THE REGIONAL CONTEXT

Table 1.1 presents the variation in human development within the Asian and Pacific region and elsewhere in the world. The region has been shaped by many distinctive indigenous cultures, colonization by Western and Asian powers, and the influence of major regional nations, e.g., the People's Republic of China (PRC), India, and Japan. Distinctions between East Asia and South Asia are apparent. As indicated by figures from the United Nations Development Programme (UNDP 1998a) in Table 1.1, East Asia well exceeds world averages on life expectancy and adult literacy. Excluding the PRC, East Asia also has markedly higher gross domestic product or gross national product (GDP or GNP) per capita. South Asia, by contrast, compares unfavorably with other Asian subregions on all development indicators, having an average GDP per capita that is roughly comparable to that of

Table 1.1: Regional Comparisons of Human Development

Region	Life Expectancy at Birth (years)		Total Fertility Rate 1995	GDP per capita 1995, in 1987 $	Adult Literacy Rate 1995 (%)
	Male	Female			
East Asia[a]	67.4	71.5	1.9	725	82.4
East Asia excl. PRC	68.3	74.9	1.8	6,185	96.3
South Asia[b]	61.4	62.1	3.5	521	50.5
Southeast Asia and the Pacific[c]	62.4	66.2	3.0	1,063	87.3
All Developing Countries	60.7	63.6	3.2	867	70.4
World	61.9	65.3	2.9	3,417	77.6

Note: For this table only, regional comparisons reflect UNDP (1998a) definitions, and are not limited to DMCs. Figures express population-weighted averages.

[a] PRC; Hong Kong, China; Democratic People's Republic of Korea; Republic of Korea; and Mongolia.

[b] Afghanistan, Bangladesh, Bhutan, India, Islamic Republic of Iran, Maldives, Nepal, Pakistan, and Sri Lanka.

[c] Brunei Darussalam, Cambodia, Fiji Islands, Indonesia, Lao PDR, Malaysia, Myanmar, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, Thailand, Vanuatu, and Viet Nam.

Source: UNDP 1998a.

Sub-Saharan Africa and the lowest literacy rate among the world's regions.[6]

Demographic, economic, and social changes within the Asian region in some cases perpetuate intraregional diversity while in others contribute to commonality in issues and policies. These changes and their effects, as described below, can be found in patterns of economic growth, demographic structures, social institutions, and education development.

A. Demographic Changes

As shown in Table 1.2, the populations of ADB's DMCs range from several thousand in some of the Pacific countries to 1.2 billion in the PRC. Annual population growth rates vary from a negative 0.2 percent (Kazakhstan) to 3.8 percent (Marshall Islands). The proportion of the population living in urban areas ranges from 6.4 percent in Bhutan to 100 percent in Singapore. Broad intraregional differences are also found for fertility rates and life expectancy at birth.

Fertility rates range from roughly 1.2 live births per woman in Hong Kong, China to 7.2 in the Marshall Islands, with total fertility rates in Afghanistan, Lao People's Democratic Republic (Lao PDR), and Maldives all lying between six and seven live births per woman. (UNDP [1998a, p. 217] defines the total fertility rate as "the average number of children that would be born alive to a woman during her lifetime if she were to bear children at each age in accord with prevailing age-specific fertility rates.")[7] There is a close (negative) correspondence between these rankings and comparisons of life expectancy, which in turn partly reflect different infant and child mortality rates. Hong Kong, China has the longest life expectancy for both males and females (76 years and 82 years, respectively), while Afghanistan has the shortest (43 and 45 years, respectively). At the same time, for all such demographic measures, aggregate-level figures conceal large variations within countries.

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[6] Unless otherwise noted, regional figures presented herein are calculated using the conventional practice of even weighting by country, and thus differ from per capita figures based on population weighting.

[7] This is slightly different from the World Bank (1997e, p. 255) definition, used in several later tables and presented in the glossary. The impact on estimates is, however, generally negligible.

Table 1.2: Demographic Data in Selected Developing Member Countries

Economy	Midyear Population 1995 (millions)	Average Annual Population Growth Rate 1990–1995 (%)	Urban Population 1995 (% of total pop.)[c]	Dependency Ratio of Age Group 0–14 1995 (%)[d]	Life Expectancy at Birth (years) Male	Female	Total Fertility Rate 1995
Afghanistan	19.66	2.0[a]	20.0	73	43[e]	45[e]	6.9[e]
Bangladesh	118.23	1.8	18.3	75	56	56	3.5
Bhutan	1.77	2.4	6.4	79	—	—	5.9[i]
Cambodia	10.02	3.4[a]	20.7	78	50[e]	54[e]	4.7
PRC	1,220.22	1.2	30.3	39	68	71	1.9
Cook Islands	0.02	1.9	60.4	—	—	—	—
Fiji Islands	0.78	1.6	40.7	56	70[e]	74[e]	2.8[e]
Hong Kong, China	6.12	1.6	95.0	28	76	82	1.2
India	929.01	1.9	26.8	58	61	61	3.2
Indonesia	197.46	1.7	35.4	53	61	65	2.7
Kazakhstan	16.82	-0.2	59.7	47	65	74	2.3
Kiribati	0.08	2.3	35.7	—	56[e]	58[e]	3.8[e]
Korea	44.91	0.9	81.3	33	68	75	1.8
Kyrgyz Republic	4.46	0.7	38.9	64	65	73	3.3
Lao PDR	4.88	2.6	21.7	86	50	53	6.0
Malaysia	20.14	2.5	53.7	65	69	73	3.4
Maldives	0.25	3.5	26.8	94	63[e]	61[e]	6.7[e]
Marshall Islands	0.05	3.8	69.1	—	61[f]	64[f]	7.2[e]
Micronesia, F.S.	0.12	1.1	28.0	—	—	—	5.1[e]
Mongolia	2.46	1.6	60.9	68	63	65	3.4
Myanmar	45.10	1.9	26.2	59	57	60	4.1[h]
Nauru	0.01	1.9[b]	100.0	—	—	—	—
Nepal	21.46	2.6	13.7	81	55	54	5.3
Pakistan	136.26	3.0	34.7	79	61	63	5.2
Papua New Guinea	4.30	2.0	16.0	69	56	57	4.8
Philippines	67.84	2.5	54.2	66	64[g]	68[g]	3.7
Samoa	0.17	0.4	21.0	67	67[e]	71[e]	4.3[e]
Singapore	3.33	2.0	100.0	31	73	78	1.7
Solomon Islands	0.38	3.7	17.1	84	61[e]	63[e]	5.2[e]
Sri Lanka	17.93	1.2	22.4	46	70	74	2.3
Taipei,China	21.2	1.0	57.4	—	72[h]	78[h]	1.8[h]
Thailand	58.24	1.2	20.0	42	66	72	1.8
Tonga	0.10	0.3	41.1	—	67[e]	71[e]	3.4[e]
Tuvalu	0.01	1.4	46.2	—	—	—	—
Uzbekistan	22.76	2.2[b]	41.3	71	66	72	3.7
Vanuatu	0.17	2.7	19.3	81	59[e]	61[e]	5.1[e]
Viet Nam	73.79	2.2	20.8	64	63	68	3.1

— = Data not available.

