

DIRECTIONS IN DEVELOPMENT

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Counting the Full Cost

*Parental and Community
Financing of Education
in East Asia*

MARK BRAY



A collaborative report by the
World Bank and the
United Nations Children's Fund



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Mark Bray

The World Bank
Washington, D.C.

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Foreword

This book is the joint product of the United Nations Children's Fund (UNICEF) and the World Bank. It demonstrates the commitment of our two institutions to work together and in broad partnership with others to meet the challenge of Education for All, which was enunciated at the 1990 World Conference on Education for All in Jomtien and reaffirmed at the 1996 Global Education for All Forum in Amman.

In Jomtien 155 countries pledged to take the necessary steps to provide primary education for all children by the end of the decade. Yet by 1996, 130 million children between the ages of 6 and 11 and 273 million children between the ages of 12 and 17 remained out of school. In Amman the Education for All commitments were reaffirmed, the resources required and their effective use were considered, and the international community was encouraged to rethink its resource priorities in order to meet the goal.

This study identifies the level of assistance poor households may need to achieve education for all. It shows that households in nine East Asian countries already contribute a significant share of the total cost of public education. In some of these countries household contributions to education are greater than government contributions; in all nine countries they represent a significant share of household income. The burden borne by the poorest households is much greater than that borne by the wealthiest households.

Unfortunately, the policies and actions of many of the governments and international agencies involved in the support of education have shown little awareness of the magnitude of this burden. We hope that this book will serve to heighten awareness and inspire both further research and appropriate concrete action.

David de Ferranti
The World Bank

Manzoor Ahmed
UNICEF

Preface

Many studies that purport to analyze the costs of education in fact present only the costs to governments. These studies either completely ignore the costs to parents and communities or provide only brief recognition of these costs but no figures or further discussion. Such neglect is unfortunate because in many societies household inputs are substantial. In many settings such inputs, even in the public education system, meet more than 20 percent of total costs (Cumming and others 1995; Togo 1994; UNICEF 1996; World Bank 1994a), and in two countries covered by this study, they exceed 50 percent.

The implications of these inputs are far-reaching. Such resources can increase both the quantity and quality of education and lead to further economic and social development through investment in human capital. Parental and community inputs may also strengthen the sense of partnership in the educational enterprise.

Parental and community financing can also raise problems, however. One difficulty arises from the fact that even when total provision is large, patterns are rarely balanced or uniform. As a result parental and community financing may exacerbate socioeconomic and regional inequalities. Demands may also become a heavy burden at the individual and family levels, and situations in which this burden weighs down the poorest are particularly problematic. In some settings, moreover, awareness that such demands will be imposed discourages parents from enrolling their children in school, in the first place, and in families of children who do currently attend school, the costs may contribute to early dropout. The demands on households may thus obstruct the goal of universal basic education. As burdens grow in some countries, enrollment rates have been going down rather than up (Pepper 1995, 18.14; Watkins 1995, 79; Wu 1994, 15).

This study focuses geographically on nine countries in East Asia—Cambodia, China, Indonesia, Lao People’s Democratic Republic, Mongolia, Myanmar, the Philippines, Thailand, and Vietnam. These countries share some common features but are also diverse in several important ways. In some respects the contrasts are as instructive as the similarities because they help to highlight particular characteristics and the implications of specific contexts and policies.

The discussion is chiefly concerned with the primary and secondary levels. The main focus is on formal education, but it also includes out-of-school supplementary tutoring, which in some societies is a major expenditure. Much of the focus is on financing in cash, but the study recognizes that demands may also be for materials and labor and that the full costs of education include the opportunity costs of forgone earnings.

The work is based on information from four main sources. The first is the existing literature, not only on the nine countries on which the discussion focuses but also on other countries with comparable economic and social features. The second is data from questionnaires sent to the United Nations Children's Fund (UNICEF) officers responsible for education projects in each of the nine countries. In several cases these questionnaires were completed in conjunction with government officials. Third, the document is based on the author's experience and field work. He has worked in various capacities in each of the nine countries and visited Cambodia and Lao People's Democratic Republic for the specific purpose of this project.¹ Finally, the report draws extensively on information available in the World Bank on all the countries of the region.

Acknowledgments

The idea for this study originated with Sheldon Shaeffer, regional education adviser at UNICEF's Regional Office for Education in Asia and the Pacific in Bangkok. He deserves thanks not only for conceiving the project but also for helping it along at each stage. Particular thanks are also due to Marlaine Lockheed, principal education specialist in the Human Development Department of the World Bank. Much of the study was conducted while Mark Bray was a visiting research fellow at the World Bank in 1995. Marlaine Lockheed initiated the invitation for the fellowship and did everything to make the experience worthwhile, enjoyable, and productive. Although the study was launched before the commencement of the fellowship, in a very real sense, it is also a product of that fellowship.

Thanks go as well to the UNICEF staff and other individuals who facilitated the field work in Cambodia and Lao People's Democratic Republic, in particular Anne Dykstra and Ng Shui Meng. UNICEF staff in other country offices responded to questionnaires and provided supplementary materials. A large number of individuals commented on drafts and exchanged ideas with the author; among them are Halsey Beemer, Nicholas Burnett, Shaikh Hossain, Emmanuel Jiminez, Ruth Kagia, Elizabeth King, Hena Mukherjee, Paud Murphy, Harry Patrinos, George Psacharopoulos, William Rees, Omporn Regel, Eluned Roberts-Schweitzer, Haneen Sayed, Antoine Schwartz, Jee-Peng Tan, Mun Tsang, Mathew Verghis, John Weidman, and Loraine West. American Writing Corporation edited and laid out the text.

Issues

An appropriate starting point is the concept of education as a human right, a notion generally accepted throughout the world. It was enshrined in the 1948 United Nations Declaration of Human Rights and has been reiterated in many international and national documents since that time. Among the most recent was the 1990 Jomtien Declaration of the World Conference on Education for All (WCEFA 1990b, 2).

Human Rights, Private Schooling, and Fees

If education is accepted as a human right, one must ask who should provide it to meet that right. On this point the philosophies of individuals, governments, and agencies have varied. The East Asian countries examined here include some that have always had capitalist regimes that permitted private education alongside government schooling. Some private institutions in these countries have been operated by commercial entrepreneurs, but others have been run by religious and other not-for-profit organizations. In contrast are countries with socialist regimes in which education has been seen as the exclusive right and responsibility of the state. In these countries, especially at the beginning of the socialist eras, private schools have been outlawed. In recent years, however, the pattern in most socialist countries has changed. East Asia includes three socialist countries—China, Lao People's Democratic Republic, and Vietnam—that have moved toward market economies and have governments that now permit or actively encourage private education. These moves are part of a global trend (Bray 1996c; Cummings and Riddell 1994; James 1991, 1994). Commercial forces are also being given stronger recognition and support in countries that had long had capitalist economies. This is not only within the private sector but also within the government sector, where school authorities are increasingly expected to operate with market principles in mind (Lingard, Knight, and Porter 1993; Pring 1988).

Allied to this shift in thinking about the role of market forces in education is an evolution of opinion on who should pay for education. The

1948 United Nations Declaration of Human Rights was unequivocal in the view that the state should bear most or all costs, and Article 26 declares: "Education shall be free, at least in the elementary and fundamental stages." Similarly, Principle 7 of the 1959 Declaration of the Rights of the Child states: "The child shall be entitled to receive education, which shall be free and compulsory, at least in the elementary stages." Article 13 of the 1966 International Covenant on Economic, Social, and Cultural Rights states that:

- (a) Primary education shall be compulsory and available free to all.
- (b) Secondary education in its different forms...shall be made generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of free education.
- (c) Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education.

In a similar vein Article 28 of the 1989 Convention on the Rights of the Child indicated that the signatory states would:

- (a) Make primary education compulsory and available free to all;
- (b) Encourage the development of different forms of secondary education...make them available and accessible to every child, and take appropriate measures such as the introduction of free education and offering of financial assistance in case of need;
- (c) Make higher education accessible to all on the basis of capacity by every appropriate means.

Since these declarations were made, however, the appropriateness of parts of their message has been increasingly questioned. Education is still generally accepted as a public good that can benefit societies as a whole as well as individuals (Levin 1987; Solomon and Fagnano 1995), but particularly in higher education a general worldwide swing of opinion now favors fees, supported as necessary by loans and other mechanisms to protect the poor (Albrecht and Zideman 1995; Psacharopoulos and Woodhall 1985; Tilak 1994a). Reflecting this swing, the fact that point (c) of the 1989 Convention on the Rights of the Child did not completely echo point (c) of the 1966 International Covenant on Economic, Social, and Cultural Rights is significant. Support for cost recovery at lower levels has been more muted, but the issues have been actively discussed at that level too (Bray 1987; Jimenez 1994; Lewin with Berstecher 1989; Thobani 1984).

Arguments in favor of fees at the tertiary level are partly based on the substantial private benefits that usually accrue to tertiary graduates and on the fact that tertiary education has high unit costs that cannot easily be borne solely by governments. Arguments favoring fees are also based on concern for equity. Among tertiary enrollments students from rich families always form a much larger proportion than students from poor families, and it is widely considered unreasonable to subsidize the rich families when doing so will reduce the resources available for the poor. It is of course recognized that students from poor families also study in tertiary institutions, and that it is desirable for proportions of such students to be increased. However, because tertiary graduates usually receive greatly enhanced lifetime earnings, even the poor can finance their studies through loans that can later be repaid. The cost and equity arguments are to some extent valid in secondary education and can also be used to justify cost recovery at that level. But unit costs to government are lower at the secondary level, and enrollment across socioeconomic groups is usually more balanced. These particular arguments are therefore less powerful at the secondary level.

At the primary level the arguments are even more difficult to sustain. Unit costs are generally lowest at this level. In countries with low enrollment rates school populations are likely to contain more children from middle-income and rich groups than from poor groups, but because all governments claim to wish to attract the poor to primary school, they are unwilling to discourage enrollments by imposing fees. Moreover, in systems in which enrollments approach universality, fee-free education is likely to give greater government resources to poor families than to rich ones, simply because poor families are likely to have larger numbers of children than are rich families.

Political Forces and Budget Constraints

The above-mentioned arguments would seem to favor charging fees for tertiary education to permit redistribution of resources to the poor. One way to serve the poor better, it has been argued, is to place greater proportions of government resources in the basic education sector (Colclough with Lewin 1993; Penrose 1993; Tan and Mingat 1992; World Bank 1995d). However, political forces may not easily permit governments to demand substantial cost recovery at the tertiary level, especially if university students are familiar with a long legacy of free provision, come from politically well-connected families, and are

prepared to be vocal in their protests. Moreover, even when governments do recover some of the costs of tertiary education, it is not always easy to allocate the resources to primary and secondary education rather than to other sectors of public expenditure. And even in situations in which most or all of the income generated from tertiary fees can be allocated to lower levels of education, the sheer numbers of primary and secondary school students mean that the little money that is made available has to be spread thinly.

Related to these matters is the acute budget austerity that has hit many governments during the 1980s and 1990s. The economies of many low-income countries have suffered severely from natural disasters, structural weaknesses, and external debt, and stagnation or decline in government revenues has been accompanied by continued rapid population growth (Graham-Brown 1991; UNESCO 1993). The last decade has brought particularly severe economic difficulties to the former and remaining socialist states, but pressures have also been heavy in many capitalist societies. Thus, although most governments would like to be able to provide fee-free primary and secondary education—and some even enshrine this in their constitutions—the practical realities of making ends meet require at least some contribution from parents and communities.

The fact that the 1990 World Declaration on Education for All did not include a statement that schooling should be free of charge reflects these realities. Instead the Final Report of the Conference (WCEFA 1990a, 31) included open discussion of fees, and Article 7 of the Declaration itself (WCEFA 1990b, 7) stressed the importance of partnerships:

National, regional, and local educational authorities have a unique obligation to provide basic education for all, but they cannot be expected to supply every human, financial, or organizational requirement for this task. New and revitalized partnerships at all levels will be necessary...[including] partnerships between government and nongovernmental organizations, the private sector, local communities, religious groups, and families.

This seems to be a subtle but important global shift of philosophy.

Parental and Community Willingness to Pay

Existing payments for schooling are the most obvious indications that many parents and communities are willing (and able) to pay for

schooling. This willingness seems to be particularly evident in countries where governments do not make satisfactory quantitative provision. In Uganda, for example, households have sought to bridge the gaps left by government shortcomings by meeting 65–90 percent of the costs of primary schooling (World Bank 1993d, 35). In Kenya the value of self-help contributions to education was estimated in 1991 at 19.5 million Kenya shillings (Kenya 1994, 250).

In addition to demonstrated demand, research in some countries has shown that some households are willing to spend even more for primary and secondary education than they now do. In some cases this reflects dissatisfaction with access to schools. In Peru, for example, the views of parents whose children live close to secondary schools have been compared with the views of parents whose children have to travel two or more hours each day to attend school (Gertler and Glewwe 1989; Selden and Wasylenko 1995). The researchers found that households in the second group were willing to pay fees that would more than cover the costs of opening new secondary schools in their villages.

Important data have also been collected in Tanzania, in this case related to the quality of education rather than to access. At the primary level the government has retained control of the public sector, and few private schools are permitted to operate as alternatives to the public institutions. Public primary schooling is officially free of charge, but many parents are unhappy about its quality.² Some parents are dissatisfied with the quality of teachers, and even more parents are dissatisfied with the supplies and physical infrastructure of schools. A 1993–94 survey found that 57.4 percent of respondents considered the adequacy of supplies to be poor or very poor, and 43.7 percent had a similar view about the adequacy of physical infrastructure (World Bank 1995f, 40).

In the 1993–94 survey, questions on satisfaction or dissatisfaction were followed by questions on the amounts of money that respondents would be willing to pay for a primary school that delivered the types of services they thought were important. As might be expected, the answers showed wide variation. Although 17.9 percent indicated that they would not be willing to pay anything, 21 percent said they would be willing to pay more than 25,000 Tanzania shillings a year (World Bank 1995f). The average for the entire sample was 8,572 Tanzania shillings, several thousand shillings more than current average household expenditures per primary student.

Households in other countries also have demonstrated willingness to pay greater amounts for education. In parts of Nigeria, for example, communities have historically competed to gain advancement through

expanded secondary education and have gone to considerable lengths to secure government permission to open secondary schools (Okoye 1986). Likewise, in Bhutan community enthusiasm to construct lower-primary schools has been so strong that the government, which is responsible for supplying the teachers, has had to impose strict controls on the number of institutions that may be opened (Bhutan 1991; Bray 1995c).

These examples, together with the evidence on household payments for schooling, are of considerable importance. They suggest that in at least some settings previously untapped sources of income for schools can be exploited. However, the examples also raise many further questions, including the extent to which willingness to pay is differentiated by income group and other factors. Peruvian data provide some answers. Willingness to pay is substantially higher among the rich, and households are less willing to make payments for girls than for boys (Gertler and Glewwe 1991, 172). In this case, willingness to pay is still substantial even among poor groups and for the education of girls, but more research is needed in other contexts before such findings can be generalized.

Policy Dilemmas

One implication, therefore, is that even when households are willing to pay more for education, it does not necessarily follow that they should be encouraged or permitted to do so. Governments face many policy dilemmas, most of which revolve around issues of control and equity.

Specifically addressing the clause of the WCEFA Declaration that stressed the need for partnerships, Shaeffer (1991, 7) highlights potential benefits from collaboration with parents and communities. Partnerships not only increase the resources available for education, he points out; they also can improve the relevance, appropriateness, and sustainability of reform and innovation. Work conducted under the auspices of the International Institute for Educational Planning has shown some ways in which these forces operate (Shaeffer 1992, 1994).

Accountability and control are also at issue. Local financing, it has been suggested, increases the legitimacy of communities to exercise control over their schools (Lockheed and Levin 1993, 15; Williams 1993, 8). Even at its narrowest level, this may generate benefits (for example, in promoting the punctuality with which teachers arrive at school each day). Strengthened accountability to communities can lead to improvements in home-school liaison and in the local relevance of education.

Research has shown, however, that such outcomes are far from certain (Opolot 1994, 112–13; World Bank 1993a, 8). Far from feeling empowered by partnership arrangements, many communities actually feel exploited. The maxim that the one “who pays the piper calls the tune” does not seem widely applicable to household financing of education in low-income countries. An alternative interpretation of many government statements about the importance of partnership is simply that the governments want to keep basic control over the schools but want somebody else to help pay for the schools (Tembon 1994; Moorad 1992). Moreover, at the school level parent-teacher associations too easily become the vehicles through which teachers draw up long shopping lists of items that they expect parents and other community members to provide.

As noted above, strong reliance on parental and community resourcing can also exacerbate various inequalities. The most obvious difficulty is that the individuals and groups who are best able to help themselves are the ones who are already well off. Within individual communities school boards may be sensitive to the burden of fees, levies, and other costs on the poorest families (Bray 1996b; Makau 1985). But such sensitivity cannot be guaranteed, and there is evidence from many settings of poor children being prevented from receiving schooling because of the direct and indirect costs (Brooks and Thant 1996; Galabawa 1994; Nam 1996). Moreover, in many countries a basic inequality between urban and rural areas is exacerbated by a tendency to build urban schools using government funds while rural schools are mostly built by communities (Hill 1991; Maravanyika 1995). And all countries in which community financing is a strong feature also experience serious regional disparities (Assié-Lumumba 1993; Bray 1996a).

Given these dilemmas, government policies must be devised carefully, and they may need to vary to suit the circumstances of specific regions and groups within countries. In forming appropriate policies, the first need is to know precisely how much parents and communities are currently providing. The following sections will help answer this question. They show that in some countries the scale of nongovernment resourcing even in public systems of education is both large and growing. This should not be an unmitigated cause for satisfaction, however, and this study will highlight some of the policy implications associated with this pattern.

Profiles of Nine East Asian Countries

Basic statistics on the population, gross national product (GNP) per capita, real gross domestic product (GDP) adjusted for purchasing power parity (PPP), and gross enrollment rates in nine East Asian countries are discussed in this chapter (table 1). Table 1 also shows the human development index, which is based on life expectancies, educational attainments, and real GDP per capita (UNDP 1995, 134).

The diversity of the nine countries is immediately evident from the table. Population, for example, ranges from just 2.3 million in Mongolia to 1,187.4 million in China. GNP per capita ranges from only \$220 in Lao People's Democratic Republic to \$1,650 in Thailand. Although the data for real GDP adjusted for purchasing power parity show a slightly different scale and rank ordering, the range is still from PPP\$751 in Myanmar to PPP\$5,950 in Thailand. Among the 174 countries ranked on the human development index, Thailand was number 58, placing it in the group of high human development countries (UNDP 1995, 155). Cambodia, by contrast, was number 153, among the least developed countries. All countries have high primary school enrollment rates, but secondary school enrollment rates ranged from just 22 percent in Lao People's Democratic Republic to 73 percent in the Philippines.

