

[Panel Session]

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

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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.



Asia South Pacific Association
for Basic and Adult Education
Learning Beyond Boundaries

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

Rene Raya

**Asia-South Pacific Association
for Basic and Adult Education (ASPBAE)**

Japan Education Forum
05 February 2015

About ASPBAE...



Asia South Pacific Association
for Basic and Adult Education
Learning Beyond Boundaries

The Asia-South Pacific Association for Basic and Adult Education (ASPBAE) is a Regional Network of organizations with over 200 members in 30 countries across Asia and the South Pacific.

- Grassroots educators
- Child rights movements
- Teachers unions
- Women's networks
- Youth organizations

Among its members are National Education Coalitions in 14 countries in the region, each with broad membership on national scale.



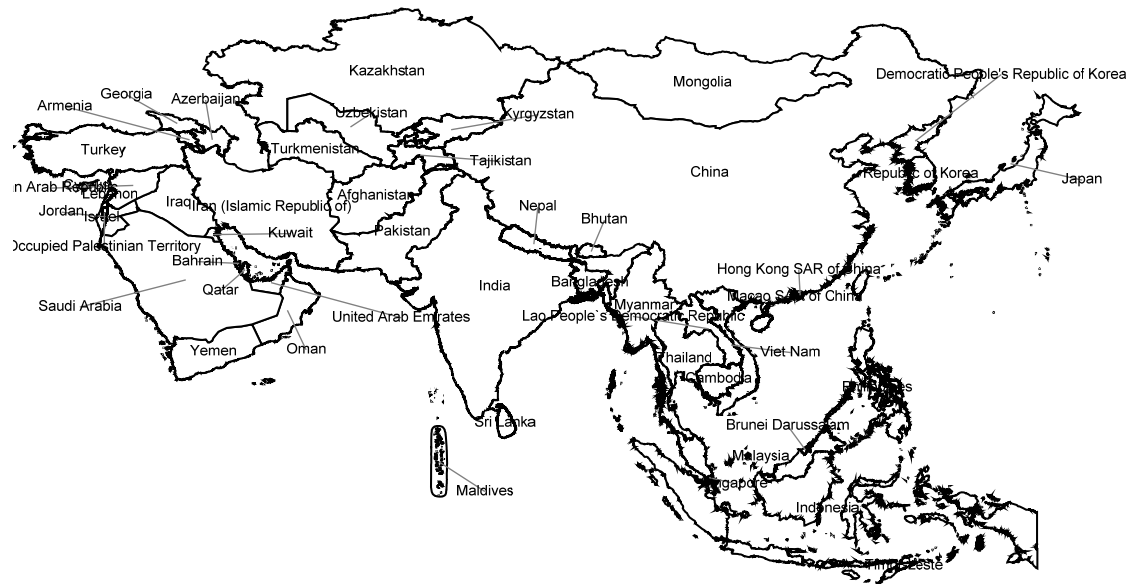
Founded 1964 in Sydney, Australia

Four Main Strategies:

- Policy Advocacy
- Leadership and capacity building
- Strategic partnerships and alliances
- Institutional Capacity Building

The Asia-Pacific Region

- ❑ *Most populous region in the world*
- ❑ *Fastest growing economic region*



Yet, the Region faces serious challenges in Education

Where are we now since 2000?



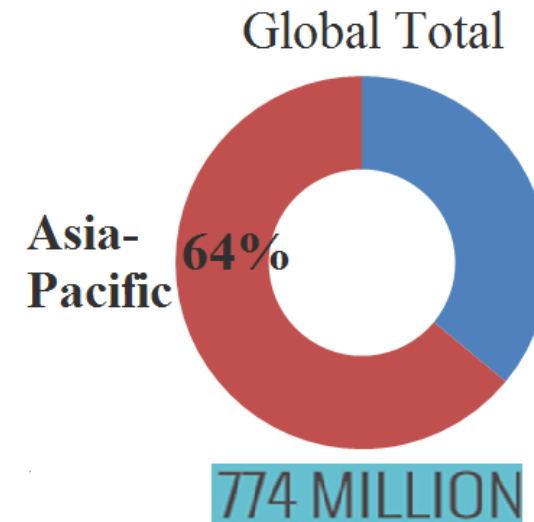
OVERALL → Yes, some progress achieved, but uneven and big disparities remain across countries and regions, and within countries.

Most developing countries will likely miss most of EFA Targets by 2015 – Some by wide margins!

