Impact of Economic Crisis on Higher Education
Outline

• Economic crisis
• Impact on education finance
• Lessons from 1997 Asian crisis
• Research study
Economic Crisis

- Loss of confidence on banks
- Economic downturn
- Lower demands for exports
- Crash in commodity prices
- High unemployment
- Decline in remittance
- Increase in food prices
Impact on education finance

- Marginally affected by crisis
- Affected but maintained education expenditure
- Affected and budget cut
Lessons from 1990s crisis

- Reduce social spending
- Reduce household’s ability to spend on schooling
- Possible increase in sec. and tert. Enrolments
- Reduce aid flows
- Education budget cuts
- Demand shift from private to public
- Higher drop out in private universities
- Students national return from abroad
Lessons from the Asian crisis

- Cut of family budgets on non-essential items
- Substitute public provision for private provision.
- Austerity measures in the universities.
- Increase enrolments in public universities.
- Impact on private universities
Research study

• Threats and opportunities
• Positive and negative impacts
• Short-run impact and long-run incidence
• At national or international level
• At government, employer and household levels
THANK YOU