

Introduction

This booklet is one of a series of five that focus on education in the developing member countries (DMCs) of the Asian Development Bank (ADB). The other four booklets focus on education policy, management and administration, quality, and equity and access. To some extent, the foci of these booklets overlap. For example, most improvements in the quality of education require some finance, while most decisions on the financing of education have implications for equity and access. Because of this overlap, the booklets can usefully be read in conjunction with each other. However, the booklets have been designed as freestanding works which can also be read independently.

Like the other booklets, this one is primarily concerned with formal kindergarten, school, technical/vocational, and higher education systems. The work is concerned not only with government financing of education but also with various forms of private, household, and community financing. Comments are made on distance education, especially at the tertiary level. However, the focus does not include training given by companies for their workers, supplementary adult education classes, or the majority of other kinds of nonformal and informal education.

While the significance of the topic might be self-evident, its importance deserves to be made explicit. All societies confront basic questions about the scale, nature, and balance of education financing. They must decide on the volume of resources to allocate to education activities; identify ways to generate those resources; and consider methods to maximize cost-effectiveness in education investment. Because these basic challenges confront all societies, they provide a thread of commonality throughout the region and throughout the booklet.

At the same time, the emphases of particular questions, and the natures of the answers, vary substantially within the region. Relatively rich countries face different challenges from relatively poor ones; former socialist states may have different priorities from long-standing capitalist ones; and small countries have different opportunities and constraints from large ones. These variations provide instructive contrasts which, as in all comparative studies, help identify contours which might otherwise go unnoticed. Comparative analysis also provides a set of experiences from which others can identify both models that might be desirable to emulate and mistakes that should be avoided.

In terms of geographic coverage, this booklet is concerned with the DMCs of ADB. For much discussion, the country is the basic unit of analysis. However, in many instances it is important to note both variations within countries and themes that concern clusters of countries. These cannot all be explored in a work of this length; but readers should constantly bear in mind that national boundaries are artificial creations, and that many social, political,

and economic forces neither confine themselves tidily to those boundaries nor affect all parts of individual nation states with equal emphasis.

The study begins by presenting some background information on the countries on which the analysis particularly focuses, on groups of countries, and on the Asian and Pacific region as a whole. It then turns to the scale of education and the volume of expenditures, noting the balance between government and nongovernment inputs, and commenting on changes over time.

The next section turns to matters of unit costs and their determinants. It presents information on differences between and within levels of education, and discusses the policy implications of these differences. This is followed by a summary of the debate on the respective roles of government and private sectors in the education sector. In turn, this discussion leads to commentary on trends in cost sharing and revenue generation at the system and institutional levels. The following section notes the scale and orientation of external aid for education in some countries. The penultimate part looks at different strategies for different groups of countries, while the last section summarizes and concludes.