

Educational Expenditure and Participation in East Asia and Australia

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1. INTRODUCTION

This article reviews (a) the population and income levels of some selected economies to provide a broad indication of their educational need and of the capacity to finance them; (b) the main features of the level of participation in education, the resources provided, and the degree of public and private provision and finance; and (c) education strategies pursued in the selected economies. The article draws on an earlier study by Lenahan, Burke and Ma (1998) of educational expenditure and participation in selected economies in the Asia-Pacific region. The economies considered here in order of their income per head in 2000 are Japan, Hong Kong, Australia, Singapore, Republic of Korea, Malaysia, Thailand, Philippines, China, Indonesia and Vietnam.

There are considerable deficiencies in the data available, which means that the information presented and the findings of the article must be considered as tentative. The data limitations include the time lags involved in collecting and presenting data by the international agencies, inconsistencies in the nature of data presented in the various international publications and absence of any data at all for certain time periods and certain economies. The article relies mainly on data from UNESCO, *Education at a Glance*, *OECD Indicators* reported by the OECD (2001) and *World Development Indicators* reported by The World Bank (2001).

2. POPULATION AND POPULATION CHANGE

The populations of the selected economies vary enormously. Population data for all of the selected economies for the year 2000 are given in Table 1. The huge range of population sizes is illustrated by these data. China has a population

Table 1. Indicators of population and national product

	Population (millions)	Population average (annual growth rate %)	Population (% aged 0–14)	GNI per capita (US\$)	GNI per capita (\$PPP)	GDP per capita (% average growth per annum)
Economy	2000	1980–2000	2000–15	2000	2000	1990–00
Japan	127	0.4	–0.1	35,620	27,080	1
Hong Kong	7	1.5	0.6	25,920	25,590	2
Australia	19	1.3	0.8	20,240	24,970	3
Singapore	4	2.5	1.3	24,740	24,910	5
Korea, Repub	47	1.1	0.4	8,910	17,300	5
Malaysia	23	2.6	1.5	3,380	8,330	4
Thailand	58	1.3	0.8	2,000	6,320	3
Philippines	76	2.5	1.7	1,040	4,220	1
China	1,263	1.3	0.7	840	3,920	9
Indonesia	210	1.7	1.2	570	2,830	3
Vietnam	74	1.9	1.2	390	2,000	6

Source: *World Development Indicators* (World Bank, 2001) and *Education at a Glance* (OECD, 2001).

Gross National Income in US\$ estimated by World Bank Atlas method, mainly using exchange rates.

PPP – Purchasing power parity dollars, i.e. converted at the rate that would equalise the cost of a similar basket of goods and services across countries.

nearly 70 times as large as Australia. The smallest ones are Hong Kong and Singapore. The rate of growth of population in the selected economies is slowing. The simple average population growth rate from 1980 to 2000 was 1.6 per cent per annum but is projected to fall to 0.9 per cent. The projected rate is highest for the Philippines at 1.7. The population is falling in Japan.

3. STUDENT-AGE POPULATION

The growth in population, and whether it is by natural increase or migration, affects the age distribution of the population. The relative size of the young population provides some insights into the demand for education. Column 4 in Table 1 presents the percentage of the population aged 0 to 14 years. This gives an indication of likely enrolment in the compulsory years of education in the coming year. Consistent with the data for population growth, the richer countries tend to have low proportions of their population in this age group. Only 15 per cent of Japan's population is in this category whereas Vietnam and the Philippines have a third of their total population in this group. The additional burden of educational provision for these countries is clear.

4. FINANCIAL CAPACITY

Measures of national income or national product can be used to provide an indication of the standard of living in a country and also of the capacity to provide for social services including education. The data in Columns 5 and 6 in Table 1 show the gross national income per capita of the selected economies estimated at current exchange rates and by the purchasing power-parity method (PPP), which is based on a conversion factor representing the cost of an equivalent basket of goods and services for all countries. Column 7 gives the average annual rate of growth of the period in per capita GDP for the period 1990 to 2000.

There are four high-income economies, Japan, Hong Kong, Australia and Singapore. They have a Gross National Income (GNI) per capita of \$25,000 to \$27,000 on the PPP measures. Korea is not far out of the high-income group. Malaysia is in an upper middle group. Thailand, the Philippines and now China, with its very rapid rate of economic growth, are classified as lower middle-income economies. Indonesia with particular economic problems in the period since 1997 has fallen to the low-income list. It joins Vietnam which is growing rapidly from a very low base. The average rate of growth of the lower or low income economies is higher than for the rich countries, but their income is relatively very low and the demands of their population structure is high.

5. EDUCATION SYSTEMS AND THEIR FINANCING

This section provides a broad overview of the extent of participation, the structures of the education systems of the selected economies, the main forms of

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