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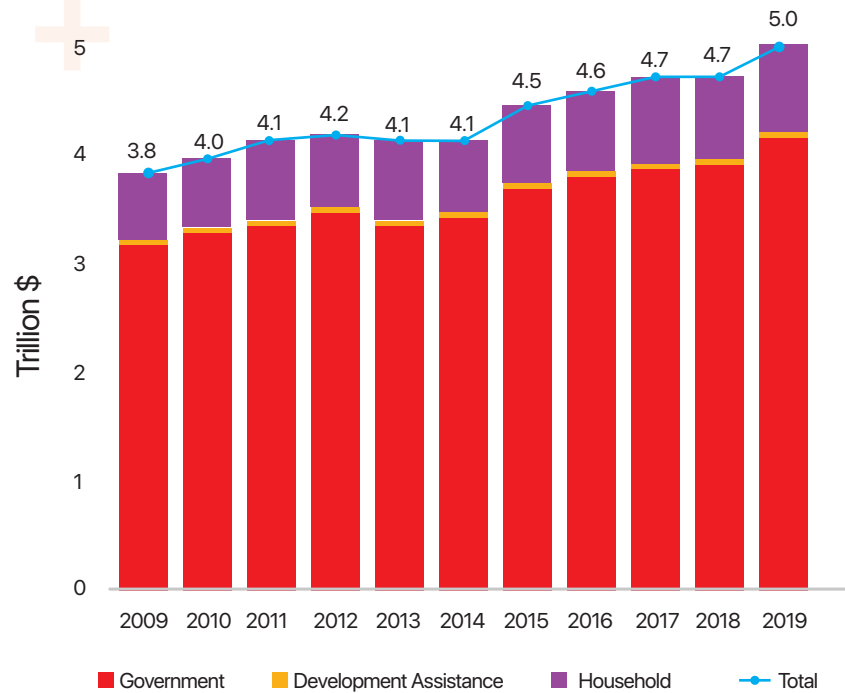
How has global education spending changed in the last ten years?

To achieve national and international education goals, many countries will need to invest more in their education systems. During the last decade, government education spending has increased steadily, but the Covid-19 pandemic has impacted public finances dramatically, and the prospects for maintaining these increases have deteriorated. But the education finance challenge is not only about mobilizing resources but also about improving the effectiveness of funding. Unfortunately, recent increases in public education spending have been associated with relatively small improvements in education outcomes. Although access to education has improved, 53 % of ten-year-olds in low- and middle-income countries are unable to read and understand a short age-appropriate text (World Bank 2019). Tackling the large spending inefficiencies and inequalities common to many education systems will be vital in order to make better use of resources and strengthen the link between spending and education outcomes.

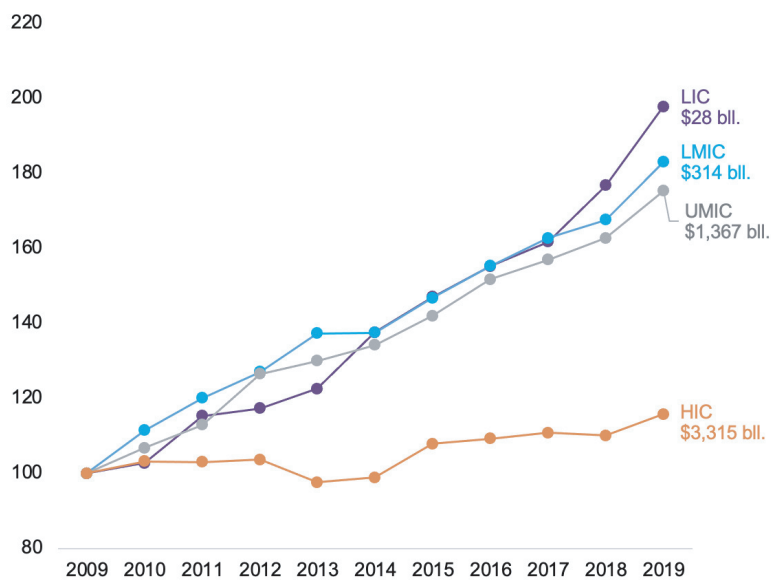
Prior to the Covid-19 pandemic, global education spending grew steadily, with low- and middle-income countries registering the fastest growth. Global education spending grew annually in real terms by 2.6 % per year between 2009 and 2019. This rate of increase is slower than global economic growth rates and masks two diverging trends. High-income countries, which account for about two-thirds of global education spending, only slightly increased their spending over the 10-year period (Figure 1). By contrast, rates of growth were much faster in low- and middle-income countries, where spending on education rose by 5.9 % a year, such that by the end of the period it was more than 77 % higher in real terms than at the start. The contribution of households, governments and development assistance to global education spending has remained relatively constant over time, with governments contributing around 82 %, households 17 %, and development assistance less than 1 %.

Real spending on education has grown steadily over the last 10 years

Government, household and official development assistance spending on education, constant 2018US dollars (trillions), 2009–2019



Growth in real education spending, by income level (2009=100)



Sources:

EFW team estimates using data from OECD, UIS, IMF and World Bank online databases.

Notes: In order to estimate global spending, estimates are used for missing country level data (see EFW technical note). World Bank income group classifications in 2020 are used to group countries: LIC = low-income country, LMIC = lower-middle-income country, UMIC = upper-middle-income country, and HIC = high-income country.