

Reform of Compulsory Education Teachers' Communication System from the Perspective of New Institutional Economics

Chen Liang

Teacher Education College, China West Normal University,
Nanchong, Sichuan, China

Abstract

According to the four main theory of transaction cost theory, property rights theory, state theory and the theory of institutional change from the new institutional economics, this paper gives a theoretical analysis about our country's compulsory education teacher exchange system and puts forward the reform path of the system.

Key words: new system economic; teacher exchange system; compulsory education

Analysis from the point of view of economic system, the most important thing is the balanced allocation of education resources about the balanced development of compulsory education which not only refers to funding investment of the hardware resource and the conditions of running school, but also covers the software resources offering to teachers and school management and so on, among which, the core is the balance of teacher resource equipment. In fact, over the years, due to the lack of reasonable arrangements for the exchange of teachers, teachers flow in primary and secondary schools is always in disorder with free and one-way flow means based on the interests of the balance. The pure market behavior not only brings conflict with the characteristics of the education public product, in practice it also aggravates the imbalance of teacher resource allocation of compulsory education school, resulting in a great loss of outstanding teachers in rural poor areas and pulling a further big gap between urban and rural education, as a result, forming a vicious circle. Therefore, it is not only the objective needs of the balanced development of education, but also the realization of the value of a harmonious society to speed up the establishment and improvement of a planned, orderly and regular compulsory education teacher flow system.

1. The status quo of teacher exchange system in the compulsory education

China has started the implementation of the new curriculum reform in 2001 when Ministry of education in “the Twelfth-Five-Year Plan of primary and secondary school teachers' team construction” proposed to encourage and organize urban teachers to teach in rural or weak schools and established system of teachers transferring and interchanging. In 2003, “Decision on Further Strengthening the Work of Rural Education” issued by the State Council is the sign of the formal start of the urban and rural teacher exchange system of China, which puts forward establishing the service period system of letting

urban teachers to teach in rural area. The newly revised “Compulsory Education Law” in 2006 regulated that “people’s governments at the county level and the administrative departments of education should balance school teachers configuration in the administrative areas, organize schoolmasters and teachers’ training and flow and strengthen the construction of weak schools.” Teachers exchange began to implement in the form of law which promotes the development of urban and rural teachers in the county.

Through the study, we found that there are still many problems in the urban and rural teacher exchange system in China. First, the exchange system of teachers lacks of theoretical guidance, many of which is a direct reference to the exchange experience of foreign teachers. Second, the teacher exchange system is still not perfect which is in the process of construction. For example, without strong system or systematic regulation, the lack of interoperability and more is a short-term exchange. At the same time, there are no clear provisions on the exchange objects, procedures, and security. Third, there is no follow-up about the pay system for teachers, and personnel system for teachers, the preparation of teachers, the household registration system and welfare benefits system reform to match teacher exchange system hindering the implementation and operation of the urban and rural teachers exchange system. Fourth, as the mandatory institutional change which is led by the government, the development of teacher exchange system does not take into account the interests of individual teachers.

2. The theoretical appeal of the new institutional economics to the teacher exchange system

The new institutional economics is the economics using the method of the mainstream economics to analyze system. It rose from the sixties to seventies of the 20th century and began with the publication of Coase’s two famous pieces of literature “on the nature of the enterprise” and “the problem of social cost”. Later with the further development by North, de M Seitz, Williams and other economists, a new economics is formed regarding system and property rights as the main research object of, mainly including four basic theory: transaction cost theory, property rights theory, state theory and institutional change theory.

