

[Panelist]

Financing Education: Trends and Challenges in the Asia-Pacific Region

Rene Raya
Lead Policy Analyst
Asia-South Pacific Association for Basic and Adult Education (ASPBAE)

Abstract

The paper outlines the trends and problems in financing education in Asia-Pacific, specifically: reduced public spending levels of most countries in the region; falling ODA disbursements for basic education; and rising privatization of education. The paper presents some of the key targets on financing in the post 2015 period.

ASPBAE is a long standing organization founded in 1964 that has grown into a network of over 200 members in 30 countries across the region. Asia-Pacific is the most populous region in the world, with nearly three-fifths of humanity. It is also the fastest growing economic region over the past two to three decades. Yet the region faces serious challenges in education in terms of access, literacy, equity, gender disparity and financing. As we face the 2015 deadline for achieving education for all, we note that most developing countries in the region will most likely miss the EFA goals, some by wide margins.

Even today, there are nearly 800 million youth and adults without basic literacy skills, and about 200 million youth 15 to 24 years old who have not completed primary education. The region hosts the largest concentration of adult illiterates and the youth missing an education. Several factors impact on the poor EFA performance of countries in the region. Financing remains one of the key problems that account for this situation.

Asia Pacific is the least education spender compared to other global regions. Countries such as Pakistan, Sri Lanka, Bangladesh, Brunei, Cambodia, Philippines and Indonesia are spending less than 3% of GNP which is way below the UNESCO recommended benchmark of 6% of GNP. The scale of ODA for education has also gone down in recent years. Persisting issues related to ODA allocation are limiting the effectiveness of aid to basic education. Cutting public expenditure on education impacts most on the marginalized and vulnerable sectors, and widens inequality.

Japan provides one of the largest ODA in absolute amount, but actually it is among the lowest aid giver relative to its GNI (about 0.2% of GNI compared to the UN target of 0.7%). Japan is allocating only 4.6% of its ODA for education and only 1.2% for basic education. Its contribution to the Global Partnership for Education (GPE) is also among the lowest.

In the light of reduced domestic spending for education, along with declining ODA, governments are exploring options for financing education. In recent years, there has been a strong push towards privatization of education. There has been consistent growth in private school enrolment throughout the region. Low fee private schools have been expanding particularly in South Asia. Public-Private Partnership (PPP) in education has been aggressively promoted to ease the fiscal burden. Persisting user fees and private tutoring add further barriers that push the poor to drop out of school. Corporate chain schools are increasingly penetrating the education sector with claims of delivering world class education that is affordable even to the poor. There is a coordinated global push towards education privatization and PPP led by financial institutions particularly the World Bank and the Asian Development Bank. In reality, privatization fails to improve access and quality, and has led to further segregation in our societies, exacerbating inequality even further and creating social tensions.

EFA remains an unfinished agenda that must be pursued beyond 2015. ASPBAE welcomes the emerging consensus of the broader EFA constituency on the post 2015 education goal, “*Ensure equitable and inclusive quality education and lifelong learning for all by 2030.*” The new agenda must be backed up with clear mechanisms for implementation, financing, monitoring and governance or it will fail. It is for this reason that ASPBAE and CSOs strongly push for concrete financing target: 6% of GDP and 20% of the national budget for education. We likewise appeal for more and better Aid to Education with at least 10% of ODA for basic education. We ask donor countries to increase support for the Global Partnership for Education. Innovative financing must ensure equity, promote the Right to Education, and strengthens the public education system. Most of these have been adopted by the Asia Pacific Regional Education Conference (APREC) held in August 2014.