Further background, such as diversity in systems of government, is also discussed in this chapter (table 2). Both Cambodia and Thailand are monarchies, though in each case elected politicians have greater power than the monarchs. Myanmar, by contrast, is ruled by an unelected military government. China, Vietnam, and Lao People's Democratic Republic are still officially socialist countries, while the governments of Cambodia and Mongolia have formally renounced socialism in favor of capitalism. The Philippines is a democracy, but the military is the principal political power in Indonesia. In contrast to the socialist states, Indonesia, the Philippines, and Thailand have always had capitalist systems.

Despite their diversity, these countries have some things in common. First, despite their varied histories, all nine countries have basically adopted a capitalist mode of operation. Even in the three countries that are officially socialist, market forces are permitted to operate and have

Table 1. Basic Statistics for Nine Countries, 1990s

Country	Population (million)	GNP per capita (US\$)	Real GDP per capita (PPP\$)	Human development index	Gross enrollment rate (percent)	
					Primary school	Secondary school
Cambodia	9.7	238	1,250	0.337	114	29
China	1,187.4	370	1,950	0.594	125	48
Indonesia	191.2	710	2,950	0.637	117	45
Lao PDR	4.5	220	1,760	0.420	98	22
Mongolia	2.3	390	2,389	0.604	84	54
Myanmar	43.7	—	751	0.457	120	24
Philippines	65.2	740	2,550	0.677	112	73
Thailand	56.1	1,650	5,950	0.827	99	33
Vietnam	69.5	220	1,010	0.539	113	33

— Not available.

Source: UNDP 1995; World Bank 1995e; various national sources.

a substantial influence on educational financing. Second, all the countries have significant subnational variations. The most obvious is the contrast between urban and rural areas in schooling and resourcing patterns. Also evident are regional imbalances arising from variations in the distribution of natural resources and from other factors. All the countries have significant national minority groups that have languages, cultures, and socioeconomic forms of organization that differ from those of the majority groups. Finally, the governments in all nine countries argue that educational provision should be a partnership among the government, parents, and communities. One form that this partnership can take is financial support from parents and communities. This philosophy is particularly necessary in countries where the governments are poor, but it is also found in the richer countries.

Subgroups of countries also share common traits. To the subgroup of former socialist states may be added the states that officially remain socialist but that are in fact increasingly oriented toward a market economy. Cambodia, China, Lao People's Democratic Republic, Mongolia, and Vietnam have all faced major economic changes as part of wider transitions in the socialist world during the 1980s and 1990s.³ In all these countries education used to be exclusively provided by the state, but private schools are now permitted and in some cases are actively encouraged. Also, government schools now have to obtain supplementary support from nongovernment sources. Although the advent of capitalist forces has provided opportunities for some sectors of the population, it has created considerable hardship for others.

Table 2. Some Comparisons of the Nine Countries, 1995

<i>Country</i>	<i>Official exchange rate (to \$1)^a</i>	<i>Dominant religion</i>	<i>Former colonial power</i>	<i>Current political system</i>
Cambodia	2,600 riels	Buddhism	France	Constitutional monarchy
China	8 yuan	none	Not colonized	People's republic
Indonesia	2,150 rupiah	Islam	Netherlands	Republic
Lao PDR	920 kip	Buddhism	France	People's republic
Mongolia	400 tugrics	none	Close ties to USSR	Republic
Myanmar	6 kyats ^b	Buddhism	United Kingdom	Military
Philippines	25 pesos	Christianity	United States	Republic
Thailand	25 baht	Buddhism	Not colonized	Constitutional monarchy
Vietnam	11,200 dong	Buddhism	France	Socialist republic

a. As of mid-1995.

b. This was the official rate. On the free market, U.S. dollars could be exchanged for nearly twenty times the official rate.

Source: Author.

Colonial legacies and religion create other subgroups. Cambodia, Lao People's Democratic Republic, and Vietnam form a subgroup that shares the legacy of French colonialism, and all three countries share with Thailand and Myanmar a strong Buddhist heritage. This does not imply uniformity, but it does provide some comparable underpinnings in the social values attached to education. In China and Mongolia social transition has included a resurgence of religion among some sectors of the population. The legacy of strong official disapproval of religion has almost entirely broken the links between religion and schooling, however.

Private Education

One major determinant of resourcing patterns is the nature and scale of private education. This may take an institutional form of private schools, or it may take the noninstitutional form of private tutoring. Both categories are considered in this section.

Private Schools

Private schools may be of many different types. Some are commercial ventures that aim to make profits, while others are run by churches or other philanthropic bodies. Some private schools are high-quality institutions that charge substantial fees and aim to serve the socioeconomic elite. Others are of acceptable quality but serve all socioeconomic classes and have a religious or other philosophy that provides an alternative

to the government system. Then there are low-quality enterprises that meet excess demand and give a second chance to pupils who have failed to gain places in public schools, particularly at the secondary level. A fourth group operates at low cost and serves families unable to meet the charges or traveling expenses needed for attendance at public schools, particularly at the primary level.

Private education in the nine countries varies greatly (table 3). In the Philippines and Indonesia, where the private sector has always been highly visible, most private schools are operated by religious bodies. In the Philippines 90 percent of private elementary schools and 69 percent of private secondary schools are operated either by the Catholic church or by the Association of Christian Schools and Colleges (Arceo 1991, 22). In Indonesia many of the private schools are *madrasahs* and *pesantrens*, which are run by Islamic organizations and give religion a strong place in the curriculum (Oepen and Karcher 1988; World Bank 1989).

In most of the former or currently socialist states, by contrast, private education was outlawed for some time and has been permitted again only since the late 1980s or early 1990s. Yet although the private sector remains small in those states, it is of increasing significance. In China, for example, the first commercially oriented institute of private education was established in Sichuan Province, home of patriarch Deng Xiaoping, shortly after a tour of the province undertaken by Deng in 1992 (Mok and Chan 1995, 1). By 1994 nearly 22,000 private kindergartens and primary and secondary schools had been established (Pepper 1995, 18.21).

There have also been important changes in Vietnam. Although private schooling has been permitted only since 1989, by 1995 nearly a third of kindergartens were private operations. The private sector was much smaller at the primary level, embracing just 0.5 percent of the total in 1994, but at the secondary level it embraced 3.3 percent of the schools. In many private primary and secondary schools the facilities, equipment, and curricula were provided by the state, but the funds for teachers' salaries and other operating expenses were raised through fees. Institutions were subject to the same quality checks as public schools. The quality of private primary schools is generally considered to be equal to or higher than that in public schools, but a large proportion of private secondary schools cater to low-performing students (Rorris and Evans 1994, 24).

In several countries community-operated schools are permitted to operate parallel to the government institutions to meet demand that the state system cannot meet. In Myanmar, for example, substantial numbers of affiliated schools have opened since they were first permitted in 1972 (Biak Cin and Scandlen 1988; Gibson 1992). The number of affiliated

Table 3. Privately Operated Schools in the Nine Countries
(percent)

Country	Primary	Secondary	Comments
Cambodia	<1	<1	Private schooling was outlawed until the early 1990s. Now a few schools serve rich families or provide a curriculum for minority religious and ethnic groups.
China	<1	<1	Most community-run minban schools have been taken over by the state (though community-financed, minban teachers remain common). However, recent years have seen establishment of profit-making private schools. The private school sector is small, but it is highly significant and growing fast.
Indonesia	19	71	The government gives substantial subsidies to private schools. Many of them are madrasahs and pesantrens run by Islamic organizations while others are run by Christian bodies. The number of elite private schools is small but increasing.
Lao PDR	2	1	Private schooling was outlawed in 1975 but has been permitted again since 1990. Some schools are commercial ventures but others are noncommercial and are run by such groups as the Vietnamese and Chinese Associations.
Mongolia	0	0	Private education has been permitted since 1991, but the main initial growth was at tertiary rather than primary or secondary levels.
Myanmar	3	31 ^a	Some communities, especially in rural areas, operate affiliated schools to meet demand that cannot be met by state schools. On some definitions, however, these would be called semi-public rather than private schools.
Philippines	6	39	The Philippines has a long tradition of private schooling. Most private schools are run by churches. The majority are low-cost enterprises, though some private schools are high-cost ventures that aim to serve the economic elite.
Thailand	4	12	Enrollments in private schools have declined over the past two decades as many low-quality institutions have closed. The remaining institutions are mostly in urban and suburban areas. These institutions chiefly serve middle- and high-income families. Many private schools receive subsidies from the government.
Vietnam	<1	3	The term <i>private</i> includes full-private, semi-public, and community schools.

Note: Data are for the most recent year available, in most cases 1993–94.

a. Includes middle schools (grades 5–8).

Source: Author.

schools fell in the period immediately following the 1988 accession to power by the State Law and Order Restoration Council because the new regime converted some affiliated schools into state schools.⁴ The government has not been able to shoulder the whole burden, however, and affiliated schools remain a significant part of total provision.

For several decades China had comparable institutions called *minban*, or people-run schools. Their numbers fluctuated during different periods of the post-1949 era, but, as in Myanmar, they were especially important in rural areas (Robinson 1988). Since the early 1990s categories have been blurred because many profit-oriented private schools prefer to call themselves minban schools. In 1995 there were 4,000 so-called minban primary schools and 851 minban secondary schools (Wang 1995, 3). However, many of these were so-called aristocratic schools for the elite. The real minban schools, that is those operated by local communities to serve village needs, had been much reduced in numbers because the government had provided assistance and made efforts to incorporate them in the mainstream. However, community-employed minban teachers were still widely used to supplement the government (*gongban*) teachers. In 1994 there were 1.8 million minban teachers in primary schools, 32.3 percent of the total (Cheng 1995). Because most minban teachers were in rural areas, the figure probably represented more than 50 percent of the rural teaching force. Minban teachers are also common at the secondary level, where they comprise about 10 percent of the teaching force (Tsang forthcoming).

Three observations can be made about elite private schools. First, these schools meet differentiated rather than excess demand: the pupils could get places in the public system, but the parents prefer that their children go to elite schools with better facilities and teachers. Second, these schools maintain and exacerbate social inequality because they are mainly attended by children of rich families who will use their superior education to secure better incomes. Third, the fact that rich families choose to send their children to private schools relieves the government of the burden of educating those children. Ideally this should release resources to assist the poor more effectively. In practice, this does not always happen, however, because political forces allocate the resources elsewhere.

Private schools that are less elite but exist mainly to provide an alternative form of education, such as the madrasahs in Indonesia, raise different policy issues. In these cases one concern is the extent to which the government is prepared to tolerate diversity of provision and perhaps to provide aid on the grounds that the pupils are

still citizens of the country and thus entitled to a share of the government's resources. In practice substantial government resources are given to private schools of this type in Indonesia. The grants not only help the institutions provide education of an acceptable quality but also assist in the co-opting of groups that might otherwise threaten government stability.

A third group of schools meets excess demand, particularly at the secondary level, raising yet other policy issues. These schools are mainly populated with students who have been unable to gain places in the public system and who are academically weak. The poorest families cannot afford to send their children to these schools, but few pupils in these schools are from rich families. Governments are sometimes embarrassed by the low quality of these institutions and may provide subsidies. These subsidies are not usually given willingly, however, especially when the governments are financially hard pressed.

A fourth group of schools serves people who cannot afford the charges even of the subsidized public sector. These may be exemplified by an old-style, private-tutor school (known as *sishu*) that has reemerged in China. Along with household tutors these small one-tutor, one-room classes were traditional China's principal means of providing elementary education. They were mostly phased out after the 1949 revolution but according to Pepper (1995, 18.19) have been revived in some communities to serve rural children who cannot afford the levies demanded by public schools. The current version is said to be able to provide basic literacy and numeracy at half the cost of regular schooling. Pepper cites a study from Hunan province that indicated an annual cost of 350 yuan or more per year in regular school charges, compared with 120–180 yuan for *sishu* instruction, which can be negotiated in kind for families with cash flow problems. Because few such schools are likely to register with or be reported by the authorities, it is difficult to estimate their number. However, their reemergence is of considerable significance. Pepper (1995, 18.20) adds that profits from thirty students are about 2,400 yuan per year, or twice the annual income of an elementary school minban teacher in that locality.

Private Tutoring

Private tutoring is widespread in some countries, especially in urban areas, and may consume substantial financial resources (box 1).

Box 1. Private Tutoring in Myanmar

A 1991 survey of 118 grade 9 and 10 students in seven townships of the Yangon Division indicated that 90.7 percent received private tutoring. Although a 1984 law had fixed the rate for tutoring at 10 kyats per subject per month, the rates revealed by the survey were more like 100 kyats per subject. In some cases students paid as much as 300 kyats per subject for five subjects. These students were paying a total of 1,500 kyats a month, or 13,500 kyats a year.

Private tutoring was also found to be common among students in grades 5–8. Among 131 students in nine Yangon Division townships, 65.6 percent were receiving tutoring. The average these students paid was less than the high school students. Among the sample in Dagon Township, which had the highest average, it was 2,802 kyats a year, but in the Hlegu Township sample the average was just 270 kyats a year.

In addition to the tutoring, families had to bear the costs of travel, books, uniforms, and so on. Burdens increased proportionately for families with many children. At the time of the survey, average annual household incomes in this part of Myanmar were estimated at just 36,000 kyats. Only the richest families would easily be able to meet all the direct and hidden costs of a full secondary education.

Source: Gibson 1992, 5, 10; Myanmar 1992, 24.

Some tutors specialize in this activity and take it as a full-time occupation. Most tutoring, however, is undertaken by teachers who are employed in the public sector but who work outside school hours to earn extra income. In some societies this type of work is an economic necessity because teachers salaries are very low. Governments are not always happy with this situation, and recent official directives in Myanmar and Cambodia have endeavored to impose controls on private tutoring. The growing scale of tutoring has also created official unease in Indonesia. Restrictions have not proved easy to enforce, however.

Among the most problematic cases are those in which teachers are employed in government schools but give private tutoring to the same pupils in the same subjects and sometimes even in the same classrooms. This is common in Cambodia, for example, where the midday break between shifts in double-shift schools may be used for this purpose (box 2). Tutoring may also be provided in the evenings and early mornings, on weekends, and during school vacations.

In Cambodia, as elsewhere, the scale of charges varies by subject and by grade. In 1995 one mother in Phnom Penh indicated that for her

Box 2. Private Tutoring in Cambodia

The clang of a metal pipe against an old car wheel resounded across the school yard, signaling the end of morning classes, but none of the seventy students in Kung Vichet's fourth-grade class budged from their seats. Instead they put away the notes they had been taking on how magnets work and brought out their mathematics notebooks. Private schooling had begun.

Using regular classrooms for voluntary private tutoring is built into the instructional program at the Stung Mean Chey Primary School, as it is in many schools in Phnom Penh. "The policy of the municipality is for students to pay for private instruction," explained Uth Makara, a school official. "Teachers asked for and got permission to do it in their regular classrooms." Students typically pay 200 to 500 riels (\$0.08 to \$0.20) an hour directly to the teacher.

Private tutoring is not, as one might assume, an opportunity for individual students to get special help on material they did not understand in class. Instead it constitutes an extension of the regular curriculum offered by the same teacher in the same large group setting—this time with a user fee attached. Parents assume that children who do not take part in the shadow private system are likely candidates to stay in the same grade next year.

Uth Makara explained that private instruction at Mean Chey is "not obligatory" and that "students who do not have the money are welcome to stay." But students seem to see it differently. One boy walking across the school yard said that he was going home because he did not have any riels to offer the teacher. "The teacher says that it is okay to stay anyway," he said. "But we don't because we are so ashamed."

Source: Cambodia 1994a, 109.

daughters in grades 9 and 10 she paid 500 riels an hour for four hours a day, six days a week, every week of the year except for the three days after the Khmer New Year. This adds up to 620,000 riels a year (\$238) for each of those two children. In addition, she paid 300 riels an hour, three and a half hours a day for her children in grades 4 and 2, or 320,000 riels a child a year. Private tutoring for all four children, therefore, cost 1,880,000 riels (\$723). Her neighbor paid even more for a child in grade 8, which is an examination year (Bray 1995a, 13). These parents are clearly much richer than the average, and few parents insist on their children taking tutoring six days a week, fifty-two weeks a year. Yet figures such as these expose the heavy burden many parents shoulder.

When children are given private tutoring by their regular teachers, an element of blackmail is commonly involved because at least some teachers provide only the bare minimum during school hours and reserve the real teaching for their private classes. This seems a dismal and exploitative situation, but not all parents face such difficulties. Private tutoring is clearly a major activity in some countries, but neither the number of children receiving tutoring nor the costs to the families are usually recorded in official statistics.

Costs to Parents and Families in the Public System

Parents or other family members within the public education system must also make financial outlays. In the nine countries covered by this study, primary education in the public system is officially free of charge. Official fees may be demanded at secondary school, however. Many schools also impose unofficial fees and levies of various sorts, and parents have to pay for uniforms, transport, and other items. Also important, as already indicated, are the opportunity costs.

Fees

In some parts of the world, governments that used to provide free education throughout the system now face such economic stringency that they have had to introduce fees for at least some levels. One such country is Vietnam, where official fees for post-primary schooling were introduced in 1989. Table 4 shows the fee structure for grades 6 to 12 in 1993. Urban fees were set at higher levels than rural ones, and the fees steadily increase through the grades.

Table 4. Vietnam: Official Fees for Grades 6–12, 1993
(dong per student)

Grade	Per month		Per year ^a	
	Urban	Rural	Urban	Rural
6	3,000	2,000	27,000	18,000
7	4,000	3,000	36,000	27,000
8	5,000	4,000	45,000	36,000
9	6,000	5,000	54,000	45,000
10	7,000	5,000	63,000	45,000
11	8,000	6,000	72,000	54,000
12	9,000	7,000	81,000	63,000

a. Monthly fees are paid for a nine-month school year.

Source: Government of Vietnam, reproduced in World Bank 1995g, 196.

Official provision is made for fees in Vietnam to be waived or halved for certain groups. Handicapped students, boarders in minority areas, orphans, children of killed or seriously wounded soldiers, and children in mountainous or remote areas can obtain exemptions. Children of slightly wounded or seriously ill soldiers, children of government employees disabled by work injuries, ethnic minorities, and children of families who are poor or face other difficult circumstances as certified by their local authorities pay half fees. Figures for students paying half fees were not readily available, but in 1993 only 14 percent of lower secondary students and 10 percent of upper secondary students were fully exempted (World Bank 1995g, 197). Some students had to pay double fees, which is among the penalties for having to repeat a class at the secondary level (Rorris and Evans 1994, 24).