2.1 Transaction cost analysis of teacher exchange system reform

Transaction cost is a core concept of new institutional economics. In 1937, Kos put forward the idea of transaction cost in the text of “the nature of enterprise”, and then Williamson further developed the theory of transaction cost. “Transaction costs”, in a narrow sense, refers to the time and energy spent on an exchange; the meaning of the broad sense includes the use of the various resources required to consult, negotiate and perform the agreement.^[1]

Trading activities in the economic and social is universal, and when transaction cost is zero, market, this “invisible hand” can be made to achieve the optimal allocation of resources, then system, property rights, laws and regulations, and so on, became unimportant, but this is just an ideal. The reality is that every transaction has a cost, so the parties involved must pay the price for it. In other words, the efficiency of the transaction is the efficiency of economic operation: the lower the transaction costs, the higher the efficiency of economic activities, therefore, the minimum transaction cost system is the most effective system^[2]. To this end, all the institutional arrangements and changes in the trajectory should be

along the evolution direction of saving the transaction costs. According to Coase's exposition of, the reason why the enterprise replacement market, mainly because of the enterprise greatly reduces the market transaction cost ^[3].

The balanced development of compulsory education and achieving a balanced configuration of the limited high-quality educational resources in the reality of social conditions and in the process of integration of urban and rural co-ordination, the government should reduce transaction costs and its most effective way of reducing transaction costs is the implementation of compulsory education teacher exchange system. The first, teachers communicate with each other in the county can make high-quality teacher resources will not be lost, so as not to increase the cost of training the high-quality teachers; second, welfare subsidies of the exchange teachers can be increased, yet the county fiscal burden cannot be significantly increased; third, once the formation of the long-term implementation of the system, it will form a scale effect, saving the construction and operating costs.

2.2 Property right analysis of teacher's communication system reform

Property right analysis is another core part of the basic logic of the new institutional economics which mainly studies the function and influence of the property right and its structure and arrangement in the modern market economy. Kos points that as long as the transaction cost exists, property rights system will have an impact on the production and allocation of resources. Furubotn & S.Pejovich think that "property right is not the relationship between people and things, but refers to the existence of things and the mutual recognition of the relationship between people and their use". "It is a series of economic and social relationships determined by the position of each person's using scarce resources."^[4] It can be seen that the property right is not a tangible thing, but the relationship between people and people, which is caused by the existence of scarce goods and their use. As an artificial social tool or institutional arrangement, the property rights are stipulated by the national law system, which must be enforced in the process of coordinating and regulating the behavior of people's competing for scarce resources.

In the limited resources of human living environment, the definition of property rights is very important. If there is no set property right arrangement, there will be endless compete for resources with the conflict of interest, so that society will be absolute less efficient even ineffective one in resource allocation; on the contrary, if property rights defined more clearly, the efficiency of resource allocation in the economy is higher. If incentive and restraint function of property is realized on the basis of interest distribution, the people will be driven by the interests to improve production and obtain the ownership; on the other hand, to put forward requirements and a clear responsibility property owner can ensure people with some way to cover the cost ^[5].

Quality education resources are limited and the state carries out resource allocation through the financial payment and teacher selection and appointment system in terms of funding, school conditions, quality teachers and other aspects. Clear regulations should be given to the teacher exchange system in the county in order to keep it be carried out smoothly such as the exchange objects, time span and the exchange schools, etc.. Only all these are be done can avoid the disordered competition caused by the uncertainty of the qualified teacher source and the low efficiency and loss of the social resource

allocation.

2.3 State theory analysis of teacher exchange system reform

North divides system innovation into personal drive, group drive and national drive, of which the state in system innovation plays a very important role. Mandatory institutional change is the change caused by the government act and the government is the absolute main body which plays a decisive role. Although induced change is spontaneous institutional change, it usually needs guiding and promoting by government action and the government still has to admit new system created by individuals or groups in the forms of law and order, namely gives the legitimacy recognition ^[6]. Therefore, the government has always been the main body of institutional change. The new institutional economics puts the country into the internal influence factors of economic performance and institutional change, analyzes and discusses how to make the country play a bigger role, and how to limit the power of the state. In this regard, Olsen has put forward the concept of strengthening the market type government which means that not only the government needs sufficient power to protect private property, but also has enough binding in order not to violate the private rights of ^[7]. It is obviously very difficult for the government to restrict itself by limiting its own power; however, it is still the need for improving the reform of all kinds of systems to strengthen the market type government

