in real situations (in this case, real parents making use of market mechanisms to select schools for their children in the Chinese context), in order to understand the choice process more clearly (Cohen et al., 2007). Known as a triangulated research strategy, case study research can be based on any mix of quantitative and qualitative approaches. Typically it uses multiple sources of data generated by the use of library research, interviews, questionnaires, observation, diaries or documents (Denscombe, 1998).

When talking about the choice of a case study strategy over others, Yin (2003:1) points out that "...case studies are the preferred strategy when 'how' or 'why' questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within a real life context".

The purpose of this study is to examine the respective motivations, roles and rewards of parents, schools and the government in the school choice process; how they make use of their cultural, social and economic capital to obtain the place in their desired school; and how school choice affects social equality. Further, the focus of this study is on parents' contemporary behavior in selecting schools for their children. The researcher is not in a position to affect any of these developments. Therefore, this study fits all of the conditions proposed by Yin.

In addition to the above reasons, there are some other considerations for the choice of case study strategy for this research. The case study strategy is widely employed in explanatory and exploratory research (Saunders., Lewis & Thornhill, 2007) because it allows the researcher to utilize multiple methods (e.g., the questionnaires, in-depth interviews and document analysis that were used in this study) to collect data from various sources to increase the credibility of the findings and provide valid conclusions. Further, it has been argued that there may be insights to be gained from looking at the individual cases, which might not have come to light through the use of other research strategies (Denscombe, 1998).

The literature offers different dimensions and classifications on types of case study, such as in terms of purpose, format, design, motivation, synthesis, epistemological status, and so on (Scholz and Tietje, 2002). So far as research design is concerned, case study design can be categorized along two dimensions: the number of cases contributing to the design and the number of units in each case study respectively (Yin, 2003) (see Fig 3.1). Holistic case studies deal with only one unitary case while an embedded case study involve more than one unit, or rather subunits for analysis. As a result, four types of case study designs are identified: single-case (holistic) (Type 1), single-case (embedded) (Type 2), multiple-case (holistic) (Type 3) and multiple-case (embedded) (Type 4) designs.

Fig 3.1 Case study designs

	Single Case Design	Multiple Case Design
Holistic (single unit of analysis)	Type 1	Type 2
Embedded (multiple units of analysis)	Type 3	Type 4

Adapted from Yin (2003)

This study uses the multiple-case (embedded) design because of the following reasons. First, in order to find out how school choice affects schools of different quality on the one hand, and on the other educational equity and social justice concerning children in those schools, especially the poor schools; three cases of different schools in terms of transition rate, funding and staffing are chosen for this study so as to maximize what can be learned in the period of time available for the study. In addition, parents of the students in the three schools are assumed to have taken different actions to send their children to the present school, which are worth exploring to gain insights into and make comparisons of the aims, means and cost behind such actions. Second, the parents, the headteacher or middle managers and the local government constitute the units of analysis of this study while cultural capital, social capital and economic capital can be seen as the subunits. Each of them is explored individually and their results are drawn together to yield an overall picture.

### **3.3 Selection of the research setting**

#### **3.3.1 Geographic location**

Four criteria were established in selecting a setting. First, the location chosen for this study should be a typical one where school choice was actively taking place. Such place can provide rich data of school choice for researchers to better understand the school choice phenomenon in a holistic manner. Second, the population living in the area should be socio-economically heterogeneous so that a comparison of the benefits and disadvantages of different classes in the school choice process can be made. Third, the researcher should have the necessary networks to facilitate access to the sample schools. As gatekeepers (school leader) play a very important role in an empirical research like this one, having appropriate *guanxi* to obtain permission from the school leader(s) (gatekeeper) to carry out the research becomes a “must”. Last, the location should be within a reasonably convenient distance of the researcher. Otherwise, the interviews of the respondents (parents) would be difficult to carry out and the transportation cost would be higher if the location is far away.

On this basis, the city of Nanning was selected as the research site because it met all of

the above conditions. First, according to a review of the literature and the media reports on the phenomenon, school choice is actively taking place in most big and medium-sized cities where growth is common and competition is keen. Nanning is such a city.

Second, Nanning is the capital of Guangxi Zhuang Autonomous Region (basically equivalent to a province in China) with a population of 6,916,900 (urban population: 2,638,900) in 2008 (NBS, 2009). As a capital city, it has many government departments and institutions at the provincial, municipal and district levels. There are many institutions of higher education located in the city, as well as many high-tech companies, research organizations, cultural organizations, and other institutions associated with the growing upper and middle classes in China. In addition, there are also many factories, shops and hotels, which employ a large number of people who have not yet reached the upper levels of society. The rapid expansion of urbanization has also attracted many low-paid migrant workers who mostly work in the service industry and at construction sites in the area and who constitute a lower economic class. Therefore, the population of Nanning is socio-economically diverse.

Third, since the researcher had worked in one of the local middle schools for nearly ten years, he knew how the schools operated, and, what is more important, had many *guanxis* in the local schools which facilitated gaining of access to the sample schools.

Finally, the researcher is currently living in Nanning, so distance is not a problem.

### 3.3.2 Schools

#### Choice of junior middle schools

Parental choice of schools is seen at all levels of schooling in China, ranging from pre-compulsory education (kindergarten), through compulsory education (primary and junior middle school), and on up through post-compulsory education (senior middle school and university). However, competition for key junior middle school places is particularly fierce compared to the other stages, in part because of action that the government has taken to reduce extra-academic avenues (which use social and economic capital, for example) for gaining entrance into key educational institutions at higher levels.

According to *Statistical Communique on the 2007 Educational Development of China* (MOE, 2008), only 42.78% of the junior middle school graduates proceeded with their academic studies at senior middle schools. The majority of the rest entered the vocational stream by attending vocational schools, technical schools and other types of secondary schools. The transition rate from senior middle schools to universities was 71.79% in the same year. With a 98% transition rate from primary schools to junior middle schools, it is clear that the transition from junior middle school to senior middle school is the most winnowing. That is why this study focuses on school choice at the junior middle school level.

#### Criteria for classification of schools

In the exam-driven educational system in China, transition rate to the next level of schooling is the most important criterion in classifying schools as “good,” “average” or “poor”. Other criteria may include characteristics such as quality of teachers, teaching facilities, learning environment and student peers. But in the current Chinese context, a high transition rate directly or indirectly attracts good students, and their parents want to buy a school place there; i.e., pay the choice fee. As a result, with the choice fee, all the other criteria for a good school can be met, including – but not limited to -- attracting good teachers, enrolling top-performing students, purchasing more teaching equipment and updating the existing ones. Therefore, the transition rate was used in this study to classify the quality of the schools from poor to good.

#### Types of schools selected for the study

Once the area for this study, the level of schooling and the criteria for school classification are decided upon, the next step is to decide what type of schools should be included in the study. It is important to select appropriate cases for study, and the most common characteristic is that they should be “typical” because such cases are similar in crucial aspects with the most of the rest, they activate more basic mechanisms and more actors in the situation studied (Flyvbjerg, 2006), thus revealing more information. An

average case is often not the richest in information. Since an understanding of market mechanisms used in the school choice process and their influence on children of different social classes in terms of educational equity and equality was the heart of the research questions, the selection of a multi-case study which included three typical types of schools: the best school, the poor school and the school in between them was advantageous. The rich data obtained from such research strategy would be conducive to the answering of the research questions by comparing the differences in the admission policies and the market mechanisms employed by families of the choice students.

By examining the transition rate of most junior middle schools to key senior middle schools in Nanning that are published on the school websites or bulletin boards on their campuses, a league table was created and the four types of good, second-best, average and poor schools were identified. The next consideration was the availability of the contacts the researcher has in the target schools, particularly the contacts with the headteacher or someone who could influence the headteacher to grant permission to conduct the study in his/her school. On this basis, three schools of different quality (in terms of comparative transition rates and reputations) were selected for this study: a *key school*, a second-best school and a poor school. To preserve anonymity, the three schools are referred to as “School A”, “School B” and “School C” in this study.

School A is located in a relatively affluent area, surrounded by other educational institutions. The majority of the students in the catchment area of this school have parents who are professionals. The transition rate from School A to the two top key senior middle schools in Nanning: No. 2 Middle School and No. 3 Middle School, is about 37%. School B is located near the centre of the city and has a large portion of its student population from families whose parents are working in local governments, institutions of higher learning, and other state organizations. Regarded as one of the second-tier schools in Nanning, its transition rate to the two top senior middle schools is about 23%. School C is located between the urban and suburban areas of the city, in a neighborhood of factories and villages. The overwhelming majority of its students are from working-class and lower-class families. None of its students have been admitted to the two top senior middle schools in recent years. School A, B and C each has about 2,000, 1,700 and 1,300 junior middle school students respectively. The primary source of participants for this study is

the parents of students in these three junior middle schools.

### 3.4 Data collection

To answer the research questions of this study, both quantitative and qualitative methods of data extraction were used. First, based on the findings from the secondary data analysis, and in particular the pilot study, a questionnaire was constructed to gather and generate information from the parents of the students of the three schools.

Since the use of a single research technique risks the possible omission of important variables (Churchill, 1998), the present study employs a mixed methods approach, consisting of three different data collection techniques (documentation, questionnaire and interview) in order to gain as holistic a picture as possible within the confines of a limited research undertaking. The use of methodological triangulation in this study provides a more complete set of findings than could be arrived at through the administration of only one method and can enhance confidence in the ensuing findings (Bryman, 2004)). In addition, it adds “rigour, breadth, complexity, richness and depth to any inquiry” (Denzin and Lincoln, 2000:5) and helps deepen and broaden the understanding of the research (Silverman: 2005).

#### 3.4.1 Questionnaire

A questionnaire approach is widely used for collecting survey information. It can provide structured, numerical data, which can be compiled easily and analyzed in a comparatively straightforward manner (Cohen, et al, 2007). In addition, questionnaires are known as a rapid, relatively easy and economical way of collecting and discovering data (May, 1993).

According to Denscombe (2003), questionnaires tend to provide two broad categories of information: facts and opinions. It was for this purpose that a questionnaire was used in this research because a lot of factual information was needed to make comparisons between different social classes, in terms of the use of economic capital and cultural capital. Examples of such factual information include the respondents’ occupation,



educational level, income, and expenditures for school choice.

The questionnaire for this research is original since there is no widely-accepted questionnaire aimed at assessing the roles of cultural, economic and social capital in the school choice process. The forms were printed in Chinese, which is the native language of the respondents and technical terms were avoided wherever possible. The questionnaire were composed of closed, categorical, ranking and quantity questions. The questions were highly structured, and questions of a similar nature were grouped together so as to make for easy completion and comparison. Since open-ended questions tend to create problems of categorisation, the responses involved only ticking an appropriate box. Items of the questionnaire were modified after a pilot study in order to make them more relevant to the research questions or more informative and suitable to analysis.

In October 2008, 150 copies of questionnaire forms in re-sealable envelopes were given to students of each of the three schools by their teachers to take home to their parents. The completed forms were returned to the schools in the sealed envelopes. All of the responses were completed, collected by the teacher and returned to the researcher anonymously. The possible effect of the teacher's role on parents' response was taken into account when the data were analyzed and aggregated. In the process data analysis, responses for every item have been approached from the parents' perspective to see whether parents' responses could have been different due to the teacher factor. But since nearly all the items of the questionnaires required factual information and few items on the questionnaire could involve negative feedback about the school from the respondents, the teachers' influence on the questionnaire results was minimized. With the response rate of 84% and 85%, School A and School B had 126 copies and 128 copies returned, respectively. At School C 107 copies were returned, a response rate of 71%. The difference in the response rates could have been due to the fact that parents of students at School A and School B are, historically, more cooperative with their schools and more willing to complete tasks coming from their children's teacher. In contrast, respondents of School C may be somewhat less sensitive to the teacher-parent relationship and the possible effect on their children due to the fact that these parents may be obligated to spend more time working and have less time to deal with the schools matters of their children.

### 3.4.2 Interviews

The second instrument used to collect data was the interview. Interviewees were selected because they enabled the researcher to explore in greater detail the various market mechanisms used in the school choice process. In-depth interviews gather valuable data by allowing the interview to “unfold” as a participant participates in it, not as the researcher may want it to be (Marshall and Rossman, 1995:80).

There are three main types of interviews: fully-structured, semi-structured and unstructured interviews. A fully-structured interview does not allow for development of points raised by the respondents during the interview. In contrast, an unstructured interview is very time-consuming and might provide very little data that are of use to the study. The semi-structured interview was adopted in this study because it allows for flexibility with regard to the order and number of questions being asked (Jones, 2004:258) although there is a clear list of questions and issues to be addressed. To “let the interviewee develop ideas and speak more widely on the issues raised by the researcher” (Denscombe, 1998:113) is the goal of a semi-structured interview. There is an opportunity for the development of ideas and a greater breadth of responses to the main questions being asked. Therefore, despite the researcher having a list of specific questions prepared in advance, there was flexibility and open-endedness in the approach so that the questions asked varied somewhat among the parents interviewed, depending on their responses.

Thirty interviewees from the three schools (ten from each) were selected from those respondents who agreed to be interviewed and who provided their contact information (telephone number or email) on the returned questionnaire sheet. The headteacher of School A and a middle manager of School B and another middle manager from School C were also interviewed by the researcher in order to triangulate the data obtained from the questionnaires and documents to increase the credibility and validity of the results (Silverman: 2005). In selecting interviewees from among the parents, an effort was made to select individuals from a diverse range of employments and backgrounds. This breadth would provide a better representation of the true role of market mechanisms used in the school choice process and how different classes are advantaged or disadvantaged by the use of these mechanisms.

The interview schedules were developed based on an initial analysis of the questionnaire data in late October, 2008. Two separate times for interviews were scheduled for the parents and the administrators at the three schools. The questions were constructed based upon what the researcher perceived as gaps in his knowledge. Attention was paid to the “hows” as well as to the “whats” (Cohen et al., 2000). In the interview, questions were also allowed to arise naturally during the interview process (McKernan, 1996). There was a semi-structured combination of open and closed questions to create opportunity for interviewees to express themselves and allow the interviewer to probe and clarify meanings and possible misunderstandings (Cohen, et al, 2000). The interviews were conducted in Chinese to facilitate ease of expression and ensure accurate expression and deeper reflection.

The follow-up interviews took place between November 2008 and January 2009. There were 33 interviews in total, ranging in length from 30 minutes to 1 hour, with an average of 45 minutes. Recording interviews is not common in research in Nanning, since interviewees are concerned that their recorded voices might betray their true identity. This issue was initially raised by some parents in the pilot study. Therefore, in order to maximize the likelihood of an open and honest exchange, no voice recordings were made of these interviews. Instead, the researcher simply wrote down the interviewees’ responses to the questions and asked the interviewee to check those notes at the end of the conversation in order to verify their accuracy. Other data from the interview, such as emphases placed by the interviewees, as well as the mood and the body language of the interviewees, were usually added to the notes within one or two hours after each interview so as to minimize the loss of the extra information.

Interviews took place mostly at the interviewee’s office, the researcher’s office or a location suggested by the interviewees, depending on which was most convenient for the interviewee. Five interviews were conducted over the telephone due to the interviewee’s constraints; e.g., a tight time schedule. In such cases, only the main points were repeated by the researcher at the end of the interview to get confirmation from the interviewee.

### **3.5 Data analysis**

In the first stage of the study, relevant literature concerning school choice in China and

other countries was reviewed and existing documentation was analyzed. This involved a review of government documents, policies and official statistics related to the current school choice in China, in general, and to the school choice situation in Nanning in recent years, in particular. A priori coding based on the classification of social strata (Lu, 2002) was used to establish categories to be focused upon and for the analysis of data in the next stage.

After collection, the survey data and the interview data were coded and analyzed based on the aspects of the conceptual frameworks identified during the literature review. Content analysis was employed to analyze the data from the interview, in which content categories were identified and the data systematically coded. The survey data were analysed statistically in order to find out respondents' demographic characteristics as well as the differences between different social strata which might affect their involvement in the school choice process.

Because the search for meaning among research data is the search for patterns (Stake, 1995), the data analysis focused on finding patterns that would provide answers to the research questions. The process of searching for meaning involved inductive analysis of raw data from multiple sources and the exploration of the relationships between categories (Bryman, 2004). More explicit interpretation of the data was sought when some patterns and themes were identified. The research questions were reviewed continuously, comparing them against the collected data.

Because the researcher's native language is Chinese and the interviews were conducted in Chinese, the analysis of the interview data was carried out in Chinese in order to produce more efficient, reliable and valid analysis of the data and minimize the risk of changing or losing some original meanings of the text. Only those parts that were quoted in the thesis were translated into English.

### **3.6 Reliability, validity and triangulation**

For any research method to be effective, it must be both reliable and valid. Reliability refers to the degree to which an experiment, test, or any measuring procedure yields the same results on repeated trials. That is, a research is reliable if it is consistent within itself and across time. It is "consistency ... over time, over instruments and over groups of

respondents' (Cohen, et al, 2000:117). Reliability includes two key components:

- a. Internal reliability --- consistency of data collection, analysis, and interpretation
- b. External reliability --- the extent to which independent researchers can reproduce a study and obtain results similar to those obtained in the original study.

