

**A new social risk facing the most disadvantaged young children in China:  
Changes in child care policy and practice and their impacts on social equality**

**Abstract:**

*Changes in child care are parts of the fundamental transformation that China is undergoing. Before the economic reform, nearly all welfare resources including those for child care were financed by the state and directly provided by the work unit in urban China. In its reform era, the child care system faced an institutional crisis. This paper aims to map out the complex policy and practice changes in child care since 1980 and examine the impacts of these changes on the wellbeing of the most disadvantaged young children. This study is based on a multi-method approach which involves a secondary analysis of longitudinal statistical data, an analysis of a range of documentary evidence, extensive in-depth interviews and case studies, mainly conducted in 2004-05 in Beijing. It examines the gradual dissolution of public child care provision and the rapid expansion of private provision in recent years in urban China. It particularly reveals the huge differences in Chinese child care provision between different economic groups of mothers. It shows the most disadvantaged young children from urban low-income families and migrant rural families had limited poor-quality childcare provision and were mainly looked after by poorly-educated mothers and grandparents. It also draws attention to the urban-rural chain of reproductive and care labor in recent years with the migrant rural women looking after the younger generation in urban China while leaving their own children behind in the rural areas (liu shou ertong). This paper thus concludes by revealing a new generation who grew up without basic rights to necessary care, supervision and early education. It questions about whether it is enough for the state to be an active regulator while playing a more marginal role in financing and supplying early child care. The paper seeks to contribute to the conferences by exploring a new social risk that many disadvantaged children in current Chinese society have encountered in the very early stage of their life courses.*

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## Introduction

The one child policy was launched in China in 1979 and has been strictly implemented in urban areas since 1980, with the aims of slowing down the Chinese population growth rate and improving economic growth by curtailing population growth. Due to the strong state intervention, the fertility rate has fallen rapidly in China. Since 1980, China's demographic structures have greatly changed. While old people dependency ratio has risen rapidly (from 8.4 per cent in 1990 to 12.7 per cent in 2006),<sup>1</sup> children dependency ratio has declined rapidly (from 41.5 per cent in 1990 to 25.5 per cent in 2006).<sup>2</sup> The proportion of young children aged 0-6 in the total population declined from 13.7 per cent in 1982 to 8.2 per cent in 2000 (National population 2000 census data). Meanwhile, China has experienced rapid urbanization since 1980. The proportion of urban people in the entire population increased from 19.4 per cent in 1980 to 43 per cent in 2005 (*China statistical yearbook*, various years). Chinese households have diminished in size and become less extended in composition due to the one child policy, urbanization, migration, and other social changes.

The economic reform from a centrally planned economy to a market economy began in 1978 and continues up to the present day in China. There has been an obvious decline in the share of the public sector (state- or collective- owned companies or institutes, i.e., the work unit) in urban employment since then (Saunders and Shang, 2001). The Chinese government's full employment policy in urban areas (a lifelong employment system, i.e., the 'iron rice bowl') was formally abandoned in 1986. The economic reform has also changed the relation between the state and the state-owned enterprises (SOEs) and turned the latter into independent economic entities (Chow and Xu, 2001). The structural readjustment of the public sector began throughout the country in the early 1990s. The auxiliary and service components (including kindergartens and other personal services) of various work units have been forced to be closed or socialized (*shehuihua*).

All these changes have led to one of the most dramatic socio-economic changes that human society has experienced in the recent years. As a part of the dramatic socio-economic transition which China is undergoing, China's social welfare system, which relied heavily on the work unit system and the lifelong employment system in the earlier period 1949-1979, has gone through significant changes since 1980. In particular, the work-unit based state and collective welfare provision has gradually broken down with the gradual erosion of various work units. These transitions have further brought significant changes in many aspects of social life, including women's employment and care for young children.

Unlike many western countries, where female labour force participation has been promoted in the interests of increasing economic growth and competitiveness in recent years and policies focused on how to reconcile work and family responsibilities have been put at the forefront of welfare reform agenda (OECD, 2001; OECD, 2002; Lewis, 2006; OECD, 2006; OECD, 2007), in urban China, there has been a question mark put over female labour force participation since 1980. The 'women return home' arguments have been more visible during the economic reform era than ever (Sun, Liu et al., 1994; Wang, 2000; Jiang, 2001). The economic reforms have

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<sup>1</sup> Old Dependency Ratio refers to the ratio of the elderly population to the working-age population, express in %.  
The working-age population was defined as those aged 15-64 (*China statistical yearbook*, various years).

<sup>2</sup> Children Dependency Ratio refers to the ratio of the children population aged 0-14 to the working-age population, express in % (*China statistical yearbook*, various years).

increased new gender discrimination in the labour market. Since 1980, a disproportionate number of women workers in the public sector have been laid-off or forced to retire before the legal retirement age (Tang and Parish, 2000). Unsurprisingly, the employment rate of Chinese women in urban area has notably fallen. For instance, in the population aged 18-64, the female employment rate declined from 76.3 per cent in 1991 to 63.7 per cent in 2000 in Urban China (Research group for 2000 survey on Chinese women's social status, 2001). Nevertheless, there hasn't been a significant trend for Chinese women to withdraw from full involvement in labour force participation, which seems different from most European post-socialist states (Deacon, 1992).

Changes in child care policy and practice are responses to the fundamental social and economic changes that have taken place in urban China. Since 1980, Child care in urban China has faced great challenges, particularly an institutional crisis. China's welfare system in general and child care in particular in the earlier period (1949-1979) were mainly work-unit based. Most urban residents were allocated a work unit and thus automatically entitled to public child care benefits (such as maternity leave benefits and childcare services) through their work units. Hence, there were very few 'socialized' childcare services outside the respective work units. With the rapid growth of its private economy, its downsizing of the state-owned sector, and the structural readjustment of various work units during the period of economic reform, the work unit's position as the key provider of child care benefits and services at the operational level has been severely undermined.

What was the basic trend of child care changes in urban China in the recent 26 years from 1980 to 2006? Was it a one-directional movement of marketization in which process state/work-unit based welfare gives way to market provision? What impacts have the child care changes on social equality in current transitional Chinese society? In particular, what are their impacts on the social inclusion of the very young generation? These questions need to be addressed.

I choose child care precisely because of its relative "marginality". Current social welfare reform in China focuses on the major 'old social risks' (Taylor-Gooby, 2004) faced by the mass of the population during the Chinese economic transition, in particular, rapid ageing, ill health, new unemployment and urban poverty generated by the new market system. The traditional areas - pension, medical care, unemployment insurance, work-related injury and basic education - have been given far higher priorities in the Chinese social welfare reform. Child care constitutes a relatively marginal part in current social welfare reform and most social policy analysis.

Child care has been greatly under-studied in China. Serious research on the changes in China's child care policy and practice and their impacts on social equality is conspicuously lacking in mainstream social policy analysis. There have been several descriptive studies of daily childcare services based on short-term visits to some kindergartens in several major cities before the economic reform began, such as Sidel (1974) and Mauger et al. (1976). A number of studies have documented people's child care choices in everyday life. For instance, Chen et al. (2000) point out the important role grandparents play in child care in urban China, drawing on recent data from the China Health and Nutrition Survey. Using the same data, Short et al. (2002) explore the positive relationship between maternal work and child care center availability in China. Although there have been several studies on institutional childcare services recently, such

as Lee (1992), Haddad (2002), Liu & feng (2005), and Jin et al. (2005), they mainly focus on children's early education and shed little light on child care policy and the institutional issues.

In what follows, I will 1) briefly outline the methodology of the current study; 2) look at major changes in child care leave benefits for working parents and the institutional childcare provision in urban China since 1980; 3) further examine major changes in child care general patterns and in the family strategies since 1980; 4) explore the impacts of these changes on the most disadvantaged young children; 5) conclude by discussing the basic trend of child care changes in urban China since 1980 and draw implications for policy and research.

