



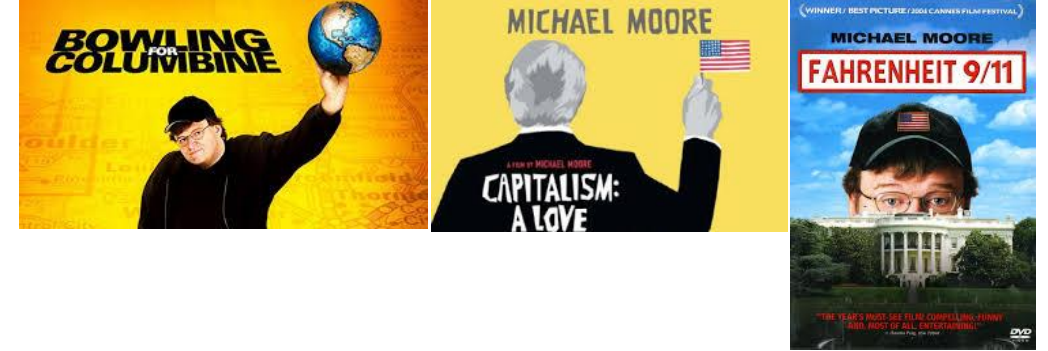
Development Policy 2019

Session (13): Education and Development

Schedule

- It has been known that the East Asian Miracle is largely attributed, among other things, to the region's sustained level of investment in human capital over a long period of time.
- How has East Asia benefited from a high level of human resource development?
- What is the challenge of education in Asia? Or What can East Asia learn from other countries or regions?

Where to Invade Next



- An American filmmaker Michael Moore's documentary, Where to Invade Next (2015) examines many countries social policies that the United States could adopt.
- (e.g.) Italy's labor policy and workers' well-being, Germany's labor policy and work-life-balance, Tunisia's women policy, etc.
- But one of the most pressing issues in the film was 'education' – Slovenia's tuition-free higher education, France's free school meals, and Finland's education policy (no homework, no nation-wide standardized test, etc.)
- Why education is so important? What is the relationship between education and development?

Why isn't the Whole World Developed?

- (Physical capital plays essential but subsidiary role): One possible explanation is education: Spread of economic growth depends on the diffusion of knowledge about new production techniques.
- Acquisition of knowledge closely associated with formal schooling (the more schooling, the easier to master new technological knowledge).
- The expansion and establishment of formal schooling has depended in large part on political conditions and ideological influences.
- Since World War II, modern education systems have been established almost everywhere → spread of modern economic growth accelerated (more advanced nations educationally developed first).

Education & Development

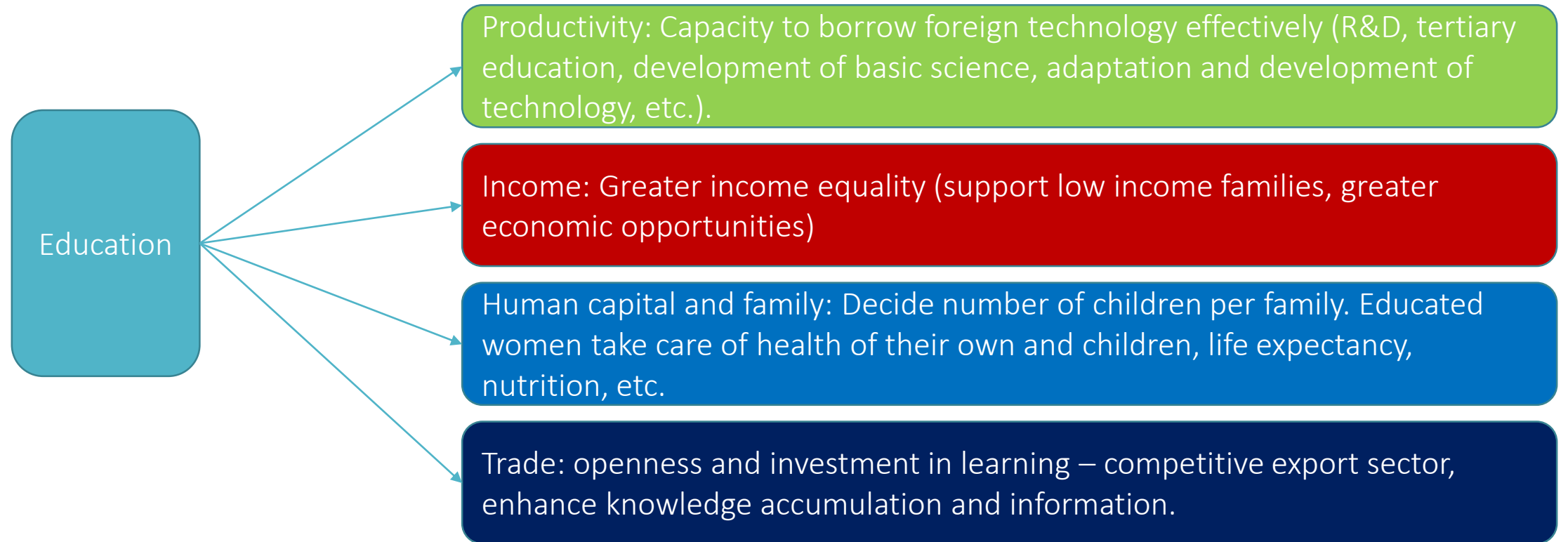
- It is commonly known that improvements in education are associated with long-term improvements in economic performance. Three broad theories are:
 - 1) **The basic human capital approach**: education improves the overall skills and abilities of workforce, leading to greater productivity and improved ability to use existing technology, and thus contributing to economic growth.
 - 2) **The innovation approach**: education to improving the capacity of the economy to develop of new ideas and technologies.
 - 3) **The knowledge transfer approach**: education as a mean of spreading knowledge is needed to apply new ideas and make use of new technologies.

