

# From Preschool Vouchers to Free Quality Preschool Education: A Self-Examination of An Imperfect Policy--Taking Hong Kong as An Example

Jiawen Hou

Research Institute of Economics and Management, Southwestern University of Finance and Economics, Chengdu, Sichuan, China

42339027@smail.swufe.edu.cn

**Abstract.** The importance of early childhood education is increasing day by day, and the issue of low accessibility to early childhood education caused by insufficient family payment ability has received widespread attention. The Hong Kong Education Bureau has also been continuously improving and adjusting its financial policies for early childhood education to enhance its accessibility and fairness. However, the problem of insufficient coverage and not high degree of funding still exists. This article analyzes the differences between the Pre-primary Education Voucher Scheme (PEVS) implemented by the Hong Kong Education Bureau from the 2007/08 to 2016/17 academic years and the Kindergarten Education Scheme (Scheme) implemented from the 2017/18 academic year onwards. This article analyzes the factors that need to be considered when adjusting and improving existing educational fiscal policies. Based on this, this article proposes the following suggestions: Adhere to a "problem oriented" approach, and the development of education plans should focus on solving their problems; Adhere to the principle of "having reason and evidence", and adjust the content of education plans based on evidence and transparency; Adhere to the principle of "self-reflection", and the implementation process of educational plans should be subject to long-term supervision and timely reflection.

**Keywords:** Preschool education; laws of children's educational development; educational fiscal policy; educational assistance.

## 1. Introduction

As an important component of the national education system, preschool education is the foundational stage for individuals' lifelong learning and comprehensive development, with irreplaceable enlightenment value and strategic significance. The educational effectiveness of this stage is directly related to the multidimensional foundational development of children's cognitive abilities, social emotions, physical fitness, and aesthetic literacy, laying a crucial foundation for their subsequent continuing education and lifelong learning. With the deepening understanding of the strategic position and educational value of early childhood education in the world education sector, the Hong Kong SAR government attaches great importance to the development and equity of early childhood education. It has made providing high-quality kindergarten education a key task, continuously optimizing the financial investment mechanism and increasing funding support to improve the quality, efficiency, and equity of early childhood education in Hong Kong. Starting from the 2017/18 academic year, the Kindergarten Education Scheme (Scheme) has been implemented, replacing the Pre-primary Education Voucher Scheme (PEVS) implemented from the 2007/08 to 2016/17 academic years, effectively promoting the high-quality and balanced development of early childhood education. However, even though the Education Bureau of the Hong Kong Special Administrative Region has launched some practical and significant early childhood education plans that have achieved remarkable results and received basic recognition from all sectors, and constantly self-reviews to promote plan revision and improvement, the current development of early childhood education still faces several key issues that urgently need to be improved.

This article will start from the differences between two different education policies in Hong Kong, summarize the factors that need to be considered in the evolution and improvement of education fiscal

policies, and then provide opinions and suggestions for the implementation and further development of education fiscal policies.

## **2. Case Analysis--Differences between Old and New Policies**

### **2.1. Different Funding Methods**

The Education Bureau of the Hong Kong Special Administrative Region has adjusted the recipients of grants in the policy of free quality kindergarten, to achieve the policy goal of "providing affordable quality kindergarten education". Under the PEVS implemented from the 2007/08 to 2016/17 academic years, the government directly provided tuition subsidies to parents in the form of vouchers. Parents were required to pay tuition fees first and then apply for subsidies from the government with the vouchers (subsidized families must meet the income review criteria). Starting from the 2017-2018 academic year, Hong Kong has implemented the "Kindergarten Education Scheme (Scheme)" to replace the "PEVS". The Education Bureau directly provides subsidies to eligible local non-profit kindergartens (with no income restrictions for families). This policy change not only directly provides subsidies to kindergartens, simplifies the subsidy process to make fund flow more efficient, but also eliminates the income review of beneficiary families, which better avoids the unfairness caused by marginal families slightly below the review system standards being unable to receive assistance.

### **2.2. Different Funding Allocations**

The policy goal is to improve students' opportunities to receive different modes of kindergarten education according to their needs. Under the PEVS implemented from the 2007/08 to 2016/17 academic years, the SAR government provides families participating in different types of kindergarten education with the same voucher subsidy amount. The voucher subsidy amount for parents to pay their children's kindergarten tuition fees will be based on \$16000 per student per year in the 2011/2012 academic year, adjusted annually according to the annual changes in the composite index. However, the "Kindergarten Education Scheme (Scheme)" implemented from the 2017-2018 academic year stipulates those non-profit kindergartens participating in the program will receive basic subsidies to provide high-quality half-day services for all eligible children for three years. In addition, additional subsidies will be provided to kindergartens that participate in the program and provide full-time and long-term services, and parents only need to pay a portion of the tuition fees at a lower level. This policy change has increased the level of funding for preschool education, while also improving the fairness of funding for different educational systems, allowing different students to choose the appropriate kindergarten education model based on their family situation. From the perspective of human resources, this policy has also, to some extent, released labor and promoted the development of the labor market.