(Nunan, 1992:14)

In this study, a number of measures were employed to ensure acceptable levels of reliability. The research procedures, participant sampling methods, selection of survey instruments, setting of interview schedules, data analysis and interpretation remained consistent throughout the study. During data collection, the researcher refrained, as much as possible, from expressing a personal opinion. The consistency of the research results was also ensured by methodological triangulation. Different methodological approaches: complementary quantitative and qualitative approaches were adopted in this study. This mixed methods approach provided benefits to the research by obtaining data on the same topic from a multiplicity of sources.

The matter of validity of the research and data obtained is concerned with how far the data reflect the truth, or reality, of the situation being investigated, how the findings and conclusions fit with existing knowledge in the area, and how far they translate to other comparable situations (Denscombe, 1998, 2003). The design of questionnaire items was based on the study of secondary data and feedback from the pilot study. Similarly, the interviews were structured around the research questions and on the questionnaire findings, which pointed out areas that needed further inquiry. The use of semi-structured interviews allowed the researcher to adjust the questions whenever the interviewees did not clearly understand a question asked. Further, the conclusion of each answer was repeated by the researcher to affirm his understanding of the interviewees true meaning (Fisher, 2004). Interview notes were given to the interviewees for verification at the end of the interview. A few interviewees added some comments to their original responses. All of these measures enhanced the validity of this study.

Whether the data collected in this study could answer the research problem is associated with internal validity (Fisher, 2007). Again the use of multiple sources of

evidence can address the problem of internal validity (ibid). The use of triangulation by comparing different kinds of data improves the validity of the research (Silverman, 2001) because triangulation leads to “the development of converging lines of inquiry” (Yin, 2003:98). The research finding or conclusion is more convincing and accurate if it is based on several different sources of information (Yin, 2003).

The use of documents, questionnaires and interviews in this study enhanced the credibility of the data and the validity of the research. Therefore, the results of this study may be generalized to schools of similar size, demographics and other conditions.

### **3.7 Ethical consideration**

According to *The Revised Ethical Guidelines* of the British Educational Research Association (BERA, 2004:5), all educational research should be conducted within an ethic of respect for: the person, knowledge, democratic values, the quality of educational research and academic freedom. In agreement with good research practice, three ethical questions from Cohen et al (2000: 292) were taken into account throughout the research phase of the study to avoid any possible ethical harm

- Has the informed consent of the interviewees been gained?
- Have confidentiality, anonymity, non-identifiability and non-traceability been guaranteed?
- What has been done to ensure that the interview is conducted in an appropriate, non-stressful, non-threatening, manner?

In this case, informed consent was obtained from the schools and participants involved to conduct this study. In order to assure the participants “that we will not use the data against them” (Jones, 2004:259), all participants were guaranteed anonymity, confidentiality and a right to drop out at any point of this study before the questionnaire and interview began. To dismiss the interviewees’ concern over the identifiability and traceability of their identity through their voice, the interviews were recorded only by written notes of the researcher, which were shown to the interviewees at the end of each interview to check for completeness and accuracy.

When the data were being analyzed, pseudonyms were used to refer to the three schools involved and none of the names of the participants were mentioned so that anonymity could be assured. Throughout the research process, all decisions were made with the convenience of the participants in mind. For example, the place and the time of all the interviews were suggested and decided upon by the interviewees so that the interviews were conducted in appropriate and comfortable surroundings at their convenient time.

## Chapter 4 Findings and Discussion

This section discusses the materials that were described in the previous section and their implications for the matter of school choice. The results of the questionnaires and interviews provide insights into the manipulation of that market, and the impact on social equality as a result of the use of market mechanism through parental choice.

This study has found that the cultural, social and economic capital in the form of credentials, personal *guanxi* networks, money, etc has been used as screening devices in the school admission process to the advantage of the upper and middle class families. As a result of this and together with the government's explicit and implicit policies concerning school choice, the present "actual" admission criterion based on parentocracy is established, which maintains the intergenerational transmission of the social classes through parental choice.

### 4.1 Manipulation of market mechanisms in the school choice process

This study has discovered the widespread use of market mechanisms, such as cultural capital, social capital and economic capital, before and during the school choice process among families in their attempts to secure a positional advantage in obtaining a place in oversubscribed schools for their children. Expanding on the idea of capital to include "immaterial" and "non-economic" forms of capital, such as cultural capital, social capital and symbolic capital, Bourdieu (1986) elaborates how these forms of capital can be acquired, exchanged, and converted into other forms. What these forms have in common is that each requires and is the product of an appropriate investment, and each can expect a return on that investment (Reay, 2004). Below, the questionnaire and interview findings of this study are discussed in terms of Bourdieu's theory of capital and Brown's PCT.

#### 4.1.1 Cultural capital

Widely recognized as one of Pierre Bourdieu's signature concepts (Lareau &



Weininger, 2003), cultural capital is subdivided into three types: the objectified state, the embodied state and the institutionalized state (Bourdieu, 1986: 47). The last two are closely related to the present study.

The objectified cultural capital refers to things possessed by people or organization(s) such as books, works of art, which can be transmitted physically (sold). Since it is not relevant to this study, it will not be discussed here.

The embodied state of cultural capital is directly linked to and incorporated within the individual's mind and body and represents what he/she knows and can do. It has both inherited and acquired properties of one's self and is a competence or skill that cannot be separated from its "bearer". An example of the embodied state of cultural capital is the competence gained by taking extracurricular activities that enables them to perform well in examinations and contests or qualify them as "special talent students". Acquiring such cultural capital requires the investment of time and effort devoted to learning or training.

Institutionalized cultural capital refers to the institutional recognition of a person's educational qualifications or credentials that create a "certificate of cultural competence which confers on its holder a conventional, constant, legally-guaranteed value with respect to power." (Bourdieu, 1986:248) When a student's competencies and skills have been recognized by a school or organization through the awarding of specific, tangible credentials, the students' embodied cultural capital possesses not only academic value, but economic value as well, because it can be converted into economic capital in the school choice market by providing documented evidence of special skills and/or achievements that translate into such benefits as scholarships and waiver of choice fees. The greater the number and weight of the certificates that one has, the greater the likely and amount of such financial benefits. The embodied state and the institutionalized state of cultural capital will be discussed in detail below.

#### 4.1.1.1 Extracurricular classes

As a way to increase the cultural capital, 95% of the respondents from School A, 78% of School B and 12% of School C have sent their child to extracurricular classes beyond what the rest of their classmates receive in the standard classroom experience. Some engaged in these activities as early as the kindergarten period, learning mostly English,

since these parents believed that the earlier one learns a language, the easier it is to acquire it. English has become popular in the after-school training market because it is one of the subjects tested in EESMS, College Entrance Exam (CEE), postgraduate entrance exam, etc. The importance of English at transitional points of schooling, job-hunting, and career advancement in China is too important to ignore. That is why English tops the list of after-school classes that 85% respondents of School A and 68% of School B sent their children to. Mathematics is the next popular after-school class mentioned in the questionnaire. Most interviewees of School A and B and a few of School C sent their children to extracurricular classes of various types in their primary school days, either in the evening or on the weekends and/or had a tutor(s) coaching their children. The goal of this activity was to enable their children to have a head start in learning, lay a solid foundation in study or obtain additional certificates in contests in subjects such as mathematics, English, Chinese and painting or certificates indicating one's level of performance in sports and musical instruments; e.g., piano playing (Band 1-10) (See institutionalized cultural capital below). The majority of the respondents (78% of School A and 62% of School B) indicate that gaining positional advantage is their major goal of attending such classes. Making up weak subjects is mentioned by 56% and 26% respondents of School A and B respectively. Here is what one parent had to say on this matter:

I think we, as parents, should provide every opportunity for the child to develop her potentials within our capability. If we don't try, how do we know what the child is interested in and good at? As far as learning is concerned, I don't want our child to regret by saying "If only I had had the chance to ..." when she grows up. So we sent her to learn dancing, painting, English in kindergarten, and English, mathematics and calligraphy in primary school. Now, due to a large amount of homework, she attends only one English class on the weekend.

Both the parents and students have to spend time going to and from the venues of the extracurricular classes. This practice is particularly burdensome when the children are in kindergarten or primary school because parents have to wait nearby to pick up their children after class if they live far away from the training school. Quite a few parents admitted that sending children to extracurricular classes consumed much of their

spare-time. A typical comment made by one parent reflects the true feelings of many of them: “We don’t have Saturday and Sunday, only Day 6 and Day 7”, meaning the work days or school days occupy seven days a week, with no periods for rest and recovery.

#### 4.1.1.2 Acquisition of educational credentials

Because the entrance exam for junior middle school has been formally prohibited since the mid-1990s, schools need to have some other kind of criteria to use as a basis for selecting students for admission. It was at this time that performance in the Chinese Mathematical Olympiad<sup>9</sup> (CMO) contest, Public English Testing System<sup>10</sup> (PETS), Cambridge Young Learners English<sup>11</sup>, etc came to be used as benchmarks for school admission. These contests are held nationally and are conducted by recognized organizations. Therefore, the results are viewed as reliable and authoritative. As a manifestation of institutionalized cultural capital, the prize-winning certificates of these contests have significant value in the school admission process for key junior middle schools. Therefore, there are good reasons for the widespread participation in the extracurricular classes and contests among students of School A and B over the past few years.

The importance of certificates is highlighted in the admission notice of School A posted on its website. On the list of the information to be submitted in the application process at School A, the first item mentioned a record of certificates earned in competitions of various kinds: mathematics, English, Chinese, and other events. The operational, if not announced, requirement of certificates in order to gain admission is not unique to School A. As revealed on their websites, other key junior middle schools in Nanning also ask applicants to submit certificates along with other relevant materials for

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<sup>9</sup> It is the most influential and the largest scale mathematics contest organized by the Chinese Mathematical Association. There are annual contests designed for middle school students and primary school pupils in China.

<sup>10</sup> An examination designed by the Testing Centre of the Ministry of Education for all the citizens in China regardless of age, occupation or educational background. There are five grades (1-5) ranging from low to high.

<sup>11</sup> An English test designed by University of Cambridge Local Examinations Syndicate (UCLES) for children between the ages of 6 to 12.

admissions screening (e.g., NSS, 2009; NXM, 2010).

When asked about the role of such certificates, in addition to consideration of student's academic record, in the admissions process, the headteacher explained that:

The education authority does not allow us to give an entrance exam to select our students, but the number of applicants is several times more than we can enroll. We can't just select our students at random. Some kind of standard has to be used in order to choose the better ones. The certificates can at least reflect that the holders are better than other applicants in one way or another.

For the *key schools*, certificates can help them identify the ranking of students in terms of academic achievement. Except for the few at the top, who do not need to pay choice fees, the rest of the choice students have to pay a various amount of choice fees depending on their ranking. The lower down the list, the more one has to pay. As to the prohibition of an entrance exam, it may be more in form than in fact. All of the parent interviewees of School A students confirmed that there was, in fact, an entrance exam at the school, one which was conducted under the name of "interview". In contrast with the previous practice of formal entrance exams, the interview is relatively simple in terms of the depth and breadth of the test items. In addition, the length of the exam time is relatively short: 30-50 minutes. Certificates obtained from the more sophisticated and in-depth contests provide deeper insights into the applicants' actual capabilities and are, therefore, welcomed by the schools.

The hide-and-seek game of holding entrance examination can be found in many places in China. Instances in Nanjing (Qian, 2009), the capital of Jiangsu Province, revealed that some oversubscribed junior middle schools held a free, two-week preparatory class, whose students were selected on the basis of application materials. At the end of the preparatory class, the best students, as judged by scores on the final exam in the class, were selected for admission to the school. Other oversubscribed schools simply took the test papers to the primary schools and asked the teachers there to conduct the examination for them as a part of the final test in their primary school classes. In Chengdu, the capital of Sichuan Province, a two-hour entrance examination took place in a hotel in April, 2010 under the name of "Questionnaire for Primary School Teaching and Research". Over 20,000

participants competed for 1,000 places in two key junior middle schools (He & Ye, 2010); i.e., only 5% of the participants could be enrolled by these two schools.

One parent of a School A student echoed the views of many parents when he pointed out sharply that few children could win any prize without learning extra knowledge in extracurricular classes. The knowledge gained from the textbooks learnt at school was far from enough to be successful when confronted with most test items in extracurricular competitions.

Some parents admitted that they knew their child was not interested in taking extracurricular classes, but they had to do so for the good of their future. One needs to have some certificates to secure the access to *key schools*. One parent said

We are caught in this tide of competition for good school places. No one dares to take the risk of not sending his child to extracurricular classes when everyone else does. If one does [not send his child to these classes], he will regret and pay for it later when his child fails to enter a desired school.

This reflects what Brown et al. (2003) describe that “[t]he acquisition of suitable qualifications may not ensure access to employment [here *key school* place] but without them one is not in the game (p.116)”.

The middle manager of School B revealed that applicants are screened and ranked according to the information they submitted, namely the number of certificates and the weight of each certificate. Each certificate has a certain value and the adding up of all of a child’s certificates plus his interview result determines that child’s ranking among all the applicants.

Although School A does not say having certificate(s) is a must for entry, many parents, especially those of the middle class, fully understand the importance of the certificates for gaining entry into a desired school. Five parents of School A confirmed in the interview that through their *guanxi* networks they knew the important role of certificates in the admission process, so they had helped their children obtain certificates of one kind or another by sending them to extracurricular classes, employing tutors and participating in contests. The other five parents of School A also acknowledged that they knew the

importance of certificates from the experiences of their relatives, colleagues and friends or through the internet. After failing to get her child into a *key school* for lacking of certificates, one parent of School B regretted sticking to her principle of letting her son grow up naturally and enjoy his after-school hours without the burden of taking extracurricular classes.

As more and more students now have certificates of one kind or another, possessing only one certificate often seems far from enough to significantly affect the entry decision because educational credentials are positional goods (Hirsch, 1977). Lauder et al. (1999:24) point out that “when too many individuals hold that good or credential at that particular level, it loses value and individuals will try to gain advantage by studying for a credential at an even higher or more prestigious level”; i.e., a credential with greater weight. Therefore, in order to secure a place in the *key school*, one has to learn more specialties than others in order to be ‘[get] ahead or [avoid] social “congestion”’ (Brown, 2006:382) in the competition for educational credentials. As a result, sending students to extracurricular classes of different types and levels has become commonplace, as indicated in the questionnaire responses. All the interviewees of School A and most interviewees of School B confirmed that their children had attended at least three extracurricular classes since kindergarten. Several parents of School A students revealed that their children had three to eight certificates when they applied to the present school.

Figures for some cities in China provide additional insight as to the size of the extracurricular training market. According to Beijing Examination Institute, in 2005 there were over 53,000 6-15 year-old students taking PETS in Beijing, accounting for two-thirds of the 80,479 exam-takers (Yu, 2006). The percentage of primary pupils taking PETS rose to 80% in 2007 (Zhang, 2007). These exam-takers normally have taken extracurricular classes of appropriate level before the exam. Self-taught students are rare, if there are any at all. In Chengdu, over 100,000 students (i.e., about 50% of all the primary school pupils) in the urban area had been taking extracurricular classes in preparation for CMO in 2009 (Jiang, 2009),

It is true that no one sees better if everyone stands on tiptoe, “[b]ut if one does not stand on tiptoe one has no chance of seeing” (Brown et al., 2003:111). Credential inflation

has forced many students to obtain more certificates and certificates of higher levels. One parent from School B pointed out that a certificate of PETS Band 1 could get one into a key junior school a few years ago, but now a certificate of PETS Band 2 is required to achieve the same goal. Another parent of a School B student described her feeling as stunned when she looked at the register book for application in School A and found the large number of certificates that some applicants had and the weight (importance) attached to some of these certificates. One parent of a School A student said:

Our child has been learning English since kindergarten and started to learn CMO from the third grade in the primary school. We always encourage him to take part in contests of any kind: English, mathematics or others to try his luck whenever and wherever it is possible. The more you take part in the contests, the more chances you will have in winning certificates because you learn from all of these past experiences – win or lose.

The findings of this study demonstrate that the factor(s) deciding the school placement in *key schools* has changed from one examination to many examinations as *key schools* rely heavily on certificates of the mainly academic achievement variety. The competition for a place in the *key school* has become the competition for the number and weight of certificates one has in comparison with others seeking admission. The use of certificates by schools to “screen” better students in the school choice process has effectively extended the competition between students beyond the school walls to include after-school activities in off-campus venues. This extension of competition has disadvantaged working class families who do not have the financial resources or the time to send their children to extracurricular classes and competitions. Therefore, ‘[c]redential inflation will favour those with personal and family resources that are able to meet the costs associated with an extended competition’ (Brown, 2006, p.386). It is a race open mainly to children from middle class families.

