

## Conclusion

This booklet began by remarking that the Asian and Pacific region has both considerable diversity and major commonalities. The juxtaposition of these elements has provided the basis for this analysis, which has highlighted contrasts and similarities.

All countries of the region now operate in a context of globalization, especially in terms of economic interdependence, and in an environment in which national development is almost universally considered in terms of capitalist structures. In all countries, education is seen as a major investment for economic and social goals. It is arguable that some governments do not invest as much in the sector as it merits. In some cases the gap is bridged by the private sector; though in some countries the private sector is also underdeveloped. The nature and consequences of private financing are not simple, and more investigation is needed into the implications of:

- household and community contributions to public institutions;
- private institutions that operate in parallel to public ones; and
- private tutoring that supplements public schooling.

On the specific matter of fees in public institutions, various declarations sponsored by the United Nations and its specialist agencies in the 1940s, 1950s, and 1960s argued that education should be free of charge, especially at the basic level but also at higher levels. Concerning tertiary education, a broad consensus of opinion now recognizes that fees are desirable, not only as a mechanism for limiting the burden on the public purse but also as a way to restrict what could otherwise be the nonequitable effects of fee-free education. Most governments that charge fees in tertiary education also provide grants and scholarships for needy students, and some have experimented with loan schemes. Experience with loans has highlighted the many administrative complexities that make such schemes less attractive in practice than they might appear in principle; but even in the absence of efficient loan schemes, the economic and social justifications for demanding at least some fees for higher education remain strong. Of course governments must also heed political factors, and one key factor in successful introduction of reform is the ability to show the general public that, contrary to widespread belief, the provision of fee-free higher education is inequitable rather than equitable.

At lower levels of education, fees in public institutions are less easy to justify. A particularly strong argument can be presented for fee-free primary education, given the externalities that whole societies gain from high enrollment rates. However, some governments suffer such severe fiscal stress that they are unable by themselves to provide fee-free primary education of an acceptable minimum quality. Moreover, some observers stress the importance of households and communities making at least some contribution to schools in order to promote feelings of ownership and public interest in the operation of the schools. Because of these factors, throughout the Asian and Pacific region many policymakers have underlined the importance of partnerships and the value of community participation (Bray 2000). The dominant consensus is that the public sector should remain the principal provider of education (Box 7), but that partnership schemes can be valuable provided that they pay careful attention to socioeconomic, rural-urban, and regional equity.

In the region as a whole, major quantitative strides have been made during recent decades in the provision of primary, secondary and, to some extent, tertiary education. Where quantitative targets have been achieved, much of the attention is turning to quality. However, the attainment of universal or near-universal primary education increases demand for secondary education, while that of universal or near-universal secondary education increases demand for tertiary education. One projection is that demand for university enrollments in Asia will nearly triple during the next few decades (ADB 1997b, 174). Such demand will require innovative ways to provide supply, rather than mere expansion of existing models. In this domain, the contributions of technology and the potential for distance education provide exciting possibilities.

Many policy analysts recommend that, particularly at the tertiary level, demand is best satisfied by the private sector rather than through government

**Box 7: What Role for the State in Financing Education?**

The 1980s and 1990s brought considerable questioning of the role of the state in all sectors of economic and social activity. Challenges to the dominance of the state came from awareness of inefficiency and lack of responsiveness to market signals.

However, general agreement remains that the state should continue to be the lead actor in financing education, particularly at the basic level. The view of Burgess (1997, 326) is that:

Arguments relating to market failure, redistribution and poverty, basic rights, and externalities ... still point fairly directly to a significant role for the state in particular areas, which include infrastructure and regulation, social protection, education, health and the environment. ... Problems of market failure are particularly prevalent in markets for basic health and education that are typically thin, incomplete, or missing. These are unlike normal private goods, in the sense that there are pervasive externalities associated with their provision that are not captured in private calculations of costs and benefits.

Thus, while strong arguments can be made for privatization in areas in which the state does not have a clear advantage over private markets (e.g., industrial production), the rationale for continued state dominance in the education sector remains strong.

initiatives. However, experience in Asia as much as in other parts of the world demonstrates the dangers of unbridled private sector growth in higher education (Wongsothorn and Wang 1997). These dangers include inferior quality and exploitation of customers who are poorly informed. Similar remarks may be applicable to lower levels of education, though private preschools are obviously different in nature from private universities.

For many purposes, it is necessary to look at subgroups rather than at the Asian and Pacific region as a whole. The challenges in the PRC are very different from those in Solomon Islands, and the challenges in the Republic of Korea are very different from those in Uzbekistan. Among the criteria on which countries may usefully be classified, those of economic development, political history, and national scale have been highlighted here as being particularly useful.

Yet even within these groupings, appropriate strategies for particular countries must match the specific circumstances of those countries. Moreover, the identification and development of those strategies must be done by the leadership in those countries; and in many settings different policies are needed for different provinces or districts. Only through such a process can policies gain the necessary tailoring.

However, during the process of working out strategies, much can be learned from comparative analysis to identify what has worked or failed in other contexts, and why. Partly for this reason, partnerships with external agencies can often be desirable during the formulation of policies.