[a] Figures may be influenced by refugees to an unknown extent. [b] Annual population growth rates refer to the growth of the population over the last five years for which data were available. [c] Based on national definitions incorporated in the latest available census. [d] Where 1995 or more recent data are unavailable, estimated using medium variant projections. [e] 1989–1994; [f] 1994/95; [g] 1995; [h] 1993; [i] 1992.

Sources: ADB 1996c; UNESCO 1998b; World Bank 1997d.

The demographic change taking place in Asia is basically a transition from high mortality and fertility rates to lower mortality and fertility rates. Such declines have followed a pattern of demographic divergence, with East Asia entering demographic transition first and South Asia later. Variations in demographic structures help explain differences in economic growth rates and have given East Asia an advantage over South Asia. However, during the next few decades, these same demographic factors that contributed to success in East Asia are likely to work to South Asia's relative advantage (ADB 1997c). The impact of the age structure of Asia's population on all social and economic sectors has been and will remain enormous. Over the last three decades, demographic change has contributed to economic growth and indirectly to education growth, particularly for males, by increasing the growth rate of the economically active population. This condition has been observed most in East Asia. Income growth, however, has been retarded in those countries with large youth-dependency ratios and thus higher consumption needs.

The quantity and quality of schooling are influenced by demographic structures and are particularly sensitive to the size of the school-age cohort. "Thus, richer DMCs with lower dependency ratios have been able to invest more per child at similar levels of allocations of funds. High dependency ratios in poorer countries, by forcing choices as to which children go to school, tend to be associated with suppression of female enrollments and, thus, indirectly, may reduce the number of opportunities in the labor market for girls" (Lewin 1996, p. 50).

Projections indicate continued declines in Asia's dependency rates in the near future, potentially making more resources available and thus allowing DMC governments to focus on improving school quality.

The urban-rural mix of population is also rapidly changing in several DMCs. Generally, Asia is becoming more urbanized, accompanying the decline of the agriculture sector and the increase in industrialization. Continued urbanization can be expected over the next few decades. For example, in Indonesia, a country considered to have a relatively high proportion of urban inhabitants by Asian standards, only 31 percent of the population lived in urban areas in 1990. However, by 2005 it is estimated that over half the Indonesian population will be urban dwellers. Those DMCs with high urban population ratios tend to have lower dependency ratios, longer life expectancies, lower mortality and fertility rates, and better rankings in the human development index

(HDI),[8] human poverty index (HPI),[9] and gender-related development index (GDI).[10] The more urban DMCs also have higher GDPs per capita and higher percentages of the labor force in industry and services.

Urbanization brings new opportunities and new problems to education. Higher enrollments in urban areas may be expected, as well as better facilities. However, addressing the education needs of the growing numbers of marginalized urban poor will demand special resources and programs.

B. Economic Changes

Among DMCs, economic indicators demonstrate a broad range of rates of economic growth, incidence of poverty, and patterns of employment by sector. As shown in Table 1.3, GNP per capita among DMCs in 1995 ranges from $200 to $26,730; the simple average across DMCs is $3,354, while the population-weighted average is $902.[11] Other data show that the average regional economic growth rate between 1985 and 1995 was approximately 2.27 percent. This average has been significantly lowered by negative growth rates recorded in the Central Asian DMCs (Kazakhstan, Kyrgyz Republic, and Uzbekistan) and Mongolia, reflecting the breakup of the former Soviet Union. On the other hand, seven DMCs experienced GNP per capita annual growth rates of over 5 percent: PRC; Korea; Malaysia; Maldives; Singapore; Taipei,China; and Thailand.

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[8] The HDI is a simple average of the life expectancy index, education attainment index, and adjusted real GDP per capita (purchasing power parity [PPP]) index.

[9] The HPI measures deprivation using the same dimensions as the HDI. "The variables used are the percentage of people expected to die before age 40, the percentage of adults who are illiterate, and overall economic provisioning in terms of the percentage of people without access to health services and safe water and the percentage of underweight children under five" (UNDP 1997, p. 14).

[10] The GDI uses the same variables as the HDI, namely life expectancy index, education attainment index, and adjusted real GDP per capita (PPP) index. The difference is that the GDI adjusts the average achievement of each country in life expectancy, education attainment, and income in accordance with the disparity in achievement between women and men (UNDP 1997, p. 123).

[11] Excluding Taipei,China, calculations use exchange rates based on the World Bank Atlas method (1997e). Comparing across DMCs, the average GNP per capita (weighting each country equally in 1995) was $3,354. However, this substantially overestimates the average per capita income for the total population of the DMCs as a whole of $902, which largely reflects income figures for very large countries such as the PRC and India, having heavier population weights.

Table 1.3: Economic and Social Indicators, Developing Member Countries

Economy	GNP per Capita 1995 $	GNP per Capita Average Annual Growth 1985–1995 (%)	Index of GDP per Capita, PPP Estimate $'000 (US = 100) 1987	1995	HDI Rank 1994	HPI Rank 1994	GDI Rank 1994
Afghanistan	—	—	—	—	—	—	—
Bangladesh	240	2.1	4.8	5.1	144	67	128
Bhutan	420	4.0	—	—	155	62	—
Cambodia	270	2.0	—	—	153	73	—
PRC	620	8.0	6.3	10.8	108	18	90
Cook Islands	—	—	—	—	—	—	—
Fiji Islands	2,440	2.3	—	—	46	—	53
Hong Kong, China	22,990	4.8	70.7	85.1	22	—	28
India	340	3.2	4.4	5.2	138	47	118
Indonesia	980	6.0	9.8	14.1	99	23	86
Kazakhstan	1,330	-8.6	24.2	11.2	93	—	—
Kiribati	920	-0.3	—	—	—	—	—
Korea	9,700	7.6	27.3	42.4	32	—	35
Kyrgyz Republic	700	-6.9	13.6	6.7	107	—	88
Lao PDR	350	2.7	—	—	136	51	114
Malaysia	3,890	5.7	22.9	33.4	60	—	45
Maldives	990	6.7	—	—	111	—	94
Marshall Islands	—	—	—	—	—	—	—
Micronesia, F.S.	—	—	—	—	—	—	—
Mongolia	310	-3.8	10.6	7.2	101	16	80
Myanmar	—	—	—	—	131	40	110
Nauru	—	—	—	—	—	—	—
Nepal	200	2.4	4.0	4.3	154		131
Pakistan	460	1.2	8.4	8.3	139	64	120
Papua New Guinea	1,160	2.1	8.5	9.0	128	42	108
Philippines	1,050	1.5	10.3	10.6	98	19	81
Samoa	—	—	—	—	96	—	—
Singapore	26,730	6.2	56.1	84.4	26	—	27
Solomon Islands	910	—	—	—	122	—	—
Sri Lanka	700	2.7	10.6	12.1	91	22	70
Taipei,China	12,650	7.0	—	—	—	—	—
Thailand	2,740	8.4	16.2	28	59	11	39
Tonga	1,630	0.2	—	—	—	—	—
Tuvalu	—	—	—	—	—	—	—
Uzbekistan	970	-3.9	12.6	8.8	100	—	78
Vanuatu	1,200	-1.1	—	—	124	—	—
Viet Nam	240	4.2	—	—	121	33	101

— = Data not available.