The implicit requirement of certificates has made the admission process more complicated than the previous entrance exam for both the parents and the schools. In one parent’s words: “We don’t know how many certificates other children have or the weight of these certificates. We are fighting in the dark to acquire as many and as valuable

(weighty) certificates as possible in order to secure the place in the desired school.” The government’s intention of freeing the primary pupils from the exam-driven education by abolishing the entrance examination to junior middle schools has produced the unintended consequence of forcing the children to take more examinations (i.e., enter more contests) so as to acquire relevant certificates for use in the school choice process. For the schools, the past practice of taking students based simply on the scores in one (entrance) examination has turned into a complex task of taking many more factors into consideration in the admission process, including social and economic factors which will be discussed in 4.1.2 and 4.1.3 in addition to academic ones.

#### 4.1.1.3 Special talent student

Another important reason for the active participation in extracurricular classes is to prepare for the possible entry into the desired senior middle school through the route of being a STS. The so-called “special talents” refer to any extraordinary skills normally learnt outside the school curriculum. Of course, one has to produce some kind of evidence, such as certificates or prizes. The enrollment plan designed by Nanning Education Bureau (NEB, 2007b) stipulates that senior middle schools can enroll up to 5% its student body as “special talent” students, who are supposed to be outstanding at a particular skill or subject, like violin, piano, dancing, painting, mathematics or English, but whose overall academic achievement does not meet the normal academic requirement of the desired school. In some places, such as Beijing, the “special talent student” is used as a route of entry into the state junior middle schools (BEC, 2007), though in Nanning it is not officially stated that junior middle schools can take out-of-zone “special talent students”. However, in reality many junior middle schools in Nanning do take a few such students, especially those who have won prizes of certain subjects, like mathematics or English, in high level contests. Twenty-eight percent of respondents of School A and 21% of School B state that one of their purposes of sending their children to extracurricular classes is to learn a special skill, which, as confirmed by some parents in the interview, may help their children to enter the desired school at the next level.

The types of “special talent students” each school takes and the admission criteria vary



from school to school. Some schools accept STS in quite a variety of fields such as mathematics, English, information technology (IT), robust-design, basketball, table tennis, marshal arts, track and field, singing, dancing, and playing musical instruments, while others may take STS in only two or three of these areas. The admission requirements also vary a great deal. The top schools may demand a first prize at the provincial level or above for contests like mathematics and English, and a first prize at the municipal level or above for contests (matches) in sports, music and dancing. Some second-best schools may lower the admission criteria to admit third-prize winners in the above contests. Average schools also accept STS with somewhat lower admission criteria. The overall academic achievement of the STS can be a bit lower than that of the normal students. Therefore, having some kind of special talent can be used as a back-up plan to get into one's desired school if one fails to do well in the entrance exam.

Regarding STS, one parent of a School B student claimed that: "It's always good to have one more option than none to get a place in the desired school, though it may be done at the cost of time and money." However, the competition for entry into oversubscribed schools through the STS route is very intense since such students do not need to pay choice fee and a school's entering class is limited to no more than 5% STS. In spite of the limited chances, many parents do not want to miss this possible route of entry into the desired school. Therefore, many children are sent to learn and develop one skill or another as early as three years old (Wang et al., 2005). This reflects the dilemma discussed by Brown (2006) that there is an opportunity trap: though the costs for extracurricular classes are high and the chances of success are low, parents believe that they have to "be in to win". These parents' motto seems to be: "one percent chance deserves ninety-nine percent effort." In any event, the option of STS for school admission opens further the possibilities for middle class utilization of its cultural capital.

#### 4.1.1.4 Employment of tutors

Hiring one or more tutors to help the child with subject(s) in which he is weak is also a common practice among middle class families. Fifty-four percent of parents of School A students and 38% of parents of School B students indicated they had employed tutors for

their child at some point during the child's schooling. Many parents did so in an attempt to help the child to catch up with others in some of his weak subjects, while others intended to help the child become outstanding in the tutored subject(s). Several parents shared the view that a weak subject at an early stage of education would also be a weak subject at the next stage of schooling. Therefore, this deficiency must be fixed as soon as possible with the help of a tutor, who can tailor his coaching according to the individual case. Tutoring is usually done in the evening or over the weekend two or three times a week for one subject. Tutors of English and mathematics are very popular in the tutoring market. Most parents revealed in the interview that they had employed or were employing a tutor for either English or mathematics, or tutors for both. One parent of a School A student commented on the tutoring issue:

My son was interested in English when he began to learn it in the primary school. I had a third-year undergraduate student to help him, and he did quite well in the final exam. After that he became confident and interested in English. I have had tutors for his English courses ever since then, one at a time, of course, in order for him to maintain his leading position in that subject in his class and winning prizes in some English competitions. It is really worth the money.

Some parents expressed the need of having a tutor to help the child overcome the difficulties in the learning of some "boring" subjects in the initial stage. In the case of English for instance, the memorization of words is far from interesting for primary school pupils. They need someone to help them get over that difficult stage and build up their confidence in being able to learn the language well. Once they are on the right track, they hopefully will conscientiously try to memorize the English words by themselves.

#### 4.1.1.5 Benefits from parents' educational level and personal history

Similar to Wu's (2007) finding that the percentage of parents selecting schools for their children increases with the increase of their educational level, this study has also revealed that parents' education level has a significant impact on the decision-making process of school choice; e.g., when and how the action of school choice should be taken. On the whole, the parents' educational level is positively correlated with the willingness to

select schools for their children. The education level of the parents indicated in Table 4.1 shows that parents with higher educational credentials tend to select schools for their children more often than those with lower credentials. Most respondents of School A and of School B (88% and 72% respectively) have received at least a two-year college education. The following comments illustrate this point:

A parent with a PhD said: From every step that I have taken to reach my present position, I fully realize the importance of having the highest educational credentials. You need these to be the one selected when the opportunity of career advancement comes.

A parent with an MA said: My personal experience has convinced me that without a master’s degree, one cannot find a decent job. In order to get a master’s degree, the best way is to attend good schools all the way up [through university].

Table 4.1 Parents’ educational level

Types of school & total number of respondents	Doctor	Master	Bachelor	Associate degree	Senior middle school diploma	Other
School A: 126 respondents	6%	21%	45%	16%	12%	0%
School B: 128 respondents	2%	14%	39%	17%	25%	3%
School C: 107 respondents	0%	0%	5%	11%	61%	23%

The personal histories and educational experiences of parents have a tremendous impact on their involvement in their children’s schooling. The parents whose children were born in the 1980s and 1990s have suffered a lot from the idea of “Learning is useless”, which was prevalent during the ten-year chaotic *Cultural Revolution*.<sup>12</sup> Having

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<sup>12</sup> A comprehensive reform movement (1966-1976) in China inaugurated by Mao Zedong in an attempt to prevent the development of a bureaucratized Soviet style of Communism. It was characterized by political zealotry, purges of intellectuals, and social and economic chaos.

the right political attitude was more important than academic achievement then. But the restoration of CEE in 1977, which was abolished in 1966, has left an unforgettable memory in the minds of both those who passed and those who failed it because the CEE was a turning point in their lives – be it up or down. Those who passed the CEE in those years have seen and experienced the importance of success in education in their lives and careers. Therefore, they are better able to foresee the value of schooling, and they regard it as definitely a good investment. These people are mostly today's middle class parents, who owe, to a great extent, their decent life and job to their success in education. In addition, they can foresee the rising demand for higher or more reputable educational credentials in the labour market in the near future which is a result of the credential inflation phenomenon. This perception accounts to a large extent for their active involvement in their children's educational choices, including those made during pre-school years.

Many parents of School A and B students repeatedly stressed the importance of education in one's life and work. One parent was taking a realistic view when he said:

For our generation, having a college degree or not has made a great difference in one's work and life. It has determined whether one ended up doing mental work or physical work, receiving more pay or less pay, and having higher social status or lower one. I do not mean to look down on people of lower social status or with lower pay; however, this is the reality we have to face.

The importance of entering a *key school* is also repeatedly emphasized by many parents in the interview. The idea that the type of school one attends decides the type of school one is likely to go to at the next level of schooling is not just a theoretical assumption in the Chinese context. A comparison of the transition rate of the *key schools*, second-best schools, average schools and poor schools to the *key schools* at the next level provides evidence that the type of school one attends could be a turning point in one's academic career. The transition rate from senior middle school to university best illustrates this point. According to the information on the websites of most Nanning middle schools, the transition rate to universities is shown below:

Table 4.2 Transition rates of Nanning senior middle schools to universities in 2008

Types of schools	Transition rate to universities		
	First tier <sup>13</sup> universities	Second tier universities and above	Third tier universities and above
<i>Key schools</i>	46-48%	77-83%	94-97%
Second-best schools	8-10%	35-40%	60-77%
Average schools	0-1%	10-20%	15-25%

The information of transition rate to universities was not available on the websites of the poor schools. But if we look at the entrance scores of their students, we can reasonably predict the outcome of their performance in CEE. The score of EESMS were transformed into eight grade ranges: A+, A, B+, B, C+, C, D, E which were used to characterize the quality of the student intakes. Data from the local education department (NEB, 2008b), revealed that the lowest score of an entering student was “A” for *key schools*, “B+” for second-best schools, “C+” for average schools, and “D” for poor schools. With such low quality student intakes, poor schools can only aim at producing some students for third tier universities, at best.

As we know, having a university degree or not makes a great difference in job attainment. From the data in Table 4.2, we see that nearly all the students in the *key schools* can go to university. But the number goes down to about two-thirds for second-best schools and less than one-third for average schools. The comparable number for poor schools must be even lower.

The data in Table 4.2 reveal an even more stark fact. As noted above, what matters most in today’s job market is the transition rate to first tier universities because in these

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<sup>13</sup> The classification of the Chinese universities and colleges into three tiers is more often used to indicate the order of enrollment, the first tier (elite universities) select their students first, then the second tier (average universities) and followed by the third tier. Hence it indicates the reputation and quality of the universities.

days of credential inflation it takes an elite university degree in order to find a really good job. A survey conducted by *China Youth Daily* (Hu & Li, 2010) demonstrates that applicants with high educational credential(s) or credential from an elite university have greater success in securing a job than those who do not. Employees with master degree earn more than those without, even though they may do the same job, and the former have more chances to be promoted to higher positions than do the latter. The data in Table 4.2 show that nearly half of the students in the *key schools* are admitted to elite universities while that number is drastically reduced to no more than 10% for second-best schools. For average schools, having one or two students enrolled by elite universities is the goal of the schools, and occasionally they are successful. These data clearly demonstrate the crucial role that the type of schools plays in deciding the type of schools one is likely to attend at the next level of schooling. That explains why all the respondents of School A and B identify transition rate as the most important factor in selecting the present school for their children.

The causal relationship between different levels of schooling and the path dependence on educational attainment is confirmed by some empirical researches. For instance, based on the databanks of EESMS and CEE of a particular county, which included test scores of 5,389 and 3,389 students respectively, Chen Binli (2008) discovered that there is a strong correlation between higher education opportunity and the type of senior middle school attended, with key senior middle schools producing higher percentage of students for universities. The same is also true of the causal relationship between senior middle school and junior middle school. Evidence from many OECD countries indicates that school environment has strong influence on students' achievement (OECD, 2010).

Compared with parents of Schools A and B, the parents of School C have much lower educational levels, with only 16% having a two-year college education or above. This is because the majority of the parents of School C students are migrant physical labourers coming from rural areas where the poor educational environment did not enable them to receive schooling beyond middle school. Now, they cannot easily afford to send their children for additional education. The school choice they have made is restricted by the limited cultural and social, as well as economic, capital. Therefore, this type of school choice is different from the mainstream school choice discussed in the media and the

academic circles, which aims at better educational outcomes instead of proximity and convenience.

Although parents of School C students also showed in their interviews their understanding of the importance of education, the problem is that they do not know when and how to get involved in their children's education. They cannot tutor their children in their studies because of their own limited education background. They cannot send them to those extracurricular classes due to their low income.

The cultural capital acquired by the middle class parents empowers them to make a plan for their children's education. As far as the preparation for school choice is concerned, they know what information should be collected, when to start taking extracurricular classes, what to learn and what types of credentials are important.

One parent of a School A student, said that he learnt from various sources about the admission criteria in those key junior middle schools when his son was only in the first grade of the primary school. Fully realizing the importance of the prize-winning certificates in the admission process, he sent his son to learn English after school throughout all of his years in primary school. Fortunately, his son won two first prizes, two second prizes in some of the English contests, and those certificates helped him to win a place in his present school. Four other parents of School A and five of School B students echoed the parent's view. Only one parent regarded winning prizes as the "byproduct" of taking those extracurricular classes, an extra gain in addition to the improvement of the child's study and the skills learned.

Explaining the necessity of choosing a primary school for his child, one parent commented: "Small children are easily influenced by their environment, by the company they keep. You can't count on a child to control himself from distraction or temptation to do something that he shouldn't do. Besides, who would take the risk to bet the future of his child on this?"

Another parent observed, "I truly believe the saying that the least salted vegetables in the salted jar are saltier than the salty vegetables in the unsalted jar", meaning that the poorest student in a good school is still better than the best student in a poor school. "You know, a good student needs a good environment to fully develop his potential. And our

child is not that good, so he needs a good environment even more than the good student does”, said a parent of a School B student.

In contrast to the middle class parents’ strategy mentioned above, many working class parents of School C students did not begin to collect information about the admission requirements and process until just a few months or even a few weeks before their children were supposed to enter junior middle school. Hence, they and their children are, not surprisingly, greatly disadvantaged in the school choice process.

#### 4.1.1.6 Summary of cultural capital accumulation

The high percentage of students of School A and B taking extracurricular classes (95% and 78%, respectively), having extracurricular classes/tutors, and earning certificates, the higher educational level of their middle class parents, their personal experiences that help them to understand better the importance of receiving good education and their awareness of the need to accumulate cultural capital early, all demonstrate the advantages enjoyed by middle class families when it comes to understanding, acquiring, and utilizing cultural capital in the school choice competition and have helped the cultural reproduction of middle class families and have increased the existing differences between different social strata. The acquisition of more cultural capital by the middle class families also explains why 82% and 76% respondents of School A and B respectively prefer school choice by academic achievement to other ways.

It should be noted that cultural capital is often closely related to economic capital, so that they can work to reinforce each other. In the short-term, the acquisition of many of the types of cultural capital discussed above depends on the investment of economic capital, and the obtaining of prize-winning certificates might in return effectively reduce the amount of choice fee that one is supposed to pay in the school choice process. In the long run, the more cultural capital obtained helps one to receive better education and obtain a higher position with better pay in the job market, resulting in greater economic capital.

The conversion of cultural capital into economic capital is well-demonstrated by one parent’s son, who has more than twenty certificates, including several first prize



certificates in mathematics and English at the municipal, provincial and national levels. All of the three key junior middle schools to which the child applied offered favorable conditions for the child to attend their school. The parent finally chose the one that gave his child the most favorable treatment: waiving of choice fee and tuition and awarding a one-time scholarship of ¥500. The child's parent commented on this matter: "It is obvious now that the most valuable investment for the family is to invest in the child. His success in study can win him a place in the desired school and save the choice fee for the family, a situation of killing two birds with one stone."

Cultural capital is an important asset in the school choice process. The employment of a variety of types of cultural capital in the school choice process discussed above has effectively substantiated Bourdieu's cultural reproduction theory by showing how children from high socio-economic backgrounds are able to acquire more cultural capital as a result of having been exposed to more extracurricular activities and subsequently to have better chances of securing oversubscribed *key school* places, which can lead to achieving high levels of schooling than others. The widespread practice of middle class families in sending their children to extracurricular classes, obtaining certificates of various types and hiring tutors clearly illustrate how cultural capital can be used to maintain social stratification by perpetuating educational inequalities that lead to the unequal life chances for differently schooled people.

#### 4.1.2 Social capital

In addition to cultural capital and commonly understood economic capital, the market for school choice can be influenced by the acquisition and use of social capital. Having the right social capital becomes crucial in many cases in the successful acquisition of an oversubscribed school place. The concept of social capital has been widely discussed, described, and defined, often in slightly different ways. In order to better acquaint readers with the concept of social capital, the theories of a number of scholars will be examined.

First of all, social capital can be approached from two perspectives: the individual and the group (Lin, 2001). The former focuses on "how individuals access and use resources embedded in social networks to gain returns in instrumental actions (e.g., finding better

jobs) or to preserve gains ...” (p. 21) while the latter dwells on “(1) how certain groups develop and more or less maintain social capital as a collective asset, and (2) how such a collective asset enhances group members’ life chances” (p. 22). Bourdieu (1986) defines social capital as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.” (p.248) It is “made up of social obligations ('connections'), [and] is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility.”(p.243) Bourdieu’s definition is clearly a collective one. Coleman (1990) offers a functional definition: “Social capital is defined by its function. It is not a single entity, but a variety of entities with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors ... within the structure” (p.302). This definition has both individual and collective aspects. Putnam (1995) conceptualizes social capital as “features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit” (p. 67) while Burt (1992) sees it as “friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital” (p. 9).