### **Methodology**

The paper is based on the main findings in my PhD research which involves a multi-method approach including a secondary analysis of longitudinal statistical data, an analysis of a range of documentary evidence (e.g. legislative documents and media reports), 9 case studies on different kinds of kindergartens and 30 extensive in-depth interviews with key informants including policy makers and researchers (6), employers (5), mothers (14), grandparents (3) and paid child carers (2). National and local statistics on the institutional childcare services were mainly collected from various volumes of *the Education Yearbook of China*, *the Educational Statistics Yearbook of China*, *the Statistics Yearbook for China's Educational Enterprise*, and *the Education Yearbook of Beijing*.

The case studies and in-depth interviews mainly conducted in 2004-05 in Beijing (some follow-up telephone interviews with 5 parents were conducted in Oxford in June 2007). I identified Beijing as my major research site for two reasons: Firstly, as China is a huge country with significant geographical, cultural and linguistic variety, not only between urban and rural areas, but also within cities and municipalities, it is clearly not practical to conduct a comprehensive study throughout the country in terms of time and other resources. A broad range of research sites would not be feasible within China. It is necessary to confine this study to one city to serve as a case study. In this case, it is reasonable to choose its capital, Beijing, as the sampled city. Secondly, as all the policies, including social policies, have mainly been made from the top down in China, doing field work in Beijing, is preferable for obtaining access to policy-makers and so on. The field research provides first-hand information about a range of child care policies and practices in the Chinese context. Case studies have been conducted in 9 kindergartens in B District, Beijing, to obtain first-hand information about various types of institutional childcare services. All of the names of places and respondents used in the paper have been changed.

### **Major changes in child care leave benefits and the intuitional childcare provision in urban China since 1980**

At the level of policy and provision, care is complicated. This is because it involves both formal provision, in the form of cash or service, and informal provision, paid and unpaid work, across public and private sphere (Lewis, 2001). The range of policy measures across nations is striking. Care policy indicates a variety of policy arrangements, including cash payments, taxation allowances, different types of paid and unpaid leaves, social security credits, and services (Daly, 2002). What is more, the provision of care may require meeting three needs, i.e., a need for services, for time, and for financial support. Daly (2002) classifies four different types of provision for care as follows:

1. monetary and in-kind social security and taxation benefits such as cash payment, credits for benefit purposes, tax allowances;
2. employment-related provisions such as paid and unpaid leave, career breaks, severance pay, flexible time, reduction of working time;
3. service such as home helps and other community-based support services, child-care places, residential places for adults and children;
4. incentives towards employment creation or provision in the market such as vouchers, rearranged working hours, subsidies for private or market care.

Nevertheless, there has not been a variety of policy arrangements for child care in western sense in urban China. In light of Daly's classification of care provision, it is clear that the Chinese case allows exploration of only some elements, including child care leave benefits (maternity leave and paternity leave) and the institutional childcare services. This provides a realistic focus for the paper.

### ***Major changes in child care leave benefits since 1980***

The maternity entitlements have expanded to workers in all kinds of workplaces and the benefits level has also been improved to some extent since 1980, so do the availability and coverage of paternity leave. Nevertheless, Chinese system has lagged far behind its western counterparts. The Chinese system contains no parental leave. Except for maternity and paternity leave, there is still no law which entitles both parents to paid leave from work after the birth of their children in China. Exemptions from the obligation to work and payments for care or combining work and care through part-time employment backed up by state policies seems impossible to be put on social policy agenda. Many employers encouraged women to take prolonged maternal leave at less or no pay in order to avoid the costs of establishing childcare services particularly in the 1980s (Croll, 1995; Liu, 1995). The prolonged maternal leave was different from parental leave in Western welfare states in that this long period of low paid or unpaid leave was taken entirely by women. It seems that the prolonged maternal leave only served to enhance a more traditional family arrangement by confirming mother as the primary carer, in stead of promoting greater participation by men in child care and other family responsibility and at the same time keeping women attached to the labour market.

### **Maternity insurance reform: changes in financing and provision and women's entitlement**

China's maternity insurance system was initiated in the early 1950s to promote women's labour force participation and to protect the rights of working mothers. The Chinese maternity insurance system in the earlier period 1949-1979 had several features. First, the provision of maternity insurance benefits was not universal. It had been confined to the urban areas. Maternity insurance benefits were related to being a member of the paid labour force, were later related to being a formal (full-time) member of state-run enterprises or government agencies, public institutions and official social organizations. Second, even though women employees who worked for state-run enterprises and those who worked for government agencies, public institutions and official social organizations were entitled to similar maternity insurance benefits, the financing systems were different from the very beginning. Thirdly, although the maternity insurance system in the 1950s could be seen as a national or social insurance system, it later became a completely work unit-based system. The maternity benefits provision was provided to women workers only through their work units.

**Table 1: Key laws/regulations on maternity leave benefits**

Law	Year	Women with the Entitlements	Entitlements
Labor Insurance Act and Revised Directive	1951 1953	women workers in enterprises	56 days of leave at full pay; free prenatal medical care and delivery
Regulation on Women Workers' Maternity Leave	1955	women workers in governments, parties and institutions	56 days of leave at full pay; free prenatal medical care and delivery
Act of Protecting Female Staff and Workers	1988	women workers in governments, parties, people organizations, enterprises and institutions	90 days maternity leave at full pay; two thirty-minute breaks during working hours each day for breast-feeding during the child's first year; childcare facilities from work units with large numbers of female employees
The Law on The Protection of Women's Rights and Interests	1992	women workers in governments, parties, people organizations, enterprises and institutions	Women shall be under special protection during the menstrual period, pregnancy, obstetrical period and nursing period (Article 25). No work units may dismiss women staff and workers or unilaterally terminate labour contacts with them by reason of marriage, pregnancy, maternity leave or baby-nursing (Article 26).
Labour Trial Regulations on Maternity Insurance for Employees in Enterprise	1994	women workers in enterprises	Women workers are granted three months maternity leave and one month late childrearing leave with full pay. They may apply for childrearing leave for one year with 80% pay.

Sources: Robinson (1985); Onesto (1998); Bauer et al. (1992); Croll (1995)  
The Law on the Protection of Women's Rights and Interests, 1992

The maternity insurance system started to face huge challenges from the beginning of the 1980s. As the individual enterprise was responsible for its own profit and loss, the employer liability maternity benefit system led to many problems. There appeared great imbalance in financial responsibility among enterprises with different percentages of male and female employees. Those enterprises with a higher percentage of woman workers had to bear heavier burdens. The costs of paid maternity leave, prenatal medical care and delivery and childcare service provision

contributed to the employers' unwillingness to hire or keep women employees. Compared with women workers in state owned enterprises, those working in collective enterprises enjoyed less maternity benefits, while those working in new private enterprises or foreigners-invested enterprises suffered greatly from lack of safeguarded maternal benefits.

In order to 'meet the needs of China's economic reform and protect women's labor rights', the maternity insurance system was reformed by the Chinese government from the late 1980s. The Labour protection Regulation for Female Workers and Staff and the Law on the Protection of Women's Rights and Interests were enacted in 1988 and 1992 (see Table 1), which forbid women workers to be dismissed for reasons of marriage, pregnancy, maternity leave or baby-nursing, guarantee all women workers in all kinds of enterprises, including new private enterprises and foreigners-invested enterprises, and women workers in government agencies, public institutions and official social organizations, 90 days of full paid maternity leave and two thirty-minute breaks during working hours each day for breast-feeding in the child's first year. These laws and regulations also forbid women workers to be dismissed for reasons of marriage, pregnancy, maternity leave or baby-nursing. New regulations have expanded coverage for women with maternity leave entitlements and improved the benefits since the late 1980s. However, the above regulation and law seem not very helpful to solve the problem of great imbalance in financial responsibility among enterprises or to well protect Chinese women workers during their pregnancy and post-pregnancy period.