### **2.3. Different Requirements for Teacher-Student Ratio**

The Education Bureau of the Hong Kong Special Administrative Region has put forward higher requirements for the teacher-student ratio in the Kindergarten Education Scheme (Scheme), to achieve the policy goal of "improving the quality of kindergarten services". The teacher-student ratio requirement has been raised from 1:15 (including principals) under the preschool voucher program to 1:11 (excluding principals). This policy change will help kindergarten teachers to teach more targetedly, thereby improving the quality of preschool education.

### **2.4. Suggestions for Teacher Salary Range and Professional Ladder**

The PEVS does not specify the salary range and professional ladder (dividing teacher ranks) for teachers. However, in Kindergarten Education Scheme (Scheme), a reference is proposed for the salary range and professional ladder (dividing teacher ranks) for kindergarten teachers: kindergartens

can promote one teacher out of five to become a director; If there are three or more directors, one of them can be promoted to vice president. As for the rank of principal, kindergartens with vice principals can recognize the rank of principal as a first-level principal. When setting up their school-based professional ladder (including considering the number of directors), kindergartens must make long-term plans from the perspective of resource allocation and sustainable development, including the impact on future expenditures in the coming years. This suggestion not only provides greater development space for kindergarten teachers to motivate them to continuously improve their professional ethics, but also helps kindergartens retain and attract excellent teachers, maintain the stability of the teaching staff, and thus improve the quality and stability of preschool education in kindergartens.

### **3. Factors to be Considered in Improving Educational Fiscal Policies**

#### **3.1. Consistency between Policy Content and the Development Laws of the Target Educated Population**

The improvement and adjustment of any educational fiscal policy must be based on a profound understanding of the objective laws and actual needs of the policy target group, so that the policy design matches the characteristics and laws of the target development stage, meets its development requirements, and can better promote the development of the target group to a higher and better stage. Otherwise, it may lead to negative effects, such as policy failure, where policies cannot efficiently achieve their goals, or even develop in the opposite direction. Compared to the PEVS, the change in Kindergarten Education Scheme (Scheme) to provide additional subsidies to kindergartens offering long day and full day services is based on researches on the impact of educational curriculum hours on children's development and learning performance at this stage: Currently, world-renowned scholars have not reached a consensus on this issue. Some studies suggest that full-time or long-term full-time programs can improve children's literacy and academic performance, enhance their social and emotional management skills, and provide them with more balanced opportunities to participate in child-led and process-based activities [1,2]. However, both full-time and long-term full-time preschool education also have drawbacks, such as premature implementation of primary school curriculum education leading to children experiencing "fatigue effects" and separation anxiety, as well as a lack of relaxed and informal interaction experiences with others [3]. Scholars who hold opposing views emphasize the importance and criticality of parent-child relationships, parental companionship, and education for the physical and mental development and academic performance of children at this stage, and support children receiving half-day education to have more time to spend with their parents [4,5]. The attitude of the Hong Kong Education Bureau towards different educational systems has shifted from the biased "encouraging half day early childhood education model" in the early childhood education voucher scheme to the more neutral "encouraging students to receive different modes of kindergarten education according to their needs" in the free and high-quality kindergarten policy. Before reaching a consensus on this issue, weakening the "blind pursuit" of the half day education model and family companionship can better reduce the risk of excessive deviation from the "educational development law" of students at this stage after reaching a consensus on this issue.

#### **3.2. Completion of Policy Objectives after Implementation**

The improvement and adjustment of educational fiscal policies should reflect on their completion of the initially set goals, that is, whether the various effects of policy implementation can achieve the expected results, and whether there are factors that weaken the completion. If a policy does not achieve the expected goals efficiently or to a high degree after implementation, it indicates that whether the policy is a "good way to achieve the initial policy goals" still needs to be considered. The "review of family income" in PEVS has, to some extent, weakened the effectiveness and fairness of the voucher program: the family economic review prevents some marginalized families (such as those