GDP = gross domestic product, GNP = gross national product, PPP = purchasing power parity, HDI = human development index, HPI = human poverty index, GDI = gender-related development index.

[a] Below $1 a day in PPP terms. [b] Estimates reflect most recent year available in World Bank (1997d); the value for Thailand reflects the World Bank's (2000) revised estimate for 1995.

Sources: UNDP 1997, 1998a; UNESCO 1998b, 2000; World Bank 1996b, 1997d, 2000; country sources.

Table 1.3: Economic and Social Indicators, Developing Member Countries (cont'd.)

Economy	Share of Agriculture in GDP 1994 (%)	Population in Poverty (%)[a,b]	Adult Illiteracy Rate 1995 (%)	Share of Labor Force by Sector 1990 (%)			Female Share of Labor Force 1994 (%)
				Agri-culture	Industry	Services	
Afghanistan	—	—	68.5	—	—	—	—
Bangladesh	24	—	61.9	65	16	18	42
Bhutan	42	—	57.8	94	1	5	—
Cambodia	51	—	35.0	74	8	19	—
PRC	20	29.4	18.5	72	15	13	46
Cook Islands	—	—	—	—	—	—	—
Fiji Islands	23	—	8.4	46	15	39	—
Hong Kong, China	0	—	7.8	1	37	62	36
India	30	52.3	48.0	64	16	20	32
Indonesia	17	14.5	16.2	55	14	31	40
Kazakhstan	15	—	1.0	22	32	46	47
Kiribati	25	—	—	—	—	—	—
Korea	7	—	2.0	18	35	47	40
Kyrgyz Republic	41	18.9	—	32	27	41	48
Lao PDR	58	—	43.4	78	6	16	47
Malaysia	14	5.6	16.5	23	25	50	36
Maldives	20	—	6.8	32	31	37	—
Marshall Islands	16	—	—	—	—	—	—
Micronesia, F.S.	—	—	—	—	—	—	—
Mongolia	37	—	17.1	32	23	45	46
Myanmar	63	—	16.9	73	10	17	43
Nauru	—	—	—	—	—	—	—
Nepal	43	53.1	72.5	94	0	6	40
Pakistan	25	11.6	62.2	52	19	30	28
Papua New Guinea	28	—	27.8	79	7	14	42
Philippines	22	27.5	5.4	46	15	39	36
Samoa	—	—	2.0	—	—	—	—
Singapore	0	—	8.9	0	36	64	37
Solomon Islands	—	—	38.0	—	—	—	—
Sri Lanka	24	4	9.8	48	21	31	35
Taipei,China	4	—	4.5	13	32	55	—
Thailand	11	<2.0	6.2	64	14	22	47
Tonga	35	—	—	—	—	—	—
Tuvalu	—	—	—	—	—	—	—
Uzbekistan	32	—	1.0	32	27	41	46
Vanuatu	22	—	36.0	12	27	61	—
Viet Nam	29	—	6.3	71	14	5	50

— = Data not available.

GDP = gross domestic product, GNP = gross national product, PPP = purchasing power parity, HDI = human development index, HPI = human poverty index, GDI = gender-related development index.

[a] Below $1 a day in PPP terms. [b] Estimates reflect most recent year available in World Bank (1997d); the value for Thailand reflects the World Bank's (2000) revised estimate for 1995.

Sources: UNDP 1997, 1998a; UNESCO 1998b, 2000; World Bank 1996b, 1997d, 2000; country sources.

Demand for schooling reflects changes in employment patterns (Table 1.3). The industry and services sectors together account for virtually all of the labor force in Hong Kong, China and Singapore, and are rapidly eclipsing agricultural employment in Asia's other two NIEs, namely Korea and Taipei,China. The services sector, which alone comprises between half and two thirds of national employment in the four NIEs, increasingly requires knowledge of high technology, interpersonal skills, and analytical capabilities. In most of the remaining DMC economies, agriculture comprises a much larger share of the labor force despite a general trend of expanding industry and services sector employment. In other country groupings the mix is quite different. Trends in the female share of the labor force are difficult to determine in practice. Highly agricultural countries, which use low levels of technology, usually employ a large percentage of women. Likewise, countries with export-oriented industries (e.g., textiles) may employ large numbers of women in entry-level jobs. Interpreting survey data is further complicated by the fact that, particularly at the early stages of industrialization, many women are unpaid family laborers or work part time, sometimes in multiple, informal sector jobs.

Data by country for any of the poverty indexes are limited. From data available, the range of percentage of population in poverty (defined using the conventional threshold of below $1 a day in purchasing power parity [PPP] terms)[12] varies from below 2 percent in Thailand to 53.1 percent in Nepal. The NIEs have relatively low incidences of poverty. Higher percentages of population in poverty tend to be found in countries with a high proportion of the labor force in agriculture. HDI, HPI, and GDI country rankings are correlated with each other, and better rankings of countries on these indexes imply lower population growth rates, illiteracy rates, and shares of agriculture in GDP.

The most impressive economic gains have been made in East Asia, particularly by the NIEs, which averaged 6.4 percent annual growth in GNP per capita between 1985 and 1995. Examples of other rapidly growing economies are PRC, Malaysia, and Thailand, which (starting at a lower economic level than the NIEs) averaged 7.4 percent annual growth in GNP per capita between 1985 and 1995 (Table 1.3). During the same period, significant economic advances were made by several

[12] Unless otherwise noted, figures for GNP per capita are estimated using the World Bank Atlas method, which smooths out transitionary shocks in the official exchange rate using a three-year average. Following the World Bank, the share of the population in poverty is calculated using PPP exchange rates rather than official rates. See Glossary and World Bank (1997e).

other DMCs, including Indonesia and the Philippines. East Asia's pattern of economic growth is characterized by early development of a broad base of human capital (thanks largely to investments in basic education); an outward-looking trade strategy; relatively equitable distribution of benefits of economic growth; reforms to encourage savings; and a cooperative relationship between public and private sectors.