Starting from the national theory of restricting the power of the government, the government in the reform of the exchange system of compulsory education should avoid the brutal intervention and strengthen the market-oriented government's role consciousness and ability. First, the government should take the market as the guidance, give an appropriate increase to teachers' income treatment in the remote areas and guide teachers to be willing to teach in weak schools in remote areas; second, teachers exchange system does not mean making high-quality school fill in the weak schools, but through regular exchanges of teachers and promote each other to improve the overall level of teacher' professional development. Therefore, the government should fully investigate and respect the school's intention to communicate and form interscholastic exchange teacher system in the county; third, the government departments should have enough binding to respect for teacher's personal exchange wish in order to fully promote exchange teacher's subjective initiative.

2.4 Analysis on the institutional change of teacher exchange system reform

New institutional economics believes that although the technology innovation will instill new vitality into the economic growth and social development, if there is no institutional innovation and institutional change, and consolidating down the technology innovation results through a series of system building such as property right system, legal system, etc., then it will be not envisaged about long-term economic growth and social development of human society. Therefore, the system plays a decisive role in determining a country's economic growth and social development. Institutional change is a kind of reaction to institutional disequilibrium, which is a process from institutional equilibrium, disequilibrium to equilibrium. The so-called institutional balance, from the point of view of supply and demand, is to point to system of supply which meets the needs of the system when factors that affect people's

institutional demand and institutional supply are to an extent ^[8]. Correspondingly, the non-equilibrium of system refers to the supply of the system does not meet the needs of the system. The reason why people have a demand for the system is that the system can facilitate people and help them get benefits. When people realize that changing the existing system can get more benefits, it will produce the system requirements. The system supply is a response to the demand of the system, and it is also the production of the system.

The system may be designed by the people on purpose and it may be gradually evolved and spontaneously formed. The system of design creation is a formal system, and the system of gradual evolution is an informal system. There are three main types of institutional innovation: groups composed of individuals by their wills and government agencies. No matter who carries the system innovation, the expected system innovation income must be greater than the cost of institutional innovation; otherwise, the system innovation can't be realized because of the lack of interest driven. Who is to achieve innovation depends on who gets the largest expected net gain ^[9]. According to different subjects, institutional change can be divided into induced institutional change and compulsory system vicissitude. Induced institutional change is triggered by a bottom-up change and can get a nationwide promotion until get the recognition from the top leaders. The realization of mandatory institutional change is a top-down change which depends on government orders and the introduction of laws. ^[10]

In the mandatory changes with the state as the main body, the role of the state is restricted by the limited rationality and the limitation of the social science knowledge, which will increase the cost of the system reform, thus losing the maximum benefit. Induced institutional change from the pursuit of potential profit from the local government and micro main body has the function of automatic stabilization internal optimization evolution mechanism and a wide range of decision-making correction mechanism ^[11]. The induced institutional change has orientation of fairness, and democracy in making supply which can make up for a lack of mandatory institutional change. The path of teacher education institution changes in China's compulsory education should concerns about both efficiency and fairness, combines organically imposed institutional change and induced institutional change, fosters integration model of institutional change and establishes expression and integration mechanism of different interests bodies in order to improve the performance of institutional change.

3. Analysis on the path of teacher exchange system reform in compulsory education

3.1 To break the path dependence of institutional change

North in this process of discussing institutional change pointed out: "initial institutional choices tend to reinforce the inertia of the existing system and continue along the existing path operation, thus reducing the risk and increasing revenue" ^[12]. This is the so-called path dependence. Path dependence is similar to "inertia" in physics. Once the system is formed, it will produce some kind of "inert" and "historical inertia". Once entering into a path, it may have to rely on this path and get a self reinforcement in the development in the future.

