

## **Consultation Meeting on The Impact of the Economic Crisis on Higher Education in Asia and the Pacific**

*22-23 October 2009 (tentative)  
Bangkok, Thailand*

### **Concept Note**

The world has experienced many economic crises over the past 80 years, from the Wall Street crash and the Great Depression in the 1930s, the oil crisis in the 1970s, the stock market crash in the 1980s, the dot.com burst at the beginning of the 21<sup>st</sup> century to the current financial meltdown triggered by the housing market bubble burst in the United States (Table 1, Annex 1). The debacle of large financial institutions in the United States – Lehman Brothers, Morgan Stanley, Goldman Sachs and Merrill Lynch – has led to fears of a worldwide and prolonged recession, thus prompting governments across the globe to approve massive national fiscal stimulus packages (Table 2, Annex 1).

The priorities of most governments seem to be safeguarding the banking and financial systems, providing tax cuts to businesses, increasing expenditures for infrastructure and creating jobs, while measures for social sectors, such as education, take a backseat.

Although the rhetoric supports the importance of education in contributing to national wealth, education spending is seen by many policy makers as consumption. It is a customary target for budget cuts in national spending and in aid to education when confronted by a financial crunch, as supported by evidence from past crises. Such actions are likely to lead to a setback in economic competitiveness when the crises are over. Countries which are able to keep their population educated and trained in times of trouble will emerge stronger and better equipped to meet future crisis.

Will it be any different this time around? How much of the stimulus packages will be invested in education?

“Protecting education – and protecting the most vulnerable – is part of the answer to the current crisis,” so noted Mr. Koïchiro Matsuura, the Director-General of UNESCO.

Several reports examining the impact of and responses to this crisis have been published by the World Bank, Asian Development Bank, International Labour Organization and others. However, they do not provide an in-depth analysis of the impact of the crisis on education per se. Recent reports have indicated positive signs of recovery. Yet, there are economists who believe the worst is not yet over.

Regardless of the outcome, crises seem to be increasing in frequency in the past twenty years. It is therefore critical for us to learn from the past to prepare for the future. This is particularly important given the headway that has been made to meet the Millennium Development Goals and the Education for All goals.

The trend towards a knowledge-based economy has placed great importance on the role of universities as repositories of valuable human capital for economic growth. Enrolment in tertiary education has increased worldwide by 50 percent since 2000. The Asia-Pacific region has witnessed a rise from 22 million students in 1999 to 44 million in 2006. Still, this represents only a participation rate of 25 percent when 40-50 percent participation rates are considered vital for economic growth.

To address these issues, UNESCO Asia and Pacific Regional Office for Education is organizing a consultation meeting to discuss a research study on the impact of the economic crisis on higher education in the Asia and Pacific region.

More specifically, the objectives of the meeting are to:

- Establish a network of Education Research Institutes in the Asia-Pacific region;
- Design a research study on the impact of the economic crisis on higher education;
- Develop a research framework to analyze major issues, examine emerging policies and responses to crises, investigate their impact on educational and economic outcomes, identify key indicators to monitor impact, and suggest recommendations and action plans;
- Prepare a workplan, expected output, schedule and budget for the study; and
- Identify researchers to conduct the study.

Experts from research institutions in Australia, China-Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, and Thailand will be invited to attend this meeting. Their participation will help to foment a network of education research institutes in the region to enhance the exchange of experiences and information among researchers on higher education. The participants will be instrumental in helping to develop the research framework, using their expertise in posing and refining crucial research questions, as indicated by some examples in Annex 2, to guide the study.

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## ANNEX 1

**Table 1: Crisis in 20<sup>th</sup> and 21<sup>st</sup> centuries**

<b>Year</b>	<b>Crisis</b>
1930s:	Wall Street crash and the Great Depression
1973-1974:	oil crisis and stock market crash
1980s:	Latin America debt crisis
1987:	Black Monday in the stock market
1989-1991:	United States savings and loan crisis
1990s:	Japanese asset price bubble collapse
1992-1993:	Black Wednesday crisis of the European Exchange Rate Mechanism
1994-1995:	Mexican economic crisis
1997-1998:	Asian financial crisis
1998:	Russian financial crisis
2000-2001:	dot.com bubble crash
2008:	financial crisis that started in United States

**Table 2: Fiscal Stimulus Package, 2009**

<b>Country</b>	<b>Fiscal Stimulus Package (US\$)</b>
Australia	26 billion
China	795 billion
Indonesia	6.1 billion
Japan	125 billion
Malaysia	1.9 billion
New Zealand	290 million
Philippines	6.5 billion
Russian Federation	20 billion
Sri Lanka	141 million
Singapore	13.7 billion
Thailand	3.3 billion
United States	787 billion
Viet Nam	1 billion

## Annex 2: Sample Research Questions

1. What are the government's responses to the economic crises (past and present) in terms of:
  - budget allocation to higher education
  - with respect to different types of higher education institutions, education programmes or research areas
2. What are the institutional responses to the economic crises (past and present) in terms of:
  - public/private higher education institutions
  - alternative modes of delivery
  - hiring processes
3. How have the economic crises (past and present) affected cross-border higher education in terms of:
  - student mobility (inflow and outflow)
  - staff mobility (inflow and outflow)
  - mobility of the programmes
4. How have the economic crises (past and present) affected graduates' employment prospects in terms of:
  - choices of courses, programmes and jobs
  - continuing their studies
  - retraining/retooling their knowledge and skills
5. How have the economic crises (past and present) affected financing of higher education in terms of:
  - governments
  - private sector
  - parents/families/community support
  - endowments/financial aids/loans
6. How have the economic crises (past and present) affected the design and delivery of educational programmes in terms of:
  - length of study (3 years vs. 4 years)
  - traditional vs. open and distance learning
  - community colleges, internship/industry-based work-study
7. What are the key indicators to monitor the impact of policies and responses to the economic crises (past and present), e.g.:
  - budget allocation
  - number of students enrolled or dropout by discipline, by type of universities – public vs. private
  - number of graduates being employed by sector/industry