

Volume of Expenditures on Education

Public Expenditures

Table 3 presents information on the volume of public expenditures on education in DMCs. Once again, the variations are substantial. Whereas expenditures by the Cambodian Government represented only 1.0 percent of GNP, the figure for the Kyrgyz Republic was 6.8 percent. Public expenditures on education as a proportion of the total budget ranged from 7.4 percent in Viet Nam to 23.1 percent in the Kyrgyz Republic. Education was commonly the largest item in government budgets.

Table 3 also shows figures on the distribution of government budgets at different levels of education. The statistics are only for recurrent expenditures. In most countries, government capital expenditures would have been greater at the tertiary than at the primary level, and probably also greater than at the secondary level. Again the figures show major variations. Whereas the Government of the Lao PDR spent only 3.9 percent of its education budget on higher education, in Hong Kong, China the figure was 37.1 percent. The former figure reflected the fact that the tertiary sector in the Lao PDR was very small, though scheduled for major expansion. The latter figure reflected a tertiary sector that had already been expanded to cover 25 percent of the age group and that was basically publicly funded. Tertiary enrollment rates in the Republic of Korea were higher than in Hong Kong, China; but since the bulk of provision was private, only 7.9 percent of the Government's recurrent budget for education was allocated to the sector.

Table 4 shows regional aggregates over time. In Eastern Asia, public expenditures on education as a proportion of GNP rose slightly between 1980

Table 3: Public Expenditures on Education in Selected Developing Member Countries
(percent)

<i>Economy</i>	<i>Public expenditures on education as % of GNP</i>	<i>Public expenditures on education as % of total gov't. budget</i>	<i>Distribution of recurrent expenditure (%)</i>		
			<i>Preprimary and primary</i>	<i>Secondary</i>	<i>Tertiary</i>
Bangladesh	2.3	8.7	44.2	43.3	7.9
Bhutan	4.0	10.0	41.5	18.4	22.3
Cambodia	1.0	10.0	—	—	—
China, People's Republic of	2.3	12.2	36.9	31.5	16.5
Fiji Islands	5.4	18.6	50.5	37.0	9.0
Hong Kong, China	2.8	17.0	21.9	35.0	37.1
India	3.5	12.1	38.4	26.1	13.6
Indonesia	2.2	—	—	—	—
Kazakhstan	4.5	17.6	—	—	12.5
Kiribati	6.3	17.6	—	—	—
Korea, Republic of	3.7	17.4	45.5	34.4	7.9
Kyrgyz Republic	6.8	23.1	—	—	—
Lao PDR	2.4	—	42.2	43.5	3.9
Malaysia	5.3	15.5	35.4	41.2	16.8
Maldives	8.1	13.6	67.0	32.0	5.0
Mongolia	6.0	15.1	24.4	—	—
Nepal	2.9	13.2	44.5	17.7	28.1
Pakistan	2.7	7.9	48.0	24.0	14.0
Philippines	2.2	—	63.9	10.1	22.5
Samoa	4.2	—	52.6	25.2	—
Solomon Islands	4.2	—	56.5	29.8	13.7
Sri Lanka	3.1	8.1	—	—	12.2
Taipei, China	6.2	17.9	—	—	—
Thailand	4.2	20.1	52.8	21.5	16.5
Tonga	4.7	17.3	38.8	24.2	7.3
Vanuatu	4.9	18.8	57.9	33.0	6.4
Viet Nam	2.7	7.4	40.0	20.0	16.0

— Data not available.

Note: Most data refer to the period around 1995.

Sources: Haq and Haq 1998; UNESCO 1998; various national sources.

