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The Equity Challenge in China's Higher Education Finance Policy

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Abstract

Sustaining China's rapid economic growth in the future will come to depend in large part on the quantity and quality of the human resources it can mobilize. The paper considers the prospects for higher education financing, and highlights the importance of improving equity in access to higher education as a precondition for a sustainable expansion in the higher education sector. The paper aims to throw light on two key questions: What are the links existing between current financing arrangements and equity in access to higher education? What kind of financing arrangements could ensure increasing access to higher education?

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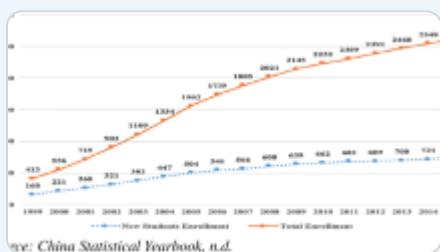
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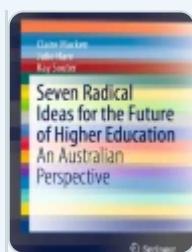
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Notes

1. An important issue is that subsidies to higher education crowd out the public support to primary and secondary education, but for reasons of space this is not covered in the paper.
2. The *west poor areas* include 12 provinces/municipalities/autonomous regions. They consist 18% of China's GDP, 29% of the population, 60% of the poor people, 72% of the minority population and 72% of the surface area of China ([The World Bank Group for China, 22 January 2003](#), 17).

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