It seemed necessary to establish a social maternity insurance pooling system, with the maternity insurance fund collected and planned across enterprises. In 1988, the state introduced a reform of the maternity insurance system in some areas. Different measures were tried in different places in order to equalize the burden of maternity insurance premiums across enterprises. For instance, maternity insurance pooling fund was established in Nantong, Jiangsu province and Zhuzhou, Hunan province, while in Anshan, Liaoning province, the provision of maternity insurance benefits was shared equally by the couple's enterprises.

In 1994, China's former Ministry of Labor issued the Labour Trial Regulations on Maternity Insurance for Employees in Enterprise. Following the new regulations, the central government urges local government to establish maternity insurance pooling systems for employees in urban enterprises to equalize the burden of maternity insurance premiums across enterprises and to ensure the provision of maternity insurance benefits to women workers. All enterprises are required to pay maternity insurance premiums, in due proportion<sup>3</sup> to its total pay-roll, to the agencies in charge of social insurance funds which are subordinate to the labour departments at different levels. The enterprises pay the insurance premiums and women workers get their subsidies<sup>4</sup> during maternity leave, prenatal medical and delivery expenses paid from the maternity insurance pooling fund. The exact contribution rate and the levels of benefits are decided by local governments based on individual local conditions.

The Chinese government hopes the undergoing maternity insurance reform will transform the work unit-based maternity insurance mechanism into a social maternity insurance system. There are several noticeable features in the new maternity insurance programme. First, the new

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<sup>3</sup> It was set at less than 1 per cent of the total wage bill.

<sup>4</sup> It was calculated on the basis of the average monthly wages in the enterprise in the previous year.

maternity insurance system is still an employer liability system, as the premiums are paid by the employers while individuals do not make any contributions. One of the main aims of the new programme is to equalize the burden of maternity insurance premiums across enterprises, not to eliminate the responsibility of the employers. Secondly, the new maternity insurance system is an enterprise centered system. In most areas throughout the country, the new maternity insurance program mainly covers urban enterprises and their employees, while women employees who worked for government agencies, public institutions and official social organizations are excluded and the state is still responsible for financing their maternity insurance benefits.

In reality, the new maternity insurance programme, which is still in a trial period, could not include all the woman workers into the insurance system and it has no effective measures to ensure the implementation of the regulation. By the end of 2004, the practice of overall social planning had been introduced in 28 provinces, autonomous regions and municipalities directly under the central government, with 43.84 million employees, or 60 per cent of the total number of urban employees covered. Compared with other social insurance reforms in current China, the maternity insurance reform is a laggard, mainly because both the central Chinese government and local governments have, in fact, promoted this reform with much less enthusiasm than other social welfare reforms.

#### **Paternity leave arrangement: changes in availability and coverage**

Although China has adopted statutory provisions for maternity leave since the early 1950s, statutory paternity leave entitlements have not yet been recognized by today at national level. Nevertheless, even though there was no legal right to paternity leave until 2002, collective agreements in some economic sectors tended to include provisions to that effect. Entitlements to paternity leave depended on works agreements and were granted at industry or enterprise level. For instance, civil servants were entitled to paternity leave of up to 15 days at the time of the child's birth, and some agreements at enterprise level extended the right to other workers in state-owned enterprises and some collective-owned enterprises. In the absence of statutory provisions, many Chinese fathers were entitled to take a certain number of days off. However, with the rapid development of private sector in the era of economic reform, it became difficult for fathers in private sector to secure their right to paternity leave. Even though they were provided for a certain number of days off at the time of the child's birth, the length of the period of leave and the benefits level could not be compared with those enjoyed by fathers in the public sector.

There have been some regulations on population and family planning passed by a number of individual province-level divisions since 2002, providing paternity leave benefits to residents registered in their administrative divisions. The main purpose of these regulations on population and family planning enacted by various provinces are to promote late marriage<sup>5</sup> and late childbearing<sup>6</sup>. It is noteworthy that caring for young children is probably not the central policy concern in terms of paternity leave provisions. Like the extension of maternity leave benefits for married mothers of single child, the provision of paternity leave is also one means of promoting the family planning policy in China. As rewards and entitlements to people who have late childbearing, extra maternity leave and paternity leave are provided to them. The provisions of

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<sup>5</sup> The first marriage of a man at or above 25 years old is regarded as late marriage. The first marriage of a woman at or above 23 years old is regarded as late marriage.

<sup>6</sup> The first childbearing of a married woman at or above 24 years old is regarded as late childbearing.



paternity leave, i.e., late childbearing nursing leave to fathers according to those regulations, however, enable the father to spend some time with the newborn baby and the mother and take care of them. It is generally believed in China that it is particularly good to the intellectual development of the newborn baby if fathers spend some time with them. Some policy-makers also believe that the provision of paternity leave may help to promote equal opportunities for men and women to combine parenthood with professional life.

Among those province-level divisions that provide for parental leave, many differences can be found with regard to the maximum periods of leave and the payment of benefits provided to people who have late childbearing. The length of this leave ranges from three days to a month and the payment of benefits vary from basic pay to full pay.

In Beijing, women having late childbearing were entitled to an additional 30-day maternal leave for late childbearing besides the maternal leave set by the state, and their husbands were entitled to 10-day late childbearing nursing leave, with their basic payment and the work contract retained<sup>7</sup>. Whereas in Shanghai, women were entitled to an additional 30-day maternal leave besides the maternal leave set by the state, and the husbands were entitled to 3 days only late childbearing nursing leave, with the economic benefits the same as that of maternity leave<sup>8</sup>; in Chendu, the husbands were entitled to 15 days with full pay<sup>9</sup>; in Shandong, the husbands were entitled to 7 days with full pay<sup>10</sup>; in Henan, women were entitled to an additional 3-month maternal leave for late childbearing besides the maternal leave set by the state, and their husbands were entitled to 1-month late childbearing nursing leave with full pay<sup>11</sup>; in Hebei, women were entitled to 45-day maternal leave for late childbearing besides the maternal leave set by the state, and their husbands were entitled to 10-day late childbearing nursing leave<sup>12</sup>; in Nanjing, women were entitled to 3-month maternal leave besides the maternal leave set by the state, and their husbands were entitled to 15-day late childbearing nursing leave with full pay<sup>13</sup>; in Changsha and Shenyang, women were entitled to an additional 30-day maternal leave besides the maternal leave set by the state, and their husbands were entitled to 15-day late childbearing nursing leave<sup>14</sup>.

In reality, father's take up-rates in terms of paternity leave were generally low across the country. In my field research place, Beijing, paternity leave benefits were based largely on employers' preferences. The length of this leave varied from sector to sector. Among the five directors from different kinds of workplaces with whom I conducted in-depth interviews, three reported their male employees were entitled to paternity leave benefits.

### ***Major changes in the intuitional childcare provision since 1980***

Urban China experienced rapid expansion in providing institutional childcare services in the period 1949-1979. Most of the preschool services were public (*gongban*) services in this period.

<sup>7</sup> *Jinghua News*, 2003-07-20 09:18:40.

<sup>8</sup> <http://kiddy.online.sh.cn> 2005-08-05 08:48:21

<sup>9</sup> Xinhua web, 2002-07-17 10:22:18.