slightly above the threshold) from benefiting (which may lead to a "label effect"). Due to factors such as the offsetting of voucher and tuition fee reduction amounts, as well as the unchanged upper limit of tuition fee reduction, the voucher program guarantees the interests of middle-class families and limits the opportunities for low-income families to choose schools [6]. A study by the Hong Kong Council of Social Service pointed out that before the implementation of the voucher system, the tuition fee reduction policy received by poor families ensured that children from generally poor families could choose to attend kindergartens without paying additional tuition fees. However, after the implementation of the voucher scheme, due to the upper limit of tuition fee reduction set at 25400 yuan and the general increase in tuition fees, low-income families were able to choose kindergartens with tuition fees lower than the maximum subsidy amount, and there were only 11 kindergartens left in the 2008-2009 academic year. In such situations, low-income families either bear additional tuition fees or are deprived of equal opportunities to choose schools [7]. At the same time, under the voucher program, parents need to advance tuition fees, ignoring the cash flow restrictions of low-income families, resulting in insufficient coverage of subsidies. Kindergarten Education Scheme (Scheme) reduces the economic burden on low-income families by directly subsidizing kindergartens. It also expands the right of low-income families to choose schools by expanding the supply of high-quality education, optimizing market competition, and reducing geographical restrictions (to truly provide "free" high-quality preschool education for low-income families), thereby improving the achievement of the goal of "providing fair preschool education".

### 3.3. Multidimensional Impact of Policy Content

The impact of any adjustment and improvement of educational fiscal policies is not isolated, but rather like a complex and intricate "web". Policy changes will not only bring about the most direct and superficial impacts, but also have multidimensional and deep-seated impacts on other entities, related fields, and even the overall operation of society through chain reactions. Therefore, in the process of policy formulation and optimization, a systematic analysis must be conducted, fully considering the direct, indirect, long-term, and cross-disciplinary effects that may be triggered, to ensure the scientific and sustainable nature of policy adjustments. Kindergarten Education Scheme (Scheme) adopts a direct subsidy system for kindergartens that comply with regulations. While reducing the cash flow burden on families and providing more equitable opportunities for early childhood education, the Education Bureau can also directly set requirements and regulations for the teacher-student ratio and curriculum design of kindergartens, responding to the demand for specialized education in children's development. Providing additional subsidies for long-day and full-day systems not only increases the opportunities for students to receive different modes of kindergarten education according to their needs, but also releases labor to a certain extent, in line with human resources policies, and promotes the development of the labor market.

### 3.4. Sustainability of Policy Implementation

The sustainability of the implementation of educational fiscal policies affects the future direction of policy implementation outcomes. This requires policymakers to not only consider the "current" effects when formulating and improving policy content, but also to have a long-term perspective and consider whether the policy can maintain its expected effects in the long run. Otherwise, when the policy is implemented for a certain period, it may deviate from the expected effect of the policy due to certain factors such as resource shortages, and even develop in the opposite direction of the expected effect. The cancellation of the "standard salary scale" in the preschool education voucher program has improved the professional competence of kindergarten teachers, but their treatment has lost its guarantee, resulting in extremely high or excessive work pressure for teachers and leading to a high turnover rate of kindergarten teachers [8]. Once the turnover rate of teachers is high, the funds and time used by kindergartens to train new teachers will increase significantly over the long term, which will hurt the quality and stability of education and services provided by kindergartens. A series of chain reactions will result in the poor guarantee of the quality of preschool education for children,

reflecting that the voucher program does not have good sustainability. The suggestion of a teacher salary scale and professional ladder (dividing teacher ranks) in the policy of free and high-quality preschool education can help kindergartens retain talented teachers, steadily improve the quality of kindergarten education, and provide better preschool services for students, thus making the policy more sustainable.

## **4. Implementation and further development direction**

### **4.1. Adhere to the "Problem Oriented" Approach**

The further improvement and revision of education policies must adhere to the principle of "problem-oriented", that is, based on in-depth research and accurate diagnosis of the current social situation and existing problems, propose targeted and operable policy plans. Such policy design can not only effectively solve practical contradictions but also better achieve specific social goals such as promoting educational equity, enhancing human capital, and generating expected social impacts. At the same time, the design of policies must be closely integrated with local financial capabilities, policy systems, cultural backgrounds, and other factors to form a unique education governance model with local characteristics. The adjustment of Hong Kong's early childhood education policy in the 2017/2018 academic year provided a model: The Education Bureau of the Hong Kong Special Administrative Region commissioned the Free Kindergarten Committee to propose suggestions for improving its education policy. The Free Kindergarten Committee established five special working groups (namely the Target, Teacher Professional and Research Working Group, Operation and Governance Working Group, Subsidy Model Working Group, Caring for Diverse Learning Needs Working Group, and Communication Strategy Working Group), which conducted detailed data collection and problem analysis on five main aspects. They adopted a work mode of "in-depth research by different fields + cross-departmental collaborative integration" to systematically promote policy improvement work, and finally proposed specific policy arrangements for the free kindergarten plan from different dimensions [9].