Causal Link?

- Important question: whether there is a causal link between education and economic performance, and if so, in what direction?
- 1) In general, education and economic performance are likely to be interlinked. Having more educated workforce enables firms to take advantage of new economic opportunities, leading to improved performance (human capital).
 - 2) Also economic growth can lead greater national and personal wealth, which increases the resources available and opportunities for education.



The Effect of Education



But these effects are not always true. Some countries are still underdeveloped! Why?

WB's Analysis

- Instead of understanding the relationship between education and development, World Bank (1993) analyze the effect of policy more carefully.
- East Asian case – public expenditure on education as a percentage of GNP was not much high in East Asia than elsewhere (1960, 1989). In 1989, Saharan Africa 4.1%, East Asian average 3.7% (all developing average 3.6%). Then, why people keep saying that education was the basis of East Asian Miracle?
- Primary and secondary education – The allocation of public expenditure between basic and higher education → account for extraordinary performance.
- Investment (public expenditure) on education on primary (universal) education was consistently higher than any other countries. What was the magic?

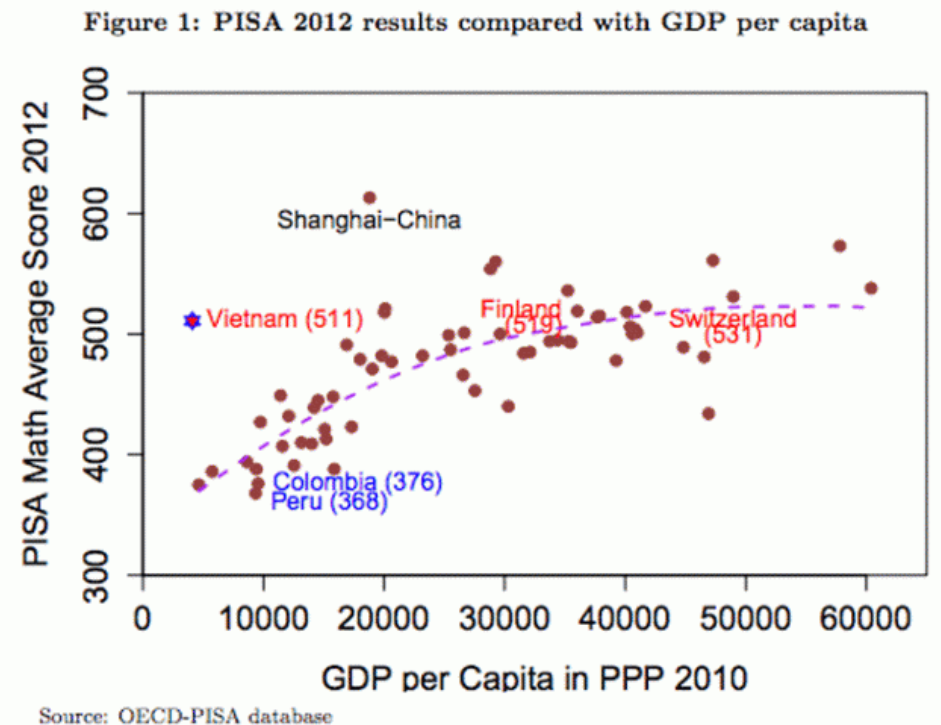
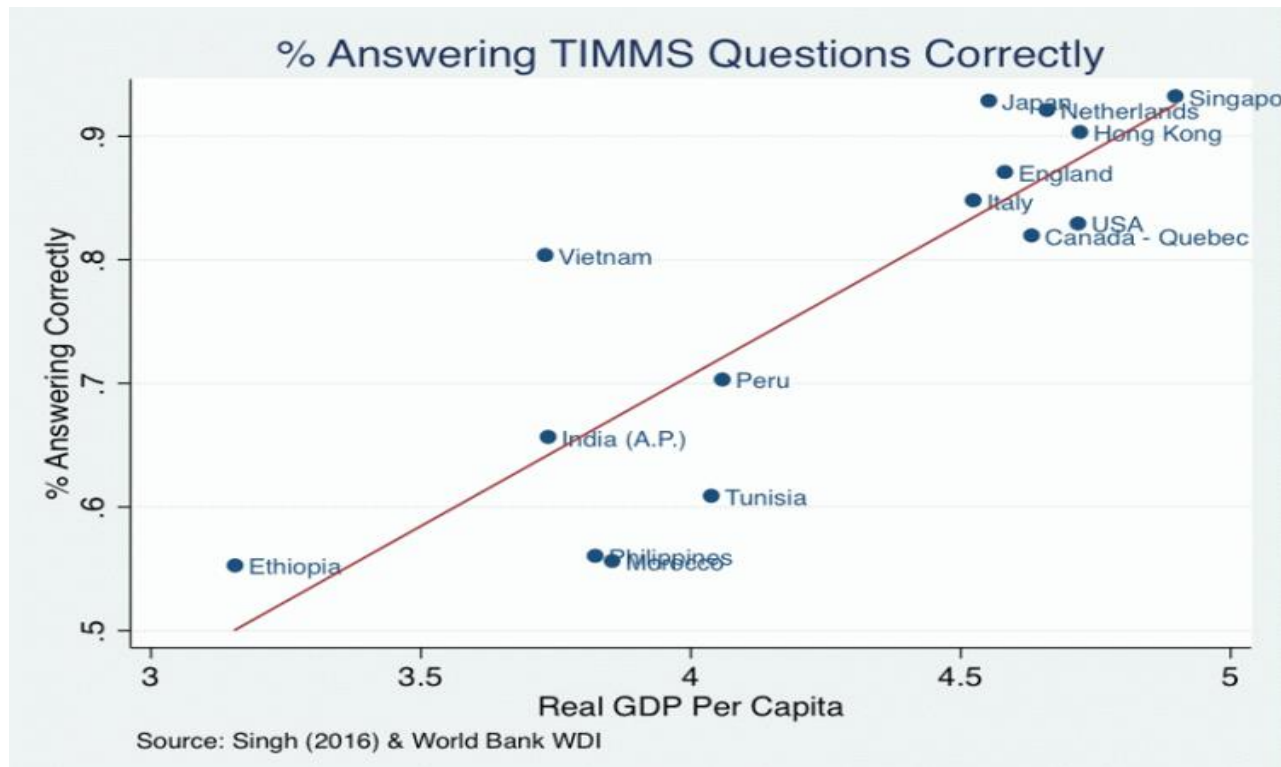
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- (e.g.) In 1985, Venezuela allocated 43% of education budget to higher education; Korea allocated only 10% of its budget on higher education. Education to GDP, Venezuela (4.3) was higher than that of Korea (3.0).
- But primary education budget to GNP – Korea (2.5%) was much higher than in Venezuela (1.3%). Investment on tertiary education in East Asia was low.
- Why is investing on primary education important?

SDGs' Take on Education ([Link](#))

- Education is a vital human right (the Universal Declaration of Human Rights and the United Nations' Convention).
- Investing in education yields significant development benefits (reduce poverty, boost growth, increase income, prevent diseases,, etc.)
- Education is essential to the success of everyone of the 17th global goals (cost 1.25 USD per day per child in developing countries)
- Education is critical during times of conflict (promote stability, good governance)
- A poor quality education is almost like no education.
- Good teachers are essential to achieve quality education.