<sup>10</sup> <http://www.china.org.cn/chinese/renkou/220799.htm>

<sup>11</sup> <http://www.happyhome.net.cn/read.asp?subjectid=212&infoid=7720&forumid=14298>

<sup>12</sup> <http://hbrb.hebeidaily.com.cn/20030518/ca265365.htm>

<sup>13</sup> <http://china.qianlong.com/4352/2003/11/01/183@1684691.htm>

<sup>14</sup> *Xiaoxiang Morning News*, 2005-08-01 08:28; *Liaoning Daily*, 2005-11-7

Typical public childcare facilities were 'state-owned' (*guoyou*) facilities. These included nursing rooms in large state-owned enterprises; nurseries and kindergartens established by the state or municipal governments, and run by the Health Departments (nurseries) or the Education Departments (kindergartens); and nurseries and kindergartens run by various work units including government organizations, social organizations, state-owned non-profit-making agencies, and large state-owned or collective-owned enterprises. Nurseries and kindergartens run by community organizations were not regarded as typical public facilities, but they were still considered 'public' in the Chinese context, as most of these facilities were established by sub-district offices (*jiedao banshichu*), which were the lowest level of governments in urban areas<sup>15</sup>. Theoretically, they were collectively owned (*jiti suoyou*) by neighbourhood residents. Nominally, they were run by sub-district offices or residents' committees<sup>16</sup>, but in fact these facilities were responsible for their own financing and expenditures in their day-to-day operations.

The childcare system in the thirty years 1949-1979 was a work-unit based childcare system owing to its heavy reliance on the work unit as the key provider of childcare provision in urban China. In practice, the work unit acted as the primary provider of collective childcare services and handled the financing, the actual operation and management of the largest number of childcare services in urban China since the mid-1950s.

Since 1980, the transition from a planned economy to a market economy and social welfare reform in China has brought significant changes to urban China's formal provision of institutional childcare services. The previous work-unit based public childcare system in the centrally planned economy has changed to a much more complicated childcare mix system in which the roles of the state, the employer, the market sector and the informal sector of the family in terms of provision and financing have all changed significantly.

The modification of childcare mix in the recent period (1980-2006) mainly includes three facets: firstly, the rapid expansion of private kindergartens in the whole country and particularly in urban China; secondly, the gradual dissolution of public childcare services, in particular, the decrease in the numbers of kindergartens run by the work unit; and thirdly, the mixed nature of the remaining public kindergartens in the present day, in particular, in the light of their financing.

### **The rapid expansion of private kindergartens**

Private kindergartens were established by government-licensed private enterprises or individual citizens on a commercial basis and started to appear as early as the mid-1980s in urban China. Since the early 1990s, private kindergartens have been expanding significantly in the whole country. The Chinese state policy has made the private sector prominent in financing and providing kindergartens and thus greatly contributed to the rapid expansion of private kindergartens in China.

In recent years, private kindergartens have become a hotspot for the investment of private enterprises and individuals and have been expanding significantly nationally. As Table 2 shows, in 1994, the number of private kindergartens (18284) accounted for about 10 per cent of the total

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<sup>15</sup> The higher level of governments is district governments (*quzhengfu*), which are under the municipal authorities.

<sup>16</sup> Residents' committees with responsibility for providing personal social services in the cities were created in 1954 (Dixon, 1981).

number of kindergartens throughout the country, with their enrolments (about 1.04 millions) only accounting for 4 per cent in total enrolments. Six years later, in 2000, the number of private kindergartens went up to 44317 and accounted for over 25 per cent of the total number of kindergartens in the whole country, with enrolments (about 2.84 millions) accounting for over 12.5 per cent in total enrolments. During the five-year period of 2001 to 2006, private kindergartens had been developing even rapidly in the whole country. By 2006, the number of private kindergartens had increased to 75426 and accounted for about 58 per cent of the total number of kindergartens in the whole country, with enrolments (about 7.76 millions) accounting for over 34 per cent in total enrolments.

**Table 2: Changes in the numbers and percentages of kindergartens run by the private sector, classes and enrolments in this type of kindergartens in the whole country, 1994-2006**

	kindergartens run by the private sector		Classes in this type of kindergartens		Children enrolled in this type of kindergartens	
	number	Percentage in total (per cent)	number	Percentage in total (per cent)	number	Percentage in total (per cent)
1994	18284	10.5	37203	4.7	1036234	3.9
1995	20780	11.5	39394	4.9	1099866	4.1
1996	24466	13.1	46294	5.7	1303902	4.9
1997	24643	13.5	49898	6.2	1348830	5.4
1998	30824	17.0	64579	8.2	1707810	7.1
1999	37020	20.4	86070	11.0	2224282	9.6
2000	44317	25.2	109563	14.2	2842600	12.7
2001	44526	39.9	137083	18.3	3419310	16.9
2002	48365	43.3	157923	21.3	4005204	19.7
2003	55536	47.7	188618	25.9	4802297	24.0
2004	62167	52.7	227298	30.0	5841073	28.0
2005	68835	55.3	253003	32.7	6680925	30.7
2006	75426	57.8	285746	36.2	7756871	34.3

Sources: 1. *the Education Yearbook of China (1995)-(2007)*.

2. *the Educational Statistics Yearbook of China 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006*.

Note: National data on kindergartens run by the private sector for the years before 1993 are unavailable.

The private sector has been an even more important provider in urban China than in the country as a whole in terms of the percentage of private kindergartens and their enrolments in the total number and enrolments, as indicated by the available disaggregated data (2001-2006) on the numbers of various types of kindergartens and enrolments in urban and rural areas. As Table 3 shows, in urban China, the number of private kindergartens (12159) in 2001 accounted for about 44 per cent of the total number of kindergartens, with their enrolments (about 1.14 millions) accounting for about 25 per cent of total enrolments, while in the whole country the number of private kindergartens and their enrolments accounted for about 40 per cent and 17 per cent respectively in the total number in the same year (see table 2). By the year 2006, the numbers of private kindergartens had reached 20650 in urban China and accounted for about 65 per cent of the total number of kindergartens in urban China, with enrolments having reached 2.56 millions

and accounted for about 48 per cent of total enrolments in urban areas (see table 3), whereas in the whole country the number of private kindergartens and their enrolments accounted for about 58 per cent and 34 per cent respectively in the total number in the same year (see table 2).

Nevertheless, my field studies in Beijing during October 2004 to February 2005 found some issues regarding the recent development of private kindergartens which needed to be addressed, in particular with regard to their price.

Private kindergartens usually charged parents higher contributions and kindergarten fees than public kindergartens. The revenues of private kindergartens mainly depended on the financial input of the providers and fees charged to parents. Although the state declared that it will 'actively encourage and strongly support' the private sector to establish kindergartens, few government appropriations were allocated to private kindergartens. Private kindergartens were given great freedom in making their own price in the market. Even though they were required to report their price to the price department of the local government, this seemed not to be controlled by the government. During the period when my field studies were conducted in Beijing, the well-known private kindergartens, such as Jinseyaolan Kindergarten, Huijia Kindergarten, Bokai Kindergarten, and Xiaoniujin Kindergarten usually charged parents about 30-35 thousands a year (including contributions and kindergarten fees), while a public kindergarten classified first grade first class in Haidian district of the Beijing Municipality usually charged parents 10-12 thousands a year, with the best-known public kindergartens, such as Lantian Kindergarten, charging parents about 25 thousands a year.

**Table 3: Changes in the numbers and percentage of kindergartens run by the private sector, classes and enrolments in this type of kindergartens in urban China, 2001-2006**

	kindergartens run by the private sector		Classes in this type of kindergartens		Children enrolled in this type of kindergartens	
	number	Percentage in total (per cent)	number		number	Percentage in total (per cent)
2001	12159	43.7	47696	30.2	1139182	24.5
2002	13925	47.5	55969	33.5	1377789	28.2
2003	16816	53.1	71352	39.4	1750076	33.3
2004	19005	57.7	87690	45.1	2145824	38.8
2005	20154	60.5	94853	48.0	2377702	41.8
2006	20650	64.9	100560	53.4	2562724	47.6

Sources: 1. *the Education Yearbook of China (2002)-(2007)*.

2. *the Educational Statistics Yearbook of China 2001, 2002, 2003, 2004, 2005,2006*.