Though differing somewhat from each other, the above definitions express the idea that social capital comprises the relational resources embedded in a social network that facilitates individual or collective action.

The concept of social capital has been closely linked with a central concept in Chinese society; that is, *guanxi*. The Chinese word *guanxi* (or *kuan-hsi*) refers to “a dyadic, particular and sentimental tie that has the potential of facilitating favour exchanges between the parties connected by the tie’ (Bian’s 2006: 312). The term is sometimes used to refer to one party who is in a position to grant a favor to the other party with whom he/she is in a *guanxi* relationship. The relationship involves a reciprocal exchange of favours and has a significant impact and powerful implications in almost all aspects of relationships in China. Hence, one famous Chinese scholar, Liang Shumin (1949) claimed that instead of being individually-based or group-based, Chinese society is relation-based (*guanxi benwei*) so that *guanxi* ties are regarded as the building blocks of Chinese society. Consequently, building and maintaining *guanxi* networks is a dynamic and lifelong

process for every Chinese person (Lin, 2001). There are two types of *guanxi*, each established on a different base: blood bases, which include family members and distant relatives, and social bases, embracing those arising from social interactions at school, the workplace, or the locality (Tsang, 1998). The term *guanxi* can refer to a person or a relationship.

The power of *guanxi* in Chinese social and business life can be of paramount importance, particularly when the goods and services involved are scarce or difficult to obtain. People in a *guanxi* network can ask each other for a favor, especially of those who are in a position to influence the allocation of desirable resources. ‘Because of preexisting relationships, such as friendship, kinship, or *guanxi* indebtedness, [they] can be relied upon to help obtain that desirable object or to “get things done” (banshi)’ (Yang 1994, p.64). The amount of the social capital one possesses depends on the size of his *guanxi* network and on the amount of the social capital that exists within each of the relationship within the network.

As far as school choice is concerned, in spite of having open application and screening processes, the school authority still cannot avoid the influence of *guanxi* networks. The greater the desirability of school places and the greater the intensity of competition, then the greater influence of *guanxi* networks on the school choice process. To be more specific, *guanxi* comes into play when there are many candidates with more or less the same qualifications applying for the same, limited number of oversubscribed school places. The applicant’s family with greater *guanxi* has the upper hand. For example, simply having enough money for the choice fee does not mean one could have it accepted by the desired school; one normally needs to find an appropriate *guanxi* mechanism in order to obtain an opportunity to pay the choice fee. Second, when there are too many candidates with more or less the same qualifications, asking the favour of a *guanxi* or sometimes several *guanxis* is a necessary step to secure the school place. Third, if one does not meet the admission requirement, then finding a powerful source of *guanxi* to advance the application is a must. Generally speaking, few parents would like to pay more choice fee than it is required. That is why bidding higher price for school place rarely occur. If that scenario happens, more often than not, the academic achievement of the bidder’s child is much lower than the minimum requirement. *Key schools* would not dare to take the risk of downgrading their

transition rate by accepting such students unless the *guanxi* network of the student's parent(s) is very influential.

#### 4.1.2.1 Acquisition of insider information about desirable schools

In order to select an appropriate good school for one's child, obtaining the relevant information about the desired school(s) is a necessary step. Eight parents of School A mobilized their social capital to obtain insider information about the school management, teaching quality, the learning environment, the source of students, and particularly the school admission process and the required amount of choice fee in the targeted desired schools in order to make an informed decision. This access is important because an outsider does not generally have information on such matters as the format and the scope of test items of the entrance exam/interview and the admission criteria as it relates to choice fee. Knowing the format of and the general content of the entrance exam enables the applicant to make good preparation, thereby, increasing his chances for success. Acquiring the information about choice fee, which is a sensitive topic and not generally disclosed to the public, can help one think carefully about the cost of school choice among those oversubscribed schools and make a financially informed decision that might be accepted, rather than rejected out-of-hand; e.g., the amount offered to the school is not large enough.

One parent of School A mentioned that with the help of *guanxi*, he had kept track of the specific admission requirements of three desired schools for five years before his child entered the present school. He did this because he wanted to fully prepare his child to meet the rising admission requirements, based on the increased number of certificates and the weight of the certificates required by the desired school in the past few years, he was therefore able to predict what kind of qualifications his child should have by the time he was about to attend the school. Thus, the parent could take corresponding actions (e.g., sending his child to extracurricular classes and taking part in contests) in advance. Some of the other parents of School A and B also acknowledged the use of *guanxi* to obtain specific information about the school choice process.

#### 4.1.2.2 Facilitation of entry into a desired school

It has almost become common knowledge among parents of choice students that economic capital cannot be applied to its greatest effect without *guanxi* providing the appropriate contact or avenue. The *guanxi* ties can produce tremendous influence on the screening and recruiting decisions by providing another basis for distinguishing among applicants. Nine parents of School A and B mentioned they had asked the favour of either their relatives or friends, who or whose friends have *guanxi* connections with the desired school or the local education bureau, in order to get their child into the desired school. For example:

A parent of a School A student said: Money is not everything. You have to find the right person in order to have your choice fee accepted by the desired school. In fact, we had to ask several people, including friends and relatives, to help our child enter this school.

Quite a few parents shared the same view: especially those children with only average or just above average in terms of academic achievement, as there are many students at this level. Therefore, having *guanxi* or not affects the outcome of school choice process in such cases.

Two parents of School A students had asked their *guanxi* to be ready to help them during the school choice process for the present school, though their help was not used because their children were qualified for admission based on their academic achievement. As one of the parents put it, “We always prepare for the worst. So we put our *guanxi* connections in place just in case the worst happened”.

In some cases, the use of influential *guanxi* is a must in order to guarantee a school place. According to the headteacher of a key middle school in Maoming, a city in Guangdong Province, the competition for the limited school places is so fierce that, of the over one thousand applicants, a student cannot possibly enter the school without a “leader’s memo”. The school plan to enroll 250 choice students had to be expanded to 280 due to powerful *guanxi* influences (Lin et al., 2007).

In the interview, many parents of School C and some of School B expressed their

helplessness for the current practice of using money and *guanxi* to obtain good school places. Some said they could not have their choice fees accepted by the desired school without the help of influential *guanxi* even if they managed to raise that amount of money required for school choice. Some complained about the *guanxi*-related practice of school choice but they knew it is quite often a norm to use *guanxi* to get things done in China than otherwise, especially when it comes to matters such as the acquisition of scarce resources (e.g., *key school* places).

#### 4.1.2.3 Exceptional entry into a desired school

There are many cases that unqualified applicants have successfully entered their desired school through the use of influential *guanxi*.

A parent of a School B parent commented: Our son's study was not very good then, so we made great efforts to get him into the present school by asking the favour of a good *guanxi*, who happens to be the former college classmate and close friend of the headteacher. Despite such close relationship, we and the *guanxi* did not have a chance to get the headteacher's signature in order to pay the choice fee when we visited him at the school, simply because he was always surrounded by people in his office. We finally got taken care of this business in the headteacher's home in the evening.

This parent's case is clearly an example of a student who does not meet the school admission requirements and who, therefore, seeks an exceptional entry into the school. That explains why the headteacher could not grant the parent's son's entry in front of other parents in the office, whose children might meet the admission requirements.

The three schools in this study did not reveal any concrete information concerning the use of *guanxi* in students being admitted into their schools. However, one school in Nanning unintentionally disclosed something about the role of social capital in the school choice process. In its 2008 annual report, Nanning No. 33 Middle School, a second-best middle school, in a section discussing its achievements and things to be desired concerning CEE, notes that among the 694 students sitting for CEE that year, there were

58 students (8.4%) whose EESMS scores were below C+. Furthermore, 20 of them did not have any EESMS scores (Fang, 2008). These data strongly suggest that these students were not qualified to enter the school because the previously published lowest score for this school had always been B+, not to mention those without any EESMS scores. The necessary implication is that social capital, probably coupled with economic capital, led to the exceptional admission of these students.

#### 4.1.2.4 Reduction or waiver of choice fee

In addition to gaining the admittance of one's child into a desired school, another important use of *guanxi* is to reduce the choice fee. The extent to which the choice fee can be reduced depends on the influence of *guanxi* networks. In this study, one parent's *guanxi* connections knew the middle manager and had the choice fee reduced by one-third, while another parent's *guanxi* had direct contact with the headteacher and reduced it by half. Several parents of School A and B students admitted that their *guanxi* helped them to pay less choice fee ranging from one or two thousands to more than ten thousands. In return, schools can exploit their social capital of parents in powerful or influential positions to obtain more economic and non-economic gains for the school.

Using *guanxi* to reduce the amount of choice fee is a prevalent practice. As early as 2003, it was reported in the local newspaper *Nanguo Morning Post* that a parent successfully reduced the choice fee from ¥18,000 to ¥12,000 with the help of his *guanxi* who knew the headteacher of the desired school. If one happened to know the teacher or middle manager of that school, the choice fee would be reduced to ¥16,000 and ¥14,000 respectively, and those who had influential *guanxi* paid only ¥6,000 (RNMP, 2003).

Similar to the conversion of cultural capital to economic capital discussed in section 4.1.1 above, social capital can also be effectively converted into economic capital, as exemplified here. The extent of choice fee reduction by targeted desired schools through the use of *guanxi* has become an important factor to be taken into account when parents decide to which school they will send their child. Quite a few parents of School A and B students admitted that they had successfully reduced the amount of choice fee through the help of *guanxi* when their children attended kindergarten, the primary school or the

present school.

#### 4.1.2.5 Early investment in developing *guanxi* networks

The use of *guanxi* to gain long-term advantages can occur long before the junior middle school admission process, per se. For example it is common practice in primary schools for certain teachers to identify exceptional, well-rounded students with the accolade of “*san hao xue sheng*” (Triple-A Outstanding Student), i.e., a student who excels (cf. a jewel) in the three important facets of life: academics, health, and morals. This designation has become a coveted title (a form of institutional cultural capital) that is a value-added qualification for student seeking admission to junior middle school. Helping to gain this title for their child often means that parents work to establish and maintain good relations with the “*ban zhu ren*” teacher, who plays a key role in determining which child is identified as a triple-A outstanding student. This teacher is charged with overall responsibility for the life of the student, including study, discipline, and social development, which often involves visits to the students’ homes. The term “*ban zhu ren* teacher” is translated here as “parentis teacher,” alluding to the once-popular notion of the role of the university in the West to act as in loco parentis – i.e., on-site parent – for the students who were enrolled in the university.

In reaching decisions about whom to designate as a triple-A outstanding student, the academic distinction facet is relatively “objective”. However, making distinctions based on physical and moral facets are more subjective or class-based. Therefore, the personal view of the parentis teacher can play a crucial role in deciding who will be awarded the title, provided the pupil’s academic score is above average. One parent of a School B student mentioned the frequent contact they had with the child’s parentis teacher in primary school, inviting her to dinner and giving her gifts on some holidays in the hope that she might help her child to distinguish himself in the class and obtain the coveted title of a triple-A outstanding student. In this case, her child eventually did receive this valued bit of cultural capital acquired, in part, through judicious development and use of social capital.

This sort of behavior can undermine the intent of the school admissions process and



explains, in part, a comment made by the School A headteacher: “Some triple-A outstanding students have not turned out to be as strong as we were led to believe they would be and why our school is more willing to take top-performers in the entrance exam than those who are not.”

In some places, key junior middle schools take a large portion of their students, who are recommended as good pupils by primary schools, e.g., in Tianjin 60% intakes of key junior middle schools are recommended by primary schools (Zhang & Gao, 2009). Under such circumstance, having a triple-A outstanding student title becomes crucial in securing a place in a *key school*. Again, it is the parentis teacher who plays an important role in making those decisions. Zhang and Gao (2009) cite the case of a parentis teacher in a primary school in Tianjin who selectively and successfully recommended two students for designation as triple-A outstanding students; one was the child of a colleague and the other was the child of a mother with close relations with the parentis teacher. This new reform of “admission by recommendation” has only changed the admission criteria from “objective evaluation (assessment)” to “subjective evaluation”, which is often done at the cost of educational equality.

Early investment in developing *guanxi* networks for use in future school choice situations was a strategic move among some parents in this study. One parent described how she established a connection with someone working in the local education department through one of her friends many years ago and maintained and developed closer relations with the new *guanxi* by sending him gifts and inviting him out for dinner on important holidays or festivals. She had not asked a favour from the *guanxi* connection yet because her other *guanxi* had taken care of everything in the school choice process so far. However, if some difficulty were to appear in the future, this *guanxi* who was being held in reserve would be one of her last resorts. “Afterall, having one more *guanxi* means having one more option of getting things done. No harm done,” the parent said.

Zhou and Lu’s (2009) study showed that parents with more schooling, more income, and more political capital are more likely to pay visits to teachers during the Chinese New Year. This practice increases the chance of successfully selecting schools for their children since these teachers usually have connections in the schools at the next higher, as well as

at the immediately lower, level.

#### 4.1.2.6 Co-operative student

Social networks in the form of institutionalized relationships are also important in the current school choice process. In many schools in China, in oversubscribed schools in particular, there is a special co-operative relationship between a school and other units<sup>14</sup> (e.g., government departments and companies). Together, they are referred to as “co-operative units”. Basically, the term refers to a school and some other unit who co-operate with one another in order to advance their respective developments in a “win-win” relationship. In the school choice context, this co-operation is reflected in the exchange of some school places for a sizable donation. For example, a school might admit some or all children of parents who work at a particular company (co-operative unit). In return, the unit will donate a substantial amount of money to the school, which is commonly known as the “co-operative fee”. Students admitted to the school through such arrangements are referred to as “co-operative students”. Of course, not every unit can successfully establish such relationships with one or more *key schools*. Only those powerful or influential government departments or rich companies are capable of establishing such co-operative relationships with oversubscribed schools. For instance, a construction company in Beijing donates ¥25,000 to its co-operative school for every applicant the school admits whose parents work at the company (X. Yang, 2005). Also, there is a report of a provincial financial department that has used its power to allocate ¥500,000 education funds to a particular co-operative *key school* for every child of their officials who is granted admittance (Zhang, 2005).

School A has a few such co-operative units as revealed on the school website. One parent confirmed during the interview that his child is a co-operative student. Details about the amount of the co-operative fee and the total number of co-operative students generally are not available from the school. Schools B and C do not have co-operative units, probably because those units which are powerful enough or whose financial capital

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<sup>14</sup> In China all the work places are called units, like a school, organization, shop, etc.

is strong enough to pay the substantial co-operative fee are limited in number and they all go for the *key schools*.

The phenomenon of co-operative students is more visible in big cities like Beijing where so many central government departments or institutions are located. In its school placement plan, Beijing Education Commission (BEC, 2007) stipulates that children of the co-operative units can go to their corresponding co-operative state schools, thereby explicitly and officially acknowledging the enrollment of co-operative students as a route to gaining admission to a key state school through institutionalized means. As revealed by a CCTV (2009a) investigative report, one district *key school* in Beijing has sixty-two co-operative units. Municipal *key schools* are likely to have even more. Some powerful governmental departments may have several co-operative schools. The result is that co-operative students can constitute a considerable proportion of the student population in some schools. For example, co-operative students account for 20% of the students in ten classes in the Middle School Attached to Beijing University of Technology, a *key school* in Beijing. That is why entering schools as co-operative students has become the most controversial issue and is regarded as an unfair practice in the school choice process in Beijing (CCTV, 2009a).

#### 4.1.2.7 Accumulation of social capital for future use

One parent took a long-term view about social capital. Specifically, based on the information that he had gathered, most parents of *key school* students were leaders or public servants in government institutions, professionals and successful businessmen. Therefore, it could be reasonably expected that their children would be among the most likely to succeed in their future careers, partly as a result of their family background. This parent concluded that by having classmates from such highly placed families, his own child would acquire significant social capital that would be of a great benefit in his future career development. Other parents echoed this view, albeit expressing it indirectly. This concept making school choice on the basis of the potential for the acquisition of future social capital is illustrated in Z. Yang's (2009) report about a middle manager at a bank, who was preparing to choose a school for his five-year old child. With the possibilities of

future social capital accumulation in mind, the manager asked for information about which school had the largest number of students whose families were members of the elite classes. In his view, the expensive ¥35,000-45,000 choice fee that he and the parents of his child's classmates have had to pay has resulted in the formation of a special type of student circle (social capital) that can be invaluable in a student's future life. In the present society, one's social circle is crucial to one's career success; academic success alone does not necessarily lead to career success. That is why this parent wants his child to be a part of an elite social circle right from the beginning in the primary school. He believes that such an arrangement will be a big advantage in the positional competition for schools and careers that lie ahead.

#### 4.1.2.8 Benefits and trouble to schools

The accumulation of social capital is a concern of the schools, as well as the parents of students. Specifically, oversubscribed schools can literally capitalize in the school choice process in order to maximize their economic and non-economic capital through the selective admission of some students whose parents are in influential positions. This kind of social capital obtained by the school can help to facilitate mutually beneficial social relationships and bring the schools economic benefits.