Other economies, particularly those in South Asia, such as Bhutan, India, Nepal, and Pakistan, have not fared so well (Table 1.4). Haq (1997) refers to South Asia as "the poorest region, the most illiterate, the most malnourished region, the least gender-sensitive region, the region with highest human deprivation, and the most militarized region in the world". South Asia, Haq concluded, followed inefficient, centralized, economic planning; closed itself off from international markets and emphasized domestic protection; and invested relatively little in education.[13]

Economic growth has contributed much to national development. Growth has been associated with the expansion of opportunities in education, wider availability of health services, and increases in quality of life. In terms of gender parity goals, economic growth has provided employment opportunities for women, thereby improving their ability to support their families. Income has often, but not always, added to the

Table 1.4: Comparison of Newly Industrialized Economies and Selected South Asian Countries, 1995

Grouping	GNP per Capita		Share of Agric. in GDP %	Adult Illiteracy Rate %	Dependency Ratio %	Primary Education			Secondary GER %	Tertiary GER %
	$	Growth %				GER %	P/T Ratio	Repeaters %		
NIEs	18,050	6.4	6.1	6.0	30.7	98.5	26.7	1.0	89.4	38.0
South Asia	479	3.2	30.6	55.5	73.9	96.7	43.6	18.3	46.4	5.6

NIEs = newly industrialized economies, P/T = pupil/teacher, GER = gross enrollment rate.

Notes: (1) South Asia denotes a grouping of eight economies: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. (2) Excepting Taipei,China, figures for GNP per capita are based on valuations in 1995 $, estimated using the World Bank Atlas method (World Bank 1997e). (3) The GDP share of agriculture is calculated based on value added, and reflects 1994 figures. (4) All figures are calculated as simple averages (using even weighting) using all available observations for the indicator, and do not indicate averages for the population of the country grouping. For example, population-weighted GNP per capita figures are $12,391 for the NIEs and $347 for South Asia.

Sources: ADB 1997c; UNESCO 1998b; World Bank 1997d; country sources.

[13] The amount invested per pupil rose by 355 percent in Korea between 1970 and 1990, versus only 3 percent in Pakistan during the same period (Haq 1997).

independence of women, as negative as well as positive consequences flow from economic growth. For example, much of the work in export industries has placed women in unhealthy conditions and increased their susceptibility to certain diseases. Moreover, these industries have offered little upward mobility or few transferable skills to allow employment in other industries.

Economic growth is generally associated with higher enrollments, an important—but insufficient—condition for high-quality education. Slower growth economies tend to have high rates of truancy, utilize child labor more often, and be plagued with high repetition and dropout rates. Economic growth does not, however, always translate into education improvements: Pakistan and Papua New Guinea are examples of countries where social sector development remains disappointing given their relative per capita incomes. Also, a low incidence of poverty is not necessarily directly linked to education achievement: for example, in two of India's rural provinces, Kerala and Rajasthan, that have similar levels of poverty, female literacy rates vary from 85 percent in the former to 12 percent in the latter. Also, the level of prosperity of the high-growth economies may not continue. As Table 1.5 shows, some of the leading economies in Asia experienced a sharp downturn in GDP during 1997 and 1998 (Samuelson 1998). The financial crisis may have foreshadowed a new trend; at the minimum, a new level of caution is required in making predictions. In short, the money that financed education growth in the past may not be available in the future.

Table 1.5: Annual Rates of GDP Growth, Selected Developing Member Countries, 1996–1998 (percent)

Economy	1996	1997	1998
Indonesia	8.0	4.6	-12.5
Malaysia	8.6	7.8	-2.0
Korea	7.3	5.5	-5.0
Thailand	5.5	-0.4	-7.0

Source: Samuelson 1998.

C. Social Changes

Changes and continued diversity may be found in all social institutions. In terms of family structure, the last few decades have seen significant

changes in family size, family roles, and intergenerational relations. The average size of families is declining in several DMCs, and radically so in some. Coupled with the phenomenon of smaller families, increases in average education attainment and economic opportunities among parents (especially mothers) tend to alter the treatment of children in the home, improving their nutrition, health, and opportunities for schooling (Schultz 1998, Lam and Duryea 1999). However, development and industrialization also often expand the intergenerational education gap, and provide increased mobility for youth entering the workforce. These changes may contribute to stress on family relationships. In addition, the transition from an extended to a nuclear family structure is likely to continue, further altering family relations and obligations. Reflecting the extent of social and family change, divorce rates have risen, while new laws have been passed in Singapore and Taipei,China requiring children to be responsible for the welfare of their aging parents.

The speed of technological change, as reflected in new forms of production and global communications, compresses the time available for individual and social adaptation. Typically the young, better educated, and urban populations more readily accept or learn to cope with emerging values and lifestyles. Evidence from various sources (see, for example, Greenhalgh 1985, King and Hill 1993, Foster and Rosenzweig 1999) demonstrates that long-standing preferences for male children often translate into biases in education opportunities in Asia. However, despite an apparent decline in such biases, in many areas income from wage-earning daughters is frequently used by the family to increase advancement opportunities for sons.

At the other end of the scale, changes in that most macro of institutions, the state, are also evolving significantly. Many different forms of government and levels of state involvement in the economic and education sectors can be found in Asia. Some economies such as Hong Kong, China and Korea have a strong orientation toward capitalism and private markets. Although the socialist states, such as PRC, Lao PDR, and Viet Nam, are more reserved in their acceptance of capitalism and privatization, the movement toward privatization cuts across economic and political differences. In the education sector, it is particularly visible in higher education, but it is also growing at the primary and secondary school levels. Even in countries with a constitutional provision guaranteeing free education (e.g., Cambodia, Mongolia, Philippines), fees are necessary to support schools, and the distinction between public and private is beginning to blur.

Paralleling the far-reaching expansion of the private sector, the traditionally centralized locus of public decision making is under modification or review. Also under way is a distinct regional trend toward devolution of social services and institutions. Reforms have gained momentum in some countries (e.g., PRC, India, and Thailand) while they are only just beginning in others (e.g., Indonesia). Most DMCs are committed, to varying degrees, to a measure of strengthening of local government and decentralization of education delivery. In general, recent trends are likely to continue with the focal point for some social and education policy making (and much planning) increasingly transferring from central to provincial and lower levels of government.

Cultural and social changes have meant that the roles and opportunities for many Asian women have changed and continue to evolve. Greater opportunities for work, smaller families, more schooling, and new values and role models have combined to raise consciousness of gender inequities. International organizations, nongovernment organizations (NGOs), and many governments are paying more attention to the specific problems associated with women's efforts to secure equitable treatment in the home, school, and workplace. Improvements have been made in this area, particularly in increased opportunities in education and improved health. Yet, in 1995, less than 15 percent of women aged 18–22 were enrolled in education institutions, compared with more than 33 percent of men in the same age cohort. Approximately 40 percent of the labor force in Asia is made up of women. The main avenue of employment for women remains traditional agriculture.