### **The gradual dissolution of public kindergartens**

The development of the kindergartens which are directly funded by government appropriations in urban areas has been generally stable in the recent period. State policy strongly supports the development of this type of kindergartens and prevents their dissolution. For instance, *Notice of the General Office of the State Council on Forwarding Guiding Opinions on the Reform and Development of Preschool Education issued by the Ministry of Education and Other*

*Departments in 2003* stipulates that government appropriations to the kindergartens established by the state and local governments (run by the Education Department) should be guaranteed and these kindergartens should not be sold openly or in any disguised form.

The number of kindergartens run by community organizations has generally decreased in urban China since the early 1990s, as more private kindergartens instead of community-run kindergartens have been established with new housing developments, different from the 1980s when the number of community-run kindergartens increased in many urban areas with a baby boom and new housing developments in urban areas. Since the mid-1980s, an increasing number of community-run kindergartens have been closed down with the reconstruction of some old streets in urban areas. Many of the community-run kindergartens which have disappeared were established in the late 1950s or late 1960s and their buildings and equipments were becoming old. As they had limited governmental funds to support them, they could not afford to have their buildings or equipments repaired or replaced. In the urban areas of Beijing, the number of kindergartens run by community organizations has decreased significantly in the old districts of the Beijing Municipality, where there were many community-run kindergartens established in the early period (1949-1979). For instance, in Xicheng District, the number of community-run kindergartens decreased from 50 to 25 during the period 1987 to 1998, and finally dropped to 17 in 2002; in Xuanwu District, the number decreased from 13 to 9 during the period 1998 to 2002; and in Dongcheng District, the number decreased from 20 to 12 during the period 1998 to 2002, and only about 3 remained until 2006 (Zhang and Wu, 2006).

The closure of public kindergartens in urban China in the recent period significantly reflects on the rapid decrease in work-unit run kindergartens since the early 1990s. In the recent years 1990-2006, the numbers of work-unit run kindergartens and their enrolments had decreased considerably in the whole country and in urban areas. The work unit's position as the key provider of kindergartens in urban China has been severely undermined.

Due to disaggregated data shortage, it is impossible to provide detailed information and analysis on the development of work-unit run kindergartens respectively in urban and rural areas for the period 1980-2000. However, as most of the work-unit run kindergartens in China were located in the urban areas, the development of this type of kindergartens in the whole country in this period can roughly reflect the development of this type of kindergartens in the urban areas. As Table 4 shows, the numbers of work-unit run kindergartens and their classes and enrolments had been increasing rapidly during this period in the whole country. For instance, the number of this type of kindergartens increased from 22704 to 28136 during this period, with enrolments having doubled the number of 1981, increasing to about 3.4 million. However, with the rapid growth of the private economy and the downsizing of the state-owned sector, and also with the reform in the auxiliary and service components of various work units, the numbers of work-unit kindergartens and their classes and enrolments had been decreasing significantly in the whole country during the period 1990-2006. For instance, compared with that of 1990 (28136), the number of work-unit kindergartens in 2000 (15578) decreased by about 45 per cent, and this number in 2006 (5512) decreased by about 80 per cent, with enrolments finally dropping from 3.4 million in 1990 to about 1.2 million in 2006.

**Table 4: Changes in the numbers and percentage of kindergartens run by the work unit, classes and enrolments in this type of kindergartens in the whole country, by years (1981, 1986-2006)**

	kindergartens run by the work unit		Classes in this type of kindergartens		Children enrolled in this type of kindergartens	
	Number	Percentage in total (per cent)	Number	Percentage in total (per cent)	Number	Percentage in total (per cent)
1981	22704	17.4	67752	18.8	1717141	16.3
1986	27353	15.8	103740	19.4	2900800	17.8
1987	32848	18.6	113112	19.6	3230900	17.9
1988	27887	16.2	NA		3208800	17.3
1989	28123	16.3	111223	18.2	3238033	17.5
1990	28136	16.3	115380	17.8	3398725	17.2
1991	27830	16.9	116341	16.6	3531731	16.0
1992	27069	19.3	106302	30.5	3226115	28.1
1993	27899	16.9	116475	15.2	3706987	14.5
1994	23266	13.3	105430	13.4	3261785	12.4
1995	23234	12.9	104408	13.0	3296381	12.2
1996	21905	11.7	97191	12.0	3101568	11.6
1997	20410	11.2	93206	11.6	2945193	11.7
1998	19154	10.6	91125	11.5	2913114	12.1
1999	17427	9.6	86277	11.0	2729662	11.7
2000	15578	8.9	80523	10.4	2554980	11.4
2001	11498	10.3	68630	9.2	2072638	10.3
2002	9549	8.5	63025	8.5	1891489	9.3
2003	9080	7.8	60352	8.3	1813694	9.1
2004	8157	6.9	55097	7.3	1642856	7.9
2005	5825	4.7	42655	5.5	1290028	5.9
2006	5512	4.2	39295	5.0	1196260	5.3

Sources: 1. *the Education Yearbook of China 1949-81; the Education Yearbook of China (1988)-(2007)*.

2. the Statistics Yearbook for China's Educational Enterprise 1993, 1994, 1995, 1996, 1997, 1998

3. the Educational Statistics Yearbook of China 1987, 1989, 1990, 1991-92, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006.

The available disaggregated data for the period 2001-2006 clearly shows the rapid closure of work-unit run kindergartens in urban China in recent years. As indicated in Table 5, the number of work-unit run kindergartens and the number of classes and enrolments had all decreased continuously in the six years. For instance, the number of work-unit run kindergartens had decreased from 7221 to 3908, with enrolments having dropped from 1.46 million to 0.87 million. The percentages of these numbers in the total numbers all decreased by about half in six years. The work-unit's position as a key provider of kindergartens in the urban areas had changed to a minor provider in urban China.

**Table 5: Changes in the numbers and percentage of kindergartens run by the work unit, classes and enrolment in this type of kindergartens in the urban China, by years 2001-2006**

	kindergartens run by the work unit		Classes in this type of kindergartens		Children enrolled in this type of kindergartens	
	Number	Percentage in total (per cent)	Number		Number	Percentage in total (per cent)
2001	7221	25.9	47401	29.8	1461311	31.6
2002	6687	22.8	45799	27.4	1382532	28.3
2003	6354	20.1	44324	24.5	1348822	25.7
2004	5732	17.4	40907	21.0	1223099	22.1
2005	4174	12.5	31687	16.0	958352	16.8
2006	3908	12.3	29128	15.5	874819	16.3

Sources: 1. the Education Yearbook of China 1949-81; the Education Yearbook of China (2002)-(2007).  
2. the Educational Statistics Yearbook of China 2001, 2002, 2003, 2004, 2005, 2006.

### **The mixed nature of the remaining public kindergartens**

Since the early 1990s, with the reform in the auxiliary and service components of various work units, and with many other reforms undergoing in these kindergartens in terms of their operation systems and fees-paying, the remaining public kindergartens have gradually moved towards self-financing entities. The financing has become mixed, with the principal source of funds generated from compulsory contributions and kindergarten fees collected from parents rather than government appropriations or the financial input of the work unit.