The headteacher of School A confirmed that the position of the parents was taken into account during the school admission process. Some parents in key positions could provide more resources financially and materially to the school. For instance, prioritizing or granting more government funds to the school, making organizational donations, and giving some equipment are actions that some parents are in a position to perform while others are not. As an example, parents employed in government departments are sometimes able to help to facilitate and speed up bureaucratic procedures in order to complete action of a school's request. Li et al.'s (2007b) study showed that through use of their social capital, some key middle schools had successfully acquired funds of several millions *yuan*.

Social capital brings benefits not only to the school, but also to the local government because donations to schools, such as contributions given to schools from organizations or

companies, reduces pressure on the government's tight budget for education by effectively expanding it through off-budget actions.

In short, "parent power" is a form of social capital that accrues to the school's benefit. Both School A and B have admitted some choice students whose parents are leaders in the district, municipal or provincial government departments, institutions or companies. With the help of their social capital, these two schools can have things done in a faster and more efficient manner than those without such contacts, especially during the enrollment period. For those oversubscribed schools, school places become instrumental in the sense that they are effective tools for public relations.

However, the influence of *guanxi* is not an unalloyed benefit to the schools. Headteachers often have mixed feelings about *guanxi*. On one hand, making use of it can certainly bring benefits to their school and to themselves as well. On the other hand, they inevitably have to offend many school place requesters due to the limited number of places available. For example, the headteacher of School A admitted that every year the enrollment period is a tough time for him dealing with *guanxi* requests for school places. Those requests were made in either memos or by phone calls, all of which were usually sorted in order of importance in terms of the positions the requesters hold, the nature of the relationship with the headteacher and their ability to influence matters affecting the school. Since the number of school places is limited, more often than not, only those requests ranking at the top of the list can be met. Therefore, the headteacher end up offending the rest of the requesters, to whom he has to apologize when the enrollment is over. Because some people sometimes use names of important people to bluff the school into accepting their child, the headteacher says that whenever he receives a "request memo" that he thinks should be dealt with in a positive manner, he will usually contact the requester to make sure first of all the "memo" was genuine, and second, that the requester is serious about taking the action, rather than simply writing the memo out of courtesy to the parents of the child. The headteacher's action in this case can also serve as a reminder to the requester to return the favour in the future should the need arise.

The pressure from requesters can be relentless and often requires some defensive action by those who are being solicited. According to the middle manager of School B,

headteachers, directors of the local education bureaus and even the mayor or vice mayor in charge of education are hard to reach during the enrollment period. Turning off mobile phones and changing offices are common practices for these people. Such practice is understandable since Nanning is the provincial capital city, and there are many high-ranking officials in the provincial government departments, who are in a position to influence the careers of the leaders in the local schools, the education authority or even the municipal government. According to Li et al. (2007a), one *key school* headteacher receives over 600 “request memos” each year from officials of the district, municipal, provincial or higher levels of government, seeking school places, a number which is far beyond his capability to satisfy. The strategy he uses to survive in such a “no-win” situation was to “hide”; i.e., disappearing from the campus until the new school term begins.

#### 4.1.2.9 Summary of social capital mobilisation

In summary, for parents, the use of social capital to secure limited places in oversubscribed schools is one of the most prominent features in the current school choice process in China. In many cases when the competition for a school place is intense, even the combination of cultural capital and economic capital cannot guarantee one a place in the desired school. In such cases, mobilization of social capital is necessary to attain the goal. For working-class families, cultural capital and economic capital are something they can still manage to acquire, though in many cases painstakingly by borrowing money from relatives or friends or their children’s effort to make great academic achievement. But social capital is more often than not class-specific. Working class families are less likely to have friends or acquaintances in powerful or influential positions since “parental networks tend to be homogeneous with respect to class... Working class and poor networks do not encompass middle-class parents” (Horvat et al. 2006:465).

The interviews in this study have confirmed that the use of *guanxi* is positively related to successfully obtaining places in the desired schools and/or receiving a reduction of choice fee. *Guanxi* also plays a key role in taking choice students, whose parents are in powerful or/and influential positions, or who come from co-operative units that can benefit the school significantly, particularly in the financial realm. This mutual exchange

of benefits among the parties involved in the school choice process can be critical.

#### 4.1.3 Economic capital

Economic capital in the current school choice context refers to money, excluding other forms of assets. Economic capital has had a defining influence on the current school choice process in China. In most cases, the successful entry into one's desired school by mobilizing social capital or using cultural capital is premised on having an adequate amount of economic capital. No amount of cultural capital or social capital can totally replace the need for economic capital, unless one is exceptionally good at study or one's *guanxi* is very powerful. Therefore, in addition to the major goal of generating extra funds, another overarching purpose that schools have for charging a choice fee (i.e., exactly economic capital) is to provide a barrier against those who want their children to gain entrance solely through *guanxi*.

The cost for sending a child to the desired school can be divided into direct cost and indirect cost. The former refers to the money paid to the desired school (choice fee), while the latter means the investment in preparatory activities before making school choice or during the school choice process, including taking extracurricular classes, hiring a tutor(s), sending gifts to *guanxi* or purchasing a house in the catchment area.

##### 4.1.3.1 Choice fee

The extra expense that nearly all choice students have to pay is the choice fee. Before 2009, choice students had to pay two types of extra costs: the transient fee and the donation, in addition to the incidental fees usually charged by state schools, even though compulsory education is supposed to be tuition-free. Incidental fees are supposed to cover the cost of purchasing books, newspapers, magazines and reference materials for the library, teaching facilities, sanitary equipment, etc (NPB et al., 2002). Transient fee is charged for using the resources in the out-of-zone target school while donation is a "must" since it is closely related to school admission. The transient fee is specified and fixed in government documents, which is ¥440 and ¥535 per term for the local state primary

schools and junior middle schools respectively, much higher than the corresponding incidental fees of ¥50 and ¥70 (GEB et al., 2008). The donation is ostensibly paid “voluntarily” by the parents to the desired school, with the amount varying from person to person depending on the academic achievement of the choice student, the number and weight of certificates, and the weight of the *guanxi*. Also, there are numerous government documents prohibiting linkage between donations to a school and admission to that school (GOSC 1993; NEB 2007a). However, in current practice, there continues to be a close connection between the two.

This linkage between donation to school admission was clearly demonstrated in a report (RNMP, 2003) in the local newspaper in Nanning in 2003 that one of the leaders of an oversubscribed state school declined to give a parent the “permission note” to pay the donation in the bank, a necessary procedure before one could be formally registered in the school. This is because the parent offered to donate only ¥2,000 to the school while the amount required by the school was ¥5,000. A more recent report (Xiong, 2010) revealed that the parents of migrant children went to an average state primary school in Nanning with all the required documents in early July, 2010 to apply for their children’s entry into that school. Instead, they were given a bank account number into which they were to deposit ¥4,800 choice fee in the form of donation. They were required to return the bank receipt by a certain date. Those who failed to hand in the receipt before the deadline would not be admitted to the school.

What is more, not every one is qualified to make donations to the *key school* without appropriate academic accomplishments and *guanxi*. There are reports of parents’ complaining to the government about the linkage of donations to school admission that have resulted in the parents’ child having to leave the school. In some rare cases the school has been punished for such action (Huo, 2007). The director of the Education Bureau in Guangzhou declares that should any case of the linking of donation with school admission be found, the school(s) must return the money donated and the choice student (to his original school) as well (Zhu et al., 2007). But such decision seems to deter parents from reporting the donation-admission linkage more than the schools from linking the two. Therefore, because of this consequence, very few cases of complaints about donations have been filed with the local education authority.



According to the information the parents revealed in the interviews, five parents of School A, three parents of School B and six parents of School C said they had paid the transient fee: more than five hundred *yuan* per term for state schools, which is stated in the government document (GEB et al., 2008). But this figure is a relatively small amount compared to what schools suggest for a donation, which varies from 5000 – 50,000 *yuan* for school A and 3000 – 20,000 for School B. No parents mentioned donations at School C. This is because most families in School C are migrant families engaged in low-paid jobs. The rest of the families in School C are from nearby state-own factories. These families simply do not have the economic capital to make a significant donation to the school. Those who are capable of making donations have already transferred their children to better schools, a fact which has been confirmed by the middle manager of School C, who said that about one-third of their government-assigned students have fled to better schools. When the donation issue was raised during the interview, two parents of School C students volunteered that they would have had to leave their children behind in their hometown if a donation had been required for school admission because they lacked the economic resources to make such a payment.

Speaking of the choice fee, one parent of a School A student said:

I didn't send my child to the government-assigned primary school. Its teaching quality was poor. Instead, I sent him to a good one by paying ¥8,000 choice fee, which was a (reduced) "*guanxi*" price. Later, I gave up on the government-assigned junior middle school and chose this school, instead. This time it cost us ¥18,000 to gain entrance. I believe it is worth the money. Besides, many others can't enter this school in spite of the high choice fee they are willing to pay.

A parent of another School A student said that she was required to donate ¥25,000 to the present school based on her child's performance in the entrance exam and the application materials (academic record in the primary school). The parent of a third student said he was supposed to donate ¥30,000 but it was later reduced to ¥15,000 because of the position of his *guanxi*, a leader of a provincial department, and the potential value of this social capital for the school. The other parents in the school did not state the exact amount of their donation but said that it was in the thousands of RMB.

Paying choice fee to attend an out-of-zone desired state school in the compulsory stage has become a “hidden rule” in the school choice in China. A survey (Jin, 2003) conducted in Xi’an, the capital city of Shaanxi Province, showed that 75% of the respondents, who were the first year students of junior middle schools in Xi’an, had paid an average amount of ¥11,467 choice fee. The survey also revealed that some schools demanded ¥10,000-30,000 choice fee for qualified candidates and more than ¥40,000 for those who did not meet the admission requirements. In Guangzhou, *key schools* at the district, municipal and provincial level charge choice fees of at least ¥30,000, ¥40,000, ¥50,000, respectively (Fu et al., 2009). Li Fang’s (2008) research shows that in Beijing the choice fee for top-performing junior middle schools in 2007 ranged from ¥100,000-120,000; for second-tier schools, roughly ¥60,000; and for average schools ¥15,000-30,000. Wang Juntang, former headteacher of a key middle school in Beijing, confirmed that ¥120,000 is not the highest choice fee in Beijing (Li & Xie, 2009). In some places, the local government has put a ceiling on the total amount of choice fee to prevent the over-resentment of the public against the charge of choice fee; e.g., in Chaozhou city, the maximum amount of choice fee is ¥100,000 (Liu, 2009).

Another, slightly different direct cost for school choice is paying high incidental fees (in addition to the donation) to the converted school. The number of choice students going to a key state junior middle school is limited to a fixed percentage, since most of positions in state schools are allocated by the government. On the other hand, there are no such restrictions at converted schools because they do not take any government-assigned students; that is all of their students are choice students. There are two converted junior middle schools in Nanning: Xinmin School and Sanmei School, which were part of the top two key middle schools: No. 2 Middle School and No. 3 Middle School. These converted schools were spun off in 2001 and 1996, respectively. The fee charged under the name of “incidental fee” by converted schools has been ¥3,600 per term since 2007 (NPB, 2007; 2010) while the same fee in state junior middle schools was ¥165 before 2008 (ONPG, 2008), i.e., a difference of about 22 times. Beginning in the second half of 2008, the incidental fee for state junior middle schools and primary schools has been cancelled (ONPG, 2008), although such fees continue in the converted schools. This recent change has accentuated the cost difference between attending state schools and converted schools.

The incidental fee alone comes to ¥21,600 for a three-year junior school education, a figure that is about 33% higher than the ¥14,446 annual average income per capita of urban Nanning citizens in 2008 (NBS, 2010).

In addition to the incidental fee, there is often a donation to be added to this cost. Two parents said they had contacted the two converted schools during the admission period before they chose School A and were told to make donations to the school ranged from ¥5,000-10,000. A parent of School B said he would have been required to donate ¥10,000 to one of the converted schools, while School B offered his son a government-assigned student status and freed him of any extra charges. He finally selected School B not only due to the financial considerations, but also to the fact that it might be difficult for his son to earn top honors in his converted school class, given his primary school academic performance placed him somewhere in the top half of his class. However, in School B his son's academic level would be regarded as good; and, therefore, he would likely receive more attention and care from the teachers. As a result, he would be probably making greater progress in his study. Or, as the old saying goes: "Better be the head of a dog than the tail of a lion."

One of the indirect costs of middle school is the choice fee and associated costs for selecting a good primary school or kindergarten for the child in the hope of having more chances to enter a good school at the next level of schooling. Following the logic that attending a *key school* at one level would increase the chances of attending a *key school* at the next level of schooling, parents of School A students were more involved in selecting kindergartens and/or primary schools than were parents of School B students: 53% (A) and 42%(B) for kindergarten and 28%(A) and 22%( B) for kindergarten primary school. The corresponding numbers for School C are 5% and 48%. However, the case of School C should be analyzed from a different perspective, because the priority in the parents' decision to choose a primary school for their children, as noted earlier is money-saving and convenience, rather than high transition rate. According to parents of School C students, the low rate of involvement in selecting kindergartens for their children is due to the fact that most of parents either did not send their children to kindergarten or left them in the custody of the children's grandparents in their hometowns.

Five parents of School A students and three parents of School B students indicated that they had paid ¥3000-5000 donation to the choice kindergartens and four parents of School A and three parents of School B had donated ¥8000-20,000 to the choice primary school. Some parents mentioned that the original donation figure was higher but that they had managed to reduce it through *guanxi*.

#### 4.1.3.2 Expenses for extracurricular classes

Taking extracurricular classes and employing tutors is another big investment in preparation for the school choice. As discussed in 4.1.1, participation in the extracurricular classes is popular and widespread among children in urban areas. The usual practice of taking one such class (e.g., mathematics or English) for several years running and/or taking several classes in different subjects at the same period requires the investment of a large amount of money by the participating families. Most parents of School A and B students spent between ¥3,000-8,000 and ¥8,001-15,000 on the child's extracurricular classes during the primary school years, which are 41% and 28% and 49% and 25%, respectively. Twenty-two percent of parents of School A students and 15% of parents of School B students spent more than ¥15,000 on such classes. The amount of expenses that 50% of the families of School A students and 40% of the families of School B students have spent for extracurricular classes in the primary school years is more than the ¥14,446 annual average income per capita of the local urban citizen in Nanning (NBS, 2010). Considering that some of the expenses were consumed a few years ago in the primary school days or even the kindergarten when the annual average income was lower, e.g., ¥9,203 in 2005 and ¥7,448 in 2000 (NBS, 2001, 2010), the total amount of expenses for extracurricular classes in kindergarten and primary school was likely higher than the annual average income of the local people throughout in the past few years. One parent of a School B student said:

Our child has attended the after-school English class since his first year in primary school. He began to take part in some English contests when he was in Grade Three. To our delight, he has won some second and third prizes in those contests. The investment in him has paid off.

An investigation conducted by Taiyun Bureau of Statistics (TBS, 2007) on the school

choice fever in Taiyuan, the capital of Shangxi Province reveals that 90% of the respondents have sent their children to extracurricular classes of various kinds, which required an average annual expenditure of over ¥5,000 per student. Wang's (2004) study involving 104 pupils of a primary school shows that each of them was taking an average of 3.25 extracurricular classes which absorbed 6.5 hours per week. The same study also revealed that one pupil took six different extracurricular classes a week while another spent 24 hours on extracurricular classes a week. Such a long time of extra study no doubt requires large financial investment, which can only be made by affluent families. The extracurricular class market is so hot that the payments for mathematics training classes for CMO in Beijing in 2008 alone were estimated to be more than 2 billion *yuan* a year (Pan, 2009), which was close to the entire ¥2.29 billion government education budget for Nanning that year (NYCC, 2008).

#### 4.1.3.3 Tutoring expenses

Many parents have the experience of hiring a tutor or tutors for their child's study. University students are the main labour force in the tutor market since they are energetic and enthusiastic in their work. What is more, their pay requirements are quite reasonable. But some parents are willing to pay more in order to have primary school or middle school teachers coach their children because of the rich teaching experience that these teachers have had. More than half of the parents of School A students and over one-third of School B students have hired tutors for their children either now or sometime in the past. Some have employed several tutors at the same time. One parent of a School B student said that he had had the same tutor helping his daughter with her English lessons for five years because he wanted her English to be among the top in the class. "The price we pay for this service is ¥30 per hour, two hours each time and three times a week. We also employ two tutors for her mathematics and Chinese. But they did not work out so well. So we keep changing the tutors in the hope of finding someone who is as good as the English tutor." the parent explained. The expense for the English tutoring alone costs the family ¥720 a month. Together with the cost for hiring the other tutors for mathematics and Chinese, the total amount is expected to be more than the ¥1,204 average monthly income of the urban

citizens in Nanning in 2008 (NBS, 2010). According to some parents, the cost for tutoring music or painting is much higher since the number of this kind of professionals is quite limited. A tutor of this type usually charges ¥50-100 per hour.