Many of these demographic, economic, and social changes, including education growth, suggest the strength of DMCs' social and political commitments to improve the welfare of citizens. In general, living standards have been on the rise in DMCs. As reflected in aggregated statistics, there is a tendency for people to live longer, be more literate, eat better, and go to school for longer periods.

However, despite improvements in the quality of life for many people in DMCs, significant poverty persists. One third of the world's total population lives in poverty, and three quarters of the world's impoverished live in Asia. Large disparities in access to health, education, and social services exist between countries, between areas within countries, between rural and urban populations, between ethnic groups, and between the sexes. In addition, while the living conditions

of women or disadvantaged groups have rapidly improved in some DMCs, this is not universal. As a result, for example, women's life expectancy in Hong Kong, China exceeds that in Afghanistan by a full 37 years.

Economic growth is clearly critical to improving the quality of life. Analysis suggests that recent growth episodes have brought proportional gains for all income classes. In other words, economy-wide growth rates are matched roughly one-to-one by increases in the average income of the poor, which in turn translates into a decline in the proportion of the population living below the poverty line.

Economic growth and social changes *usually* lower the incidence of poverty and improve the quality of life for all. However, in some cases, the income of the poor has outpaced the growth of national income per capita, whereas in others, the poor appear to have benefited much less. For example, data from Penn World Tables (1994) and Deininger and Squire (1996) suggest that while Thailand's real GNP per capita growth during 1965–1990 was roughly twice as fast as that in Sri Lanka, the relationship is almost reversed when the average incomes of the poorest quintiles in the two countries are compared.

ADB and World Bank documents conclude that poverty is reduced most successfully via pro-growth policies such as those adopted in East Asia. Growth strategies that yield the largest poverty reduction benefits appear to include rapid growth of labor-intensive production across a wide front, led by exports; expansion of access by the poor to physical and financial capital through the promotion of labor-intensive manufacturing export industries and of agricultural productivity to promote rural development; mass basic education to ease the transition from an agricultural to an industrial economy; and an increase in human capital via targeting the expansion of primary, nonformal, and literacy education, especially in rural and poor urban areas.

D. Education Development

Both history and the recent economic and cultural changes in the region have profoundly influenced the meaning and role of education and the development of education systems. Mass education systems using local languages are a relatively recent phenomenon in many DMCs; even more recent is the view of education as a basic human need, an integral

part of quality of life, a support for moral and social values, and an instrument for economic productivity.

Table 1.6 shows that primary education is becoming nearly universal in many DMCs.[14] With an even weighting for each DMC, the mean gross enrollment rate (GER) for primary education in DMCs was 101 percent in 1995, compared with 83 percent in 1975.[15] All too often, however, expanding enrollments have brought a series of problems: shortages of qualified teachers; inadequate facilities, equipment, and materials; and costly inefficiencies in primary schooling as reflected in the large numbers of overage children, repeaters, and dropouts. Moreover, even with significant overall enrollment growth, a large percentage of girls in the age cohort are not enrolled in school. Further, other data show that the female share of the population of teachers remained much the same between 1980 and 1995. In addition, the gender composition of teachers and administrators appears to have changed only marginally, with females holding very few senior positions.

The expansion of secondary education has been marked by even greater intraregional variation. In Afghanistan, only 12 percent of girls in the appropriate age cohort were actually enrolled at this level in 1996, with a corresponding GER of 32 percent for boys (UNESCO 2000). In contrast, girls' secondary schooling is virtually universal in Korea, while rates in Kazakhstan, Kyrgyz Republic, and Uzbekistan remain impressive despite moderate declines since 1990. The Philippines and Thailand also lie above the mean. Enrollment rates at the second level generally exhibited moderate growth between 1975 and 1995, with extremely rapid progress in a few countries—e.g., the share of Indonesian children enrolled more than doubled from 20 percent to 48 percent during this period. Unfortunately, countries with the most rapid expansion of secondary schooling have begun to face similar pitfalls to those noted for the earlier increases in primary education.

It should also be noted that progress has not been smooth. In addition to the noted case of some countries of the former Soviet Union,

[14] Education data tend to be collected and distributed at the country level, a tradition that has continued in this work. However, intracountry education, social, cultural, and economic variations may be great. For many types of analyses required in planning, allocation of resources, and designing special education initiatives, data disaggregated by subnational regions, districts, and even villages may be necessary.

[15] Using population weights yields a much higher GER of 97 percent in 1975, reflecting in large part the heavy weightings given to India and the PRC, which account for 30 percent and 41 percent, respectively, of the total population in DMCs for which data are available.

Table 1.6: Gross Enrollment Rates by Education Level, Selected Developing Member Countries, 1975–2010

Economy	Primary Education					Secondary Education					Tertiary Education				
	1975	1985	1995	2000	2010	1975	1985	1995	2000	2010	1975	1985	1995	2000	2010
Afghanistan	25	20	49	26.5	23.4	7	8	22	11.4	11	1.0	—	1.7	1.9	2.3
Bangladesh	73	64	—	80.4	82.3	19	18	—	22.4	23	—	4.8	6.1	4.3	4.4
Bhutan	9	27	—	36.4	38.5	1	4	—	7.6	8.7	—	—	0.2	0.3	0.4
Cambodia	—	—	126	—	—	—	—	26	—	—	—	—	1.6	—	—
PRC	122	123	118	120	114	46	39	66	55.1	66	0.6	2.8	5.7	2.8	3.4
Cook Islands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fiji Islands	137	122	128	122	119	44	51	64	70.9	78	2.9	3.2	13.0	14.9	16.3
Hong Kong, China	119	105	94	108	108	49	71	73	84.2	87	10.0	13.0	21.9	26.4	33.4
India	81	96	100	106	109	28	37	49	49.8	54	8.6	6.0	6.4	10.0	10.7
Indonesia	86	117	113	115	111	20	41	51	63	70	2.4	—	11.1	10.6	12.8
Kazakhstan	—	88	98	—	—	—	103	84	—	—	—	37.0	32.7	—	—
Kiribati	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Korea	107	97	95	107	107	56	92	101	101	102	10.0	34.0	52.0	65.5	37.6
Kyrgyz Republic	—	123	104	—	—	—	110	79	—	—	—	28.0	12.2	—	—
Lao PDR	67	111	112	116	121	8	23	27	27.4	30	37.0	1.6	1.5	1.4	1.5
Malaysia	94	101	103	94.6	94.6	46	53	59	62.2	67	—	5.9	10.6	14.2	18.4
Maldives	—	—	132	148	149	—	—	56	34.3	34	—	—	—	—	—
Marshall Islands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Micronesia, F.S.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mongolia	108	101	88	96.9	94.4	81	92	59	94.9	101	8.4	22.0	15.2	19.6	21.2
Myanmar	83	98	120	125	125	—	23	30	35.8	40	—	4.5	5.4	8.2	9.3
Nauru	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nepal	51	75	109	90.8	90.8	13	25	40	31.9	33	2.3	4.3	5.2	6.1	6.3
Pakistan	41	44	74	46.4	48.6	15	17	—	19.9	21	1.9	2.5	3.4	3.2	3.1
Papua New Guinea	57	—	80	77.7	80.9	12	—	14	16.1	19	2.5	1.6	3.2	3.9	5.0
Philippines	107	107	114	108	106	54	64	77	80.9	84	18.0	25.0	27.4	34.3	36.2
Samoa	—	—	102	—	—	—	—	—	—	—	—	—	4.6	—	—
Singapore	110	108	95	107	106	52	62	73	74.9	77	8.0	14.0	33.7	32.6	34.1
Solomon Islands	—	79	97	—	—	—	19	17	—	—	—	—	—	—	—
Sri Lanka	77	103	113	108	109	48	63	75	76.6	76	1.3	3.7	5.1	6.9	7.6
Taipei,China	101	99	101	—	—	74	90	96	—	—	15.7	23.2	46.4	—	—
Thailand	84	96	86	89.6	89.1	25	30	54	37.6	45	3.5	19.0	20.1	20.3	24.1
Tonga	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Tuvalu	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Uzbekistan	—	87	78	—	—	—	107	94	—	—	—	30.0	31.7	—	—
Vanuatu	—	100	106	—	—	—	—	20	—	—	—	—	—	—	—
Viet Nam	107	103	114	106	105	39	43	47	48.9	52	2.1	2.4	4.1	1.9	2.2