State financial support to kindergartens appeared to be minimal in recent years. The total government appropriations for education in China were repeatedly reported low by international standards. As Table 6 shows, although the total number had increased from 61.8 to 446.6 billion Yuan during the period 1991-2004 in the whole country, the percentage of the government appropriations for education in GDP had maintained low. Until 2000, less than 3 per cent of GDP had been allocated to education and since 2001 the percentage had increased a little but still kept no more than 3.4 per cent. The allocation of government appropriations to kindergartens was extremely small as the compulsory education attracted relatively more government appropriations. As Table 6 shows, although the total number of government appropriations for kindergartens had increased from 2.2 to 6.6 billion Yuan during the period 1997-2005, the percentage of government appropriations for kindergartens in the total government appropriations for education had only risen from 1.2 to 1.3 per cent in this period. As Ms Wang commented in January 2005 when I interviewed her, *'the state tended to ignore kindergartens when allocating government appropriations. Compulsory education was given more priority. Kindergartens were stressed as a part of non-compulsory education. Besides, the financing of kindergartens seems not to be an outstanding issue. Kindergartens could generate funds from parents. Parents would like to invest on their children as much as they can, even those with low income'* (Ms Wang, about 45, who worked in the Department of Preschool Education in the Ministry of Education). In 2004, the average budgetary government appropriations for a kindergarten attendee were only about 249 Yuan, far less than the average monthly kindergarten

fees.<sup>17</sup> Compared with other types of non-compulsory education, such as senior middle school, the average government appropriations for kindergartens remained minimal.<sup>18</sup>

**Table 6 Change in the number and percentage of total government appropriations for education and government appropriations for kindergartens in the whole country by years (1991-2005)**

	Total government appropriations for education (billion Yuan)	The percentage of total governmental appropriations for education in GDP (per cent)	Government appropriations for kindergartens (billion Yuan)	The percentage of government appropriations for kindergartens in total government appropriations for education (per cent)
1991	61.8	2.8	NA	
1992	72.9	2.7	NA	
1993	86.8	2.5	NA	
1994	117.5	2.5	NA	
1995	141.2	2.5	NA	
1996	167.2	2.5	NA	
1997	186.3	2.6	2.2	1.2
1998	203.3	2.6	2.4	1.2
1999	228.7	2.8	2.8	1.2
2000	256.3	2.9	3.1	1.2
2001	305.7	3.2	3.6	1.2
2002	349.1	3.4	4.2	1.2
2003	385.1	3.3	4.6	1.2
2004	446.6	3.3	5.5	1.2
2005	516.1	2.8	6.6	1.3

Sources: 1. *the Educational Statistics Yearbook of China 1991-92, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006*

2. *the Statistics Yearbook for China's Educational Enterprise 1993, 1994, 1995, 1996, 1997, 1998.*

Note: There are no data available for government appropriations for kindergartens in the years 1991-1996.

Although the government appropriations for kindergartens are stipulated to be increasing every year by state policy, it is unclear whether the actual number of government appropriations for kindergartens has been increasing. My field studies in Beijing found that the compulsory contributions which many kindergartens charged parents were calculated into the total number of government appropriations in a district in Beijing. As Ms Han, a Deputy Head of a municipal kindergarten, explained in November 2004 when I interviewed her in Beijing, *'the total number of government appropriations for kindergartens in F District is actually decreasing. This may be invisible on the statistics. The contributions kindergartens charged parents in our district were*

<sup>17</sup> See *The Educational Statistics Yearbook of China 2005*. The total number of kindergarten attendees in the whole country in 2004 was about 20.89 millions while the total number of budgetary government appropriations for kindergartens in the same year amounted to 5197 million Yuan.

<sup>18</sup> As Wang (2002) shows, the average budgetary government appropriations for a senior high school student were 1412 Yuan in 2000, while for a kindergarten attendee were only 128 Yuan in the same year.



*required to submit to the local Education Department in September when the new academic year started and were to be returned to us at the end of the year. These funds were calculated as a part of government appropriations for kindergartens. In the case of our kindergarten, about a million Yuan were allocated to us every year by F District Education Commission, but about half a million Yuan in fact came from the contributions we charged parents. What's more, the local education commission charged 15 per cent of the total number of contributions (half a million) we submitted to them as administration fees, which would not be returned to us. It is not very reasonable'* (Ms Han, about 40, interviewed in Nov 2004). Other studies reported this may be quite common in the whole country. For instance, Wang (2002) indicates that about 45 per cent of investigated kindergartens in the research were required to submit some funds generated by individual kindergartens to the local Education Department and it was not supervised whether these funds were invested on kindergartens. It seems possible that some of these funds had been calculated as a part of government appropriations.

With government appropriations being minimal and with the work-unit having stopped or reduced their financial input to their kindergartens, the funding of the remaining public kindergartens became heavily dependent upon the contributions from parents. A cost-sharing system were established either in the illegal form of 'compulsory contributions' or the legal form of increased kindergarten fees. With the growth of individual contributions, expenditure related to attending kindergartens accounted for a significant proportion of urban residents' incomes in recent years. As noted above, during October 2004 to February 2005, when my field studies were conducted in Beijing, the well-known private kindergartens usually charged parents about 30-35 thousands a year, the best-known public kindergartens usually charged parents about 25 thousands a year, a public kindergarten classified first grade first class in B district of the Beijing Municipality usually charged parents 10-12 thousands a year. According to the reported statistics, the average yearly incomes of working people in Beijing in 2004 were about 28 thousands.<sup>19</sup> However, as the income gap had been widening in recent years, about 60 per cent of working people had in fact earned less than the average incomes in Beijing. Also, the statistics did not include a number of people who had been laid-off, unemployed, or worked in the informal sectors. It is notable that only a small part of working parents could afford the well-known public kindergartens and private kindergartens. Sending a child to a first grade first class public kindergarten could cost working parents a significant proportion of urban residents' family incomes (approximately 20 to 25 per cent).

## **Major changes in child care general patterns and in the family strategies since 1980**

### ***Major changes in child care general patterns since 1980***

Compared to the earlier period 1949-1979, the recent period saw a preponderance of individual care over group care, affecting particularly children under three years old. Child care arrangements used by Chinese families experienced significant changes from the previous period. In the recent period, partly due to a low level of publicly-funded services for very young children, the bulk of care was provided at home for under 3s, but was mostly provided in collective

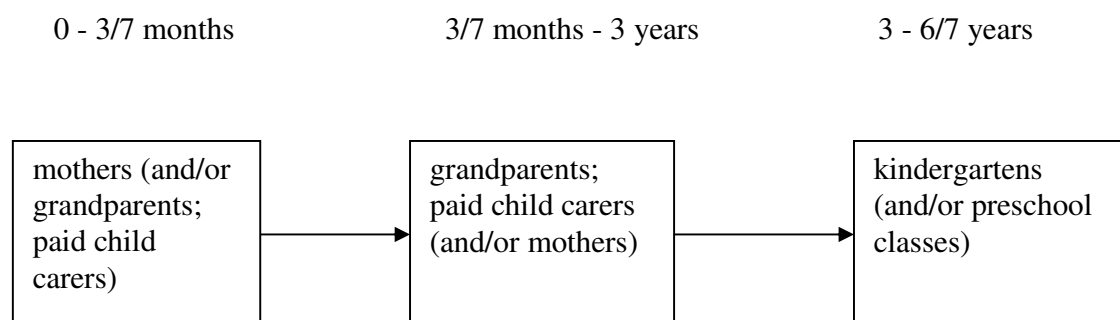
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<sup>19</sup> Beijing Network for Labour Welfare, <http://www.bjld.gov.cn/dzzw/xxcx/pjgz>. The statistics on the average yearly incomes were taxable payment (without deductions of tax and social insurance contributions).

childcare facilities for over 3s in urban China. There was greater familization in the care for under 3s in the recent period, whereas there was a formalization trend in terms of care for over 3s. Mothers took longer maternity leave while grandparents and paid child carers played a more important role for the younger age group. While the reliance on family networks was common in the previous period, the recent period gave family care arrangements a quite different meaning.

As Figure 1 shows, the typical pattern of primary child care arrangement for under 3s was an individual/one-to-one type of childcare, followed by collective childcare facilities at a later age. Mothers themselves usually took care of their children during the first few months with the help of grandparents if available and paid child carers if they had sufficient financial resources. Mothers then relied on their extended family members (mostly grandparents) and/or employed child carers after their maternity leave but before they arranged collective childcare facilities for their children at about 3 years. The extended family, particularly grandparents, and paid carers, largely filled the childcare gap in urban China. Most parents relied primarily on collective childcare facilities for their over 3s. The extended family network, particularly grandparents, was widely used as the main care providers for under 3s by all families across various levels of economic status and supplementary care providers for over 3s who attended collective child care in the recent period.