The established system frame has produced the system idea and the system consciousness which has

further solidified the original system supply. “Everything that exists is reasonable”. According to the theory of institutional economics, the reason that an inefficient system can exist lies in preference, bounded rationality and rigid sense system of the ruler, bureaucracy, conflict of interest groups and limited social science knowledge. Along the path of the original system and the established direction, is more convenient than another way which can greatly save the execution cost. This path dependence becomes a system dilemma of institutional change because the realization of the institutional change means that it needs to pay more institutional innovation costs. This is the important reason why it is not optimistic for the current reform of the compulsory education teacher exchange system in our country. Under the background of the integration of urban and rural development, it is necessary to break path dependence of intrinsic system, set up the new system for the teachers to communicate, form normal teacher exchange mechanism and produce successful path suitable for social development so as to solve the problem of unbalanced development of compulsory education fundamentally.

3.2 The interests game of the subject of limited rational

In a general sense, the institutional change is top-down top authority distribution mode change taking resource allocation and interest coordination as the work core based on bureaucracy system involving usually two aspects: power and right. The power is a kind of mandatory power in the political sense relative to obedience and compliance, and the right is the interests recognized and protected by law and morality. On the one hand, the education department based on its limited rationality is not only the motive force of institutional change, but also the resistance to change whose influence and control on the educational activities must reflect the interests of the group it represents. On the other hand, as a scarce resource, it is necessary for high quality teachers to become the object for the vested interests to get in the existing system framework. Therefore, the process of institutional change has never been a simple process for creating system, but the process of struggle and conflict between different interest groups. Teacher mobile institution changes affect the fundamental interests of departments and school leadership interests community, such as school fees and promotion opportunities, which is the root cause why leaders in education department of all levels don't let the high quality teacher to flow out for fear of the education quality slide of key school.

To resolve this problem and break interests game situation of different layers, it is necessary to rely on countries to adhere to mandatory system changes in the form of laws and regulations, give due consideration to efficiency and fairness and uphold people to enjoy the rights of high-quality educational resources equally.

3.3 To establish incentive and evaluation mechanisms and pay attention to the teachers' professional development

3.3.1 Teacher exchange system design should contain incentive mechanism

Teacher flow system is also related to the teachers' interest groups directly, therefore, it is necessary to impel schoolmasters and teachers in the exchange through the interests compensation, and it should

also be given a clear system to make sure. According to the property rights theory of new institutional economics, a property rights system with a clear division of labor and responsibility can not only reduce the transaction costs of compulsory education in the process of balanced development, but also can provide an internal incentive for teachers. In essence, the incentive function of property rights is mainly based on the content of property interests and in the process of economic operation, if the interests of the parties get affirmation and protection through clear property rights, intrinsic motivation of subject behavior can be guaranteed.

3.3.2 To establish a performance evaluation system to promote teachers professional development

First, according to local conditions, efficient compulsory education teacher exchange performance evaluation index system and measurement methods should be established. Second, the corresponding mechanism, especially the incentive and punishment mechanism should be established to make the rewards connected really with teachers' teaching performance in order to prevent exchange teachers to muddle along and dawdle causing the teacher exchange system inefficient operation with a mere formality. Third, an effective mechanism for teachers' professional growth for the exchange teachers should be established, and promote the formation of a good situation for a comprehensive teachers' professional development in the entire region.

3.3.3 To change ideas and form a good informal institutional change

Teacher exchange system needs not only the establishment of formal institutions, but also the changes of ideology, cultural tradition, customs, ethics, values and other informal institutions. Among them, ideology is in the core position which is the ideological basis and theoretical premise of institutional innovation and it is possible to promote institutional innovation as well as hinder institutional innovation. For the establishment of the teacher exchange system, we should develop the advanced culture and the main ideology, to provide public opinion support and ideological guarantee for the perfection of the system, and to reduce the resistance in the process of institutional change. First, the education departments should take the lead in changing the concept, form an informal institutional change of teachers flow and form an advanced concept of abiding and respecting for the law and strictly implementing the teacher exchange system. Second, every citizen should have the awareness of enjoying the qualified education resources, and form a wide range of public opinion support in the whole society. Finally, Changing the concept of teachers group lets teachers exchange system take root in the hearts of the people and the government should also take all the incentive measures to change the concept that regards the current teacher exchange system as a burden.

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