— = Data not available.

Notes: (1) Data for 2000 and 2010 are projections by UNESCO (1993b). In the absence of updated projections, the latter should be viewed with caution. For example, 1995 values for secondary GER in Thailand and tertiary GER in Viet Nam are markedly higher than predicted values for 2000 and 2010, based on prior trends. (2) For Myanmar, Solomon Islands, and Uzbekistan, 1995 figures for primary and secondary GER are not available in UNESCO 1999; values shown are for 1994.

Sources: UNESCO 1989, 1993b, 1996a, 1997, 1998b, 1999; World Bank 2000; country sources.

averages for Asia as a whole indicate stagnation in secondary enrollment rates (even a slight decline) in the latter half of the 1980s.

While this remains puzzling, it can be argued that, at least in South Asia, demand has fallen due to some combination of labor market opportunities for youth, poor quality and limited relevance of schooling,

and excessive school fees and related costs.

Data in Table 1.6 for 2000 and 2010 suggest continued upward growth patterns with some increases in efficiency in primary education.

Generally, the pattern of education expansion follows the pattern of economic growth: high levels of economic growth are associated with high education enrollments. A sharp economic downturn in the 1990s negatively affected countries of the former Soviet Union and Mongolia, which share a tradition of high literacy rates and high levels of school enrollment. Yet, at any given economic level, a wide variation in levels of education development is apparent.

As shown in Table 1.7, DMCs' public education expenditures as a percentage of GNP and as a share of government expenditure show different patterns of change across the years 1975 to 1995. The percentage of GNP spent on education generally appears to have stabilized. However, also as shown in Table 1.7, there is much room for improvement in countries such as Indonesia and the Philippines. The increase in percentage of government expenditure could climb higher, although many countries appear reluctant to spend more than 20–25 percent of their budgets on education. Like all education indicators, expenditure figures tell, at best, an incomplete story. Many types of financial support for schools and other education programs are not included within typically reported expenditure figures. Also, and more subtly, there is room to maneuver within the same amount of available fiscal resources: talented administrators, imaginative teachers, and enthusiastic parents can obtain additional returns on a given level of resources (Bray 1998).

A caveat is necessary in analyzing tables and figures related to education development. The accuracy of the available data is questionable, and levels of enrollment, literacy rates, and expenditure are often subject to debate. Box 1.1 provides an example of the uncertainty of some education statistics in Nepal. The situation described is not uncommon among DMCs.

The organization of the education systems and the curriculum vary somewhat by country. As shown in Appendix 2, the first level of education tends to be organized into one level of primary education of four to eight years, but most typically extends another five or six years beyond that. Secondary education is often divided into two levels, the first of which has increasingly been associated with primary education to constitute formal basic education. Higher education varies widely in length, depending on the course of study.

Table 1.7: Public Education Expenditure, Selected DMCs

Economy	Percent of GNP					Percent of Government Expenditure				
	1975	1980	1985	1990	1995	1975	1980	1985	1990	1995
Afghanistan	1.5	2.0	—	—	—	—	12.7	—	—	—
Bangladesh	1.4	1.5	1.9	2.0	2.3	13.6	7.8	9.7	10.3	8.7
Bhutan	—	—	3.7	—	—	—	—	—	—	—
Cambodia	—	—	—	—	—	—	—	—	—	—
PRC	1.7	2.5	2.5	2.3	2.3	6.3	9.3	12.2	12.8	—
Cook Islands	—	—	—	—	—	—	—	9.5	—	12.4
Fiji Islands	4.7	5.9	6.0	4.7	5.4	19.5	11.3	—	—	18.6
Hong Kong, China	3.0	—	2.8	—	2.8	20.7	14.6	18.4	17.4	17.0
India	2.9	2.8	3.4	3.9	3.5	9.4	10.0	9.4	10.9	12.1
Indonesia	2.7	1.7	—	1.1	—	13.1	—	—	—	—
Kazakhstan	—	—	6.5	6.5	4.5	—	—	18.9	17.6	17.6
Kiribati	4.9	—	6.0	6.0	6.3	—	—	18.5	18.3	17.6
Korea	2.2	3.7	4.5	3.5	3.7	13.9	—	—	—	17.4
Kyrgyz Republic	—	7.2	7.9	8.5	6.8	—	22.2	22.4	22.5	23.1
Lao PDR	—	—	—	2.3	2.4	—	—	—	—	—
Malaysia	6.0	6.0	6.6	5.4	5.3	19.3	14.7	16.3	18.3	15.5
Maldives	—	4.4	4.4	11.6	8.4	—	—	7.2	10.0	13.6
Marshall Islands	—	—	—	—	—	—	—	—	—	—
Micronesia, F.S.	—	—	—	—	—	—	—	—	—	—
Mongolia	—	7.8	7.8	8.5	5.6	—	—	—	—	—
Myanmar	1.7	1.7	—	2.4	1.3	15.3	—	—	—	14.4
Nauru	—	—	—	—	—	—	—	—	—	—
Nepal	1.5	1.8	2.6	2.0	2.9	11.5	10.5	12.7	8.5	13.2
Pakistan	2.2	2.0	2.5	2.6	—	5.2	5.0	—	—	—
Papua New Guinea	—	4.7	—	—	—	—	14.2	—	—	—
Philippines	2.0	1.7	1.4	2.9	3.0	11.4	9.1	7.4	10.1	15.6
Samoa	—	—	—	4.2	—	—	—	—	10.7	—
Singapore	2.9	2.8	4.4	3.1	3.0	8.6	7.3	—	18.2	23.4
Solomon Islands	—	5.6	4.7	4.2	—	14.7	11.2	12.4	7.9	—
Sri Lanka	2.8	2.7	2.6	2.7	3.1	10.1	7.7	6.9	8.1	8.1
Taipei,China	3.3	3.7	4.2	5.3	5.6	15.1	14.7	16.5	17.8	19.5
Thailand	3.5	3.4	3.8	3.6	4.2	21	20.6	18.5	20	20.1
Tonga	3.0	—	4.1	4.8	4.7	12.7	11.6	16.1	17.3	17.3
Tuvalu	—	—	—	—	—	—	—	—	16.2	—
Uzbekistan	—	—	—	9.5	7.4	—	23.0	25.1	20.4	22.8
Vanuatu	—	—	—	4.4	4.9	—	—	—	—	—
Viet Nam	—	—	—	2.1	3.0	—	—	—	7.5	7.4

— = Data not available.