Key Education Challenges

Asia-Pacific hosts the biggest number of adult illiterates

- **64%** of global total
- *Over half in South Asia*



17.8 million out of school children in the Region

- **31%** of global total

GLOBALLY
57 MILLION
out-of-school children

Key Education Challenges

Over 100 million youth, 15-24 years old have not completed primary education

→ Asia-Pacific 60% of Global Total)

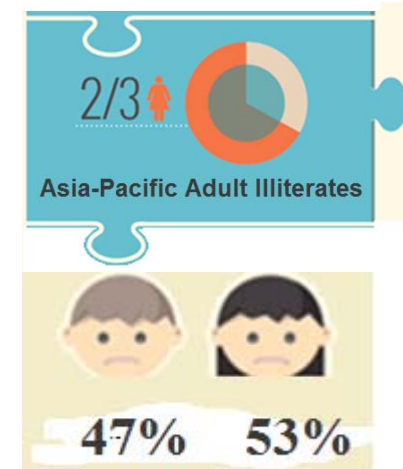
**Global Total
200 million**

Gender Disparity remains large

→ 2/3 of Adult Illiterates are women

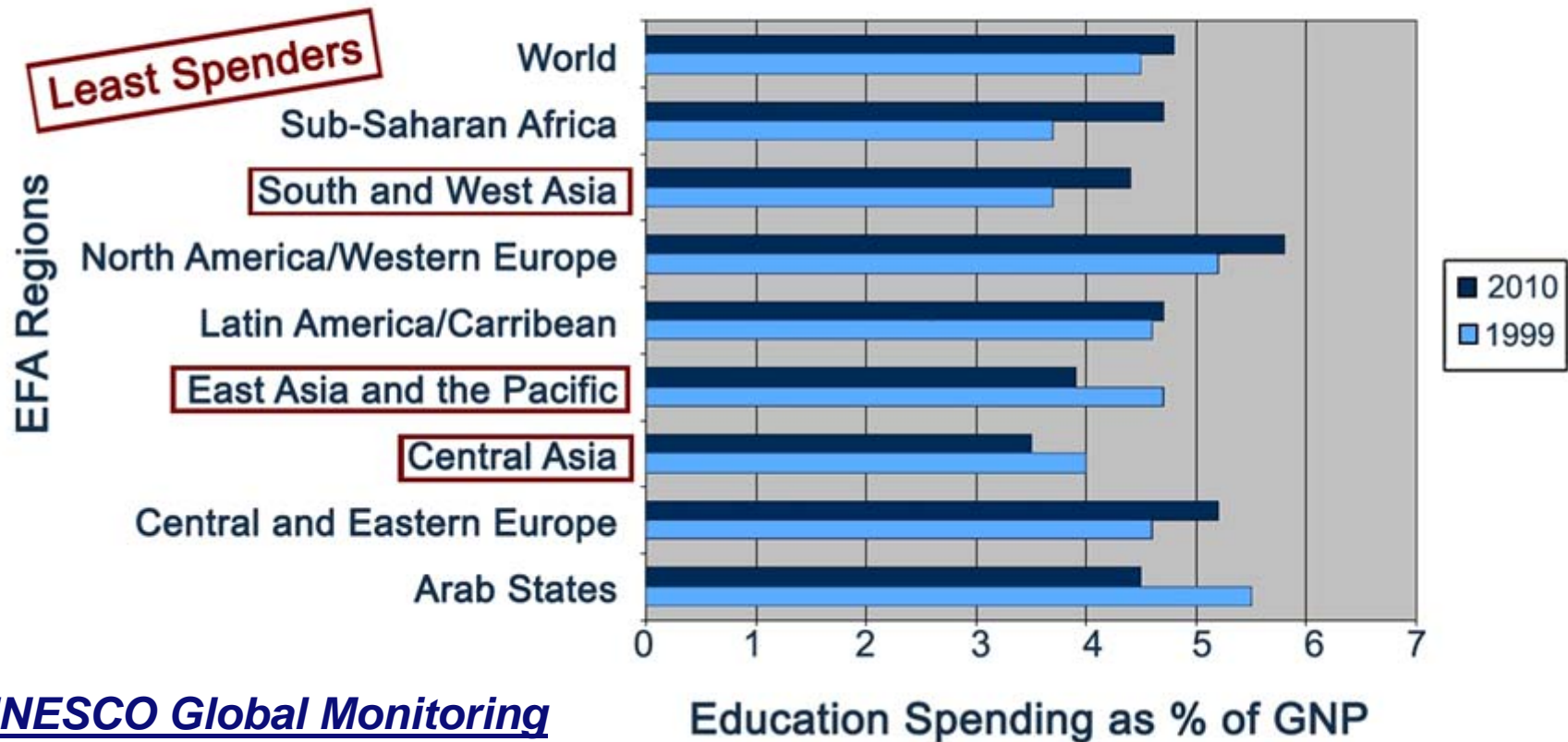
→ More girls out of school than boys

Asia Pacific



Asia-Pacific as the *Least Spenders* in Education ...