### **4.2. Adhere to the Principle of "Having Reason and Evidence"**

In the process of policy adjustment and improvement in the future, detailed background analysis, clear theoretical basis, complete data sources, rigorous argumentation process, and quantifiable expected goals are all indispensable. At the same time, these contents need to be publicly disclosed in a reasonable and appropriate form, subject to public supervision and questioning [10]. The adjustment of Hong Kong's early childhood education policy in the 2017/2018 academic year provides a model: In the report proposed by the Free Kindergarten Committee, each suggestion is accompanied by sufficient evidence and can withstand scrutiny. This report was also published to the public in 2015 (before the implementation of free high-quality kindergarten education) and accepted public supervision and questioning.

### **4.3. Adhere to "Self Reflection"**

Policy makers and implementers should continue to track data and indicators for a long period, and then conduct policy reviews and further improvements based on them. The implementation of policies does not mean the end of the work of policymakers, but rather the beginning. The appropriateness of a policy usually needs to be proven through changes in various data and indicators after implementation. The adjustment of Hong Kong's early childhood education policy in the 2017/2018 academic year provided a model: The free kindergarten plan was implemented from the 2017/2018 academic year, during which the Education Bureau of the Special Administrative Region continuously tracked and analyzed the implementation of the plan. In August 2021, the "Kindergarten Education Plan Review Report" was released, which included a report on the implementation overview of the plan, opinions and discussions on teacher professionalism, supervision, and quality

assurance, as well as future directions, fully discussing the problems and improvement methods that have arisen since the implementation of the plan.

## 5. Conclusion

When further improving and adjusting education fiscal policies, relevant policymakers need to take into account the degree of alignment between policy content and the development laws of the target educated population, the completion of policy goals after implementation, the multidimensional impact of policy content, and the sustainability of implementation. At the same time, they should adhere to the principle that education, fiscal policy adjustments, and development should "focus on solving their problems, be evidence-based and transparent", and that their implementation process should be "subject to long-term supervision" and timely reflection. In future research, further systematic analysis will be conducted on the characteristics of the education system in the Hong Kong Special Administrative Region and other educational influencing factors. Based on the summary of a universal path for optimizing education fiscal policies, specific directions and suggestions for further improving Hong Kong's preschool education fiscal policies will be proposed.

## References

- [1] Brownell M D, Nickel N C, Chateau D, et al. Long-term benefits of full-day kindergarten: a longitudinal population-based study. *Early child development and care*, 2015, 185(2): 291-316.
- [2] Cannon J S, Jackowitz A, Painter G. Is full better than half? Examining the longitudinal effects of full-day kindergarten attendance. *Journal of Policy Analysis and Management: The Journal of the Association for Public Policy Analysis and Management*, 2006, 25(2): 299-321.
- [3] Gullo D F, Mathew K. Comparing Full-Day and Half-Day Kindergarten Then and Now: What Data from Two ECLS-K Cohorts Reveal About Changes in Demographics and Child Outcomes. *Early childhood education journal*, 2025, 53(2): 343-353.
- [4] Froiland J M. A comprehensive model of preschool through high school parent involvement with emphasis on the psychological facets. *School Psychology International*, 2020, 42(2): 103-131.
- [5] Korosidou E, Griva E, Pavlenko O. Parental Involvement in a Program for Preschoolers Learning a Foreign Language. *International Journal of Research in Education and Science*, 2021, 7(1): 112-124.
- [6] Liu Y. Voucher System and Parental Support. *Hong Kong Journal of Early Childhood Education*, 2010, 8 (2): 17-24.
- [7] The Hong Kong Council of Social Service. The impact of tuition fee reduction cap on low-income families: survey reference, 2018. [http://www.hkcss.org.hk/cy/20090221\\_Ref%202\\_2\\_.pdf](http://www.hkcss.org.hk/cy/20090221_Ref%202_2_.pdf).
- [8] Liang S. Analysis of the Hong Kong Preschool Education Voucher Scheme. *Journal of Tangshan Normal University*, 2012, 34 (01): 141-145.
- [9] Hong Kong Free Kindergarten Education Committee. *Children's Priority, giving them a good start*, 2015.
- [10] The Education Bureau of the Hong Kong Special Administrative Region. *Review Report on Kindergarten Education Plan*, 2021.