In short, employing tutors to upgrade the academic achievement or develop a special talent of the children is an option that is heavily dependent on a family's financial condition. As noted earlier in 4.1.1 economic capital can be converted to cultural capital and vice versa. Such conversion is an important condition or mechanism for the reproduction of cultural, social and economic capital among middle and upper class families.

#### 4.1.3.4 Funds for house-buying or house-renting

In addition to paying a choice fee to obtain a place in the desired school, relocation by buying a “catchment house”, a term coined to refer to a house in the catchment area of the desired school, is another option in which economic capital plays a major role. Since buying a catchment house is the most reliable way of securing a place in the desired school, families endowed in sufficient economic capital will take this option and relocate their home to the area of the desired school. In such a case, the need for cultural capital or social capital is minimized, and the economic capital outlay is viewed as an investment whose return comes in terms of educational opportunity, in addition to the potential increase in value of the catchment house as a result of changes in the real estate market.

There were 6% of respondents associated with School A and 5% of those associated with School B indicating that they had bought houses for the sake of school choice. One parent of a School B student explained the reasons for taking such action:

There are too many parents willing to pay the choice fee. The chances of getting into the desired school depend on many factors, such as academic achievement, your relation with the *guanxi* and the *guanxi*'s relation with the school. So it is not only a matter of money. The most reliable way is to have a house in the catchment area.

Another parent pointed out that buying a “catchment house” saves in many ways. For

example, having such a house can save the trouble of begging favours of others in order to realise one's school choice. Such favours might have to be returned in the future at some unknown cost. Also, without a house, one faces the payment of a large choice fee, plus the prospect of making exhausting trips to and from the school if one's home is far from the school.

One parent of a School A student said they had bought a small flat with only one bedroom and one living-room in the catchment area of a key primary school before their child was about to go to school. This action allowed them to transfer their *hukou* to that area and their child was able to enjoy the status of a catchment area student. They never intended to live there long because the flat was really too small. Their intention was to sell it after their child had completed study in the primary and junior middle schools. Actually, they regarded the purchase of the flat as a good investment because housing prices have been soaring up in the past few years. This explains why this kind of small flat in the catchment area of oversubscribed schools is extremely popular among middle class families with choice students and the necessary economic capital.

The local government also plays a role in encouraging parents to realise their school choice by buying houses in the catchment area of the desired school. For instance, similar to many other places in China, the Nanning municipal government has made some favorable policies encouraging non-local citizens to buy houses in Nanning by giving those buyer(s) a Nanning *hukou* (NPG 2003), which is an attempt to boost the local economy, particularly the real estate industry. The local *hukou* can guarantee a child a place in the state school in the catchment area without paying choice fee (NEB, 2007b). Figures from the Nanning Bureau of Statistics show that non-locals account for one-third of the house-buyers in Nanning in 2008 (Mo & Tan, 2009).

Moving to a new house at each transition of schooling (e.g., from primary school to junior middle school) is not rare in urban areas such as Beijing (Wu, 2006) and provincial capital cities. Zhou and Wang's (2006) investigation confirms that one family in Haikou, the capital of Hainan Province, has three houses near the key primary school, the key junior middle school and key senior middle school, respectively. The last two were bought when the child was still in the primary school. Each time the child moved to the next level

of schooling, the family moved into the house near that school and rented the vacated house to other people.

As elsewhere in China, the real estate market in Nanning has skyrocketed in the past few years. The price of housing in Nanning has tripled in just a few years, reaching ¥3,600-5,000 per square meter in 2008 (Hu, 2008). The price kept rising from ¥4,800 per square meter in 2008 to ¥7,800 in 2009 in one of the hot residential areas in Nanning (Peng, 2009), an increase of 62.5%. Therefore, a common flat of 60 sq meters costs about ¥300,000. Taking into account that the average annual income of urban citizens in Nanning in 2008 was only ¥14,446 (NBS, 2010), only affluent families can use the relocation strategy to realize their choice of school.

Renting a house or a room near the desired school is common among families whose children live far from the school and who may not have economic capital sufficient to purchase a catchment house. Eight percent of respondents associated with School A and 12% of those associated with School B confirmed that they had rented houses near the school. The percentage of School C was particularly high (72%) because most of its students are from migrant families, who had to rent a house in order to stay in Nanning.

A parent of a School B student explained her decision to rent a house near the school in these words:

Since we live in another part of the city, it takes about one hour to go to school by bus, 30-40 minutes by bike. It wastes a lot of time on the road, and riding bike is not very safe given the traffic conditions in Nanning. So we rent an old flat near the school with one bedroom and one living room for ¥800 a month.

Another parent of a School B student pointed out that houses near oversubscribed schools were hard to find and rent because of the great demand and short supply. For instance, the supply and demand for houses near a local *key school* in Nanning was 1:4 in 2005 (Xu, 2005).

Figures from many local real estate agents indicated that close to 20% of the house-renters in Nanning rented the house for the convenience of their children's study (i.e., closer to their school) (Xu, 2005). Renting houses near the school where the child is



studying is not unique to Nanning. One can find many similar cases in other places in China where the whole family or at least one parent will move into the rented house with the child and take care of the daily routine. A term “baby-sitting communities” was coined to refer to the places found near many oversubscribed schools that are full of houses rented by families with school-aged children. According to Pan and Li’s (2006) study, in Dongzhi County, Anhui Province, nearly 3000 parents rented houses for the children in 2006. Renting a hotel room can also be found in Haikou, which costs at least ¥1,000 a month (Zhou & Wang, 2006), more than the ¥893 average monthly income of the local people there (HBS, 2007).

Therefore, both house-buying and house-renting are obviously an option open only to affluent families. Low-income and working class families are financially unable to exercise this option for school choice due to their lack of economic capital.

#### 4.1.3.5 Expenses for mobilizing social capital

Mobilizing social capital is another expense in the school choice process. It is the common practice in the Chinese context to invite the favour-giver(s) to dinner and bring gifts to them before and/or after the favour is done. Many parents of School A and B students admitted that they had spent a certain amount of money in the process of asking the favour of their *guanxi* who would help get their children into the desired school. “You certainly have to spend money on *guanxi* to get things done,” one parent commented on the issue of mobilizing *guanxi*. Gifts often include famous brands of cigarette, wine or tea because “[o]rdinary brands cannot show your sincere appreciation and respect for what others (*guanxi*) have done for you,” commented another parent. Therefore, the cost is usually in the range of hundreds of *yuan* if the *guanxi* is close (e.g., a relative), and thousands of *yuan* if the *guanxi* is powerful or/and influential, but more distant. Of course, the total is increased if one mobilizes more than one *guanxi*.

According to a report by Taiyun Bureau of Statistics (TBS, 2007), because not everyone is qualified to sit in the entrance exam of some *key schools*, one parent spent ¥1,500 inviting *guanxi* to dinners and buying gifts for them to gain access to a foreign language school, a type of *key school* that gives priority to English teaching and learning.

Such a school is exceptionally allowed to hold an entrance exam for junior middle schools in order to select the students with better English proficiency. In the same report, another parent spent more than ¥50,000 to get his child into a *key school*, of which ¥30,000 was used for mobilizing *guanxi* and ¥20,000 was the choice fee.

#### 4.1.3.6 Choice fee as an important source of non-budgetary income for schools

As mentioned briefly in the introduction, the economic incentive is the driving force that motivates schools to participate in the current school choice practice in China. For example, since the local government budget for education in Nanning is just sufficient to cover state school teachers' salaries (NEB, 2008a; NYCC, 2009), almost all the funds for further development of a school must come from non-budgetary income, which consists mainly of fees collected from students and donations from organizations and individuals. In 2007, 31.84% of the education investment in China was from non-budgetary funds (W. Chen, 2008) though the figure dropped to 28% in 2008 (MOE et al., 2009). Therefore, choice fees are an important source of non-budgetary income.

According to information obtained from the questionnaire and the school website, there are about 670 students in each grade (Grade 7 to 9) in School A and about 100 of them are government-assigned students; all of the rest are choice students. The transient fee for state schools in the compulsory education stage is ¥535 per term for junior middle schools (GEB et al., 2008). But School A has managed to obtain special permission to charge a transient fee of ¥5,200 a year because of its heavy investment in constructing a new complex building and updating teaching equipment through a loan from the bank. Therefore, the total amount of transient fee collected by the school each year is about ¥8,892,000 (= 570 students × 3 grades × ¥5,200).

In addition to the transient fee, there is the matter of the donation that needs to be considered. Since the donation to School A varies from a few thousand to fifty thousand *yuan* and is a one-time payment, it would be reasonable to estimate that the donation averages out to about ¥10,000 for each choice student. However, because School A wants to enroll top-performing students, those students who rank within 300 in the entrance exam do not have to make donation. Therefore, it is assumed that the number of

donation-makers would be remaining 270 students out of the 570 student population. The 270 students would generate a total of ¥2,700,000 in donations. Combining the ¥2,700,000 in donations with the ¥8,892,000 in transient fees, School A generates an estimated ¥11,592,000 every year, assuming that the enrollment size remains the same.

Now, consider that the Nanning local government budget for education in 2008 was ¥2.522 billion (NYCC, 2009). If these funds were evenly divided among the 1,935 local state schools (86 senior middle schools, 278 junior middle schools and 1571 primary schools) (NBS, 2009), the government budget for each school would be about ¥1,303,359. Therefore, the estimated non-budget income of School A is nearly nine times more than that of the average government budget for a state school.

School B has about 500 students in each grade (Grade 7 to 9). According to the results of the questionnaire and later confirmed by the middle manager of the school, about one-third (170) of them are choice students. The transient fee collected by School B is ¥535 for each of the two terms of the school year. Therefore, the total from transient fees for each year would be ¥545,700 ( $= 170 \text{ students} \times 3 \text{ grades} \times ¥535 \times 2 \text{ terms}$ ). The donation to School B ranges from ¥3000-20,000. Again it might be reasonable to estimate ¥5000 as an average donation for each choice student. Then the total amount of donation would be ¥835,000. Therefore, combining the donation with the transient fee we see that School B has an extra income of ¥1,380,700 every year, which is somewhat more than the average amount of the government funds to a state school. In other words, the total funds available to the school are twice as much as the amount contributed by the government alone.

School C has about 400 students in each grade (Grade 7-9). About 55% of them are government-assigned students, including those migrant children who can submit the required documents that result in the waiver of any transient fee. The majority of the rest are migrant children, and a few are from other parts of the city. Therefore, the transient fee that School C collects each year is about ¥577,800 ( $= 180 \text{ students (45\% of 400)} \times 3 \text{ grades} \times ¥535 \times 2 \text{ terms}$ ), which is roughly half of the average government budget for a state school. The study did not find any evidence of a donation to School C.

The headteacher of School A and both the middle managers of School B and C admit

that choice fees are a significant source of funds that can effectively improve conditions that have been created by the present educational-fund-deficiency dilemma facing primary and secondary education throughout the country. Equipping every classroom with multimedia and broadband facilities in School A demonstrates the impact that choice fees can have in improving the teaching environment of the school. For the three schools in this study, the market forces associated with school choice results in a virtuous cycle of continual improvement, although the degree of improvement among the three varies a great deal due to the great difference in the amount of choice fees each school collects. As a result, the differences between them have been expanded, making it harder for other schools to catch up with the *key schools* in terms of funding, staffing and transition rate.

#### 4.1.3.7 Choice fee as an important source of educational funds for government

In addition to the school's accumulation of its economic capital by charging high choice fees, the local government also benefits from the school choice fever by taking a slice from the big cake of the choice fee funds and not having to make greater payments to schools. The percentage of the government cut varies from place to place. In Nanning, it is 30%, with the rest being returned to the school (Zhou, 2003). In the neighbouring Guangdong Province, government portion is 50% (Lin, et al., 2007). The motivation behind government's interest and enthusiasm in joining the current school choice fever lies in the fact that, first, the choice fees collected by all schools can be regarded as government investment in education since choice fees belong to the state (SEC, 1997a) and all of them are supposed to go into a special account of the local government before an agreed-upon proportion is returned to the corresponding school. Second, the local government has the right to use its share of the choice fees however it wishes, as long as the funds are spent on education. Taking into account the fact that even poor schools, like School C, can generate extra funds that are equal to nearly half of the average government budget for a state school, the total amount of this additional income from the choice fee channel is quite large and certainly has helped the local government tremendously in easing the pressure on its tight education budget and its insufficient education investment, while advancing the development of local education.

The government policy to transform state *key schools* into converted schools has been an effective means of generating economic capital for both the schools and the local government. One converted junior middle school in Nanning has 1,600 students, each of whom pays ¥3,600 incidental fees per term (NPB, 2007, 2010) and ¥21,600 for the three-year study. This means that 1,600 students have contributed ¥34,560,000 to the school and each year the school generates ¥11,520,000 funds from the incidental fees alone, which is almost ten times the average annual government budget for one state school. As was the case at School A, donations constitute another important source of extra income for the school. Because of the large sums of money generated by converted schools like this one without a single penny of extra investment from the government, the local governments have little incentive to change the status quo with regard to converted schools, in particular, or school choice, in general despite the public criticism over the issue of transforming good state schools into converted schools (Yang, 2006b).

In short, for the local government, it is indeed profitable to transform state schools into converted schools because, first of all, such a move does not require any additional investment from the government. Second, the large sum of funds generated by the converted schools is regarded as government revenue and government investment in education. Third, the local government does not have to appropriate any (or at least less) funds to the converted schools. In Shanghai the local education bureau provided five million *yuan* each year to a particular state school. The figure was reduced to ¥750,000 (15% of the former figure) after the school was converted (Yang, 2006b) because the converted school could generate more money to make up the difference.

The use of choice fees as a government investment in education is quite common throughout China. In Chaozhou, most of the choice fees collected by all the schools in that city are used to pay the bank loan for the construction of new campuses of two key senior middle schools and for the construction of two new junior middle schools (Liu, 2009). Note that all these new schools are state schools (i.e., they should be paid for with government investment) are now being built with the money collected from parents. According to Zhang Kejian (2002), the former director of the provincial education bureau of Sha'anxi Province, the major problem in compulsory education is insufficient government investment. That is why in some poor counties, the local government provides

only 70% of the teachers' salaries, the remaining amount has to be provided by the schools themselves (Y. Yin, 2003) which leads to the use of choice fees and collection of unauthorized fees to make up the difference.

The results are significant. For example, the Nanning Education Bureau admits that choice fees have effectively solved many problems caused by insufficient government investment (Zhou, 2003). In another case, the choice fees collected by one key primary school in Beijing alone amounts to over 100 million *yuan* in just a few years (Chen & Wang, 2008). Examples such as these, and there are many more, account for the government's reluctance to impose too many restrictions, let alone a complete ban, on the practice of school choice.

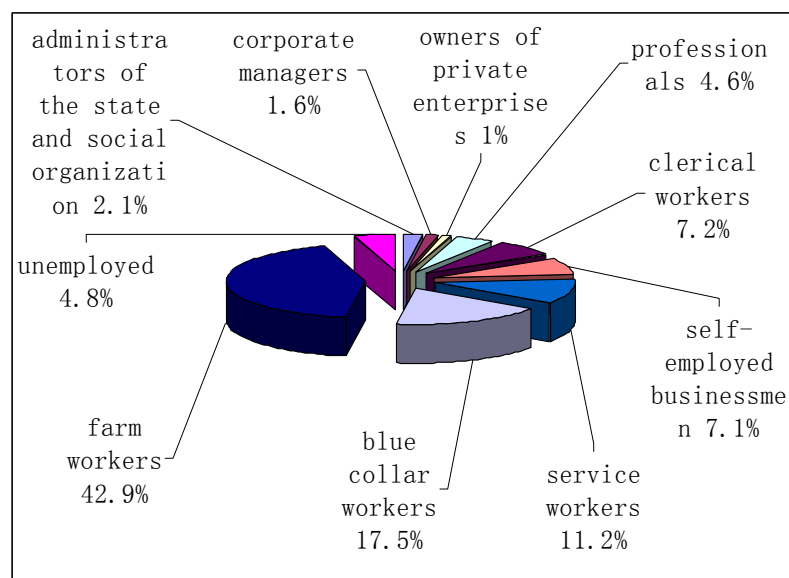
#### 4.1.3.8 Summary of utilizing and generating economic capital

The use of economic capital is quite evident and quite important in the current practice of school choice in China. The findings of this study lead to the conclusion that school choice in China now is basically money-based. With some exceptions for those who are exceptionally good at study or who have powerful or influential social capital, most choice students have to exercise economic capital in order to get into their desired schools; e.g., pay choice fees and make donations, plus deal with indirect expenses that include taking extracurricular classes, participating contests, hiring tutors, house-buying or house-renting, and mobilizing social capital. In addition to the choice students and their families who expend their economic capital to obtain the place in their target school, the schools and the local government participate in this profitable school choice fever to increase their economic capital by collecting and retaining some of the choice fees from the choice students. The result seems to be a market-based "win-win" situation for both the demand (some students and families) and supply (some schools and the local government) sides: a place in the desired school for the former and extra funds for educational support and further development for the latter, all of which is achieved at the expense of others. The question of educational equity in the society, which has yet to be examined, will be discussed in the next section.