Vietnam's Achievement

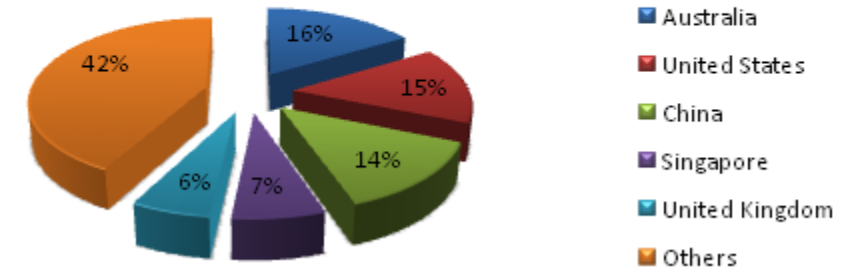


Policy Recommendation for Vietnam

- In general, Vietnamese students were *more focused* and took their schoolwork more seriously. They were less likely to be late for school, had fewer unexcused absences, and skipped fewer classes.
- Normally spend about three more hours per week studying outside of school than students in other developing countries → less anxious about math, and more confident about how they're going to use it in the future.
- Vietnamese parents – involved in their children's academic lives and help out of fundraise at schools. Education is more or less centralized. Teachers are less autonomous. Increasingly emphasize performance (on student achievement)



Vietnamese students



Vietnamese parents' education fever: It can be good and bad both

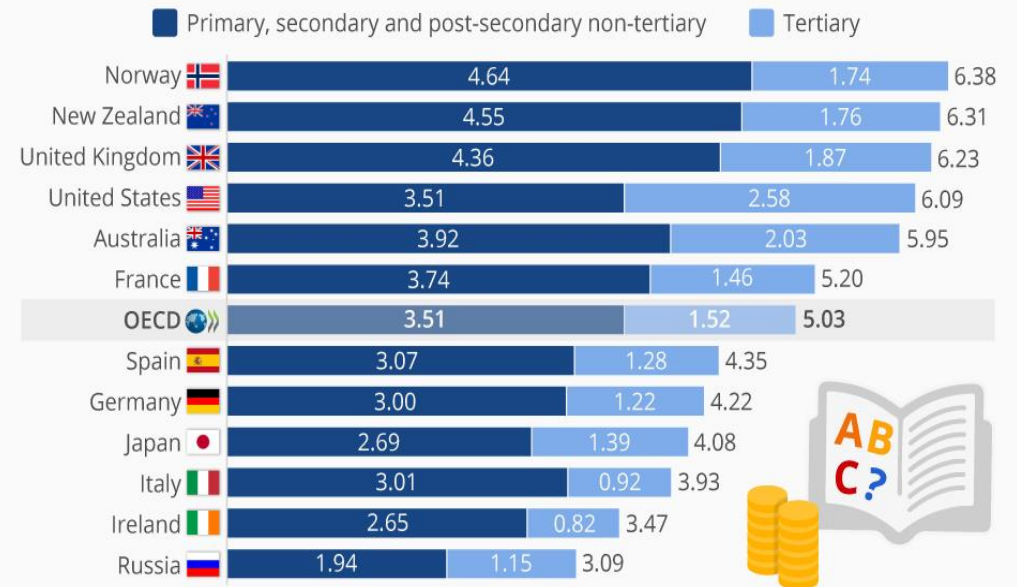


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- Vietnam invest more: considering its lower GDP level, fewer educated parents, fewer schools in cities. *Education budget to GDP (5.8%), OECD average 5.03(2015).
- Despite economic disadvantages, the quality of schools infrastructure is better in Vietnam, as are the schools' education resources.
- And even though there are fewer computers, Vietnamese schools are just as likely to be connected to the internet, which the World Bank researchers interpreted as evidence of Vietnam's increased investment in schools.
- More access to early education (pre-school)

How Much Do Countries Spend on Education

Education spending as a share of gross domestic product in selected countries in 2015 (%)



Discussion

- South Korea's split over fate of embattled elite high schools (autonomous private high schools) – early 2000s, special status was granted, guaranteed far greater autonomy in admission, financing, and curriculum than regular schools.
- Advantageous position to attract the brightest and well-off students.
- The government is trying to abolish the schools – deepening inequality (tuition), stratifying schools, heavy burden (competition) and undermining efforts to improve the overall education quality.
- In Vietnam, there is an increasing debates among people about the existence of schools for the gifted (The Communist Party's Resolution No. 029 – 'should be no schools for the gifted').
 - Opinion is divided. What are pros and cons? What is your opinion? Discuss



Vietnam's schools for the Gifted

Korean Minjok Leadership Academy