**Figure 1: Primary child care arrangements for preschoolers in urban China (1990s- )**



### ***Major changes in the family strategies since 1980***

Hiring different types of domestic workers, especially paid child carers, became a popular family strategy for child care, in particular for those well-off families, and some middle-income families without grandparents available for child care. Paid child carers who were hired on a commercial basis played an important role in the care mix in recent period. Rural women migrants and laid-off women workers from the state-owned enterprises were the two main sources from which domestic workers including paid child carers came. Paid child carers who received low wages and had limited access to social welfare benefits were one of the most low-status jobs in the labour market in urban China in recent period.

Seemingly incompatible with the received wisdom about modernization, family assumes particularly important functions in the care mix in recent period. Grandparents were widely used by many families across different income levels as the main care providers for under 3s, and

supplementary care providers for over 3s who attended collective child care in the recent period. In comparison with the previous period, grandparents were more involved in caring for under 3s as primary child care providers and less involved in caring for over 3s as primary child care providers. With the trend towards formalization of care for over 3s, grandparents tended to act as supplementary child care providers for children attending kindergartens.

Given that dual-earner nuclear family model is the norm in urban China, this poses practical challenges to parents. In response, people developed various new strategies (as Table 7 shows), especially by extending family ties beyond household and coming up with flexible living arrangements. For example, young parents may temporarily cohabite with their own parents to form temporary three-generation households, or send young children to grandparents to form temporary grandparents-grandchildren households, or relocate themselves into the same neighbourhood as their parents.

**Table 7: The location of grandparents' residence and interviewed mothers' family adaptive strategies for child care**

Interviewed mothers	Location of paternal grandparents'	Location of maternal grandparents	Family adaptive strategies for child care
Dan	Different district in Beijing	Different district in Beijing*	Moving near
Tao	Different district in Beijing	Different district in Beijing	Temporary cohabiting; Moving near
Chunhua	Different province	Different district in Beijing	Temporary cohabiting; Grandparents travelling to
Yuanyuan	Different province	Different district in Beijing	Temporary cohabiting; Grandparents travelling to
Yan	Different province	Different province*	Temporary cohabiting; Sending kid to grandparents; Moving near
Ting	Different province*	Different province*	
Lili	Different province	Different province	Temporary cohabiting
Xiaoyun	Different province	Different province	Temporary cohabiting; Sending kid to grandparents
Min	Different province	Different province*	Temporary cohabiting
Ping	Different province	Different province	Temporary cohabiting
Mei	Different province*	Different province	Temporary cohabiting

Note: 1. the above table did not include the 3 mothers (Aihua, Lihua and Jie) who originally lived in three-generation families when their children were born.

2. \* Grandparents were not available for child care.

### **The impacts on the most disadvantaged young children**

There were significant differences in the child care arrangements between different economic groups of mothers. The divergence in care arrangement was heavily dependent on their individual resources especially financial and occupational resources. As shown in the following three tables, there were significant differences in the complexity of child care arrangements, particularly in the use of paid child carers. There was a significant division between care-poor

and care-rich families along the line of economic status. The following three tables divide the 14 interviewed mothers into three groups: well-off families with over 10,000 Yuan of monthly household incomes; middle-income families with 2,000-10,000 Yuan of monthly household incomes; and low-income families with less than 2,000 Yuan of monthly household income.

Compared with those from middle-income and low-income families, parents from well-off families usually worked in demanding professional jobs, many of them working in the private sector. They earned more and were able to pay for child carers in the market to provide child care. As Table 8 shows, the majority of them in this study regularly relied on more complicated arrangements for their young children. They highly employed paid carers as the main child care providers before using collective childcare facilities. At the same time they also used grandparents if available. After sending their children to collective childcare facilities, they still used paid child carers and grandparents as regular supplementary child care providers. With affluent financial resources, these parents enjoyed much greater flexibility in choosing the desired child care arrangements for their children. They were able to leave most child-related chores for paid carers and enjoyed quality time with their young children. The high usage of paid carers as the main child care providers among parents from well-off families is the main characteristic difference from other economic groups.

Compared with well-off families, middle-income families had simpler child care arrangements. As Table 9 shows, they were more likely to primarily rely on grandparents. They were less likely to employ paid child carers. If their household incomes were close to those of well-off families, like Chunhua, or if they had no grandparents available to rely on, like Aihua (after she moved to Beijing), then they were more likely to employ paid child carers. Compared with low-income families, most middle-income families were able to send their children to collective childcare facilities at about 3 years. Nevertheless, as Jie said, the increasingly high costs of childcare services were a financial burden for many parents and prohibited them from making more genuine choices.

*‘There is a private kindergarten in our neighbourhood. It charges more than a thousand a month. We will not choose that one for our son. We are sending him to an ordinary kindergarten run by the local Education Department. It will averagely cost us about 600 Yuan a month. We can’t afford more than that. My husband and I earn only about 3000 Yuan a month. We have to pay mortgage every month for the flat we recently bought’*(Jie, born in 1972, interviewed in Jan 2005).

The most disadvantaged young children in urban China came from low-income families, including laid-off workers, unemployed and rural migrant families. They were constrained by financial resources. They had no subsidies for childcare or state support for using collective childcare facilities, which is however common in most western societies and in the most developed parts of East Asia, such as South Korea and Japan. As shown in Table 10, these disadvantaged young children thus had limited access to collective childcare facilities and were mainly looked after by mothers or grandparents if available, who were likely to be poorly-educated themselves and have little knowledge of early care and education. A great shortage in their childcare resources and their poor quality is clearly seen.

As Jin et al. (2005) report, among their surveyed low-income families in Beijing, about one-third said that they could not afford childcare, about half could barely afford it, and less than 20 per cent could just afford it. My field studies in Beijing found that while children from high income class had access to the well-known private and public kindergartens, children from low-income families were excluded from using quality kindergartens or any kindergarten, as one interviewed mother said.

*'My husband and I earn about 800 Yuan a month. We have no money to send our daughter to a kindergarten. We are saving a little money for her future. We will send her to a primary school after she turns six. We have no helpers to look after her. I am only working at night, so I can look after her in the day. Most of our friends have no money to send their children to a kindergarten in Beijing. They earn more or less like us. Some of them are street-sellers. Their little kids either help them or just play in the street'* (Ping, born in 1973, interviewed in Dec 2004).

Mei, who was unemployed for four years and relied on less than 1000 Yuan her husband earned monthly, said that preschool classes appealed to low income families as they cost less than kindergartens.

*'I have no job and my husband earns little. We have no money to send our son to a kindergarten, which cost at least 500 Yuan a month. I worried a lot because my education level is really low and I could teach him very little. So I sent him to a preschool class when he was three years and seven months old. It cost us less money than a kindergarten. My son is much younger than other kids in this class. He cried all the time as he could not catch up with other kids'* (Mei, born in 1974, interviewed in Oct 2004).