Note: Expenditure figures reflect both capital and current expenditures, as defined in UNESCO (1999).

Sources: UNESCO 1989, 1996a, 1998, 1999; country sources.

Preprimary enrollments are generally increasing, but they still typically represent a small fraction of the age cohort. In all likelihood, given its importance, the preprimary level, although highly influenced by economic conditions, will increase in the coming decades. Basic

Box 1.1: Inconsistent Data in Nepal

The gross and net enrollment rates for 1995 released by the Ministry of Education, and those published by the Central Bureau of Statistics of the National Planning Commission, are substantially different. Neither the Ministry nor the Bureau has clarified the huge discrepancy between the two sets of the same indicators. The Ministry data are based on information that the Ministry receives from schools, while the Bureau data are based on a national sample survey of 3,388 households. So far, the Ministry data have been used both nationally and internationally. But the new rates disclosed by the Bureau have made the Ministry source problematic. In any case, basic indicators such as the gross and net enrollment rates need to be accurate. The process of planning education resources and activities relies heavily on these indicators (RCEID 1997).

education, which emerged in the 1990s as the highest priority for many governments, is increasingly extended to include junior secondary education. A common core curriculum of mathematics, science, and language is usually found in each country. National variations, as national policy allows, tend to be found in the language of instruction and local options, such as local language and customs.

The expansion and development of education systems have generally produced one inequitable characteristic: children from more affluent segments of society tend to enter the system first. Particularly above the primary level, the poorest segments of the population are rarely accommodated until most middle- and upper-income groups are well represented. However, the meaning of education opportunity may not be the same for those who enter last as for those who enter early. As enrollments at a given level of schooling expand to approach universal attainment, the value of completing that level as a "credential" is reduced. In other words, there may be an upward ratcheting in the level of formal schooling needed for access to economic and social benefits (i.e., better employment and status), and in the minimum attainment required for pursuing more advanced degrees. At the same time, while as a whole it may appear that the value of education at a fixed level declines over time, only by completing that level can one move to subsequent levels. This suggests that without powerful intervention through targeted policies (i.e., ensuring more equitable access in early stages of the expansion of more advanced levels of schooling), the poor may be chasing a moving target of potential rewards.

E. Typology of Developing Member Countries

Several groupings of DMCs based on various criteria may be found in the literature on Asian development. The terms "South Asia," "East Asia," and "Southeast Asia" are sometimes used in discussing variations in economic, demographic, and education conditions or changes. The countries included under those terms vary somewhat by writer. South Asia, a subregion, is often singled out because of its large population and extensive poverty, and is frequently compared with the relatively advanced economies of East Asia.

However, in considering any typology for grouping countries, it should also be noted that similarities in national economic and/or social indicators do not necessarily imply that identical policy prescriptions are appropriate. Less tangible or readily measured factors such as cultural values, political conditions, or even historical patterns may mean that very different policies and programs are suited to specific countries. With this qualification, some basic characteristics are presented below for each of the DMC groups adopted here (Table 1.8).

Group 1 consists of India and the PRC, which together account for nearly three quarters of the population of all the DMCs. Despite growth and modernization during the period focused upon here, 1975–1995, per capita income in each country remained below average, and agriculture continued to employ a majority of the workforce in both countries. The PRC enjoyed higher income per capita than India of $620 versus $340 in 1995, and a slightly better, though still poor, HDI ranking of 108 versus 138 in 1994. Likewise, the PRC has exhibited faster economic growth combined with much slower population growth, reflecting, in part, its active birth control policies. Finally, 30.3 percent of the PRC's population resided in urban areas in 1995, compared with 26.8 percent in India.

Group 2 consists of the four NIEs, plus Malaysia. These economies enjoy much higher per capita income than those in Group 1 (1995 values range from $3,890 in Malaysia to $26,730 in Singapore), and fare much better in HDI rankings (which range from 22 to 60—Table 1.3). These countries have exhibited extremely impressive rates of economic growth and progress in education. With the partial exception of Malaysia, populations in Group 2 DMCs are also highly urbanized, though this partly reflects their constrained land resources. Finally, as discussed more thoroughly in analysis of these economies' economic and education policies in Chapter 2A, Group 2 DMCs

Table 1.8: Developing Member Country Groupings

Group 1	Group 2	Group 3	Group 7
India	Hong Kong, China	Indonesia	Cook Islands
PRC	Korea	Pakistan	Fiji Islands
	Malaysia	Philippines	Kiribati
	Singapore	Sri Lanka	Maldives
	Taipei,China	Thailand	Marshall Islands
			Micronesia, F.S.
Group 4	**Group 5**	**Group 6**	Nauru
Bangladesh	Afghanistan	Kazakhstan	Papua New Guinea
Mongolia	Bhutan	Kyrgyz Republic	Samoa
Myanmar	Cambodia	Uzbekistan	Solomon Islands
Viet Nam	Lao PDR		Tonga
	Nepal		Tuvalu
			Vanuatu

Source: Lewin 1996.

generally share the following characteristics: long life expectancy, low fertility and mortality rates, and low dependency ratios.

The five Group 3 DMCs are Indonesia, Pakistan, Philippines, Sri Lanka, and Thailand. Again, focusing on the 1975–1995 period (i.e., prior to the Asian financial crisis), these countries have shown strong economic growth, with Thailand's growth record the most impressive. As a whole, however, these countries have remained well behind Group 2 in terms of GNP per capita. Their HDI rankings range between 59 (Thailand) and 139 (Pakistan). In addition, agriculture strongly dominates employment in this group.