Education Expenditure as % of GNP



[UNESCO Global Monitoring Report \(2012\)](#)

Country Spending Levels

Public Expenditure on Education as Percent (%) of GNP

OECD →



Education Spending as % of GNP



Global Monitoring Report
(2013)



Impact of Reduced Spending

Cuts to public spending in education:

- ➔ impact most on the poor, marginalized and vulnerable groups
- ➔ widen inequality even further
- ➔ create social tensions

Yet, Developing Countries are cutting spending on education and other public services.

On Official Development Assistance (ODA)

Asia is the least spender in education
... and **Japan** is one of the lowest AID
Giver relative to its GNI

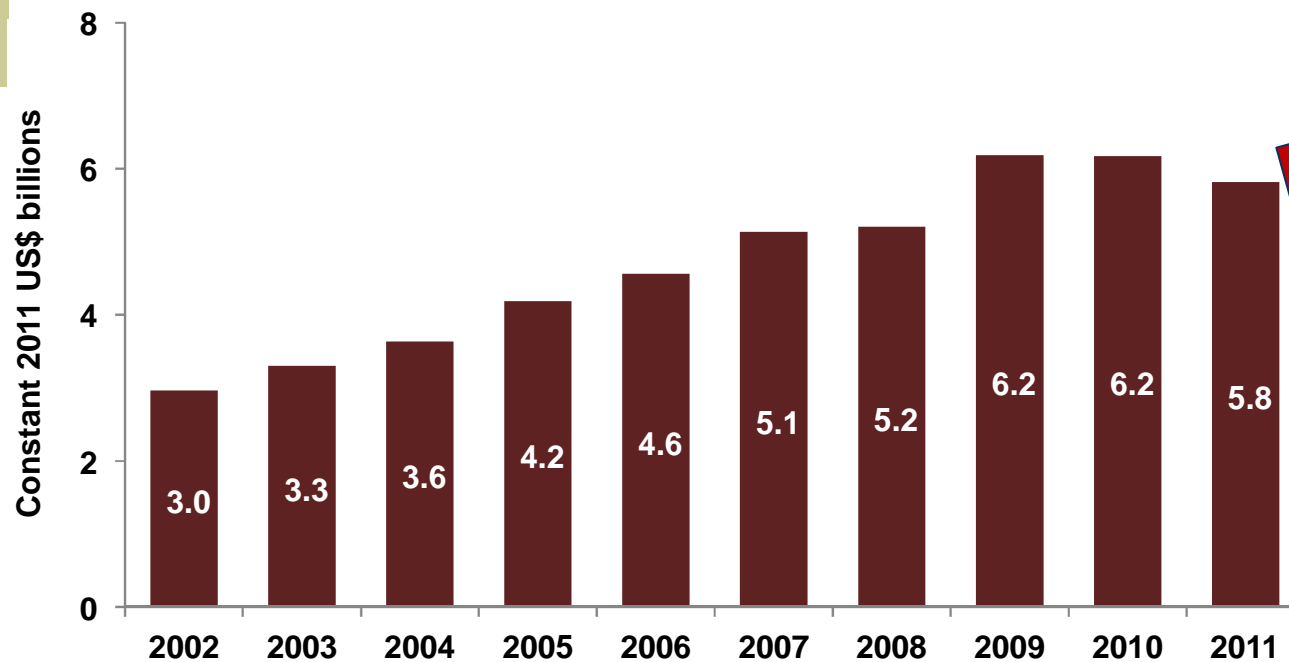
**ODA Disbursements of Developed
Countries (OECD) are falling short.**

**AID to basic Education has actually
declined in last few years**

ODA Falling Short

**EFA Financing Gap:
\$26 billion per year**

**Aid to basic
education fell by
6% between 2010
and 2011**



Source: OECD-DAC (2013)



Issues on ODA Quality

- ❑ **Big slice of ODA goes to Economic and infra sectors**
- ❑ **Too much of Aid never leaves the country**
- ❑ **Large portion for scholarship and imputed cost**
(about 25% overall, and 40% in the case of Japan)
- ❑ **Too little Aid trickling down to low income countries**
- ❑ **Too much focused on formal, and less on non-formal, adult learning, literacy**