Fees of various types are also charged in China. Officially, no tuition fees are supposed to be demanded through the end of junior secondary school.⁵ Other fees are permitted, however, and some are monitored by the authorities. Table 5 shows average miscellaneous fees collected in the whole country during 1993. Students in rural schools paid slightly less than students in urban schools, but the difference was smaller than in Vietnam. Students in senior high schools paid 2.5 times as much as students in junior high schools, who in turn paid twice as much as students in primary schools.

Table 5 does not show the great variation both between and within provinces, however. West (1995b) presents more detailed data from three locations in Guangdong Province (reproduced in table A.2). Among these locations, Zhongshan was the most prosperous while Liannan was very poor. In Liannan the miscellaneous fees were below the national average, but in the other two locations they were considerably higher. Moreover, in all three locations the miscellaneous fees

Table 5. China: Average Miscellaneous Fees and Unit Costs, 1993
(yuan per student)

<i>Type of school</i>	<i>Tuition and other fees</i>	<i>Total unit cost</i>	<i>Fees as a share of unit cost (percent)</i>
General senior high school	118	917	12.9
General junior high school	47	477	9.9
Rural general junior high school	44	413	10.7
Primary school	23	247	9.3
Rural primary school	22	225	9.8
Rural vocational school	182	993	18.3

Source: State Education Commission, cited by West 1995a, 55.

Box 3. Items Listed on a Receipt from a Junior Secondary School in China (Yuan)

Meaning of each item:

1. Tuition fee
2. Miscellaneous fee
3. Education funds
4. Office expenses
5. Desk and chair fee
6. Teaching aids, sports equipment, and library books
7. Water and electricity
8. Management fee for night study
9. Maintenance of fans
10. Minban teachers
11. Fee for students who are not locals
12. Chaoyuan fee (for students whose parents bought places)
13. Textbooks for this semester (half fee paid last semester in advance)
14. Teaching materials
15. Exercise books
16. Boarding fee
17. Payment to the cook
18. Class association
19. Health checkup
20. Public security
21. Movie fee
22. Taking care of students' bicycle
23. Textbooks for next semester (half fee paid in advance)
24. Funds for teacher retirement
25. Tutoring fee

were dwarfed by the sum of all the other fees. West adds (16) that some of the fees collected by the schools were not used by the schools but instead passed on to other units. In this respect the schools were acting as agents for other organizations. The involvement of the schools in collecting some of these fees, such as those for insurance and physical checkups, has aroused controversy.

To illustrate demands in China further, box 3 shows the detailed categories from a receipt for fees charged by a junior secondary school in a disadvantaged rural area for one semester during 1992–93. Although no tuition fee was demanded (item 1), as many as twenty-four other charges were made. The largest item for this particular student was the

chaoyuan fee, which was for pupils whose parents had bought places in the school. The school was not the best in the district, but because it was better than some others and also conveniently located, at least some parents were willing to pay for instruction there. Parents of students who scored highly on the primary school leaving examination did not need to buy places, but the schools routinely kept additional places for students whose parents were prepared to pay this fee. Students who were not locals had to pay an additional fee. Other minor fees covered water, electricity, maintenance of fans, office expenses, textbooks, exercise books, the class association, movies, public security, and a health checkup. And although the categories seem to cover almost every conceivable expense, the receipt still shows the general charge for miscellaneous expenses (item 2).

In Indonesia primary school fees in the public sector were officially abolished in 1977. Secondary school fees were retained until 1994, however, and even at the primary level many schools continue to charge fees for initial enrollment. A survey by Moegiadi and Jiyono (1991, 31) identified primary schools in Jakarta that charged 100,000 Indonesian rupiah (Rp) (US\$55) a child admitted to grade 1 in 1989–90. Admission fees were lower elsewhere, but they existed even in rural areas. For example, one remote primary school in Central Kalimantan included in the same survey charged Rp 500. A more comprehensive national survey conducted by the Indonesian government in 1989 found that fees in public junior secondary schools ranged from Rp 1,000 to Rp 125,000 and averaged Rp 11,700.⁶

Private schools in Indonesia also charge fees. In most cases private school fees are higher, but this is not a uniform pattern. The 1989–90 admission fee in one high-cost private primary school in Jakarta investigated by Moegiadi and Jiyono (1991) was Rp 325,000, on top of monthly fees of Rp 10,000–15,000, depending on the grade. But another private school that the researchers investigated had no admission fee, and even the annual tuition fee (Rp 42,000) was comparatively modest. This school served working-class parents, some of whom found it cheaper to send their children to the private school than to pay for transport to a more distant public school. Because income from fees could not cover all expenses, the school received a subsidy from its sponsoring organization.

Private schools in other countries also charge fees. The average tuition fee for private primary schools in Thailand was 1,420 baht in 1987 (table A.15), though this figure conceals wide variation among institutions. Wide variation is also found in the Philippines (Arcelo 1991; Schwartz 1995).

***Levies Imposed by Parent-Teacher Associations
and School Boards***

In addition to explicitly named fees, families in many countries have to pay levies to parent-teacher associations (PTAs) or similar bodies. In Myanmar an official regulation limits PTA levies to 10 kyats per child a year, with a maximum of 20 kyats for parents with more than one school-aged child. Inflation has seriously eroded the value of such contributions, however, and many schools demand higher levies. Some schools directly contravene the regulation, but others avoid confrontation by describing demands as contributions to school funds rather than PTA levies. Among the three schools surveyed by Evans and Rorris (1994), two charged 20 kyats per student, with a maximum of 40 kyats for families with more than one child in the school. The third charged 15 kyats per student, or 40 kyats for three or more children.

In Indonesia most schools have boards known as Badan Pembantu Penyelenggaraan Pendidikan, or BP3. Officially, these bodies are not supposed to include teachers unless they are members because they are also parents. In practice, however, the activities of the boards are commonly guided by school staff. The 1974 decree that established the boards explicitly instructed them to seek contributions from broadly defined communities rather than from parents (Moegiadi and Jiyono 1991, 2). However, most BP3 boards impose levies on parents. In Jakarta a separate arrangement was made in 1982 for each school to form a body incorporating both parents and teachers, known formally as the Persatuan Orang tua Murid dan Guru, or POMG.

Schools in Indonesia frequently impose BP3 or POMG charges on top of admission and class fees. For example, in one Surakarta primary school documented by Moegiadi and Jiyono (1991, 15), in addition to the monthly levy of Rp 1,500 a student, parents were encouraged to contribute Rp 500 a student each quarter to cover general contingencies. A 1992 national survey indicated that BP3 demands in that year averaged Rp 1,473 in primary schools, Rp 3,400 in junior secondary schools, and Rp 4,874 in senior secondary schools (table A.5 shows the distribution of BP3 payments by families in different income groups). Gaps are wide between the top and bottom deciles, but they are fairly narrow between the ninth and the second deciles. At the primary level, for example, families in the top decile paid BP3 fees that were 4.7 times those paid in the bottom decile. The fees paid by families in the ninth

Table 6. Vietnam: Average PTA Contributions in Public Schools, 1993
(dong per student)

<i>Level of school</i>	<i>Poorest</i>				<i>Richest</i>	<i>All</i>	<i>Urban</i>	<i>Rural</i>
	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>Vietnam</i>		
Primary	7,600	8,300	9,400	11,800	19,200	10,900	22,200	8,700
Lower secondary	8,500	10,600	12,300	15,400	24,600	16,300	28,800	11,600
Upper secondary	27,900	9,000	14,300	16,000	29,000	22,400	26,600	18,300

Source: World Bank 1995g, 188.

decile were only 1.9 times those of the second decile. Such data assist analysis of the burden on the poorest groups, discussed below.

Detailed data are also available from Vietnam, though they have been classified by quintile rather than by decile (table 6). Table 6 also shows patterns by urban or rural location. As in Indonesia, richer families and urban families generally pay more. Even poor and rural families have to make substantial payments, however, and the poor devote considerably larger proportions of their incomes to these payments than the rich. Demands increase significantly at higher levels of the system. Rural dwellers and poor households probably also contribute labor and materials in lieu of cash. This practice is common in most parts of East Asia and in other parts of the world (Assié-Lumumba 1993; Bray 1996b; Hill 1991).⁷

Other Direct Costs

Other direct costs include uniforms, food, books, stationery, and transport. Although children need clothing regardless of whether they attend school, uniforms sometimes cost more than ordinary clothes.⁸ Moreover, some schools require three or four different uniforms, including ones for ordinary use and for sports in different seasons, plus perhaps scouts or other special-activity clothes. In these cases it is legitimate to include at least some uniform costs as a school expense. The same applies to food. Research in Cambodia indicated that in at least some cases the food provided at school was cheaper than that available in the market, but in other settings it is more expensive (Bray 1995a). In some parts of Indonesia pupils are required to purchase uniforms and food through the schools so that the schools or teachers can earn extra money.

Average household costs of education in Indonesia are detailed in this section (table 7). Information on the components of these costs is contained in tables A.4–7. Table A.8 desegregates the data by public

and private sectors. Nearly a third of primary-level expenditures were devoted to pocket money. A large proportion of this item is for food and snacks, which are not necessarily luxury items—even the poorest households allocated a nontrivial sum to this category (table A.7). The second largest item in primary education was uniforms, which consumed one-fifth of the total. Study materials were the next largest item, followed by tuition fees and textbooks. At the junior secondary level, pocket money was again the largest item, though it formed a smaller proportion. Tuition fees were the second largest item, followed by uniforms and transport. By the senior secondary level, pocket money and tuition fees were almost equal in proportion, while transport had grown to 17.2 percent. The expenditure on transport at this level presumably reflects the fact that senior secondary schools were thinly scattered.

Absolute amounts of expenditures are worth noting as well. Junior secondary uniforms cost, on average, nearly twice as much as primary ones, and senior secondary uniforms cost about 1.3 times as much as junior secondary ones (table A.6). This probably reflects not only the fact that the pupils are larger but also that secondary schools are more likely to demand sports uniforms and other clothing that may not be required in primary schools. Expenditures on textbooks and learning materials at the junior secondary level are more than twice those at the primary level, and increase by another third at the senior secondary

Table 7. Indonesia: Annual Household Education Expenditures per Student by Level and Type, 1992

<i>Type of expenditure</i>	<i>Primary</i>		<i>Junior secondary</i>		<i>Senior secondary</i>	
	<i>Rupiah</i>	<i>%</i>	<i>Rupiah</i>	<i>%</i>	<i>Rupiah</i>	<i>%</i>
Registration and entry fees	1,200	2.3	8,510	5.8	17,080	6.7
Tuition fees	5,500	10.5	26,410	17.9	52,680	20.8
BP3 fees	1,470	2.8	3,380	2.3	4,600	1.8
Examination fees	20	0.0	130	0.1	650	0.3
Other school fees	1,790	3.4	6,180	4.2	10,870	4.3
Uniforms	10,980	21.0	19,920	13.5	25,370	10.0
Textbooks	3,020	5.8	8,520	5.8	12,450	4.9
Study materials	5,570	10.6	10,090	6.8	12,490	4.9
Pocket money	17,170	32.8	36,890	24.9	55,670	21.9
Transport	1,950	3.7	17,970	12.2	43,530	17.2
Miscellaneous	50	0.1	270	0.2	870	0.3
Additional courses	240	0.5	1,410	0.9	3,790	1.5
Others	3,400	6.5	8,180	5.5	13,550	5.3
Total	52,370	100.0	147,870	100.0	253,600	100.0

Source: Indonesia 1992.

level. Most dramatic are transport expenses, which at the junior secondary level are about 9.2 times the average at the primary level, and at the senior secondary level are more than twice the average at the junior secondary level.

Further insights can be gained by desegregating the data to show differences between public and private schools (table A.8). Total household expenditures are of course higher in private than in public schools, though the gap is less than might be expected. Household expenditures on private primary schools are 79.9 percent more than on public primary schools, but the figures for junior and senior secondary schools are only 21.6 and 20 percent. The greatest gaps at each level are in the costs of tuition, pocket money, and additional courses. At the primary level, households also spent considerably more on transport in private than in public schools.

A further breakdown of the public and private sectors reveals marked differences between religious and nonreligious schools (table A.9). Among private primary schools, average expenditures for nonreligious schools were Rp 130,437, compared with only Rp 56,988 in the religious schools. This implies that the nonreligious private primary schools chiefly serve the economic elite. At the primary level, unit expenditures in the religious private primary schools (Rp 56,988) were only a small margin greater than those in both the public primary schools (Rp 43,241) and the nonreligious public-primary schools (Rp 48,518). At the junior and senior secondary levels, unit expenditures in religious private schools were actually lower than in nonreligious public schools. The data indicate that at the junior secondary levels, average expenditures for households in the poorest decile were actually lower for private than for public schools (table A.4). This is presumably because the children from those households who attended private schools were mainly in religious institutions. At the senior secondary level, unit expenditures were lower for private than for public schools in the first three deciles.

Data from Vietnam echo aspects of the Indonesian pattern (tables A.10–14). Pocket money is not a category in these tables because it was not asked for in the questionnaire, though food was a specific item (table A.13). Books are the most expensive category, though significant sums are also spent on uniforms, food, and lodging. Transport costs form a small proportion, but, as in Indonesia, in absolute terms increase dramatically at post-primary levels. In most categories urban expenditures on transport are higher than rural ones. The chief exception to this is transport to public upper secondary schools. Rural families also spend more on food and lodging for

upper secondary students, presumably because a higher proportion of rural students must be boarders. As might be expected, per pupil expenditures in most categories rise with family incomes. The extent of variation, even in uniforms, is dramatic (table A.10) and shows a much wider spread than in Indonesia (table A.6). It would be instructive to learn more about this cross-national difference. Rich families perhaps not only buy better-quality uniforms but also buy multiple sets. They also purchase sportswear and other items the poor cannot afford. Substantial variation by income group is also seen in the expenditures on food and lodging.

Turning to Thailand, data on primary and lower secondary schools in 1987 show that, once again, books and materials are a big item, together with uniforms and, especially at the lower secondary level, transport (table 8). As one would expect, the breakdown of primary school figures shows (table A.15), as in Vietnam, higher transport costs for urban than for rural children. The families of urban children also spent more on writing supplies and uniforms, though for Thailand these figures include contributions in kind to teachers and schools that are slightly larger from rural families. The table does not include information on upper secondary schools, but a broad figure has been provided by Myers and Sussangkarn (1992, 39). They indicate that direct household costs for students in upper secondary schools were 6,000–10,000 baht a year per pupil, and that for rural households the costs would have been toward the upper end because of the need for transport or boarding.

Table 8. Thailand: Household Direct Costs of Schooling, 1987
(baht per student)

<i>Cost</i>	<i>Primary</i>		<i>Lower secondary</i>	
	<i>Public schools</i>	<i>Private schools</i>	<i>Public schools</i>	<i>Private schools</i>
Tuition fees	0	1,417	621	1,813
Books and materials	280	625	428	520
Uniforms ^a	302	654	520	583
Transport	32	326	852	1,656
Other costs ^b	153	62	149	138
Total	767	3,084	2,570	4,710

a. For primary schools this includes school bags, shoes, and sportswear. For secondary schools no breakdown was provided.

b. For primary schools this includes the value of household contributions in kind. The source for lower secondary schools did not indicate what was included, but it does not seem probable that it includes contributions in kind.

Source: Tsang 1994b, 220; Myers and Sussangkarn 1992, 38.

Table 9. Myanmar: Average Household Expenditures by Level of Education, 1990 and 1994
(kyats per year)

<i>Type of expenditure</i>	<i>Primary (1994)</i>	<i>Middle (1990)</i>	<i>High (1990)</i>
Uniforms, school bags, and clothing	378	1,178	1,304
Books and stationery	53	335	315
Transport and pocket money	211	941	1,100
Other	61	67	123
Total	703	2,521	2,842

Note: For more detailed breakdown, see tables A.23–25.
Source: Evans and Rorris 1994; Gibson 1992.

Data for Myanmar are available only from targeted field work. Nevertheless, these data are useful (table 9). Because the primary school data are from 1994 and the middle and high school data are from 1990, comparison between the two sets should bear in mind the pressures of inflation. Comparing the middle and high schools, however, the difference between the two columns of figures is perhaps less than might be expected.

Expenditures are shown in greater detail in tables A.23–25, and uniforms are once again shown to be the largest. The second-largest item is labeled transport and pocket money. In the primary school sample there were in fact no transport costs (table A.23), so at this level the figure is all for pocket money. Evans and Rorris (1994, 47) stated that this item was not originally included in the questionnaire but that parents clearly saw it as an educational expense and nominated it as an item. Among the fifty-five households in Village A with at least one child in school, fifty independently identified pocket money as a cost item. This seems to create a parallel with patterns in Indonesia. Again, it seems likely that a large proportion of the money was spent on food.

Table 9 also includes a category labeled “other.” In one village in the primary school sample this covered a fee for examinations. Fees for examinations are also normal in Cambodia, where additional charges may be made for providing answers during the examination process and for adjusting grades when the marking has been completed. Figures on expenditures in Cambodia highlight the burden of uniforms and books (tables A.20–A.21). These figures also show the importance of private tutoring, which was omitted from the figures of the other countries (see box 3).⁹

In Mongolia the system has remained mostly free of direct charges. However, economic crisis has required the government to insist on some cost recovery. In particular, the government now requires boarding schools to charge for the full price of meat. To observers from societies in which meat is a luxury, this might seem very reasonable. In Mongolia, however, meat is not considered a luxury. Instead it is a major component of the diet, partly because vegetables are scarce for much of the year because temperatures are below freezing a great deal of the time. Moreover, because much of the population is nomadic or thinly scattered, a high proportion of pupils are boarders (18 percent in 1985 and 9.6 percent in 1992 [Mongolia 1993]).¹⁰ Many schools have in fact charged more than is required to pay just for the meat, using charges for food to cover other costs (Subbarao and Ezemenari 1995, 13). While the economic restructuring has benefited some households, others have been hit hard (Abbai 1995; Harper 1994).

Opportunity Costs

In addition to direct costs, families must bear various opportunity costs. The time that adults devote to meetings and to labor on schools is normally treated as a direct cost. The time that children devote to school is normally treated as an opportunity cost.

Opportunity costs are a function not only of the hours that children spend in or traveling to and from school, but also of the labor market and the nature of home production. The value of labor generally becomes greater as children get older; but even young children can help care for their siblings who are younger still, thereby releasing adults to earn incomes outside the home.