Bangladesh, Mongolia, Myanmar, and Viet Nam constitute Group 4. These countries are still further behind Group 2 in economic development, with disappointingly sluggish rates of growth in all except Viet Nam. Likewise, HDI rankings for these countries are all fairly poor, ranging from 101 (Mongolia) to 144 (Bangladesh). These countries share similar characteristics with Group 5, which consists of Afghanistan, Bhutan, Cambodia, Lao PDR, and Nepal. HDI rankings for the latter countries range from 136 to 155. In terms of this and other indicators, Group 5 is the poorest and least educationally developed of the seven groups. Still, it is clear that the education systems in both Groups 4 and 5 share similar difficulties, such as low enrollment rates, high dropout and repetition rates, and widespread illiteracy. On average, these countries spend the smallest share of GNP on education, which translates into very low total expenditure on schooling given their low

level of economic development. In most of the countries in Groups 4 and 5, less than one quarter of children finish the basic education cycle on schedule. These countries also have some of the highest rates of illiteracy. Nepal has the highest rate among DMCs (72.5 percent in 1995), followed by Afghanistan (68.5 percent), Pakistan in Group 3 (62.2 percent), and Bangladesh (61.9 percent).

Group 6 consists of three transition economies of the former Soviet Union—Kazakhstan, Kyrgyz Republic, and Uzbekistan. These recently independent states share a fairly low GNP per capita, but show wide variations in terms of the degree of industrial development. This group tends to enjoy a relatively high level of education development. Although precise estimates are lacking for recent years, literacy appears to be nearly universal among both males and females, in sharp contrast to an average literacy rate of only 40 percent in Group 5 (Table 1.9). The transition economies in Group 6 share a Soviet-era heritage of strong, centralized support for education and other publicly provided services relative to the overall size of their economies. In terms of future demands on the education system, growth of the school-age population in Kazakhstan and the Kyrgyz Republic is predicted to slow down during the next decade. Nonetheless, for all countries in Group 6, it will evidently be very difficult to maintain their extensive public-dominated education systems. Inefficiency in the public provision of education notwithstanding, these transition economies have already experienced declines in secondary and tertiary enrollments, along with a deterioration in the quality of instruction, during the post-Soviet era.

Table 1.9: Adult Illiteracy Rates, 1995 (percent)

Group	DMCs	Mean	Minimum	Maximum	Population-Weighted Mean
1	2	33.25	18.50	48.00	31.25
2	5	8.80	2.00	16.00	6.33
3	5	19.96	5.40	62.20	26.33
4	4	28.37	6.30	61.90	36.04
5	5	60.55	43.40	72.50	67.34
6	3	0.30	0.30	0.30	0.30
7	12	14.33	6.80	27.80	23.98
Total	**36**	**26.00**	**0.30**	**72.50**	**25.09**

Sources: UNDP 1997; UNESCO 1998b; World Bank 1996, 1997d; country sources.

Group 7 comprises 13 Pacific DMCs, which are characterized by relatively small populations (ranging from roughly 10,000 in Tuvalu and Nauru to slightly more than 4 million in Papua New Guinea—Table 1.10), but which have very different economic, social, and education conditions. For example, HDI rankings for members of this group range from 46 (Fiji Islands) to 128 (Papua New Guinea). Unfortunately, data for these countries are often lacking.

Table 1.10: Midyear Population, 1995 (millions)

Group	DMCs	Mean	Minimum	Maximum
1	2	1,074.61	929.00	1,220.22
2	5	19.14	3.33	44.91
3	5	95.54	17.93	197.46
4	4	59.90	2.46	118.23
5	5	11.56	1.77	21.45
6	3	14.68	4.46	22.76
7	12	0.54	0.01	4.30
Total	**36**	**85.29**	**0.01**	**1,220.22**

Sources: UNDP 1998a; UNESCO 1998b; World Bank 1996, 1997d; country sources.

For comparison purposes, it is worth noting that these groupings present a similar picture as the division of the region into larger, geographic blocks in much of the literature. In particular, comparisons between the seven DMC groups or between, for example, East and South Asia all indicate the magnitude of challenges lying ahead for countries facing a combination of low education development, pressure from large and rapidly growing populations, and high poverty incidence rates.

Before concluding this chapter, it is useful to summarize several important comparisons in terms of education progress both across and within groups. Illiteracy rates, which are especially problematic in Group 5 nations, have been outlined above and are tabulated in Table 1.9 for Groups 1–7. It should also be emphasized that lower literacy rates tend to imply larger gender gaps, an important observation given the importance ascribed to women's literacy in the literature on economic development.

In terms of enrollments in the first level of schooling, the Fiji Islands and Maldives (two small Pacific DMCs), as well as Cambodia, all have GERs above 120 percent. This suggests a strong commitment to

ensuring universal access, but also implies that there are many overage children and repeaters in primary schools. Bangladesh, Kazakhstan, Malaysia, Singapore, Uzbekistan, and Vanuatu have nearly 100 percent *net* enrollment rates, i.e., they have high GERs combined with low incidences of grade repetition or starting school late. Afghanistan has the lowest primary-level enrollment rates for males, females, and for all children (64 percent, 32 percent, and 49 percent, respectively). Moreover, it and other Group 5 nations show striking gender disparities in favor of males, contrasting with the relative gender equity at the primary level in Groups 2 and 6. In part, these differences reflect attrition. In Group 5, roughly 40 percent of Grade 1 students are predicted to drop out of school by Grade 5. This contrasts with the very low rates of attrition for Groups 2 and 6, with nearly 100 percent of Grade 1 students in Korea, Malaysia, Singapore, and Uzbekistan reaching Grade 5.

Not surprisingly, Groups 2 and 6 also show the top enrollment rates in higher education, averaging roughly 2,500 per 100,000 inhabitants. This is almost double the average rate achieved in Group 3, and is 11 times that for Group 5. The large disparities in tertiary-level enrollment rates can at least partially be explained by the wide range of economic and demographic differences throughout Asia. Other explanations focus on differences in political responsiveness to social pressure and demand for higher education.

Although data on public expenditure on education are limited, it appears that, among the seven groups, it constitutes the largest share of GNP in Group 7 DMCs on average, and the smallest share in Group 5 DMCs. The governments of Kiribati and the Maldives devoted 6.3 percent and 8.4 percent of their respective GNPs in 1995 to education. Public expenditure on schooling also commands a sizable share of GNP in the transition economies of Group 6: the figure of 6.8 percent in the Kyrgyz Republic is especially impressive. Within Group 5, by contrast, 1995 total public expenditure on education accounted for only 2.4 percent of GNP in the Lao PDR and only 2.9 percent in Nepal. Arguably, underinvestment in education is widespread among the DMCs—about half of them spent less than 3.8 percent of GNP on schooling in 1995—and may jeopardize both future growth and equity.

Proponents of this view often cite South Asia as an example of underinvestment in the education sector. However, the case of South Asia actually suggests more specific policy prescriptions. Among the

critical changes needed is a dramatic realignment of priorities for education policy in many countries. Compared with East Asia (especially the four NIEs in Group 2), South Asia has invested much less in basic education, and has instead invested disproportionately in higher education. For South Asia as a subregion and several other DMCs, future development appears to hinge upon increased support for a broader foundation of human capital.