Table 4: Public Expenditures on Education as a Percentage of GNP, by Region, 1980-1995

<i>Region</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>	<i>1995</i>
<i>More developed regions</i>	5.2	5.0	5.0	5.1
North America	5.2	5.1	5.4	5.5
Asia/Oceania	5.0	4.5	4.0	4.0
Europe	5.2	5.2	5.1	5.4
<i>Less developed regions</i>	3.8	3.9	3.9	4.1
Africa (excluding Arab states)	5.1	4.8	5.1	5.6
Eastern Asia	2.8	3.1	3.0	3.0
China, People's Republic of	2.5	2.5	2.3	2.3
Latin America and the Caribbean	3.8	3.9	4.1	4.5
Southern Asia	4.1	3.3	3.9	4.3
Arab States	4.1	5.8	5.2	5.2

Source: UNESCO 1998, 110.

and 1995, but in Southern Asia they fluctuated. In general, the less developed countries of Asia devoted a smaller proportion of GNP to education than did their counterparts in Africa. This particularly reflected the low level of teachers' salaries in Asia as a proportion of per capita GNP. The proportion was also below that in the more developed countries of North America, Asia/Oceania, and Europe. The proportion was particularly low in the PRC. Many observers consider that the proportion should be raised in the PRC and in other countries where it is especially low.

Private Expenditures

The nature of education expenditures in the Republic of Korea deserves elaboration, because it underlines the danger of citing government expenditures as if they were the only ones. Such a tendency is evident in many documents, but may lead to a very biased picture. In the Republic of Korea, nongovernment expenditures on education in 1994 formed 71.1 percent of total expenditures. During the period since 1977, private expenditures have grown much more rapidly than public ones (Paik 1995, 15).

Although detailed data are regularly collected on private expenditures in the Republic of Korea, the same cannot be said of most other countries. As a result, cross-national statistics cannot be systematically displayed in the same way as can be done for public expenditures. This is regrettable, and the matter is in urgent need of more detailed research. Table 5 presents information on private enrollments in various economies. In particular, the table shows the high percentages of private enrollments at the preprimary level. However, the table should be viewed with caution, especially because the definition of a

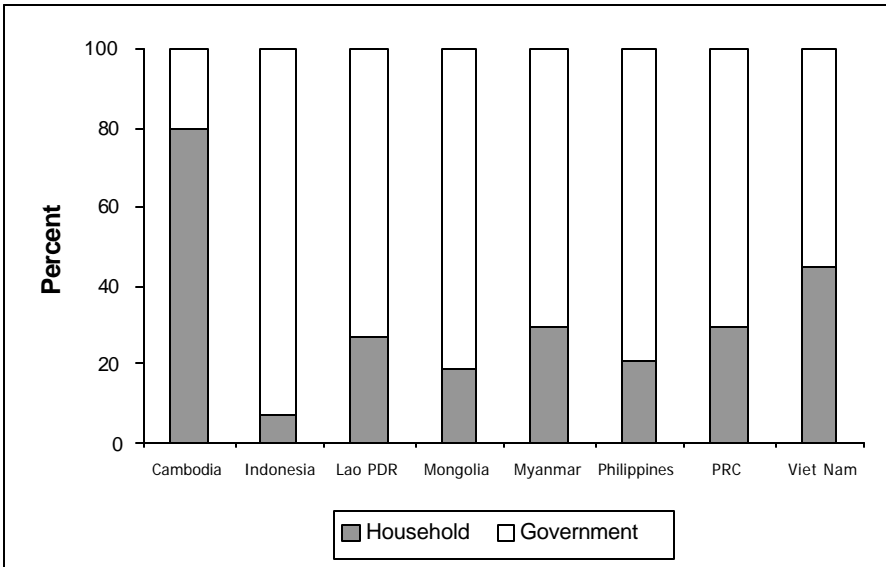
Table 5: Private Enrollments as a Percentage of Total Enrollments, Selected Developing Member Countries, 1995

<i>Economy</i>	<i>Preprimary</i>	<i>Primary</i>	<i>Secondary</i>
Cambodia	—	1	1
Fiji Islands	100	96	87
Hong Kong, China	100	10	12
Indonesia	100	18	42
Kazakhstan	—	0	0
Kiribati	—	0	77
Korea, Republic of	78	2	37
Lao People's Democratic Republic	11	2	0
Malaysia	42	—	5
Maldives	93	—	31
Nepal	—	6	—
Papua New Guinea	41	2	3
Philippines	53	7	35
Samoa	—	13	43
Solomon Islands	9	11	17
Sri Lanka	—	2	2
Thailand	26	12	6
Tonga	—	7	80

— Data not available.