Mason (1994, 65) points out that in rural Indonesia, opportunity costs jump quite dramatically at about the time that a child completes primary or begins junior secondary school. Whereas the opportunity cost for seven-year-old children is low and associated predominantly with the contribution they can make at home, by age twelve or thirteen young people can begin to earn substantial wages in agriculture. Mason cites research that indicates that in rural Java, the main focus of his work, children age 12 to 14 work nearly four-tenths as many hours as adults age 20 to 29. Children age 15 to 19 work more than nine-tenths as many hours.

Mason illustrates the importance of such a contribution to the income of an agricultural household. The household is assumed to have five members: two parents who work primarily as farm laborers,

a thirteen-year-old child who has graduated from primary school, an eight-year-old child in primary school, and a five-year-old child. In 1989 the father could have earned about Rp 1,400 a day, including meals, for a variety of activities, while the mother could have earned Rp 930 a day. If both parents worked twenty days a month but none of the children worked, the family would have earned Rp 46,000 a month, or Rp 6,320 per capita. This would have placed the household in the lowest income quintile.

If the oldest child were male and earned as much as his mother (that is, nearly two-thirds as much as his father), his contribution would raise household and per capita income by 40 percent, to Rp 65,200 and Rp 13,040 a month, respectively. This would place the household in the second income quintile. If the oldest child were a girl who earned two-thirds as much as her mother, her financial contribution to the household would increase per capita income by 25.4 percent, to Rp 11,853 a month.¹¹

Conducting research on primary education in Thailand, Tsang and Kidchanapanish (1992, 182) addressed the question of opportunity cost from a slightly different angle. They defined opportunity cost as the number of hours a day parents would have liked children to help them if the children were not in school. They then set the monetary value of one hour of a grade 6 student's time at 25 percent of the adult minimum wage. At the time of their research the rural and urban minimum wages were about 6.5 and 7.5 baht an hour. The total indirect private cost per year was the product of 25 percent of the minimum wage, the opportunity cost (in hours per school day), and the number of school days per year.

Tsang and Kidchanapanish (1992) found that patterns of indirect costs across school types were the reverse of patterns of direct costs. For direct costs urban families and parents of pupils in elite private schools made the greatest inputs of fees, uniforms, books, and so on, and pupils in rural government schools made the least such inputs. However, urban and elite parents were less concerned about their children being occupied in school rather than in other activities. Although the value assigned to an hour's labor was higher in the towns than in the rural areas, the total opportunity cost to rural families was thus much greater than to urban families (table A.15).

Empirical estimates of the opportunity cost of labor have also been made in Myanmar. In the three villages that Evans and Rorris (1994) studied in detail, the average value of paid labor for children age 11 to 15 was 14–20 kyats a day, or 5,000–7,300 kyats a year. In the context of

average annual household incomes between 19,100 and 22,066 kyats, this was clearly of major importance to some families. The researchers found a strong correlation between paid child labor and both nonenrollment and dropout from school.

Returning to broader labor market conditions, in Mongolia opportunity costs increased with the advent of the capitalist economy. Livestock herds were privatized, and families are now left on their own to look after the animals. This has contributed to substantial dropping out of schools, especially by boys (Mongolia 1993, 4–14; Harper 1994, 27).

Although the economies of China, Lao People's Democratic Republic, and Vietnam differ from that in Mongolia, similar forces have operated there. The advent of the market economy has substantially changed the context in which school systems operate. With the sudden availability of wage-earning opportunities in the new economic system, many families face a difficult decision on whether children should stay in school in the hope of greater future returns or enter the labor force now to maximize present earnings and seize the best openings while they are available. Not all families have the luxury of this dilemma, however. Some families are forced to require their children to enter the labor market simply to survive. It is worth emphasizing that this type of decision often rests with the family or wider household rather than simply with the individual.

Community Resources in the Public System

In addition to the inputs of parents and the direct family members of schoolchildren are those of broader communities. These inputs have been alluded to in connection with the BP3 boards in Indonesia and deserve further comment.

A substantial literature exists on community financing of education (Assié-Lumumba 1993; Bray with Lillis 1988; Kemmerer 1992). It shows that, partly for sociological reasons, communities tend to be more cohesive in rural than in urban areas and that governments exploit this cohesion by demanding greater degrees of community financing in rural schools. Dominant patterns in much of East Asia match those in many other parts of the world. Urban-rural bias is institutionalized in China, for example, where urban primary schools are almost fully funded by government but rural primary schools rely on village communities (Tsang forthcoming, 6). These communities not only provide construction materials and labor but may also provide

food for the teachers, which may be their only remuneration (World Bank 1991, 45; West 1995a, 12).

Community financing may also be linked to religious behavior. In the Buddhist countries strong links are found with temples. For reasons that deserve to be explored more fully, links appear to be stronger in Cambodia than in Lao People's Democratic Republic and Thailand, but in all three countries they are substantial. Strong ties to Buddhist temples also exist in Myanmar. Biak Cin and Scandlen (1988, 171) highlight the importance of *cetana*, which is translated as loving kindness, and point out that attitudes that in the past supported monastic schools have to a substantial extent been transferred to secular schools. Donations by individuals and families to schools are commonly seen as an expression of virtue within the religious context. Among the minority religious groups in Thailand, Tsang and Kidchanapanish (1992, 188) found that Christians made above-average household inputs to education, while Muslims made below-average inputs. In other countries, however, Muslim communities may make substantial inputs. This is particularly evident in Indonesia.

Community resourcing is also seen in Lao People's Democratic Republic (box 4). In this village each household was levied both in cash and in labor. The leaders in the village argued that schooling was a good investment for the whole community and said that the arrangement was therefore generally accepted. The leaders did, however, recognize that some households were too poor to pay the cash levy. Those households provided extra labor instead (CARE International 1996).

In some settings community leaders are extremely well organized and are able to impose fines or other sanctions on households that are reluctant to participate (Hill 1991; Igwe 1988; Moegiadi and Jiyono 1991). This is not the case in all settings, however. At the microlevel, variations among villages arise from variations in the enthusiasm, vision, and organizational ability of village leaders. More broadly, variations arise from divergence in living standards and in cultures and forms of social organization. Community activities in Lao People's Democratic Republic, for example, are said to be stronger in the more prosperous parts of the country (such as Luang Prabang, Savannakhet, and Vientiane) than in the poorer and more sparsely populated northern and mountainous areas (Bray 1995b). Also, different racial and ethnic groups have different cultural traditions about the extent and nature of cooperation. The schools run by the Vietnamese and Chinese

Box 4. Community Resources for a Rural Primary School in Lao People's Democratic Republic

The village of Namouang is in a rural part of Vientiane Province, about three hours' drive from Vientiane Municipality. The village has made major inputs to its primary school. The most visible contributions are two buildings. One was constructed in fiscal 1993 with materials that cost 1.2 million kip; the other was constructed in fiscal 1994 at a cost of 1.3 million kip. Adding of the value of labor would at least double these sums. The community has also erected a perimeter fence and has constructed benches and desks.

To collect the money, each of the fifty-three households was levied an equal sum. Although the households had varying numbers of children and some had none at all, nobody complained about this system. Education was seen, at least by the leadership, as a sound investment for the community as a whole. Four of the fifty-three households were recognized as unable to contribute in cash, so they contributed extra labor instead.

The chairman of the Community Association oversaw the work. To carry out the construction, the village was divided into four groups that provided labor on separate days. Each household was required to send a strong worker, and careful records were kept. Anybody arriving late for work had to have a good explanation. Each building took about a week to construct.

Source: Bray 1995b.

Associations in Lao People's Democratic Republic are strong institutions with considerable community inputs, but the activities of other minority groups are much less vigorous. These patterns have parallels in other countries.

In addition to materials and labor, communities commonly donate land for schools. In many cases such land has a high opportunity cost, especially when it is flat and located close to a population center. Were the government to purchase such land, it would require a substantial budgetary provision.

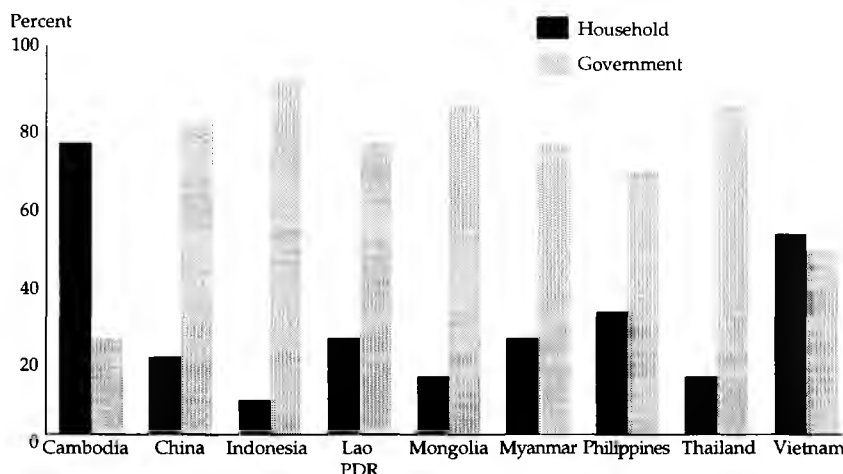
Community resourcing is not strong in all countries, however. Mongolia is the most sparsely populated country in the world, with a population density outside Ulaanbaatar of just 1.05 people a square kilometer. Also, 28.5 percent of the total population, or 38.8 percent of the non-Ulaanbaatar population, is nomadic, and seven

decades of antireligious activity by the communist government have resulted in a largely atheist society. Under such circumstances community cohesion of the type needed to support schools cannot be expected.

Proportions of Total Costs Met by Families and Communities

The total costs of education can be calculated by adding the inputs of governments, families, communities, and other agencies where relevant. Ideally, this calculation should include the value of labor, materials, and land as well as cash and should include expenditures on private supplementary tutoring. It is then instructive to identify the proportion of the total represented by nongovernment inputs. The discussion that follows presents such figures where possible, though data on some costs—particularly nonmonetary and noninstitutional ones—are scarce. A complete picture would include the opportunity costs, not only for the resources of families and communities but also for those of governments. However, these costs are not discussed in this section because they differ from direct inputs.

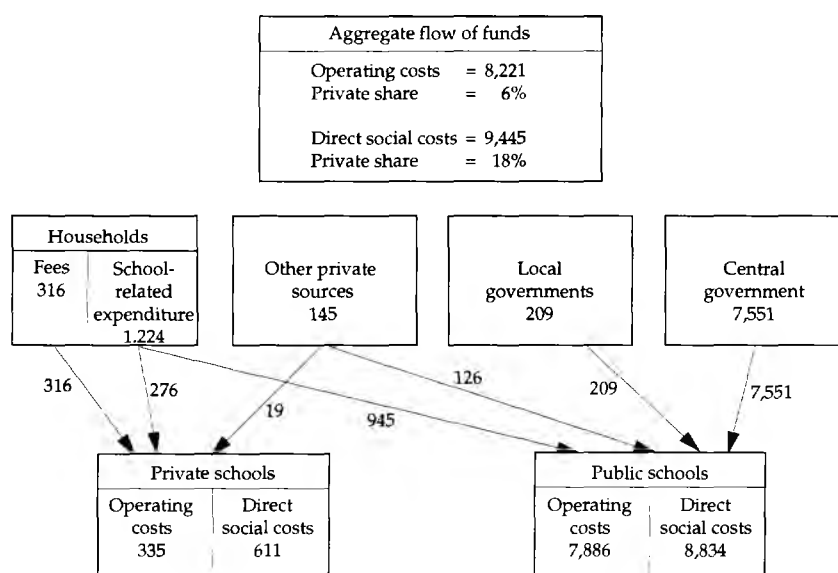
Figure 1. Household and Government Public Primary Education Resourcing in Nine Countries



Note: See text for explanation of what items are included in household expenditures in each country.

Source: Evans and Rorris 1994; Hossain 1996; King 1994; Schwartz 1995; Thomas 1996; Tsang and Kidchanapanish 1992; West 1995a, 1995b; World Bank 1995g.

Figure 2. Aggregate Flow of Funds in Elementary Education, 1986
(millions of pesos)



Source: World Bank 1988, 26.

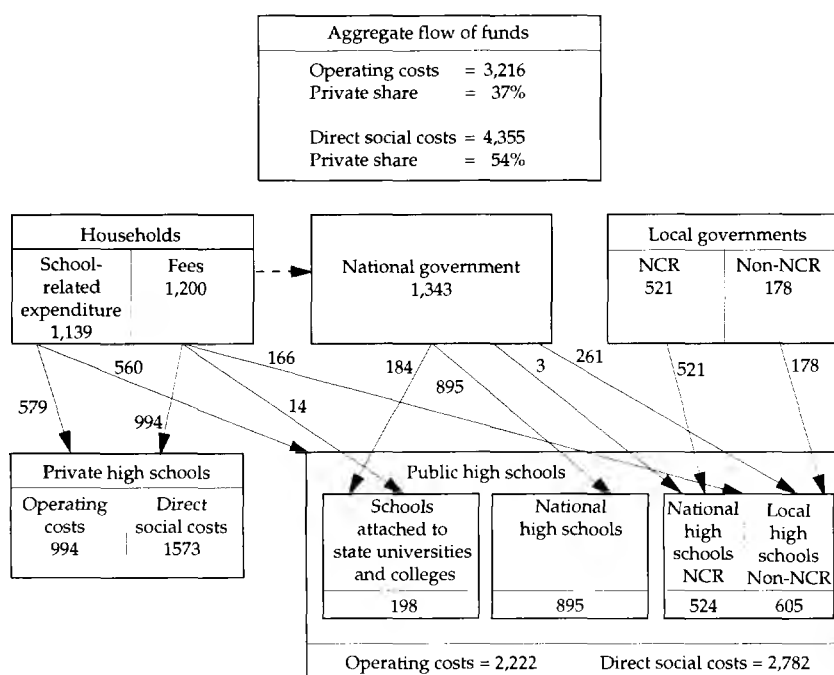
Figure 1 shows the proportions of total expenditure in public primary schools borne by households and governments in the nine countries covered by this study. In all countries the household proportions are significant, but in Cambodia, the Philippines, and Vietnam, they are dramatic. Households in Vietnam meet half the total costs, and households in Cambodia meet three-quarters. Only in Indonesia are household costs estimated at less than one-tenth. Within each country are substantial variations, and various cautions need to be emphasized on comparability of the figures across countries, particularly in relation to what was included or excluded in calculation of household costs. Nevertheless, the portrait is striking.

It should be stressed that figure 1 refers only to the public sector and to the primary level. The shares of total costs met by households would be much greater in the private sectors. Available data indicate that they are also considerably higher at the secondary level. In Vietnam, for example, households were estimated in fiscal 1993 to be meeting 52.2 percent of the costs of public primary education but 67.7 percent of the costs of public lower secondary education and

72.2 percent of the costs of public upper secondary education (World Bank 1995g, 192).

Figure 2 gives some historical perspective with statistics that are not recorded in figure 1. Showing the aggregate flow of funds in Philippine elementary education in 1986, it indicates that in the public sector direct social costs (that is, excluding opportunity costs) amounted to 8,834 million pesos, of which 948 million pesos came from households and 126 million pesos came from other private sources such as churches and companies. Among private schools, direct social costs amounted to 611 million pesos, of which 316 million came from fees, 276 million came from other household expenditure, and 19 million came from other private sources. Overall, households and other private sources met 6 percent of total operating costs and 18 percent of total direct social costs.

Figure 3. Aggregate Flow of Funds in Secondary Education, 1986
(millions of pesos)



Note: NCR is National Capital Region.

Source: World Bank 1988, 29.

Table 10. Philippines: Cost-Sharing in Public Education, 1986 and 1994
(percent)

	1986	1994	1994 index (1986=100)
<i>Elementary</i>			
Government	87.9	69.1	139
Households	10.6	30.4	507
Total	100.0	100.0	177
<i>Secondary</i>			
Government	66.5	57.3	132
Households	33.5	42.5	195
Total	100.0	100.0	154

Source: Schwartz 1995, 50.

The pattern at the secondary level was more complex (figure 3). At that time there were at least eight types of secondary schools in the Philippines: two types of nationally funded schools (those administered directly by the government's Department of Education, Culture, and Sports and those attached to state universities and colleges); four types of locally funded schools (provincial, city, and municipal secondary schools financed by local governments and local schools financed by communities with varying amounts of government subsidy); and two types of private schools (sectarian schools affiliated to religious groups and nonsectarian schools operated either as stock or nonstock corporations). The figure shows that the operating costs in the sector amounted to 3,216 million pesos, of which 37 percent was provided by households in the form of fees. However, the total direct social costs, which included household expenditures on books, uniforms, transport, and so on plus private donations and income from school activities, amounted to 4,355 million pesos. Of this, 54 percent was provided by the private sector. In other words, nongovernment expenditures at the secondary level exceeded government expenditures. Moreover, this was an underestimate of nongovernment expenditures because it omitted the costs of supplementary out-of-school tutoring and the value of nongovernment inputs of materials, labor, and land.

Since 1986 several important changes have occurred in the Philippines. In 1988 the government abolished tuition fees in all public secondary schools and agreed to pay the salaries of all teachers in community-run local secondary schools. The burden on households has not, however, been reduced in the way that was promised at the time of the reforms. Comparing proportions of cost sharing in 1986 and 1994, the secondary level total costs increased 54 percent (table 10).

Table 11. Indonesia: Private Components of Primary School Costs, 1989
(percent)

	<i>Public schools</i>	<i>Private schools</i>	<i>Rural schools</i>	<i>Urban schools</i>	<i>All schools</i>
Jakarta	29.0	91.9	26.6	88.2	39.0
Other Java	9.3	48.7	8.6	30.2	10.0
Outside Java	3.5	12.6	3.5	8.5	4.2
Indonesia	7.8	30.0	6.8	13.4	8.8

Source: Calculated from King 1994, 18.

The bulk of this increase (an index of 195, compared with 132) was covered by households rather than by the government.¹² In public elementary schools the shift toward private subsidy was even more dramatic. Whereas the government index increased from 100 to 139, the household index increased from 100 to 507.

The chief reason unit costs increased so much was that teachers salaries improved in both private and public schools. An official cap on the ceiling of private teachers salaries was removed. Public teachers' compensation packages increased 5 percent a year in real terms between 1985 and 1995. Moreover, the raise in basic salaries and other compensations granted in 1994 and 1995 was part of a longer-term package with scheduled annual adjustments up to 1998. To pay for this, the government has had to cut other expenditures in the public schools. The result has been a *de facto* transfer of the burden to parents, who, ironically, have ended up paying more for education than they were before of the 1988 reforms that had promised free education.