## 4.2 Class reproduction through parental choice

In 2002 a research group of the Chinese Academy of Social Science published an influential study that classified Chinese society into ten separate levels, based on the availability of their organizational, economic, and cultural resources. Organizational resources refer to the power given to the governmental and communist party organizations to dispose of social resources. Economic resources mean the right to own and/or use the production materials. Cultural resources are the socially acknowledged knowledge and professional skills (in the form of certificates or qualifications) (Lu, 2002). They identified these social strata in the order of one to ten according to the amount of resources they can manipulate as 1) administrators (officials) of the state and social organization (e.g., trade union and women's federation), 2) corporate managers, 3) owners of private enterprises, 4) professionals, 5) clerical workers, 6) self-employed businessmen, 7) service workers, 8) blue collar workers, 9) farm workers and 10) unemployed (Lu, 2002; C. Li, 2005). Those ranking at the top of the social strata classification list have the most resources to manipulate whereas those at the bottom have the least.

Fig 4.1 Percentage of each social stratum



Based on Lu's (2002) findings

The first category refers to people who occupy leading positions in governments at various levels, state institutions, and social organizations, with section chief at the lowest end of the administrative range. Clerical workers refer to people who work in the same

place as the administrators but without supervisory authority, most of whom are public servants. This group occupies 20% of the work force in big and medium-sized cities and 2-8% in townships and counties. Corporate managers mainly consist of the upper and middle managers of large and medium-sized enterprises. Owners of private enterprises refer to those who employ eight or more workers. Professionals are people who usually receive higher education and are doing technical work such as teachers, lawyers, doctors and engineers. The proportion of professionals varies a great deal from 10-20% in large and medium-sized cities to 1.5-3% in townships and counties. Self-employed businessmen are people who use their own capital to do business on their own or employ only a few (or no) people. Service workers refer to people working in the service industry, while blue collar workers are those working in factories and at construction sites. According to the overall organizational, economic, and cultural resources that each social stratum can make use of, the first five social strata are regarded as the middle class in China, which accounts for about 15% of all the work forces (C. Li, 2005).

Fig 4.2 Ten social strata and their resources

Strata	Resources owned	Strata	Resources owned
Administrators of the state and social organization	Organizational and cultural resources, some economic resources	Self-employed businessmen	Some economic resources
Corporate managers	Cultural resources or some economic and organizational resources	Service workers	A few cultural resources or basically none of the three resources
Owners of private enterprises	Economic resources	Blue collar workers	Basically none of the three resources
Professionals	Cultural resources	Farm workers	Basically none of the three resources
Clerical workers	Some cultural and organizational resources	Unemployed	Almost none of the three resources

Adapted from Lu, 2002, 2010; C. Li, 2005



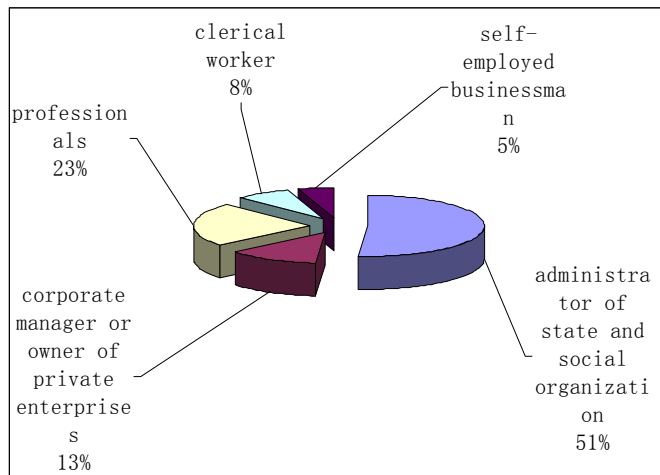
In the discussion below, evidence is presented to show the dominant role played by the middle class families in the current school choice process in Nanning. The means are the substantial amount of economic capital expended, the cultural capital exploited and developed, and the social capital mobilized by these families. The result is seen in the high proportion of choice students from middle class backgrounds enrolled in the oversubscribed schools. In contrast, children from working-class families are disadvantaged in the competition for places in oversubscribed schools due to their lack of these resources. The overall result is one of intergenerational continuation of respective social classes, with limited likelihood of upward mobility. The case of School A and School C demonstrates that social class reproduction can be achieved through cultural reproduction.

Social mobility data regarding European, North American and OECD countries show that middle class families are more successful in maintaining their position intergenerationally than working-class families are in improving theirs (OECD, 2010; Goldthorpe, 2003; Blanden et al., 2005). People from affluent families have disproportionately more opportunities to receive longer schooling (higher education and elite education) than their working-class counterparts, and family income in the childhood years has great impact on children's educational outcomes (Blanden et al., 2005). Indications of this same phenomenon have been observed in this study in China in the higher percentage of children from middle class families in School A and the predominance of children from working-class families in School C, assuming that better education leads to a better social stratum in the future.

Results from the questionnaire show that more than half of the parents of the choice students of School A belong to the class of administrators of the state and social organizations, which might suggest access to social capital and political capital. This social capital (e.g., ability to influence on government actions and access to influential *guanxi* networks) can be applied in the school choice process in addition to cultural and economic capital that these people possess. Among the school A parents of choice students, 23% are professionals who have the second largest share, while 13% are corporate managers and owners of private enterprises ranking the third. Together with the 8% of the parents who are clerical workers, children from the middle class families account for 95%

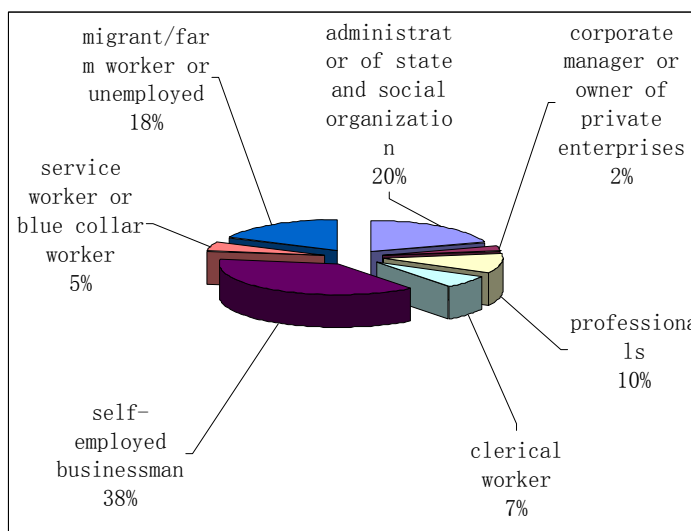
of the sample choice student population in School A. The remaining 5% come from the class of self-employed businessmen. The income of the self-employed businessmen varies a great deal, depending on how big their business is. Some can only make a living by selling things in the market while others can make a fortune by trading commercial products in substantial volumes. Parents who can afford to send their children to over-

Fig 4.3 Percentage of social strata of respondents of choice students of School A



subscribed schools are highly likely to be those at the richer end of the income continuum of rich self-employed businessmen. These data support the notion that School A parents have the economic capital that can be applied successfully in the school choice process. It is obvious that middle class families have benefited more from the school choice than their working class counterparts by a large margin.

Fig 4.4 Percentage of social strata of respondents of choice students of School B

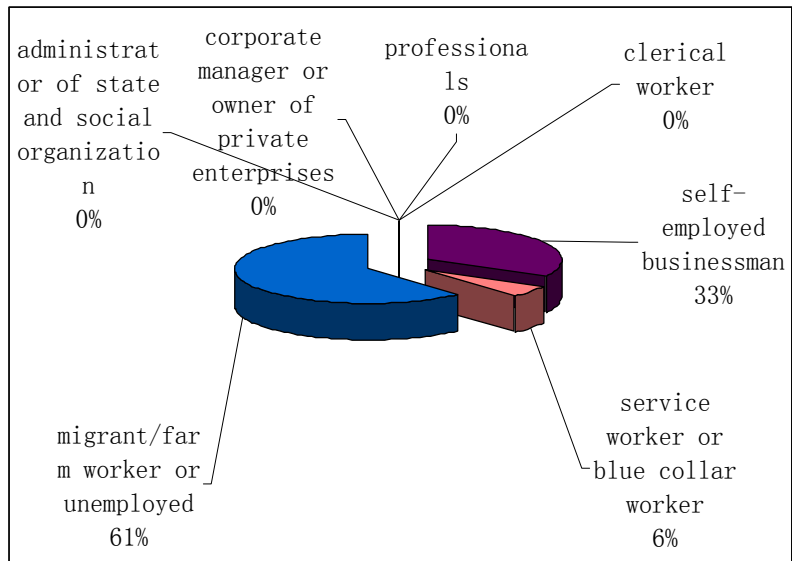


Compared with School A and School C, the distribution of social strata of the

respondents of the choice students in School B is relatively balanced as every social stratum has its representation among the choice students while some social strata are absent in the other two schools. Self-employed people make up more than one-third of the choice student population, suggesting sufficient economic resources to cover the choice fee on one hand, and on the other the relative lower admission requirements of the second-best schools like School B. Top *key schools* have higher demand on students' academic achievement for admission. Together with the 2% of corporate managers and owners of private enterprises, the affluent families account for 40% of the respondents of the choice students. The second largest group is the administrators of the state and social organization, accounting for 20%. Professionals take fourth place with 10%. Together with the 7% clerical workers, the middle class and affluent families take up 77% of all the respondents of choice students of School B, which suggests again the possible use of *guanxi* networks for school choice in addition to strong support of economic capital and cultural capital. Migrant workers rank the third in terms of numbers not because they have sufficient economic, cultural and social capital but because they can produce all the required documents for state school admission and the local education authority has to assign them to a state school near their residence. But not all migrant children with required documents can be accommodated by state schools due to limited physical capacity. It has been confirmed by the middle manager of School B that the school had to take about forty government-assigned migrant children every year. Respondents of service workers or blue collar workers account for only 5%, indicating again that the insufficient economic, cultural and social capital has effectively constrained the working-class families from taking part in school choice.

School C's situation is the reverse of School A. Farm workers and migrant workers constitute 61% of the parents of choice students from School C while none of the respondents belong to administrators of the state and social organization, corporate managers and owners of private enterprises, and professionals. Only 6% are service workers or blue collar workers. The second largest group of parents are self-employed businessmen (33%), who, in contrast to those in School A and B, are likely to be at the lowest end of the income continuum. Otherwise, they would choose a better school for their children if they have high enough income to afford the more expensive choice fee

Chart 4.5 Percentage of social strata of respondents of choice students of School C



required by better schools. The income information from the questionnaire supports this conclusion by showing us that 84% of the respondents' annual net income is below 30,000, lower than the annual ¥48,762 family net income (¥16,254 average annual net income per capita in Nanning × 3 family members). What is more, nearly one-third of the respondents of School C have more than one child, which makes the average annual income per capita even less. According to the middle manager of School C, the location of the school near the suburban area, with some factories and villages surrounding it determines that its students mostly come from working-class families. Further, roughly one-third of the government-assigned students, whose families are relatively affluent and who have *guanxi*, have transferred to other better schools in Nanning, leaving those children from poor families behind.

A similar situation is found in Beijing. According to Wang Juntang, poor schools in Beijing could have a relatively balanced source of students in terms of academic achievement and social class in the first two years when the school placement by computer lottery was implemented in 1997. But later none of the students whose parents' positions are section chief (the lowest ranking official) and above can be found in those poor schools any more (CCTV, 2009a). They have managed to transfer their children to better schools through various means.

It should be noted that the disproportion of students from different social classes reflects only those who have entered School A. If it is viewed from the percentage of its

respective social class, the percentage of students from middle class families in School A will be much higher considering the middle class accounts for only about 15% of all the social strata. The great difference in the disproportion of different social classes in the three schools in the study and the senior middle schools that the students in each of the three schools are likely to attend strongly suggests that social classes have been reproduced through education, school choice in particular. Given the path-dependency of educational attainment in the context of the exam-driven Chinese educational system, the social reproduction is unsurprising. As demonstrated in this study, middle class families have made full use of their cultural, social and economic capital to enable their children to enter a good school while working class families are disadvantaged in or excluded from the school choice process.

Findings from this study suggest that social classes are disproportionately distributed in the *key school* and the poor school in the middle class' favour. There is a positive correlation between school choice and parent's educational level, income and *guanxi* networks. The percentage of parents selecting schools for their children increases with the increase of their educational level, income and/or the availability of their *guanxi* networks. Among the factors influencing school choice, economic capital has, as revealed in the questionnaires and interviews, played a fundamental role in the school choice process: the acquisition of cultural capital and mobilization of social capital also require the use of economic capital. The findings of this study have confirmed Wolf's (2006) claim that better-performing schools have been populated disproportionately by children from upper-income families, who tend to thrive in such well-resourced schools, surrounded by similarly advantaged peers.

Hill's (2005:15) comment on British education system reflects to a large extent the current school choice situation in China: "... Our educational system is socially selective. The richer you are, the better the school to which you send your children. Genuine choice is not a practical reality for non-privileged families". It is indeed true that the money-based school choice in China has effectively prevented to a great extent children from the working class families from escaping the "iron cage of zoning" (Lauder *et al.*, 1999:8) and "[m]iddle class families are running faster, for longer" (Brown, 2006:382) than their working class counterparts in this race for positional credentials.

Some researchers point out that choice is powerfully related to social-class differences. It is a major factor in maintaining and reinforcing social-class divisions and inequalities (Gewirtz et al., 1995; Ball et al., 1996). It is echoed in this study which suggests that there is a close association between the class origins of the students and their educational attainment, which would determine their eventual class destinations. In other words, parents' socio-economic status and their possession of different forms of capital have a defining impact on the type of education their children receive and the likelihood of their academic success, which in turn may determine their socio-economic success as the two are increasingly linked to each other. The use of market mechanisms has increasingly made entry into oversubscribed schools a competition based mostly on parents' economic capital and social capital. School choice in this regard has exacerbated existing disparities in academic achievement by social class (Brown 1990; Ball 1993, 2003) and reinforced the reproduction of social classes because "[p]oor parents have fewer resources to support the education of their children, and they have less financial, cultural, and social capital to transmit" (Reimers, 2000: 55). Therefore, it can be concluded from this study that the advantageous cultural capital, social capital and economic capital of the middle and upper class parents have successfully been converted into the advantage of their children's cultural capital through school choice, which has effectively reduced intergenerational mobility.

## Chapter 5 Conclusion

Since the early 1990s, the practice of parent-initiated school choice has become widespread in China. It is not only a heavily debated topic in the educational circles, but also a social issue that was on the agenda of the National People's Congress (Chinese parliament) and has been identified for elimination by the central government (SEC, 1997a, 1997b) for more than a decade. This apparently enduring phenomenon of school choice motivated me to explore the causes of this school choice market; the various forms of cultural, social and economic capital employed in the school choice process, the socio-economic status of the families employing these capital; the types of families who derive benefits or otherwise from school choice; and the question of educational equity/equality and larger issue of social justice.

In contrast to the government-initiated school choice programmes in many countries in the West, particularly the UK and USA, which, according to pro-school choice theorists, aims to improve school performance, increase efficiency, broaden diversity, and achieve fairer access to schools (Chubb and Moe, 1990; Levin & Belfield, 2006), school choice in China is a bottom-up movement driven mainly by privileged parents' desire to have their children receive a better education in those *key schools* with high transition rates through the use of the family's cultural, social and economic capital. The goal of these parents is to give their children a greater chance of entering a *key school* at the next higher level of education. The main motivation for schools who cooperate in school choice is the generation of additional funds through the collection of choice fees. The cooperating local government gives the green light to the practice of school choice in the compulsory education sector because choice fees are regarded as government revenue that can, to some extent, make up for the insufficient government investment in education.

### 5.1 Forms of capital employed in the school choice process

As can be seen in this study, the use of cultural, social and economic capital to obtain a place in the desired school is a common practice among parents of choice students in the school choice process. Each form of capital has its unique role in gaining access to the

desired school and quite often more than one form of capital has to be employed to achieve the greatest effect.

### **Cultural capital**

So far as the accumulation of children's cultural capital is concerned, parents' educational level and personal history is the starting point in deciding when, what and how cultural capital should be accumulated. In addition to the fact that parents with higher education levels can tutor their children in their study, the positive correlation between parents' educational level together with their personal history and their willingness to select schools for their children revealed in this study demonstrates that the ability parents acquire through education enables them to foresee the importance and necessity of having (higher and more outstanding) educational credentials in today's society of credential inflation. It is, therefore, understandable that a variety of means are taken by parents to obtain more cultural capital in order to gain and maintain their children's positional advantage in the competition for *key school* places.

One of such means is taking extracurricular classes, which covers a wide range of subjects, with English and mathematics topping the list. Many students do so in the hope of winning prizes in contests at various levels from municipal up to national, while others may simply want to strengthen their weak subjects and/or catch up with others in their class. After the cancellation of EEJMS in the mid-1990s, the number of (prize-winning) certificates has become a popular screening device used by schools in their selection of choice students. In most cases, one has to be academically qualified in order to enter the higher rounds of competition. Evidence of this academic qualification for a place in a *key school* is displayed in the weight, as well as the number, of certificates a student has been awarded. The battle for the obtaining of certificates can begin early in the primary school days through participation in contests of various types. Performing well in these contests relies heavily on the taking of extracurricular classes and employing tutors. This strategy for acquiring cultural capital depends on economic capital to pay for the courses and tutors.