Source: UNESCO 1998, 158-59.

Figure 1: Household and Government Resourcing of Public Primary Education in Selected Developing Member Countries



Note: Figures refer to the mid-1990s. The chart shows only household (including community) and government resourcing. It ignores inputs from external agencies and other sources. The figures apply only to schools officially classified as public and thus exclude private schools. Items included in calculations are not standardized by country. For example, some include transport to and from school, whereas others do not. See the individual sources for details.

Sources: Bray 1999a; Bray and Thomas 1998; Evans and Rorris 1994; Hossein 1996; Jiang 1996; Maglen and Manasan 1999; Thomas 1996; West 1995; World Bank 1997d.

private school varied in different countries. Thus, many of the students in the Fiji Islands and Tonga were in schools that were legally private but were heavily subsidized by the government and were generally considered part of the public sector of education. Countries with long-standing capitalist traditions are more likely to have substantial numbers of private enrollments than countries that are still officially socialist societies, such as the PRC and Viet Nam. However, even in those countries the number of private schools has increased significantly since the early 1990s (Kwong 1997; World Bank 1997d).

A further weakness of Table 5 is that although it shows the percentages of private enrollments in various countries, the proportion of financing coming from private sources might be very different. Figure 1 shows estimates of the proportions of household and government expenditures in public primary schools in eight DMCs. Particularly dramatic is the picture in Cambodia, where government inputs are small and where gaps are bridged by parents and communities. The nongovernment figure includes fees, transport, supplementary tutoring, and other items. Household costs are also high in Viet Nam,

though form much smaller percentages in Indonesia and Mongolia. The reason why household expenditures are high in Cambodia and Viet Nam is not the result of deliberate government policies. Rather it is because the governments have been unable by themselves to meet needs, and households have found that if they want to have schooling of even minimum quality, they must provide resources themselves (Bray 1996a).

Figure 1 refers only to the primary level (but would show even greater proportions of household financing at the secondary level). In Viet Nam, for example, households were estimated in 1994 to be meeting 44.4 percent of the costs of public primary education, but 48.7 percent of the costs of public lower secondary education and 51.5 percent of the costs of public upper secondary education (World Bank 1997d, 68).

At the tertiary level, countries with high proportions of enrollments in private institutions include Bangladesh, India, Indonesia, Philippines, and Thailand. The scale of private higher education in the Philippines deserves particular comment because it is at the extreme. In 1996/97, 1,045 out of 1,316 institutions (79.4 percent) were operated by private bodies (Johanson 1999, 2). Of these, 281 institutions were run by sectarian organizations, particularly the Catholic church. The shape of the higher education sector was thus influenced by the religious characteristics of society as well as by historical legacies and government policies (Valisno 1997). Some private universities are operated as companies, the shares of which are quoted on the stock exchange. Gonzales (1997, 264) has described changing official attitudes to the private sector in the Philippines. Prior to 1969, he says, the policy was one of *laissez faire* to the point at which 85 percent of students attended private universities that were financed almost entirely from fees. This system led to a mismatch between supply of graduates and available jobs, and also to complaints about high fees. As a result, for over a decade from 1969, the Government regulated private institutions and attempted to make the sector conform to a central plan. However, the regulations threatened the viability of some institutions, and political change led to reversal of policies in the 1980s. By 1992 deregulation was complete, and the *laissez faire* approach had come full circle.

Box 1: Public versus Private Education - A False Dichotomy?

Some documents make sharp distinctions between public and private education. In many settings, however, these distinctions are questionable. Even on the criterion of provision of finance (as opposed, for example, to control of institutions), the boundaries between public and private may be blurred. In Cambodia, 60 percent of the resources for public primary education are provided directly by households rather than indirectly via the State, while in Indonesia, 69 percent of the resources of private primary schools are provided by the Government.

Boundaries are also blurred at other levels. In Singapore, students meet 20 percent of the recurrent costs of public university-level education through fees; but at the secondary level, the Government meets over 90 percent of the costs of the institutions in the Independent Schools Scheme.