In Indonesia the picture is less dramatic but still quite marked. At the primary level in 1989, private inputs to public primary schools met 7.8 percent of school budgets and in Jakarta the proportion was as high as 29 percent (table 11). In the private sector nongovernment inputs were naturally much higher (note the scale of government inputs to private schools, especially outside Java). The figures suggest that in general private inputs were higher in urban than in rural schools, though the calculation omits allowance for the value of donated labor, materials, and land, which were probably more forthcoming in rural areas.¹³

Vietnam provides a rather different setting because it is officially a socialist society in which, at least until recently, strong emphasis has been placed on government provision of education. Given this context, the large proportions of costs being met by households are all the more noteworthy. In fiscal 1993 households met 52.3 percent of costs at the primary level and even greater proportions at post-primary levels

(table 12). Once again the figures exclude allowances for household and community inputs of labor, materials, and land.

In Cambodia no detailed national surveys have been conducted of the types presented from Indonesia, the Philippines, and Vietnam, but a picture can still be constructed from existing data. Tables A.19 and A.20 present some figures on household expenditure per pupil by level of education. The tables are not easily compared with each other because this period was characterized by high inflation and also by some fluctuation in prices. To convert the figures into real costs, therefore, it would be necessary to know the months in the year during which expenditures occurred. Still the figures do provide some indication and can be compared with estimates of government expenditures per student in selected provinces (table A.20). The figures suggest that, including private coaching, families may have been spending at the primary level between three and nine times the amount the government was spending per pupil, and that the gap between family and government expenditures was even wider at the secondary level. The statistics for other countries do not include the costs of private tutoring (see figure 1). These costs were deleted from the figure for Cambodia, but the average for other household costs for primary schools (table A.20), compared with the average of government unit expenditures (table A.22), still shows households meeting 75 percent of total costs.

Estimates in Thailand (Tsang 1994b, 220, 226) placed household contributions at 14.1 percent of the total costs of public primary education

Table 12. Vietnam: Public and Household Resources for Public Schools, Fiscal 1993
(billions of dong)

<i>Item</i>	<i>Primary</i>	<i>Lower secondary</i>	<i>Upper secondary</i>
Total contribution	1,590	963	407
Government	759	311	113
Households	831	652	294
Fees	36	95	57
PTA	109	53	15
Uniforms	122	110	40
Books	237	160	54
Other	327	234	128
Household contribution as a percentage of total	52.3	67.7	72.2

Source: World Bank 1995g, 192.

in 1987.¹⁴ In Myanmar a 1994 Ministry of Education study of primary education in Sagaing Division estimated household costs at 30 percent of the total (Evans and Rorris 1994, 32). In China, estimates based on field work in Guangdong province place household costs at 16–25 percent of total costs of basic education (West 1995b, 18).¹⁵

All these observations may be summarized in a few important points. First, in most countries households make significant contributions to schooling. The research basis of the figures suffers from various shortcomings, in particular from the fact that most studies exclude nonmonetary contributions of land, labor, and materials. Also, the studies in different countries used different items in their calculations. It is possible, however, to make comparisons across countries. Most striking is the difference between the figure for Indonesia, where the proportion was about 75 percent. Thailand was also on the low side, while Vietnam was on the high side. The fact that proportions met by households were highest in the countries that had recently shifted from socialist economies toward capitalist ones to a large extent reflected the crisis in government funding in those countries. The picture presented by these figures may of course be transitory, but much depends both on the scale of government revenues and on the nature of government policies.

Burden on Household Budgets

It is obvious that education is a major item of household expenditure in most parts of the region. This finding deserves further investigation, particularly to identify the burden on families in different income groups and also to note variations within particular countries.

Table 13 summarizes data on the proportion of household expenditures consumed by education in the nine countries. The fact that the reported studies used varying bases for assessment means that they cannot be placed on a single numerical base. Among the methodological variations are whether incomes refer only to cash or whether they also refer to incomes in kind; whether disparities are calculated by decile, quintile, or some other basis; and whether all household expenditures or only nonfood expenditures are the focus. Variations are also found in the basis of educational costs. Some studies cover only cash expenditures, but the study in Thailand was notable for having added both contributions in kind and opportunity costs.¹⁶

Despite this methodological diversity, however, some patterns may be noted. First is that the poor in all countries are hit hard, whether they are in countries that overall are rather prosperous such as Thailand, or

in countries that have a low average GNP per capita such as Vietnam. The number of absolute poor varies by country and by localities within those countries, but in most settings the cost of education is a heavy burden for the poor. Poor households are also likely to have children, a further challenge to their budgets.

Another consistent finding is that secondary education consumes more than primary. This means that even if poor families can afford primary education, they are unlikely to be able to afford secondary education. Yet although rich families spend much more on education in absolute terms, both because their children stay longer in school and because their children are more fully resourced during each year of schooling, rich families spend much less in proportional terms.

The size of the gap between rich and poor varies (see table 13). The figures for Mongolia indicate the smallest gap, though the rich purchased much more with given percentages of their incomes and in particular had considerably greater enrollment rates in higher education (World Bank 1996). The gaps between rich and poor were much greater in Indonesia and Vietnam. In Vietnam the direct costs at primary education consumed 22 percent of nonfood expenditure for the poor, compared with just 12 percent for the richest quintile, and gaps widened at lower and upper secondary levels.

The findings on the proportions paid by urban as opposed to rural households are mixed. The Cambodian figures, although they should in general be treated with caution,¹⁷ show the proportion of household incomes consumed by education to be considerably higher in urban than in rural areas (Cambodia 1994c, 3–6). This is no doubt partly due to the fact that urban families are more likely to have students in post-secondary education. The study by West (1995b), which focused on primary and lower secondary education in China's Guangdong Province, showed that although households in the more urbanized middle-income and rich areas spent more per child in school (and were more likely to have children who stayed to the end of lower secondary school), those expenditures formed a smaller proportion of total household expenditures.

West's indication of regional disparities within Guangdong Province are echoed in interprovincial figures computed by the national government and quoted by Tsang (1994a, 300–01). The combined average of extrabudgetary expenditures (includes schools' self-generated revenue and social contributions, fees, surcharges, and levies but not transport, food, uniforms, or other expenses met by households) at primary and secondary levels in 1989 formed 5.3 percent of average

Table 13. Household Education Expenditures

<i>Country</i>	<i>Expenditures as a proportion of household incomes</i>
Cambodia	A 1993–94 survey reported that households in Phnom Penh devoted 3.3% of their incomes to education. The figure was 1.7% in other towns, and 1.9% in rural areas. A smaller survey of three villages in 1992 recorded proportions ranging from 4.9 to 11.8% (table A.19).
China	A 1994 study in Guangdong Province found that in the poorest part education consumed 29% of household incomes, while in middle-income and rich parts it consumed 19% and 14% (West 1995b, 24). A 1988 study found that the direct private costs of primary education in rural Shaanxi and Guizhou Provinces were 41 and 39 yuan. For average farm families those costs were not too heavy because total annual family incomes approached 2,000 yuan and cash incomes about 1,250 yuan. However, the poorest 8%, with total incomes below 1,200 yuan and cash incomes below 500 yuan, would have found the burden heavy (World Bank 1992, 85). In Beijing households spent 2.9% of their incomes on education in 1989 (Tsang 1994a, 294).
Indonesia	In 1989 direct primary school costs consumed 38% of per capita incomes in the poorest quintile and 17% in the richest quintile. Junior secondary figures were 47% and 11%, and those for senior secondary were 84% and 17% (World Bank 1993b, 56).
Lao PDR	Precise numerical estimates have not yet been calculated for Lao People's Democratic Republic. However, informal evidence together with some more formal studies suggests that the burden on households is comparable to that in Cambodia and Vietnam (CARE International 1996; World Bank 1995a).
Mongolia	A 1995 survey estimated average per capita household expenditure on education at 6.1% of per capita nonfood expenditure. The figure for the poorest quintile was 7.5%, and for the richest quintile was 5.3% (table A.27).
Myanmar	The cost of high schooling, not including private tutoring, was estimated in 1990 at 15.6% of average family income (Gibson 1992, 4). Inclusion of tutoring would have raised the proportion to 26.8%. Figures for middle schooling were 13.1% and 16.8%. However, case studies estimated primary education consumes only 2.6% to 4.2% of average village household incomes (Evans and Rorris 1994, 36).
Philippines	According to a 1994 estimate, households in the lowest seven deciles spent 2.7% of their incomes on elementary and 4.5% on secondary education (Schwartz 1995, 52). More detailed work is needed to desegregate expenditures by decile.
Thailand	For households with incomes below 650 baht per month the direct private costs in 1987 of sending a child to public primary school consumed 16.2% of total income. Households with incomes above 10,000 baht spent only 0.6% of total income per child in primary school. The greatest marginal gulf was between the poorest and those earning 651 baht to 1,600 baht per month, for those earning 1,600 baht per month spent only 3.8 baht per child on the direct costs of primary

<i>Country</i>	<i>Expenditures as a proportion of household incomes</i>
	school (table A.16). For the poorest groups, contributions in cash and in kind were equivalent to a further 4.3% of household income; and the opportunity costs were equivalent to 26.2% of household incomes. Adding these up, the burden on the poorest was shown as a huge 46.7%, compared to 10% in the next income group and just 1.9% in the top income group.
Vietnam	For the families in the poorest quintile direct costs per primary student in 1993 were equivalent to 22% of nonfood consumption. This was nearly twice the figure for the richest quintile (12%). At the lower secondary level, the cost-nonfood ratio was 45%, more than twice the ratio for the rich, and upper secondary schooling cost as much as the entire nonfood budget of the poorest quintile, which was three times as much as the relative cost facing the richest quintile. According to these figures, a family with two children in primary and one in junior secondary would have spent 89% of its nonfood budget on school expenses (World Bank 1995g, 94).

per capita income in the poorest province (Guizhou) and 9.4 percent in the richest province (Liaoning). Based on this and other data, Tsang (1994a, 305) concluded that not only were households being required to contribute ever-greater amounts to schools but also that regional disparities were widening.

Little information is available on the differential burden on minority groups. In general, minorities in Cambodia, China, Lao People's Democratic Republic, Thailand, and Vietnam have low enrollment rates, though they also tend to have low incomes and so may still be allocating high proportions of incomes to education (Nam 1996). The chief exceptions are the minorities of Chinese ethnicity outside China itself. In Vietnam, for example, Fong (1994, 6) indicates that among the majority Kinh population, expenditures in 1993 averaged 140 dong, compared with 439 dong for the Chinese minority but only 45 dong for other minority groups.

Policy Implications

It might be argued that the input of resources by those who can afford it is thoroughly desirable. From a financial perspective, it increases the total resources available for education and releases some of the pressure on seriously strained government budgets. Cost sharing may also contribute to a feeling of partnership in the educational enterprise, and this partnership may in turn generate more resources. In China, for example, Tsang (forthcoming, 8) has stated that decentralization reforms initiated in 1985 encouraged a sense of community ownership of schools, which increased willingness to make contributions.

This study has, however, highlighted various problematic features of recent trends. The greatest problems concern equity. The heavy burden on some sections of the population contributes to high dropout rates. Parental and community financing may also lead to major regional imbalances.

Privatization in Education Systems

In some of the countries covered by this study, the private sector has always been prominent, and in others it has greatly increased in prominence. Much of the privatization is hidden in the sense that it has occurred in the public sector rather than in the private sector per se. One message from this study is that the extent of privatization should be recognized more widely. In addition to private schools, it includes private tutoring. It also includes increased private financing of public schools.

At the beginning of this study a distinction was made among four types of private school. First are elite private schools, which generally provide good-quality education at a high price; second are schools run by religious or other not-for-profit organizations, which provide an alternative to the public system and may be qualitatively superior, equal, or inferior to public schools; third are low-quality institutions, which operate on low budgets but cater to excess demand and give a second chance to those who have failed to gain places in public schools; and fourth are low-cost institutions, which cater to students who could go to public schools but who are discouraged from doing so by the various charges made in those institutions.

Each form of private school has strengths and weaknesses. On the positive side, many people value diversity within the system, feel that elite schools can act as a model for other institutions, and applaud the fact that private second-chance institutions provide opportunities that would otherwise not be available. Even the low-cost institutions that serve children whose families cannot afford the charges in the public system have some positive role, because in the absence of such institutions the children would probably have to leave school altogether. The fact that parents and communities are prepared to pay for private schooling also relieves the government from educating some children and permits redistribution of resources to other areas. On the negative side, however, elite private schools may maintain and exacerbate social inequalities, alternative religious schools may threaten national cohesion, low-quality secondary schools sometimes raise individual aspirations to unrealistic levels and waste resources that could be better invested in other activities, and the reemergence of low-quality primary schools serving people who are excluded from the public system is felt by some observers to be evidence of retrograde trends in the education system.

Ultimately, policies on private schools are based mainly on value judgments. Economics certainly plays a role, but even in poor countries the policymakers are able to prohibit private schooling if they are prepared to deny second chances to those who are unable to gain public places or to demand that children whose families cannot pay public school charges should withdraw from schooling altogether. Few governments are willing to take such strong stances, however. In Indonesia the authorities have sought to discourage lower-quality private schools but to provide subsidies and find other ways to upgrade their quality. The authorities in Myanmar have permitted communities to operate affiliated schools that help to extend opportunities especially in rural areas and have held out the possibility that the government will relieve the burden on these communities by taking over the schools. The Myanmar government has not welcomed operation of more elitist private institutions but has left the door open to an informal shadow system at the secondary level by permitting private candidates to register through public schools for public examinations (Myanmar 1992, 23).

In China, Lao People's Democratic Republic, and Vietnam the authorities are much more tolerant of elite and alternative-model private schools. In Lao People's Democratic Republic the Asian Development Bank has given technical assistance on mechanisms to

support the private sector (Murugasu 1993), and a prime minister's decree setting out guidelines and incentives was issued in 1995 (Weidman 1995). The Chinese government is ambivalent about the growth and implications of private aristocratic schools (Mok and Chan 1995; Wang 1995), but growth in the sector has been so vigorous that it would now be difficult to stem the tide. Likewise, although for a time the Vietnamese authorities were somewhat coy about the newly emerged private sector, preferring instead to call it semipublic, the true nature of the increasingly vigorous private institutions is now being widely recognized and accepted.

Private tutoring also has both positive and negative sides. One major recommendation arising from this study is that the activity be researched more thoroughly to determine more accurately its nature, extent, and implications. Meanwhile, it is worth remembering that private tutoring is a way through which pupils can receive more individual attention, and it can have a clear influence on their academic achievement. It is also a mechanism through which poorly paid teachers can increase their earnings. On the negative side, in most settings private tutoring seems to tip the curriculum further toward academic book-learning to pass examinations, and it appears to favor rich and urban populations. It may also impose a heavy burden on household budgets, and in some settings an element of blackmail is involved, particularly when teachers give private tutoring to the same children whom the government employs them to teach during school hours.

Other forms of privatization in the public sector have been particularly evident in Cambodia, Lao People's Democratic Republic, Mongolia, and Vietnam, where education used to be almost fully funded by the government but where a wide range of contributions is now demanded from households. China and Myanmar were socialist states that diverged from this model and encouraged or at least tolerated what in China were called *minban* schools and in Myanmar were called *affiliated* schools. But even in those two countries the past decade has brought a great increase in the proportion of funds solicited directly from households rather than through the taxation system.

Such an increase has also been evident in some of the countries that have always had capitalist regimes. The governments of Indonesia, the Philippines, and Thailand are all making major thrusts to expand enrollments in junior secondary education, and to that end have extended the official abolition of fees from primary to junior secondary education. Policies and practice are not, however, always the same thing. In the Philippines the financial burden on households has

increased rather than been reduced since 1988, and in Indonesia official government-determined fees have been replaced by fees, levies, and contributions determined at the school level.

These observations underline the need for policymakers first to assess carefully the advantages and disadvantages of privatized education, and second, if they decide that they are willing to tolerate or encourage greater privatization, to examine its many different forms and manifestations. Although evidence suggests that private schools may be more efficient than public ones (Bashir 1994; Lockheed and Jimenez 1994), considerably more research on the matter is needed before findings can be considered firm (Bray 1996c; Kingdon 1994; Riddell 1993). Advocates of privatization often point out that an increase in enrollments in private schools can save the state money by reducing enrollments in public schools, but it is far from certain that the money that might be saved would actually be used to benefit disadvantaged groups. Of course, it should also not be assumed that public education is necessarily less elitist or discriminatory than private education.

Effect on Enrollment

One can note positive and negative effects on enrollment from parental and community financing. On the positive side, the extra resources have extended the quantity of education. This is particularly clear in the case of Myanmar's affiliated schools, but is also true of other settings where local contributions have helped establish or maintain schools that could not be sustained by the government alone. While further research is needed, it might also be argued that direct family contributions to the cost of education encourage those families to pay greater attention to pupils' attendance and to the nature of what their children learn in school. This in turn could help ensure an appropriate return on the investment of the resources, including the children's time.

By contrast, the combination of direct and indirect costs imposes a heavy burden on the poorest households. In these settings there is a likelihood either that children will not be enrolled or that they will drop out at an early stage. The World Bank has noted (1991, 62) that in China "poor parents are finding it increasingly difficult to send their children to school and many parents have come to doubt the value of schooling." A subsequent report observed that although the Chinese government had increased funding for education, most of

that funding had benefited the well-off urban population and middle- and upper-income rural inhabitants (World Bank 1992, 81). Very little of the money had reached the absolute poor. Moreover, because schooling in rural areas was inferior in quality, potential returns to investment in education were relatively low for those groups.

Evans and Rorris (1994, 31), have made comparable comments about Myanmar. They pointed out that "[t]he difficult economic situation in Myanmar households means that even the most negligible financial costs associated with primary education may be of critical significance." They added (35) that although education was highly valued in the settings they investigated, this was more as a means of improving status and of being better able to function in society than because schooling, at least at the primary level, was seen as an investment. In such circumstances it is no surprise that the poorest households have simply found that they could not afford the direct and indirect costs of school attendance. Even if they had been willing to take loans to finance the schooling, the virtual absence of credit markets would have precluded this possibility.

Developments have been particularly dramatic in Vietnam and Mongolia, where economic transition has brought a break with the past. Although Vietnam used to boast universal primary education, during the late 1980s and early 1990s enrollment rates fell markedly. By 1993 only 78 percent of children age 6 to 10, the official age group, were reported to be enrolled in primary schools (World Bank 1995g, 84). In Mongolia dropout and nonenrollment in primary and secondary schools were negligible before 1991, but by 1994 an estimated 30 percent of the grades 1–10 age group were not in school (World Bank 1995b, 6). The differences between the rural and urban areas were even more alarming: 37 percent in rural areas, compared with 16 percent in towns.¹⁸

These figures of course also reflect other developments, including the fact that young people in Mongolia were now needed to look after privatized herds and that in both Vietnam and Mongolia the new opportunities arising from the market economy made many young people feel that their time would be better spent outside school rather than within it (Abbai 1995; Brooks and Thant 1996). It seems clear, however, that the direct costs of schooling were certainly a major factor depressing enrollment rates (World Bank 1996).