The practice of employing tutor(s) is also widespread and common in China and



achieves an effect similar to that of taking extracurricular classes, but tutoring is more individual-specific and expensive. The making of special talent students who have their own special path for entering desired schools relies to a great extent on extracurricular classes and/or tutoring, especially talents such as painting, dancing and calligraphy.

Realizing that cultural capital is an important asset in the school choice process, middle class families often begin to invest early in the acquisition of cultural capital for their children through the variety of means mentioned above. With more cultural capital, their children will have better chances of securing places in *key schools*, which can lead to their achieving higher and better levels of schooling than others. On the other hand, poor and working class families often lack sufficient economic capital to follow the footsteps of their middle class counterparts that would enable their children to acquire similar cultural capital. In addition, many working class families fail to realize the importance of accumulating cultural capital in early childhood. They have little idea of when and how to prepare their children for *key schools* at the next level of schooling.

As a result, children with more cultural capital can go to more desirable schools, and those with less cultural capital go to less desirable ones. This fact illustrates how cultural capital is used to maintain social stratification by perpetuating educational inequalities. The acquisition of cultural capital as seen in this study is mostly determined by the parents' socio-economic backgrounds which has effectively substantiated the cultural reproduction theory proposed by Bourdieu (1977). In fact, Bourdieu's concept of cultural reproduction focuses more on the influence of parents' cultural capital on their children within the family, while the Chinese experience extends the playing field to include the children's acquisition of cultural capital through after-school activities that take place outside the family. Therefore, the Chinese practice of acquiring cultural capital has to some extent extended the development of the reproduction theory.

### **Social capital**

Apart from the important role that cultural capital plays, the role of social capital is also important and in many cases, indispensable in the positional competition for *key school* places. Being a relation-based society, *guanxi* networks play a unique role in the

school choice process, given the fact that good school places are always limited in number and in great demand. It is common to use *guanxi* to acquire insider information about desired school(s), to facilitate or make exceptional entry into the desired school, and to reduce or waive the choice fee. The more influential or powerful *guanxi* one has, the more likely it is that one's efforts will have a desirable outcome.

Most parents mobilize their existing *guanxi* networks when the time comes to choose a school for their children. But some parents have a long-term plan and begin to develop any *guanxi* who would be of any help in the school choice process long before it is needed. The long-term view is also reflected in the practice of making/enabling their children to "befriend" his/her classmates in the *key school* who are mostly from higher socio-economic family backgrounds, who would be more likely to succeed in future career, and who would, therefore, become a useful component in a powerful integrated *guanxi* network in the future.

The social capital at the institutional level is seen in the formation of co-operative units between (*key*) schools and government departments, organizations and institutions. Going to desired schools as co-operative students can save money, energy and time for families with school-aged children, which cannot be copied by other people from non-co-operative units. The offering of some school places in exchange for a significant donation from the co-operative units is a strategy that benefits only those schools and institutions (units) involved at the expense of others.

Social capital works both ways. While parents mobilize it to get their children into the desired school, schools also often make good use of the social capital many of their students bring with them to gain important benefits for the school. Some of the benefits include more funding, more infra-structure construction projects and more favourable treatment in terms of routine services, such as examination of accounting and grant application procedures. However, for the school, social capital is a double-edged sword. More often than not, the places available in the school are far fewer than the number requested through *guanxi* networks. Consequently, it is impossible to avoid offending many of those request-makers, who may be modestly influential but are less powerful than those whose requests for school places are actually granted.

## **Economic capital**

Economic capital is the fundamental element in the creation of the current school choice market. This study affirms the idea that school choice in China is basically money-based. Economic capital is the glue that binds together all of the parties involved. Parents use money to pay the choice fee in order to obtain a place in the desired school, while schools and the local government generate additional funds for their institutions by accepting choice students. Each party involved gets what they want: school places for some parents' children, substantial amount of funds for some schools to maintain routine operation and develop further, and extra funds for the local government to make up for the insufficient education investment and reduce pressure on their tight education budget.

The role of the economic capital is often present before, during and after the school choice process. In addition to the payment of the choice fee to the desired school during the school choice process, the acquisition of cultural capital by taking extracurricular classes and employing tutors also requires the investment of economic capital, usually in large amounts. The majority of the parents in good schools (School A and B) have already expended economic capital in order for their children to accumulate cultural capital long before the crucial point of entering a junior middle school. This action is necessary so that the child can be academically qualified to attend the desired school. Other students take these extracurricular classes and/or use tutors either to strengthen their knowledge/performance in their weak subjects or to learn something extra and reinforce what they learn in class. The goal is to gain/maintain their competitive advantage in the competition for the places of the *key schools* at the next higher level of schooling. The prize-winning certificates often require previous economic investment in relevant extracurricular activities, and the expenses (travel, accommodations and food) involved in taking part in contests in different locations also require money. As a result, two equally academically competent children may have quite different outcomes if one is from an affluent family who can afford to participate in contests at the national level, while the other one is from a working class family who are unable to participate in such competitions due to limited economic circumstances.

For affluent families, the purchase of a house in the catchment area of the desired

school is the safest, surest and most convenient way of obtaining a place at the school. Given the current housing prices, however, this strategy may be more costly than any other option described in this study. Renting houses (rooms) near the desired school to baby-sit the choice student(s) also requires a substantial amount of money, which is often beyond the means of working and lower class families.

While half of the story is about the parents' use of economic capital to acquire places in the desired schools, the other half of the story is about the many schools and local governments making full use of the opportunity presented by school choice to generate additional funds for their purposes. For the schools, since it is not within their power to change the current insufficient investment in education by the government, taking choice students and charging high choice fee is a good alternative income stream. For the local government, the choice fee seems to be a "free lunch", generating more funds for the schools at no cost to the government. In fact, some portion of the choice fee, e.g., 30% in Nanning (Zhou, 2003) and 50% in Guangdong Province (Lin, et al., 2007), also provides additional funding directly to the government. Therefore, this market-based school choice seems to have met the demand of all the parties involved: students and families on the demand side and schools and government on the supply side, both satisfying their respective needs while many working class families are excluded from the school choice process due to insufficient economic capital.

## **5.2 Maintenance of intergenerational immobility through parental choice**

This study shows that the chances of successfully entering the desired school are causally related to students' family background. Parents' socio-economic status and their possession of different forms of capital determine the type of education they receive.

First of all, in the context of the exam-driven education system in China, middle class parents with high education credentials and successful career experience have a clear understanding of the importance of receiving good education as early as possible. Further, they understand the causal relationship between the type of school one attends, the educational attainment one can achieve at that level, and the success of transitioning to a desired school at the next level. Compared with their working class counterparts, middle

class parents are also able to foresee the necessity of acquiring higher credentials and more reputable credentials from elite universities in order to find a good job. Therefore, they have a strong motivation to help their children to acquire the cultural capital needed for entering a *key school* by sending them to extracurricular classes, employing tutors, participating in contests and winning prizes. Many working class parents, on the other hand, often fail to see in advance the crucial connection between those extracurricular activities and gaining entry into *key schools* until it is often too late for them to make up the loss.

An important factor that enables middle class families to successfully help their children acquire more cultural capital is the economic capital they have. All the cultural capital accumulation activities consume substantial amounts of money, which effectively excludes most working class families from taking such actions due to their limited income. Another big financial problem confronting the working class families in the school choice process is the requirement of choice fee by the desired schools, which is usually a large amount of money for them. The disadvantaged economic condition of the working class families can be said to be the main reason that they have fewer chances of sending their children to their desired (key) schools.

In addition to the possession of sufficient cultural and economic capital, having the appropriate and influential social capital is another important screening device in the school choice process. Unlike the first two types of capital, which can be possibly acquired through personal efforts and help from relatives and friends, one's social capital is usually developed in the social circle one is in, i.e., middle class parents tend to build their *guanxi* networks within their same social class, as do the working class parents. Since there is more social capital to be gained in the middle class, it is not surprising that parents in the middle class are more successful in acquiring social capital and gaining entry into *key schools* than are parents in the working class.

As a result of the school choice-related policies and the use of market mechanisms that favour the middle class, the competition for oversubscribed school places has increasingly relied on mostly parents' cultural, economic and social capital. This practice of "parentocracy" in the school choice process has exacerbated existing disparities in

academic achievement by social class and reinforced the reproduction of social classes from one academic generation to the next.

This study reveals that the disproportion of different social classes in the key junior middle school and the poor school is the result of the differences in the possession of economic, social and cultural capital among the parents. The indication of class reproduction from this study confirms findings in earlier studies of Yang Dongping (Yang, 2005) and Chen Binli (Chen, 2008), which demonstrate a decline in the percentage of students from working-class families accessing key senior middle schools and universities. Therefore, the current school choice has unintentionally reduced intergenerational upward mobility and led to social class reproduction.

Although there is a tension between those with more capital of various forms who benefit from the current practice of school choice and the silent majority with less capital of any kind who are disadvantaged in the school choice process, there is not likely to be a radical change to the current situation in the short run because the provision of good schools at all levels is far from enough to meet the great demands in the market. Therefore, school choice in one form or another will exist in China in the foreseeable future.

### **5.3 Reflections, limitations and recommendations**

In spite of the different social systems between China and the west, it is interesting to see that both Brown's PCT and Bourdieu's theory about cultural and social reproduction as well as forms of capital have application in the Chinese context and can be well illustrated by the current school choice practice there. However, based on how Chinese students accumulate their cultural capital, the boundary between the ways that cultural capital is transmitted as described by Bourdieu has been extended far beyond what is often described in western contexts through extracurricular activities. Sending children to extracurricular classes has become the norm in the preparation for the choice of their preferred school, given that the proof of one's cultural capital is mostly (prize-winning) certificates of various kinds, which one has to be well trained for, in order to obtain them. In addition, as a vital tool in the school choice process, the Chinese concept of *guanxi* overlaps to a large extent with Bourdieu's social capital as both of them refer to social

networks, which can help one to get things done. But having *guanxi* in the Chinese context often means one does not have to do things by the book or follow the normal procedure. While social capital has been applied to gangs in the Western context, in China this negative connotation is extended to the kinds of informal but condoned practices described in this thesis. As this thesis has shown *guanxi* is a key part of choice and can extend beyond the principles of objectivity and merit that often provide the framework in the West for social capital. *Guanxi* networks are maintained by giving face (and saving face), gifts, favours, profits, information or hospitality (Wright, Szeto and Cheng, 2002).

There are two limitations to this study. First, the original plan of this research was to include four types of schools: key school, second-best school, average school and poor school in order to show the impact of school choice on the different types of schools. But due to the sensitivity of the choice fee issue, permission to conduct this research could not be granted from any of the average schools I approached. This prevents this study from presenting the school choice influence on all types of schools. Second, compared with other state *key schools*, the student population in the catchment area of School A is relatively small due to historical reasons that cannot be specified in this report in order to protect the true identity of the school. As a result of the lower number of students in its catchment area, School A can take relatively more choice students. Therefore, the case of School A may not be typical of other *key schools* taking choice students. In spite of this difference, however, School A shares all of the other features that characterize *key schools*; e.g., high transition rate, a strong team of qualified teachers, sufficient funds, and good facilities.

Given the limitations of the present study, additional research on a larger scale is needed to provide a broader, more inclusive picture and a more definitive understanding of the school choice phenomenon, in general, and the use of different forms of capital, in particular. For example, useful information could be gathered by studying school choice in different-sized communities (i.e., big, medium-sized and small cities) and that are at different stages of economic development (eastern coastal regions and western underdeveloped areas).

In addition, due to the rapid expansion of urbanization, this study has not found any

schools which are forced to close because of poor performance even though the quality of the schools in this study differs greatly differently in terms of transition rate. This resulting scenario does not conform to the market theory proposed by school choice advocates (e.g., Chubb and Moe, 1990) which would predict that poor performing schools would fail. Therefore, research is needed to determine where the migrant children come from to explore the conditions of the schools there and presumably the closing down of many of them as a result at least in part of the school choice fever.



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## Appendix 1 Questionnaire

Dear Parents,

This questionnaire is aimed at obtaining a deeper understanding of what parents have done to help improve their children's study, especially the financial investment in preparation for or in the process of school choice. You are invited to complete this anonymous questionnaire. All of your help and opinions will be highly appreciated. The information that you provide will be treated in the strictest confidence and it will be used for this research only. Thank you for your time and help!

Wu Xiaoxin

Department of Education, University of Bath, UK.

Please circle the letter of your choice. You can choose more than one option for No.9, 12 and 13.

1. Please indicate which of the followings applies to you?
  - a) administrator of the state and social organization
  - b) corporate manager or owner of private enterprises
  - c) professionals
  - d) clerical worker
  - e) self-employed businessman
  - f) service worker or blue collar worker
  - g) migrant/farm worker or unemployed
  
2. Which of the following educational levels applies to you?
  - a) doctor    b) master    c) bachelor    d) associate degree    f) middle school diploma    e) other
  
3. Your child has
  - a) Nanning agricultural hukou
  - b) Nanning non-agricultural hukou
  - c) non-Nanning hukou

4. Is your child a choice student or a catchment student (student who cannot enjoy government-assigned student status)?
- a) Yes                      2) No
5. Does your child have any brother(s) or sister(s)?
- a) Yes                      2) No
6. Your total annual family income after tax is
- a) less than ¥30,000                      b) ¥30,001-¥50,000    c) ¥50,001-¥80,000
- d) more than ¥80,000
7. Have you ever selected the out-of-zone kindergarten for your child before?
- a) Yes.                      b) No.                      c) Not sure
8. Have you ever selected the out-of-zone primary school for your child before?
- a) Yes.                      b) No.                      c) Not sure
9. The reasons you choose the present school for your child are (please rank them from the most important to the least important by putting the letters in the places from left to right)
- a) good school quality
- b) high progression rate
- c) good reputation
- d) good teaching facilities
- e) convenience (near home)
- f) others (please specify)
- \_\_\_\_\_
10. Have you ever employed private tutor for your child?
- a) Yes.                      b) No.                      c) Not sure
11. Has your child ever taken out-of-school classes including those in the pre-junior middle school period? (If the answer is No, then go to Question No. 14)

- a) Yes.      b) No.      c) Not sure

12. What kind of out-of-school classes have they attended? (You can select more than one)

- a) Mathematics    b) English    c) music(al instrument)    d) dancing  
e) calligraphy    f) other

13. The reasons for taking out-of-school classes are \_\_\_\_\_. (You can select more than one)

- a) gaining positional advantage in school choice  
b) making up the weak subjects of the child  
c) Learning a special skill  
d) improving the child's study at school

14. How much have you spent on those classes and/or private tutor so far?

- a) less than ¥3,000    b) ¥3,001-8,000    c) ¥8,001-15,000  
d) ¥15,001-25,000    e) more than ¥25,000

15. How much are you supposed to spend on your child's three-year junior middle school study, which include tuition, transient fee, donation and after-school training and/or tutoring?

- a) less than ¥5,000      b) ¥5,000-15,000    c) ¥15,001-30,000  
d) ¥30,001-50,000      e) more than ¥50,000

16. Have you ever purchased a house for the sake of school choice?

- a. Yes.      b. No.      c. Not sure

17. Have you ever rent a house or room for the sake of school choice?

- a. Yes.      b. No.      c. Not sure

18. Which of the following do you prefer most?

- a) School choice by academic achievement  
b) School choice by proximity principle

- c) School choice by donation / choice fee
- d) School choice by computer lottery
- e) School choice by other way(s)

Thank you for completing this questionnaire.

I would highly appreciate it if you would be willing to be interviewed about the issue of school choice. The interview would be confidential and would be organized for a time and place that suit you. If you agree to be interviewed by me, please tick here , and write your contact details below

Surname.....

Telephone Number.....

Email address.....

## **Appendix 2 Core interview questions**

### **A. Core interview questions for parents**

1. What do you think of the issue of school choice in Nanning?
2. What have you done or are planning to do to help improving your child's study or acquiring some kind of special talent?
3. What role do certificates play in the school choice process?
4. What role does choice fee play in the school choice process in general, and the selection of the desired school for your child in particular?
5. How important is the role of *guanxi* in the school choice process?
6. Have you ever used *guanxi* to facilitate the entry of your child into a desired school before?
7. What are the implications of the positional competition in the school choice process?

### **B. Core interview questions for managerial staffs**

1. What do you think of the issue of school choice in Nanning?
2. How do you select your choice students?
3. What role does choice fee play in maintaining sustainable and further development for your school?
4. What do you think of the role of *guanxi* in regard to school choice?
5. As far as your school is concerned, what are the advantages and disadvantages of school choice?
6. What should be done to ensure a healthy development of the schools and reduce the number of families and schools taking part in the school choice process?