Japan ODA Performance

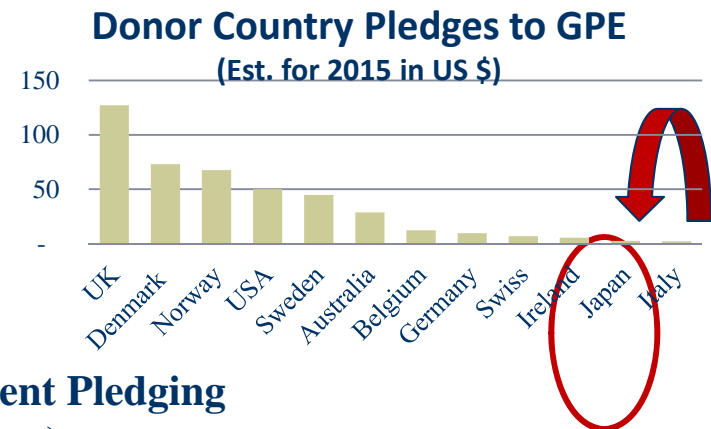
Donors Net ODA (%GNI)
Only 5 of 22 OECD donors reached the 0.7% UN target; Japan only at around 0.2% (Source: EFA/GMR 2011)



Japan ODA share for Education → 4.6%
Basic Education → 1.2%
 (Source: extracted from OECD.Stat)

Sector			%
I. Social Infrastructure & Services	3822.77	4470.05	25.9%
I.1. Education	920.49	787.88	4.6%
I.1.b. Basic Education	70.96	215.86	1.2%
% in total	0.4%	1.2%	
I.2. Health	328.66	819.43	4.7%

Japan Pledge to GPE Fund for 2015 at \$2.44 M
→ About the lowest among GPE Contributors



(Source: Final Pledge Report: Second Replenishment Pledging Conference of the Global Partnership for Education)



*The Search for Financing Options for
Education ...*

? Innovative Financing

? Private Sector Participation

**? Domestic Resource
Mobilization**

The Push towards Privatization

- ❑ **Growth in Private School Enrolments**
- ❑ **The rise of Low Fee Private Schools**
Particularly in India and other South Asian countries
- ❑ **Expansion of Public-Private Partnership (PPP) initiatives in education**
- ❑ **Expansion of Private Tutoring; persisting User Fees in most Asian countries**
Create added barrier for the poor to pursue schooling
- ❑ **The Emerging Corporate Chain Schools**
 - Promoted & marketed aggressively, using branding
 - False claims on affordability and world class status



APEC SCHOOLS
AFFORDABLE PRIVATE EDUCATION CENTER
WORLD CLASS EDUCATION BY AYALA & PEARSON
HIGH SCHOOL STUDENT
PROFESSIONAL EMPLOYMENT

20% OFF FOR THE FIRST 70 STUDENTS PER SCHOOL

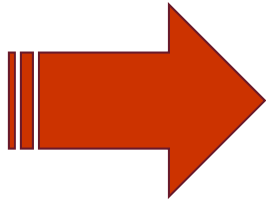
HURRY AND ENROLL NOW CLASSES START JULY 2014

FREE UNIFORMS
1 IF YOU PAY P3,500 BEFORE JUNE 30
2 IF YOU PAY P18,400 BEFORE JUNE 30

P 23,000
P 18,400 A YEAR
P 1,900
P 1,490 A MONTH
P 4,000
P 3,500 ADMISSION

TERMS AND CONDITIONS APPLY. COLLEGE NOT INCLUDED.

The Push towards Privatization



Coordinated Global Push towards Education Privatisation and PPP

There is a global network of financing institutions, development agencies and private consulting firms supporting education privatisation.





Asian Development Bank

A Strong Proponent for PPP in Education

ADB Strategy 2020

“... ADB will explore opportunities for new approaches and instruments involving public–private partnerships.”

ADB Education Sector Operations Plan, 2010

Incorporate PPPs into education sector plans, concretize procedures for setting up PPPs, identify the roles and responsibilities of PPP partners

ADB has supported education projects with PPP components in at least 13 Asian countries

Privatization and PPP in Education

OECD Studies and Country Experiences noted the following :

- ❑ Impacts on access → **hardly affordable** to the poor
- ❑ **Violate Teachers Rights** to decent pay, due benefits and tenure security
- ❑ **Widens Gender Gap** as boys more likely to be in Private schools than Girls
- ❑ Weakens/undermines the Public Education System
- ❑ Assertions of better quality and efficiency are highly contested

Privatisation and certain types of PPP **result to segregation** on the basis of **ability, economic status and ethnicity**. Inequity in society is thus, exacerbated.

Post 2015 Education Agenda

An Appeal for Support

World Education Forum May 2015 Korea

- ✓ Concrete financing target: **6% of GDP, 20% of National Budget**
- ✓ More and better Aid to Education with at least **10% for Basic**;
More support for **GPE**
- ✓ Innovative Financing that ensures **Equity**, promotes the **Right to Education**, and strengthens the **Public Education System**
- ✓ Ensuring **12 years** of free and compulsory education
- ✓ Functional literacy for all
- ✓ Stronger push to reach the excluded, including PWDs

*Most were adopted by the Outcome Document of APREC
(Asia Pacific Regional Education Conference)*



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Thank You!