**Table 8: Carers at different stages for the children of 5 interviewed mothers from well-off families**

Interviewed mothers	Birth to mother's return to work	Mother's return to work to child starts kindergarten	After child starts kindergarten
Dan (daughter born in Oct 2002)	Mother, maternity nurse(0-3 month), two part-timers (4-15 month)	Live-in carer, one part-timer, parental grandmother, mother	Private kindergarten, live-in carer, one part-timer, parental grandmother, mother
Yan (daughter born in Feb 2002)	Mother, paternal grandparents (0-1 month), part-timer (1-3 month), live-in carer (3-4 month)	Live-in carer, one part-timer (4-9 month), sister (4-7 month), cousin (7-9), paternal grandparents (9-31 month), mother	Private kindergarten, paternal grandparents, mother
Ting (daughter born in Oct 1999)	Mother, neighbour (child-minder)	Neighbour (child-minder), mother, father	Public kindergarten, mother, neighbour (emergency carer)
Lili (daughter born in Feb 2005)	Mother, paternal grandparents, maternal grandparents (0-1 month), live-in carer (1-6 month), father	Paternal grandparents, live-in carer (6-18 month), mother, father	
Tao (son born in Oct 2004)	Mother, maternal grandparents (0-2 month), paternal grandmother (2-3 month), live-in carer (2-3 month), part-timer (2-3 month)	Live-in carer, part-timer, paternal grandmother, mother	Public kindergarten, live-in carer, paternal grandmother, mother, father

**Table 9: Carers at different stages for the children of 7 mothers from middle-income families**

Interviewed mothers	Birth to mother's return to work	Mother's return to work to child starts kindergarten	After child starts kindergarten
Jie (son born in May 2003)	Mother, paternal grandparents, father	Paternal grandparents, mother, father	Public kindergarten, mother, father, paternal grandparents
Chunhua (son born in Jan 2001)	Mother, maternal grandmother (0-1 month), live-in carer	Live-in carer, mother, maternal grandmother (emergency carer),	Public kindergarten, mother, live-in carer (32-35 month), neighbour (childminder, 35 month afterwards), maternal grandmother (emergency carer)
Yuanyuan (son born in Dec 2001)	Mother, maternal grandmother (0-1 month), paternal grandmother (0-3 month), maternal aunt (3-6 month)	Paternal grandmother (6-13 & 20-24 month), maternal grandparents (13-20 & 24-33 month), part-timer (13-20 month), father, mother	Public kindergarten, father, mother, maternal grandmother
Xiaoyun (daughter born in Feb 2001)	Mother, maternal grandparents (0-3 month), paternal grandparents (3-7 months), father	Paternal grandparents, mother, father	Public kindergarten, mother, father
Aihua (daughter born in 1982)	Mother, paternal grandmother	Carer (childminder), mother, father	Public kindergarten, mother, father
Lihua (daughter born in 1990)	Mother, paternal grandparents	Paternal grandparents, mother, father	Public kindergarten, paternal grandparents, mother, father
Min (daughter born in Sep 2002)	Mother, paternal grandmother	Paternal grandmother, mother, father	Public kindergarten, mother, father

**Table 10: Carers at different stages for the children of 2 mothers from low-income families**

Interviewed mothers	Birth to mother's return to work	Mother's return to work to child starts kindergarten	After child starts kindergarten
Ping (daughter born in March 2000)	Mother, paternal grandparents, father	Mother, paternal grandparents (until 3 years), father	
Mei (son born in Feb 2001)	Mother, maternal grandparents (0-3 month)		Preschool class, mother

The rapid increase in hiring paid child care has created an urban-rural chain of reproductive and care labor in the recent period with the migrant rural women looking after the young generation in urban China while leaving their own young children back home in the countryside, often in the care of grandparents who were likely to be poorly-educated themselves and often constrained by their own financial resources. This will further exacerbate the rural-urban inequality as far as child care is concerned.

One of my interviewees, Xiaoli, was a 34-year-old paid child carer in Beijing who came from the mountainous countryside of Sichuan Province (in south-west China). She had two children (11-year-old daughter and 7-year-old son) left behind in their hometown with their paternal grandparents. Her husband left their home and worked as a labour in the construction industry in 1997 while she left their home in 2000 and started to work as a live-in paid carer in Beijing. They only visited their children once every two years and relied completely on grandparents to bring up them.

*'When I left them and came to Beijing four years ago, my daughter was 7 years and my son was only 3. They've been living with their grandparents. I returned home twice in the past four years, during the Chinese New Year holidays in 2001 and 2003. Each time I stayed for about a month. Last time I was so sad to know my son had an accident and seriously injured one of his legs. Whom could I blame? Their grandparents are getting old. They have to work hard on their fields. They have four grandchildren to look after. My brother/sister-in-law also left two kids with them'* (Xiaoli, born in 1970, interviewed in Oct 2004, my enquire about her children brought her to the verge of bursting into tears).

Like Xiaoli' children, many of these young children (under 15s) were left behind in the rural areas (*liushou ertong*) with grandparents or with other relatives with little or no supervision. The number was reported to be over 20 million in China and is still rising as their parents continue to migrate to cities to find work.<sup>20</sup> In fact, these children left behind in rural China did not enjoy their basic rights to have their parent's love, concern and care. This seemed to create a generation

<sup>20</sup> [http://chinadaily.com.cn/china/2007-05/29/content\\_882092.htm](http://chinadaily.com.cn/china/2007-05/29/content_882092.htm)



of children who grew up with limited contact with their parents and little adult supervision. The psychological impact of being separated from their parents could have longer lasting effects.

### **Conclusion and implications**

Child care has gone through significant changes since 1980 in urban China. The previous system in which the state provided welfare through the work unit has been gradually dismantled, and instead a much more complex institutional configuration, which I call “care mix”, has emerged. By “care mix”, I refer to the mixture of various forms, channels and principles of child care that are simultaneously provided by the state, the work unit, the market, and the family. This “care mix” is inextricably related to the larger context of a “mixed economy” whereby economies of different natures—private companies, state-own enterprises, community-based collective entities, and the informal sectors—co-exist in the same space and inter-penetrate each other. For example, a state-own company may set up a collective entity to provide child care to its staff, but operate it on a quasi-market basis, and at the same time the employee may rely on his/her parents and hire domestic helpers for extra care provision. Thus, the notion of “double mix”—child care mix in the mixed economy—not only captures key characteristics of the changes in child care provision in contemporary China, but also links child care to the larger socioeconomic transition in urban China.

My research demonstrates that the recent changes have been far from a lineal, one-directional movement of marketization in which process state/work-unit based welfare gives way to market provision. It is certainly true that the private sector has become more important, but the state, the work unit, and the family have also developed new strategies to accommodate the new reality. The double mix is a result of the negotiation between the different social forces. Precisely because of this, the changes in child care have led to complicated, often unintended and unpredictable, social consequences.

Most notably, the care mix creates new inequalities among urban households along the dimension of income level as well as the employer’s status. The most privileged families include two groups. Those who work for large state-own institutions and corporations can benefit from generous maternity leave benefits and subsidized high-quality childcare provision from the state and the work unit; and those who earn high incomes in the private sector can take advantage of private child care provision (formal and informal) that has been expanding rapidly. In contrast, those in the low end of the informal sector, in particular urban low-income families and rural migrant families, constitute the most disadvantaged group. They fail to benefit from either the state or the market.

The most disadvantaged young children from urban low-income families and migrant rural families have limited poor-quality childcare provision and are mainly looked after by poorly-educated mothers and grandparents. The rural-urban inequality is further exacerbated due to the creation of the urban-rural chain of reproductive and care labor in recent years. Those young children left behind in the rural areas (*liu shou ertong*) may be a new generation who grew up without basic rights to necessary care, supervision and early education. The disparity in child care provision needs to be reduced.

The issue is critical for these children as both poverty and a lack of personal attention can harm child development hugely (OECD, 2007). In many European countries, early child care and education are moving towards universal and free as they are widely considered a public responsibility. Increasing public support is targeted at low-income families more generally in these countries. However, there is no specific policy intervention helping parents from economically disadvantaged families to provide their children quality early care in urban China. The new social risk that many disadvantaged children in current Chinese society have encountered in the very early stage of their life courses should be of particular concern. It is questionable whether it is enough for the state to be an active regulator while playing a more marginal role in financing and supplying early child care. In particular, the state should take more responsibility for children from disadvantaged background to ensure that no children from disadvantaged background are left behind in the very early stage.

From a policy research perspective, further studies need to investigate to what extent do familial networks ameliorate the widening social inequality in child care provision, and to what extent is family a site of the reproduction of inequality? On one hand, relatively poor parents can mobilize their familial resources to compensate for their disadvantaged positions in the state system and the market. On the other hand, urban low-income families and rural migrant families may have less family resources than those privileged, and often rely on mothers and grandparents who have limited education and economic resources for child care, thus exacerbating the disparity.

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