In Indonesia and Thailand the situation is rather different. The economies of these countries have not been subjected to the pains of transition from socialism to capitalism, and in general the societies are

much more prosperous. The main focus of current government initiatives in those two countries is on raising secondary enrollments. The authorities certainly recognize that the poorest of the poor are excluded from primary schooling and that these families need attention and help, but they feel that they are a fairly small minority. Raising lower secondary education rates to 95 percent or more is an even greater challenge than at the primary level, partly because lower secondary education has higher direct costs both for governments and for households, but also because for that age group families must bear much heavier opportunity costs.

Official Policies on Fees

The figures on the amounts that households devote to education, whether voluntarily or not, should be considered in conjunction with the severe resource constraints faced by many governments and should prompt reconsideration of official policies on fees. The outset of this study presented several declarations from forms convened by United Nations organizations that asserted the desirability of fee-free education. This philosophy has become widely accepted, and in three of the nine countries covered by this study (Cambodia, Mongolia, and the Philippines), free public provision of education is enshrined in the national constitutions.

Education is not free, however, in the sense that no one has to pay for it (box 5). The politicians who promise fee-free education usually state that all the resources needed by schools will be provided by governments. In most low-income countries, however, governments are simply unable to meet all the needs of public schools. The result is either that schools are starved of resources or that parents and other community members decide or are requested to contribute funds to bridge the gap. One irony of free-education campaigns is that, at least in the short run, they often deprive schools of essential resources. Because the government promises to meet all needs, parents quite reasonably withhold their contributions. Only when it becomes obvious that the government will not fulfill its promise do parental and community inputs come forth again, and even then the volume of such inputs is generally less than it would have been in the absence of official policies of fee-free provision.

This point suggests that governments might be better advised not to declare that education in public schools will be free of charge, particularly if those governments are unable to provide all the resources that schools need. This is not necessarily to suggest that governments

Box 5. High Cost of Free Schooling

Public education in Cambodia is ostensibly free, but an elaborate system of user fees and other charges can strain the budgets of poor families and, in some cases, put it out of reach entirely. Take the case of Chann Mom, who lives with her husband, Chann Sophal, and five children in a one-room thatched hut adjacent to a rice paddy in the village of Russey.

Chann Mom and Chann Sophal awake long before dawn each morning to stoke the fire in an open charcoal pit and to make small cakes known as akow for her to take to the Russian Market in nearby Phnom Penh. She brings home about 3,000 riels (\$1.20). He earns a comparable amount driving a rented motorbike taxi, and the family is also raising two pigs that will yield about 19,000 riels.

The Chann family is fortunate because a charitable organization is picking up the 1,200 riels entrance fee for the four children in Russey Primary School, and her sister is doing likewise for the oldest son, Chann Phan, at the Beng Tra Bek Secondary School. Nevertheless, there are other costs for schooling. Phan needs 500 to 1,000 riels each day to pay for lunch and voluntary private tutoring, and the younger children need 100 to 200 riels for their own private lessons. "When I have the money for tutoring, I give it to them," she explained. "Other times I do not have the money, and they feel ashamed, so they do not go to school those days."

Mom ran into a problem two years ago when, because of heavy medical expenses, they had to sell their house in Phnom Penh and move to Russey. She said that the director of the local school wanted 20,000 riels to enroll each of the three children in school, and the director of the school they were leaving in Phnom Penh demanded 30,000 riels for each child before he would sign the papers releasing them. Because she could not pay either official, the children dropped out of school for a year.

Constant fundraising is another problem for poor families. The Russey School is located on the grounds of a Buddhist pagoda, so there are fundraising festivals virtually every month. "If we know they are going to ask for money," said Mom, "the children stay home."

Source: Cambodia 1994a, 86.

should impose fees. Rather, school boards should have the formal right to demand fees and other contributions, perhaps subject to a maximum ceiling. This is the de facto situation in many countries, including those in which free education is a constitutional right. The clauses on free education should be deleted from constitutions, first because free education is not necessarily a good policy and second because in many contexts it is clearly unworkable.

The recommendation that fees be permitted does, however, raise several questions, and requires attention to accompanying frameworks. The first question concerns the safety net for the poorest to ensure that they are not barred from school by an inability to pay fees. The importance of local-level decisionmaking on this matter becomes more apparent. It is at the local level that school boards can know personally the individuals and families who face hardship. Experience in a wide range of contexts shows that school boards can and do exempt poor families from payment of cash, either by proposing contributions of labor and materials instead or in some cases by not even demanding those contributions (Bray 1996b; Evans and Rorris 1994). Many school boards also give discounts to families that have more than one child at school.

However, experience in various settings has also shown that local school boards are not necessarily sensitive to the needs of the poorest. Opolot (1994) has pointed out that secondary school boards in Uganda are often dominated by local elites who are not particularly concerned about exclusion of the poor. Similar observations have been made about Tanzania by Galabawa (1994) and Kenya by Makau (1985). While provision does exist in Vietnam for exemption from the nationally determined secondary school fees, fee remission is not heavily skewed toward the poorest groups. In 1993 only 17.3 percent of lower secondary students from the poorest quintile paid no fees, compared with 14.1 percent in the richest quintile (World Bank 1995g, 197). These facts underscore the need for some consciousness raising, guidance, and monitoring of school-level decisions. Workshops for school managers could be a good investment not only for this goal but also for other aspects of administration.

One useful model might be that introduced in Nicaragua, where a group of secondary schools entered a special scheme in 1993 (Arnove 1995, 39). Schools were expected to charge monthly tuition fees of 10 córdobas (\$1.70). The very impoverished, high academic achievers, and children of teachers, demobilized soldiers, and former revolutionary combatants were exempt from payment. For these students the government provided a subsidy of 20 córdobas a student in lieu of the fee. Such an arrangement perhaps creates a danger of abuse and generates demand costs for documentation and verification, but it gives schools a clear incentive to enroll these particular types of students.

Where whole districts are so impoverished that very few families can pay fees, governments must make regional adjustments (Besley

and Kanbur 1990). In China, for example, some localities are so poor that they can have little hope of unaided development. In such cases the authorities should aim to transfer resources from richer areas.¹⁹ Providing reasonable-quality, fee-free education, primarily paid for out of revenues in other parts of the country is one way to effect such resource transfers. Even poor districts have not-so-poor people who would be capable of contributing to schools, but policymakers may decide that providing fee-free education to such people is acceptable in the effort to achieve the overall goal and reach the most disadvantaged (Van de Walle and Nead 1995). In Indonesia the World Bank (1993b, 64) has estimated that if subsidies were provided throughout the thirty poorest districts grouped according to their average per capita income, less than 1 percent of the beneficiary families would belong to the richest 20 percent of the national population. This might be considered a modest degree of leakage, especially because the system would cover more than three-quarters of Indonesia's youths in the poorest quintile.

Targeting by language group is an alternative approach. Analysts have recommended this strategy in Peru, where 70 percent of Aymara speakers and 32 percent of Quechua speakers are extremely poor and where targeting all Aymara and Quechua speakers would capture 41 percent of the extremely poor (World Bank 1993c, 52). Almost all the East Asian countries covered here have ethnic minorities who are economically disadvantaged and who might be targeted in the same way. Differential treatment for both geographic regions and language groups can raise political controversies, but such arrangements deserve consideration.

Costs of fee collection and accounting also deserve consideration. Before the fee-free policy for junior secondary schools launched in Indonesia in 1994, parents were required to pay fees that were sent from the schools to the national government. Once they reached the government, they were supposed to be converted into grants to cover school supplies. One study, however, showed that the value of the grants that came back to the schools ranged from 35–75 percent of the value of the fees and averaged only 51 percent (King 1994, 9). The balance had been absorbed by administrative expenses and other factors. Fee retention at the school level would cut out this element.

Of course, fee retention by schools raises the danger of loss and theft at that level. School boards should be assisted with mechanisms to handle money and to encourage both transparency and accountability. Most school boards are already handling cash and other contributions,

however, so retaining fee income at the school level is not a dramatic change from existing practices. And although central monitoring and support for school boards would demand resources, investment of those resources would reap major dividends in improved administration at the school level.

Official private sector policies in two countries are worth nothing. In the Philippines and Thailand the government used to place a cap on private school fees (Arcelo 1991; Jessadachatr and others 1992). The main objective of this cap was to limit the burden on parents and to prevent excessive profiteering by the institutions. The strategy did not work satisfactorily in either case, however, and in both cases the policy was either abandoned or loosened in the early 1990s.²⁰ In Thailand the cap was widely circumvented by demands for tea money or other contributions from parents, and in the Philippines the cap on fees restrained teachers' salaries and prevented low-quality private schools from upgrading themselves. These experiences suggest that the private sector is best left to regulate its own fees.

Household Costs and Elasticity of Demand

Researchers in a range of countries have shown that the poorest groups are more sensitive to changes in the price of schooling than are middle-income and rich groups (Evans and Rorris 1994; Gertler and Glewwe 1989; Ilon and Moock 1991; Mason 1994). One study in Indonesia suggested that although abolishing fees would be unlikely to have a significant effect on enrollments at the primary level, for groups in the lowest income quintile abolishing fees at the junior secondary level would raise the transition rate from primary school by 12.2 percentage points, bringing it to 58.3 percent (King 1995, 27). At the senior secondary level, the study suggested, abolition of fees would raise the transition rate by 7.6 percentage points, bringing it to 33.2 percent.

Such studies underscore the desirability of ensuring that the poorest households do not have to pay fees, especially if those fees are in cash and do not allow for inputs of labor or materials instead. Several countries in the region covered by this study, especially those that have moved from socialist to capitalist economic systems, have experienced sharply increased poverty during the decade. In Mongolia, for example, the proportion of households below the poverty line was estimated to have increased from 16 percent in March 1992 to 26 percent two years later (World Bank 1995b, 4).²¹ In the countries with long-standing capitalist systems—Indonesia, the Philippines, and Thailand—important

reductions in poverty have been achieved during recent decades, but even there the pace of improvement has been less satisfactory than had been hoped (World Bank 1995c, 3).²² Moreover, a recent estimate using comparable measures of dietary and nonfood consumption found that rural poverty in the Philippines was lower than in Thailand but more than half again higher than in China, and a third higher than in Indonesia. Urban poverty, in contrast, was higher than in Thailand but lower than in China and Indonesia (World Bank 1995c, 6). As both the proportions and the direction of change in the numbers of the poorest may vary in different countries, all the countries covered by this study feel the challenges of absolute poverty.

The timing of fees also determines households' ability to make payments. Studies in various parts of the world have pointed out that demands for fees may be made at inconvenient times of the year. In the Gambia, for example, fees are required at the beginning of the school year even though the months September to November are when farmers are poorest because they have sold their cash crops, consumed most of what food they have stored, and are waiting to harvest in December (Gambia 1995, 45). Similar observations have been made in Zambia, and they are likely also to apply to parts of the East Asian region covered here (World Bank 1994b, 182). Governments that do have centrally imposed fees could alleviate the burden on households by being flexible in the timing of their demands.

In most settings, however, official fees are only a fairly small portion of total household expenditures on education, and even supplementary school-level fees do not raise that proportion to enormous levels. This implies that removing other costs could have an even greater effect. Table 14 presents information from Indonesia and Vietnam. The Indonesian figures show that fees of all kinds comprised 16.8 percent of total household expenditures on primary education in 1992 and rose to 26.3 percent in upper secondary education. The figures for the lowest income decile were 16.9 percent at the primary level and 37 percent at the upper secondary level.²³ The Vietnamese figures show that fees of all kinds consumed an average of 4.3 percent of expenditures at the primary level, rising to 19.3 percent in upper secondary education. Respective figures for the lowest income quintile were 2.3 and 23.7 percent. Thus even if governments were to succeed in prohibiting fees of all kinds, the costs borne by households would not have been reduced to anything like zero. And were opportunity costs to be added to the equation, the proportionate reduction in the burden on households would have been even smaller.

Table 14. Indonesia and Vietnam: Proportions of Total Household Education Expenditures Devoted to Fees of All Kinds (percent)

	<i>Primary</i>	<i>Lower secondary</i>	<i>Upper secondary</i>
<i>Indonesia (public and private systems), 1992</i>			
All households	16.8	24.4	26.3
Lowest income decile	16.9	34.2	37.0
<i>Vietnam (public system), 1993</i>			
All households	4.3	14.6	19.3
Lowest income quintile	2.3	26.4	23.7

Source: Indonesia 1992; World Bank 1995g, 187, 191.

Given this situation, governments that really want to help the poorest households may need to take more drastic steps. The challenge is to find a measure or combination of measures that on balance best meet the need (Van de Walle 1995). One approach, particularly for rural communities, would be to construct schools nearer poor communities. This would cut both the direct expenses of travel and the opportunity costs of the children's time while traveling. It could also reduce the children's fatigue helping them to concentrate on their lessons. King's (1995) simulations in Indonesia suggested that for the lowest income quintile, constructing new schools so that no child would have to travel more than one kilometer would increase the transition rate from primary to junior secondary school by 6.5 percentage points. This was only half the predicted effect of abolishing fees but was nevertheless substantial. For enrollment in primary schools the effect would be almost negligible, but at the senior secondary level the predicted effect would be to raise transition rates by 3.8 percentage points, which was again about half the impact that was predicted from abolishing fees. Operating numerous small schools would of course raise questions about class size and unit costs. At the senior secondary level, it would also raise questions about the number of specialist options that could be offered in each school, but it might be a strategy worth considering in some settings.

Another strategy would be to provide subsidies in cash or in kind (for example, through free food, books, materials, and uniforms) to offset the direct and opportunity costs. A scholarship project for female secondary students in Bangladesh, which has been considered successful since its launch in 1977, is one example of such a measure (Herz and others 1991, 44). In this system, cash payments are made only if

students enroll and stay in schools for the duration of the year. Payments are made through banks, and recipients have thus become familiar with the banking system. Recipients can be identified through income tests or, where the culture permits, through affidavits of poverty.²⁴ Such targeting can cause political opposition when individual households or children are treated differently from others, which caused modification of the Bangladesh project so that subsidies were given to all girls in target areas rather than just to the poorest (World Bank 1993b, 64).

The fact that the poor require special consideration is not an argument for making education free for everybody. Even less is it an argument for prohibiting households from making contributions to the costs of schooling. As noted at the outset of this study, evidence from a range of countries suggests that at least some households are willing to make extra payments to reduce the distances that children travel to school or to improve quality. Indeed, given that the demand for schooling among rich households is much less elastic than among poor families, there may be a case for increasing the fees and other contributions demanded from rich families (Mingat and Tan 1986; World Bank 1993b, 69). Some school boards already impose greater levies on more prosperous families and solicit donations from those willing to pay for them. Such practices could be encouraged to generate further resources for education.

Socioeconomic, Regional, and Urban-Rural Imbalances

One side effect of these proposed measures is that the gap between prosperous communities and poor communities is likely to widen. Even if the authorities successfully operate fee exemption and subsidy schemes for the poorest, the fact that richer households are permitted or encouraged to inject resources to improve the quality of access to education is likely to widen disparities.

In the past a dominant philosophy in socialist societies was that equal poverty was preferable to a situation in which some were prosperous while others were poor. This view is no longer held so strongly, and even the governments in China, Lao People's Democratic Republic, and Vietnam are much more tolerant of inequalities than they used to be. The new philosophy seems to be that even if some communities are poor, that is not a reason everyone should be poor.

Nevertheless, unbridled exacerbation of regional inequalities is not to be recommended because it sows seeds of future national instability.

Governments should use other measures to assist disadvantaged areas and to reduce imbalances where they can. Such measures may need to rely to a large extent on increased taxation revenues from more prosperous socioeconomic groups and regions. The alternative to a school system so heavily financed by user charges is a system primarily financed through taxation revenues. The difficulty for many of the countries covered by this study is that the mechanisms for extracting taxation revenues and for redistributing resources are weak. This is particularly the case in the societies making a transition from socialism (Wong and Zahid 1996). But improvement in such mechanisms would be one long-term mechanism to alleviate the hardships imposed by the current system.

The same is true for urban-rural imbalances. Some governments exploit the fact that people in rural areas are likely to have stronger community bonds, demanding greater community contributions from rural than from urban areas. This does not seem reasonable. If people in towns are less able or willing to contribute labor and materials to schools, a case can be made for demanding cash contributions instead.

Conclusion

This study has highlighted the need for much more detailed attention to the cost of schooling incurred by parents and communities. In some societies these costs are greater than even the costs to governments. Quite apart from overt forms of privatization, the growth of household resourcing of public education has been a hidden form of privatization of enormous significance.

While this study has primarily focused on nine countries of East Asia, it has clear parallels with experiences in some other parts of the world (Assié-Lumumba 1993; Esquieu and Peano 1994; Mason and Khander 1996; Tilak 1995; UNICEF 1996). Patterns are far from uniform but one striking finding from this study is that costs to households have increased in long-standing capitalist countries such as the Philippines, as well as in former socialist countries such as Cambodia. The scale of the increase varies widely, but it is significant that in these countries there is an increase at all. Some household and communities have welcomed the opportunities to improve access or upgrade the quality of institutions. Others have not welcomed the demands on them but have nevertheless been willing to respond. Yet others found the burdens intolerable and have been forced to withdraw their children from school.

Much more research is urgently required. This study has presented some empirical findings, but they are in need of implementation. Both broad surveys and detailed case studies are required, focusing not only on the direct costs of schooling but also on the opportunity costs. Such studies should examine all levels and types of education and should identify variations in particular societies at different points of time. Such research should look at the different units of decisionmaking, including communities, households, individuals, local governments, school committees, and central governments.

The 1990 Jomtien Declaration on Education for All identified the need for new and revitalized partnerships in basic education. Such partnerships will certainly be an important element for the coming decades for a wide range of reasons. Questions arise, however, on the circumstances in which governments are prepared to extend partnerships to real decisionmaking or whether the concept is restricted mainly to

mechanisms for sharing the burden of resourcing. The nature of existing partnerships of course varies widely, even within the region covered by this study. Relationships between the Indonesian government and Islamic private schools are very different from those between the Chinese authorities and the operators of village minban schools. Shaeffer (1991, 1994) has conducted valuable work on such variations, and the present study has endeavored to build on these insights.

Even in the absence of further research, some points are already clear. Above all, governments that seek to achieve universal primary education and expanded enrollments in secondary education must consider the costs and benefits at the household level. Their resulting policies must focus not only on supply but also on demand for education. Included in demand will be complex considerations of the quality as well as the price of education. When assessing the cost side of the equation, policy analysts must count the full cost, not only to governments but also to parents and communities, and not only the monetary costs but also the costs of donated labor, materials, and land.

Country Data

Table A.1. China: Direct Private Costs of Education in Shaanxi and Guizhou Provinces, 1988
(yuan per student)

	<i>Primary</i>		<i>Lower secondary</i>		<i>Upper secondary</i>	
	<i>Urban</i>	<i>Rural</i>	<i>Urban</i>	<i>Rural</i>	<i>Urban</i>	<i>Rural</i>
<i>Shaanxi Province</i>						
Tuition	0	0	0	0	12	10
Other school fees	7	5	18	14	50	40
Textbooks	21	16	43	30	30	30
Writing supplies	8	5	15	10	20	15
Miscellaneous	15	15	20	20	25	25
Total ^a	51	41	96	74	137	120
<i>Guizhou Province</i>						
Tuition	2	1.5	2.5	2	3.5	2.5
Other school fees	7	7	13	12	52	44
Textbooks	24	10	40	35	40	40
Writing supplies	8	5	15	10	20	15
Miscellaneous	15	15	20	20	25	25
Total ^a	56	39	91	79	141	127

a. Does not include boarding costs in some secondary schools, which averaged about 150 yuan a year. Totals are rounded up.

Source: Tsang 1994a, 303.

Table A.2. China: Average Fees in Selected Parts of Guangdong Province, 1992–93
(yuan per student)

<i>Fee</i>	<i>Primary schools</i>			<i>Junior high schools</i>		
	<i>Liannan</i>	<i>Yunfo</i>	<i>Zhongshan</i>	<i>Liannan</i>	<i>Yunfo</i>	<i>Zhongshan</i>
Miscellaneous	14.34	43.99	139.25	16.00	140.22	286.68
Community education	5.10	9.37	50.22	3.33	16.17	81.40
Class association	1.87	2.39	6.02	1.83	13.63	13.18
Capital construction	26.49	21.12	n.c.	20.00	2.35	n.c.
Physical checkup	2.00	2.12	2.36	12.00	2.13	4.06
Books	18.81	25.75	34.68	30.00	69.58	108.16
Personal insurance	4.29	2.93	8.33	4.33	3.15	16.71
Water and electricity	7.63	5.74	3.24	5.66	n.c.	n.c.
Fuel	20.49	n.c.	n.c.	15.50	n.c.	n.c.
Teaching instruments	4.74	2.61	12.73	7.67	2.84	n.c.
School desks	4.72	n.c.	58.06	5.00	34.84	71.81
Other	6.33	n.c.	n.c.	5.00	n.c.	n.c.

n.c. Not charged.

Note: These figures reflect the average only for those schools that charged the specific fee.

Source: West 1995b, 32, 33.

**Table A.3. Indonesia: Average Household Education Expenditures
by Location, 1989**
(rupiah per student)

	<i>Primary</i>	<i>Junior secondary</i>	<i>Senior secondary</i>
<i>Urban</i>			
Public schools	7,300	17,200	26,200
Private schools	13,700	20,900	33,400
<i>Rural</i>			
Public schools	3,600	11,200	19,200
Private schools	3,900	11,700	23,100
<i>Average</i>			
Public schools	4,500	13,700	23,000
Private schools	8,000	15,700	29,100

Source: King 1994, 11.

**Table A.4. Indonesia: Average Household Education Expenditures
by Income Decile, 1992**
(rupiah per student)

<i>Income decile</i>	<i>Primary</i>	<i>Junior secondary</i>	<i>Senior secondary</i>
1	24,216	70,648	104,234
2	30,496	80,047	125,422
3	35,611	92,384	143,746
4	39,822	102,421	145,970
5	45,849	116,298	169,252
6	52,562	128,146	186,199
7	58,075	136,358	197,855
8	69,939	161,987	223,848
9	89,056	188,076	265,890
10	165,973	287,212	395,114
Average	52,369	148,812	251,721

Source: Indonesia 1992.

Table A.5. Indonesia: Average Household Expenditures on Education Fees by Income Decile, 1992
(rupiah per student)

<i>Income decile</i>	<i>All fees^a</i>			<i>BP3 fees</i>		
	<i>Primary</i>	<i>Junior secondary</i>	<i>Senior secondary</i>	<i>Primary</i>	<i>Junior secondary</i>	<i>Senior secondary</i>
1	4,093	24,175	38,517	818	3,195	1,546
2	4,736	25,181	41,585	1,183	3,257	4,216
3	5,436	26,129	46,595	1,144	3,015	4,235
4	5,681	27,132	46,934	1,225	2,783	3,903
5	6,781	29,863	50,960	1,309	2,973	3,614
6	7,876	31,699	52,926	1,454	3,180	4,386
7	9,015	33,727	54,958	1,626	3,372	5,692
8	11,612	37,300	59,410	1,731	2,925	4,628
9	16,128	43,440	70,084	2,202	3,555	4,713
10	35,466	63,713	94,244	3,819	5,242	5,893
Average	8,782	36,314	66,296	1,473	3,400	4,874

a. BP3, registration, entry, and tuition fees.

Source: Indonesia 1992.

Table A.6. Indonesia: Average Household Expenditures on Uniforms, Textbooks, and Learning Materials by Income Decile, 1992
(rupiah per student)

<i>Income decile</i>	<i>Uniforms</i>			<i>Textbooks and learning materials</i>		
	<i>Primary</i>	<i>Junior secondary</i>	<i>Senior secondary</i>	<i>Primary</i>	<i>Junior secondary</i>	<i>Senior secondary</i>
1	6,887	14,119	19,256	4,234	9,489	10,319
2	8,361	14,388	18,630	5,431	10,877	13,795
3	9,119	16,038	18,527	6,160	12,947	15,585
4	9,968	16,258	19,929	7,212	14,149	15,852
5	10,839	18,338	21,016	8,023	15,337	17,903
6	11,784	19,270	23,529	9,280	17,977	20,854
7	12,226	19,546	23,251	9,951	18,071	22,154
8	13,530	20,921	25,024	11,448	21,004	24,811
9	15,237	22,907	27,157	13,971	22,894	26,864
10	20,705	28,627	32,022	21,316	31,490	36,834
Average	10,977	19,977	25,757	8,595	18,833	25,651

Source: Indonesia 1992.

Table A.7. Indonesia: Average Household Expenditures on Transport and Pocket Money by Income Decile, 1992
(rupiah per student)

Income decile	Transport			Pocket money		
	Primary	Junior secondary	Senior secondary	Primary	Junior secondary	Senior secondary
1	67	3,019	10,577	6,877	11,216	10,675
2	217	4,535	17,174	9,101	14,968	22,040
3	165	8,096	19,758	11,785	18,833	24,203
4	348	10,359	21,952	13,197	22,728	24,139
5	632	11,823	26,846	15,555	27,502	31,961
6	792	12,993	31,143	18,148	30,953	35,188
7	1,045	14,994	29,719	20,636	34,258	42,724
8	2,168	21,498	40,276	24,584	42,023	47,094
9	4,607	26,841	49,649	30,644	49,866	61,721
10	21,061	42,463	65,136	48,249	78,381	103,828
Average	1,952	18,047	42,390	17,166	37,126	57,757

Source: Indonesia 1992.

Table A.8. Indonesia: Average Annual Household Expenses by Item, Level of School, and Public or Private Ownership, 1992
(rupiah per student)

	Primary		Junior secondary		Senior secondary	
	Public	Private	Public	Private	Public	Private
Registration or entry fee	919	3,756	7,323	11,046	13,595	21,864
Tuition	4,112	18,145	20,845	39,540	39,854	71,493
BP3 contributions	1,420	1,916	3,579	2,995	4,864	4,042
Examination fees	18	18	113	162	617	691
Other school fees	1,698	2,634	6,298	5,891	10,426	11,189
Uniform expenses	10,810	12,203	20,148	19,188	26,080	24,164
Textbooks	2,807	4,832	8,291	8,997	12,359	12,391
Study materials	5,452	6,484	10,225	9,643	12,457	12,298
Pocket money	16,463	22,954	34,907	40,729	52,505	59,166
Transport	1,222	8,507	17,652	18,288	43,643	42,389
Miscellaneous	50	86	249	263	671	819
Additional courses	154	1,030	1,080	2,229	3,373	4,423
Others	3,263	4,505	7,695	9,385	12,713	14,877
Total	48,388	87,070	138,405	168,356	233,157	279,806

Source: Indonesia 1992.

**Table A.9. Indonesia: Average Annual Household Expenses
by Affiliation and Ownership, 1992**
(rupiah per student)

	<i>Public</i>	<i>Private</i>
<i>Primary</i>		
Religious	43,231	56,988
Nonreligious	48,518	130,437
<i>Junior secondary</i>		
Religious	123,280	133,545
Nonreligious	139,634	188,150
<i>Senior secondary</i>		
Religious	177,921	209,653
Nonreligious	236,660	293,887

Source: Indonesia 1992.

Table A.10. Vietnam: Average Household Expenditures on Uniforms, 1993
(dong per student)

	<i>Poorest</i>				<i>Richest</i>	<i>All</i>		
	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>Vietnam</i>	<i>Urban</i>	<i>Rural</i>
<i>Public</i>								
Primary	3,400	5,400	9,200	15,800	32,300	12,200	27,600	9,200
Lower secondary	5,700	10,600	20,100	32,900	63,600	34,000	63,200	23,200
Upper secondary	0	33,900	20,300	57,200	77,700	59,000	83,900	34,700
<i>Semipublic</i>								
Primary	1,100	8,400	400	5,300	12,800	4,700	13,300	2,100
Lower secondary	30,000	25,000	30,000	62,500	97,100	64,300	81,300	1,000
Upper secondary	n.a.	0	0	50,000	51,700	40,400	53,800	22,500

n.a. Not applicable.

Source: World Bank 1995d, 188.

Table A.11. Vietnam: Average Household Expenditures on Books, 1993
(dong per student)

	<i>Poorest</i>				<i>Richest</i>	<i>All</i>		
	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>Vietnam</i>	<i>Urban</i>	<i>Rural</i>
<i>Public</i>								
Primary	17,900	19,800	22,100	25,900	35,100	23,600	34,600	21,500
Lower secondary	32,900	39,400	44,600	51,700	59,900	49,300	59,000	45,700
Upper secondary	83,900	73,100	71,200	77,700	82,000	78,900	78,300	79,600
<i>Semipublic</i>								
Primary	9,300	10,500	10,600	26,800	21,000	15,100	24,400	12,000
Lower secondary	95,000	35,000	34,000	73,800	52,400	61,200	75,300	16,000
Upper secondary	n.a.	0	0	75,000	66,700	53,600	71,300	30,000

n.a. Not applicable.

Source: World Bank 1995d, 189.

Table A.12. Vietnam: Average Household Expenditures on Transport, 1993
(dong per student)

	Poorest I	II	III	IV	Richest V	All Vietnam	Urban	Rural
<i>Public</i>								
Primary	0	100	100	300	700	200	600	100
Lower secondary	100	100	900	1,800	6,700	2,700	4,200	2,100
Upper secondary	0	1,100	700	5,500	4,400	4,800	2,300	7,100
<i>Semipublic</i>								
Primary	0	0	0	0	15,000	1,800	7,900	0
Lower secondary	0	0	12,500	0	0	1,200	0	5,000
Upper secondary	n.a.	0	0	0	1,100	700	1,300	0

n.a. Not applicable.

Source: World Bank 1995d, 189.

Table A.13. Vietnam: Average Household Expenditures on Food and Lodging, 1993
(dong per student)

	Poorest I	II	III	IV	Richest V	All Vietnam	Urban	Rural
<i>Public</i>								
Primary	3,000	7,500	15,600	27,800	76,300	23,500	54,300	17,500
Lower secondary	2,400	7,400	17,900	27,500	91,000	39,600	75,800	26,400
Upper secondary	0	600	10,900	112,000	96,200	81,100	77,200	84,800
<i>Semipublic</i>								
Primary	3,100	4,700	24,200	49,400	132,400	34,500	30,900	35,500
Lower secondary	0	0	25,000	22,500	205,700	79,500	90,000	46,000
Upper secondary	n.a.	0	0	0	271,100	174,300	92,500	283,300

n.a. Not applicable.

Source: World Bank 1995d, 190.

Table A.14. Vietnam: Average Household Expenditures on All Schooling Items, 1993
(dong per student)

	Poorest I	II	III	IV	Richest V	All Vietnam	Urban	Rural
<i>Public</i>								
Primary	35,100	45,000	63,400	91,900	214,900	82,900	199,600	61,100
Lower secondary	73,800	94,700	127,300	180,000	359,600	201,100	357,900	144,900
Upper secondary	160,700	253,200	222,900	420,400	537,200	431,300	541,700	327,500
<i>Semipublic</i>								
Primary	28,600	45,600	66,000	140,800	224,900	91,400	133,100	78,000
Lower secondary	189,500	113,500	395,000	365,500	564,200	414,300	392,800	469,400
Upper secondary	n.a.	0	60,000	224,800	731,600	511,000	493,600	534,200

n.a. Not applicable.

Source: World Bank 1995d, 191.

**Table A.15. Thailand: Household Resources for Primary Education
by Type of School, 1987**
(baht)

	ONPEC schools ^a	Government municipal schools	Bangkok schools	All government schools	Private schools
<i>Direct private costs</i> (baht per student per year)					
<i>Nontuition costs</i>					
Uniform	24.6	37.8	39.3	26.6	46.9
School bag	50.8	108.0	134.7	61.9	158.7
Textbooks	107.0	195.7	236.7	123.5	340.7
Writing supplied	150.0	215.0	182.3	156.6	284.6
Transport	14.9	66.7	164.3	32.2	325.9
School fees	63.2	204.1	146.0	78.2	33.3
Shoes and sportswear	189.1	367.3	330.4	213.0	448.0
Subtotal	599.6	1,194.6	1,233.3	692.0	1,638.1
Tuition	0.0	0.0	0.0	0.0	1,417.1
Total (X)	599.6	1,194.6	1,233.3	692.0	3,055.2
<i>Household contribution</i> (baht per household per year)					
To school in cash	92.8	40.2	125.9	92.5	31.4
To school in kind	54.0	39.3	48.6	52.7	14.6
To teachers in cash	2.4	2.1	3.7	2.5	2.0
To teachers in kind	5.5	5.6	2.8	5.3	13.8
Total (Y)	154.7	87.2	181.0	153.0	61.8
<i>Indirect private cost</i> (baht per year per student) (Z)					
	536.3	461.0	285.9	508.1	450.7
<i>Total private resources</i> (X+Y+Z in baht per year)					
	1,290.6	1,742.8	1,700.2	1,353.1	3,567.7

a. Office of the National Primary Education Commission. ONPEC schools are mostly in rural areas.
Source: Tsang 1994b, 220.

Table A.16. Thailand: Household Resources for Primary Education by Family Background and Type of School, 1987
(baht)

	Total direct private cost (baht per student per year)		Total household contribution (baht per year)		Indirect private cost (baht per student per year)	
	Government schools	Private schools	Government schools	Private schools	Government schools	Private schools
<i>Household income (baht per month)</i>						
Less than 650	419	*	*	58	*	614
651-1,600	483	*	81	*	660	*
1,601-3,000	654	2,048	83	44	495	434
3,001-6,000	810	2,798	164	22	480	434
6,001-10,000	900	3,394	76	100	301	337
More than 10,000	1,087	3,025	2,056	109	457	507
<i>Father's education</i>						
No education	364	*	43	*	531	*
Some primary	609	2,258	86	32	452	268
Primary graduate	554	2,691	146	58	532	573
Lower secondary	821	2,844	187	46	400	260
Upper secondary	1,165	3,184	270	142	361	419
Diploma level	789	2,886	208	20	550	638
Bachelor and higher	1,227	2,863	365	35	643	601
<i>Father's occupation</i>						
Agriculturalist	497	1,523	169	69	552	1,110
Trader	706	3,031	114	86	378	339
Clerk	907	3,056	214	308	574	300
Manual worker	839	2,366	56	12	415	195
Government employee	1,125	3,670	88	26	341	349
Craftsman	779	2,700	90	15	383	563
Professional	1,043	2,462	320	15	767	649
Executive	1,131	3,292	467	89	34	475
<i>Family assets (baht)</i>						
Less than 25,000	534	2,415	154	26	537	570
25,001-50,000	803	2,851	104	8	548	174
50,001-75,000	791	3,006	82	8	600	494
75,001-100,000	943	2,958	341	79	478	697
More than 100,000	1,052	3,378	218	130	354	557
Entire sample	692	3,055	153	62	508	451

* Subsample too small (five or fewer cases).

Source: Tsang 1994b, 222.

Table A.17. Thailand: Household Resources for Primary Education as a Share of Household Income, 1987
(baht)

	<i>Total direct private cost as a share of household income</i>		<i>Total household contribution as a share of household income</i>	
	<i>Government schools (1)</i>	<i>Private schools (2)</i>	<i>Government schools (3)</i>	<i>Private schools (4)</i>
<i>Household income (baht per month)</i>				
Less than 650	16.20	*	4.28	*
651-1,600	3.84	*	0.70	*
1,601-3,000	2.42	6.69	0.31	0.13
3,001-6,000	1.57	4.84	0.32	0.03
6,001-10,000	0.98	3.24	0.08	0.10
Above 10,000	0.58	1.53	1.11	0.04
<i>Father's education</i>				
No education	7.14	*	0.80	0.00
Some primary	5.62	4.59	0.59	0.06
Primary graduate	6.28	4.69	1.61	0.07
Lower secondary	3.71	4.30	1.61	0.10
Upper secondary	2.54	2.77	0.55	0.06
Diploma level	1.18	2.02	0.32	0.01
Bachelor and higher	1.15	2.51	0.22	0.02
<i>Father's occupation</i>				
Agriculturalist	7.36	6.00	1.90	0.07
Trader	2.14	3.39	0.27	0.13
Clerk	1.40	4.05	0.30	0.09
Manual worker	3.14	4.15	0.20	0.02
Government employee	1.61	4.84	0.12	0.06
Craftsman	2.51	3.67	0.69	0.02
Professional	1.41	2.96	0.26	0.01
Executive	0.85	2.10	0.12	0.04
<i>Family assets (baht)</i>				
Less than 25,000	6.61	5.36	1.81	0.03
25,001-50,000	3.83	3.66	0.39	0.01
50,001-75,000	2.47	3.31	0.19	0.004
75,001-100,000	4.41	3.88	0.97	0.08
More than 100,000	2.53	3.08	0.38	0.11
Entire sample	5.79	3.88	1.46	0.06

* Subsample too small (five or fewer cases).

Source: Tsang 1994b, 223-24.

	Indirect private cost as a share of household income		Total private resources as a share of household income	
	Government schools (5)	Private schools (6)	Government schools (7) [1+3+5]	Private schools (8) [2+4+6]
<i>Household income (baht per month)</i>				
Less than 650	26.20	*	46.48	*
651–1,600	5.43	*	9.97	*
1,601–3,000	1.90	1.42	4.63	8.24
3,001–6,000	0.97	0.73	2.86	5.60
6,001–10,000	0.33	0.35	1.39	3.69
Above 10,000	0.25	0.26	1.94	1.83
<i>Father's education</i>				
No education	12.05	*	19.99	*
Some primary	8.27	0.74	14.48	5.39
Primary graduate	7.86	2.23	15.75	6.99
Lower secondary	3.09	0.48	8.41	4.88
Upper secondary	0.91	0.41	4.00	3.24
Diploma level	0.74	0.73	2.24	2.76
Bachelor and higher	0.72	0.50	2.09	3.03
<i>Father's occupation</i>				
Agriculturalist	10.13	8.82	19.39	14.89
Trader	1.09	0.31	3.50	3.83
Clerk	1.02	0.31	2.72	4.45
Manual worker	1.92	0.38	5.26	4.55
Government employee	0.84	0.65	2.57	5.55
Craftsman	1.44	0.49	4.64	4.18
Professional	1.30	0.73	2.97	3.70
Executive	0.01	0.25	0.98	2.39
<i>Family assets (baht)</i>				
Less than 25,000	9.13	2.62	17.55	8.01
25,001–50,000	2.72	0.31	6.94	3.98
50,001–75,000	1.90	0.28	4.56	3.59
75,001–100,000	1.28	1.00	6.66	4.96
More than 100,000	1.49	0.52	4.40	3.71
Entire sample	7.22	1.14	14.47	5.08

Table A.18. Philippines: Household Education Expenditures by Public or Private Institutions, 1992-93
(pesos)

Type of expenditure	Elementary				Secondary			
	Public		Private		Public		Private	
	Amount	number	Amount	number	Amount	number	Amount	number
Tuition and fees	159	2,319	3,207	232	389	904	2,766	437
PTA	24	2,496	56	111	29	870	51	216
Other school fees	87	1,802	432	100	138	696	545	152
Educational materials	80	1,466	846	209	168	628	677	362
School supplies	319	2,690	691	235	427	947	611	413
Other expenses	182	1,694	939	97	246	639	738	144
Clothing	752	2,657	1,267	237	1,036	964	1,363	413
Transport	670	1,635	1,948	166	1,050	820	1,908	365
Board and lodging	451	1,222	5,663	30	1,158	478	5,903	77

Source: Borromeo 1995.

Table A.19. Cambodia: Household Education Expenditures in Selected Communities, 1992
(riels)

Name of village	Average yearly expenditure on children's education	Total annual expenditure	Share of education in total expenditure (%)
Chamkar	19,464	164,433	11.8
Srai	14,419	216,880	6.6
Cheay Krong	20,805	428,344	4.9

Note: Chamkar is near Phnom Penh; Srai is near the border of Kandal and Takeo Provinces; and Cheay Krong is a suburb of Phnom Penh.

Source: Ledgerwood 1992, 62; quoted in Tilak 1994b, 171.

Table A.20. Cambodia: Family Education Costs per Student per Year, Main Urban Centers of Selected Provinces, 1993
(thousands of riels)

	<i>Textbooks and materials</i>	<i>Uniforms</i>	<i>Contributions to school</i>	<i>Transport</i>	<i>Private coaching</i>	<i>Total</i>
<i>Primary schools</i>						
Battambang	20	50	..	..	100	170
Banteay Meanchey	50	50	20	..	..	120
Phnom Penh	50	100	1	..	40	191
Kampot	30	100	..	..	35	165
Kratie	7	36	3	30	..	76
Siem Reap	30	30	2	60	100	222
Average	31	61	7	45	69	157
<i>Secondary schools</i>						
Phnom Penh	80	195	7	250	120	652
Svay Rieng	140	135	2	25	..	302
Siem Reap	40	50	3	..	300	393
Average	87	127	4	138	210	449

.. Negligible.

Source: Cambodia 1994b.

Table A.21. Cambodia: Household Education Expenditures per Student, 1994
(thousands of riels)

<i>Level of school</i>	<i>Fees and other charges</i>	<i>Books and stationery</i>	<i>Private tuition</i>	<i>Uniforms</i>	<i>Transport</i>	<i>Others</i>	<i>Total</i>
Pre-primary (2)	5.8	1.5	0.0	2.5	0.0	37.5	47.3
Primary (82)	50.4	9.9	18.6	31.0	6.1	7.4	123.4
Lower secondary (23)	102.5	25.3	46.0	58.9	6.7	8.3	247.7
Upper secondary (11)	213.9	28.8	82.1	63.3	35.6	0.1	423.8
Higher (8)	112.5	214.3	82.9	230.8	48.8	0.0	689.3
All (126)	77.4	27.2	32.9	51.1	11.4	6.9	207.0

Note: Figures in parentheses refer to the number of students in each category.

Source: Tilak 1994b, 173.

Table A.22. Cambodia: Government Expenditures per Student, Selected Provinces, 1992–93
(thousands of riels)

<i>Name of province</i>	<i>Primary</i>	<i>Lower secondary</i>	<i>Upper secondary</i>
Kratie	22.9	77.0	97.9
Ratanakiri	27.5	0.0	0.0
Phnom Penh	20.8	44.6	41.7
Kompong Thom	21.3	127.0	46.5
Kompong Chhnang	22.9	0.0	217.3
Kampot	21.1	91.0	62.4

Source: Tilak 1994b, 140.

Table A.23. Myanmar: Average Household Expenditures for Primary Students, 1993–94
(kyats)

<i>Type of expenditure</i>	<i>Village A</i>	<i>Village B</i>	<i>Village C</i>
Textbooks	7.5	8.2	29.3
Exercise books	9.2	17.0	56.3
Pen	4.0	4.9	22.4
School fees	11.6	15.0	8.8
Uniform	245.0	186.0	285.2
School bag	33.3	41.2	71.3
Umbrella or rainsheet	30.2	66.9	100.0
Slippers	31.2	28.4	14.8
Pocket money	206.8	119.0	308.3
Contribution to extra teacher	119.9	0.0	0.0
Others	3.1	6.1	19.5
Total	701.8	492.7	915.9

Source: Evans and Rorris 1994, 46, 55, 63.

Table A.24. Myanmar: Annual Private Costs for Middle School Students, Mon State and Yangon Division, 1990
(kyats)

	<i>Uniform</i>	<i>Books and stationery</i>	<i>Bus fare and pocket money</i>	<i>Others</i>	<i>Total</i>
<i>Mon State</i>					
Tanbyuzayat	1,210	346	785	81	2,422
Mudon	1,277	217	391	150	2,035
Kyaikmaraw	947	237	533	150	1,867
Mawlamyine	1,093	343	553	150	2,139
<i>Yangon Division</i>					
Hlegu	935	243	400	6	1,584
Thingangyun	1,162	399	491	16	2,068
Insein	1,010	311	393	7	1,721
S. Okkalapa	1,134	533	887	23	2,577
Sanchaung	1,292	314	1,322	29	2,957
Kamayut	1,618	505	1,557	25	3,705
Dagon	1,306	328	1,762	125	3,521
Botahtaung	1,246	269	1,867	52	3,434
Pazundaung	1,081	312	1,287	56	2,736

Source: Gibson 1992, 9.

Table A.25. Myanmar: Annual Private Costs for High School Students, Mon State and Yangon Division, 1990
(kyats)

	<i>Uniform</i>	<i>Books and stationery</i>	<i>Bus fare and pocket money</i>	<i>Others</i>	<i>Total</i>
<i>Mon State</i>					
Tanbyuzayat	1,379	311	932	141	2,763
Mudon	1,430	339	1,043	111	2,923
Kyaikmaraw	1,227	341	1,190	155	2,913
Mawlamyine	1,288	343	762	80	2,473
<i>Yangon Division</i>					
Hlegu	1,035	260	829	147	2,271
Thingangyun	1,000	250	800	24	2,050
Insein	1,368	244	1,062	31	2,705
S. Okkalapa	1,351	262	1,062	67	2,742
Sanchaung	1,823	344	1,233	31	3,431
Dagon	1,278	495	1,810	200	3,783
Botahtaung	1,116	270	1,327	170	2,883
Pazundaung	1,349	317	1,154	347	3,167

.. Negligible.

Source: Gibson 1992, 8.

Table A.26. Mongolia: Per Capita Household Education Expenditures, 1995

(tugrics per month)

<i>Quintile</i>	<i>Tuition and fees</i>	<i>Books and supplies</i>	<i>Clothing</i>	<i>Transport</i>	<i>Rooms and meals</i>	<i>Other</i>	<i>Total</i>
I	1.3	20.7	70.6	2.6	4.4	3.9	103.5
II	1.9	29.6	90.2	0.8	12.6	7.2	142.3
III	11.7	38.3	127.0	14.0	30.7	12.2	233.9
IV	43.0	37.9	145.8	13.0	44.8	16.9	301.4
V	212.3	65.1	176.8	29.2	51.9	52.4	587.7
Mongolia	54.0	38.3	122.1	11.9	28.9	18.5	273.8

Source: World Bank 1996.

Table A.27. Mongolia: Per Capita Household Education Expenditures as a Share of Per Capita Nonfood Expenditure, 1995

(percent)

<i>Quintile</i>	<i>Tuition and fees</i>	<i>Books and supplies</i>	<i>Clothing</i>	<i>Transport</i>	<i>Rooms and meals</i>	<i>Other</i>	<i>Total</i>
I	0.1	1.5	5.1	0.2	0.3	0.3	7.5
II	0.1	1.2	3.6	0.0	0.5	0.3	5.7
III	0.3	1.0	3.4	0.4	0.8	0.3	6.2
IV	0.8	0.7	2.7	0.2	0.8	0.3	5.6
V	1.9	0.6	1.6	0.3	0.5	0.5	5.3
Mongolia	0.6	1.0	3.3	0.2	0.6	0.3	6.1

Source: World Bank 1996.

Notes

1. The author's previous work was chiefly on projects for the Asian Development Bank, the United Nations Educational, Scientific, and Cultural Organization (UNESCO), and the United Nations International Children's Education Fund (UNICEF).

2. Each primary child does have to pay a universal primary education fee of 200 Tanzanian shillings, but this is considered little more than a token. In most parts of the country the fees is equivalent to the price of a bottled soft drink.

3. Myanmar was also a socialist state between 1962 and 1988, though it followed its own brand of socialism and was less affected by the collapse of the Soviet Union and other wider transitions in the early 1990s. The ideology was officially known as the "Burmese Way to Socialism."

4. In 1989-90 there were 905 affiliated primary schools, compared with 1,259 the year before; 968 middle schools, compared with 1,322 the year before; and 220 high schools, compared with 342 the year before. Affiliated primary schools in 1989-90 comprised 2.6 percent of the total number of primary schools. Respective figures for middle and high schools were 34.3 and 21.9 percent.

5. One study in Guizhou Province (table A.1), however, noted that in 1988 at least some primary and junior secondary pupils were charged specifically named tuition fees. Whether such charges have continued could be answered only through field work, but in any case so many other fees may be demanded that the actual nomenclature may not seem too important to the people concerned. Among the fees charged that are unique to China is a penalty charge on parents who have more than one child when they are not supposed to.

6. The survey, known as SUSENAS (Survei Sosial Ekonomi Nasional), is conducted every two or three years by the Indonesian government. The 1989 survey covered 148,000 individuals in 32,700 households; the 1992 survey covered 356,600 individuals in 66,700 households. Mason (1994, 67) found some lower secondary schools with even higher registration fees in 1989. The highest fee that he identified was 143,000 rupiah.

7. Neither the Indonesian nor the Vietnamese data included estimation of contributions of labor and materials. Had they done so, the figure on total value of inputs would have been higher, and the distributions across income groups and across the urban-rural division would have looked more balanced.

8. One study of Zambia (World Bank 1994b, 182) noted that its regulations are very constraining. *For instance, regulations require children to wear black leather shoes, not just shoes or black shoes. The uniforms are made by a parastatal agency and are strictly enforced by some (especially urban) schools to the extent that children without socks or the appropriate shoes are sent home. Although this seems an extreme case, similar patterns prevail in some of the East Asian countries covered by the present study.*

9. However, some figures on costs of private tuition in Myanmar were reported separately and are summarized in box 3. The figures were only for Yangon Division, where the average paid by those middle school students who took private tuition (65.6 percent of the total sample) was 1,088 kyats. In the high school sample 90.7 percent of students in the sample took private tuition and paid an average of 2,556 kyats. Thus inclusion of

private tuition would have substantially increased the unit costs to households shown in table 9. Allowing for the fact that some students took no private tuition, which would therefore have decreased average payments, household costs at middle school would have increased from 2,521 to 3,235 kyats (an increase of 28.3 percent), and those at high school would have increased from 2,842 to 5,158 kyats (an increase of 81.5 percent).

10. In 1985, 18 percent of primary and secondary pupils were boarders. By 1992, partly because of the newly imposed direct costs of boarding, this proportion had fallen to 9.6 percent (Mongolia 1993).

11. Both these estimates understate the full opportunity cost because they do not capture the value of home production. In general, failing to include the contribution made at home will lead to greater understatement of girls' than boys' opportunity costs because girls tend to spend more time in home-related activities. Mason (1994, 66, 90) also notes that in general, wage labor markets in the poor, dryland, and upland regions of rural Java operate only in the morning, which is also when schools operate. In the more prosperous irrigated rice areas, markets for agricultural wage labor operate in both the mornings and the afternoons. During Mason's field work he identified one area in East Java in which the government junior secondary school convened in the afternoon. This was also an area in which the market for agricultural wage labor existed primarily in the mornings. Because the school convened in the afternoons, children from poor households could work before coming to school, thereby significantly reducing their opportunity costs. Mason's example highlights the importance of taking regional factors into account when designing and operating school systems.

12. Table 10 in fact underestimates household inputs. It excludes the cost of uniforms, meals, and boarding; nonmonetary inputs of labor, material, and land; and private supplementary tuition outside school hours. The calculation for government inputs does include an estimate of the government's management and operational support (curriculum development, examinations, inspections, and so on).

13. The figures also omit expenditures on supplementary tutoring, which would have been higher in urban areas. However, supplementary tutoring was less important at the primary than at the secondary level.

14. These figures exclude the opportunity costs of students' time but include the costs of land. If land were excluded from the calculation, the figure for the whole country would be 15.8 percent, while those for Bangkok and rural areas would be 26.8 and 14 percent.

15. To provide some sort of a cross check, it is useful to note that the World Bank (1991, 69) estimated recurrent expenditures met in 1988 by nonbudgeted funds in Shaanxi and Guizhou Provinces. This category included education surcharges and levies, social contributions, overseas contributions, fees, and funds generated by schools. In Shaanxi nonbudgeted funds met 16.9 percent of primary and 25.3 percent of secondary recurrent costs. Respective figures for Guizhou were 7.6 and 13.3 percent. These figures illustrate regional variations within China. They do not include parents' expenditures outside the institutional budgets. It seems likely that proportions have risen since 1988.

16. Methodologically it might be queried if these should be added up in this way. This is partly because columns 1 and 2 in table A.17 refer to direct costs per student, whereas columns 3 and 4 are costs per household (which may have more than one student). A similar comment applies to table A.15. A further query concerns the indirect (opportunity) cost in columns 5 and 6 of table A.17. Tsang's article, from which the table was taken, does not indicate whether the percentage shown is the indirect cost as a proportion of the actual incomes of those households, or as a proportion of the actual

incomes of those households plus the opportunity costs (that is, what the incomes would have been had the children not gone to school). Only the proportion of the actual incomes of those households plus the opportunity costs would be fully meaningful; but the percentages in columns 1–4 should be proportions only of the actual household costs. Nevertheless, despite these methodological questions, the table is very instructive. In particular, it clearly shows that the poor were paying considerably greater proportions of their incomes for primary education than were the rich.

17. The figures show only expenditures during a period of one month between October and December 1993. They have not been adjusted for seasonal patterns and seem in general to be an underestimate. Moreover, because of security problems the researchers went only to fifteen of the nineteen provinces; and because of budgetary problems they only went to the relatively accessible parts of those provinces (Cambodia 1994c, 3–6). The published report of this survey did not show a breakdown of education expenditures by income groups.

18. The figures on government expenditure are also startling. During 1990–92 real public expenditure on education fell 56 percent. In 1990 the allocation for basic education services was equivalent to 11.3 percent of GDP, but by 1993 it had dropped to 3.1 percent (World Bank 1995b, 6).

19. The problem in China, however, is that the goals of fiscal decentralization are having the opposite effect of increasing disparities (Chung 195; Wong and West 1996).

20. In the Philippines the policy was abandoned, whereas in Thailand it was only loosened. Even nonsubsidized private schools remained subject to a *de facto* fee ceiling, which in 1994–95 was 3,900 baht per pupil per year for lower secondary, 4,300 baht for upper secondary.

21. In March 1994, 6 percent of the total population was classified as being absolutely poor, with monthly per capita incomes less than 40 percent of the poverty line (World Bank 1995b, 4). Figures on the absolute poor had not previously been compiled, but informal evidence indicated a sharp increase in this group.

22. Annual reductions in poverty incidence are reported to have been 2 percent in Indonesia for 1970–90, 0.6 percent in the Philippines for 1971–91, and 1.4 percent in Thailand for 1962–68 (World Bank 1995c, 3). The decline in poverty in the Philippines is described as “relatively modest,” and has been accompanied by much greater inequalities in the distribution of incomes than in the other two countries.

23. These figures, in contrast to those from Vietnam, include both public and private schools. However, the private schools mainly attended by the lowest income groups in Indonesia were religious institutions. Total household expenditures on these private religious institutions were not markedly different from those on public schools (particularly nonreligious ones). Indeed at the secondary level per pupil expenditures for the private religious schools were less than those for public nonreligious schools (table A.9). The private schools probably charged higher explicitly named fees, but they appeared to have lower charges on other items.

24. In Indonesia poor people can request their village headman to issue an affidavit that exempts them from paying health charges. This system is called Surat Lurah. The World Bank (1993b, 84) notes that the system is not used as widely as it should be but nevertheless suggests (64) that the framework could be adapted to assist poor people with school expenses.

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