

When classes formally opened last Tuesday, the entire nation was once again subjected to the same old problems besetting our education. From shortages of classrooms, teaching materials and instructors, up to unregulated tuition and other school fee hikes; students, parents and educators once more bore the burden of the yearly school blues like a deadbeat ritual imposed to an exhausted populace.

Yet amid the political rhetoric and empty populism of our national leaders, little to none is (being) said about the grave wrongdoing of our government to education— the blatant non-compliance to international standards on social spending by the past and present governments.

The Neglected Generation

By the Freedom from Debt Coalition (FDC) and the Youth Against Debt (YAD)

In 2000, the United Nations proposed combative measures to address national poverty issues. The Millennium Development Goals (MDG) framework sought to halve the world's impoverished population by 2015. Education is one focus of these measures. The MDG framework proposes government investment on education, underscoring the universality of primary education. It is asserted that education is one of the most powerful instruments for reducing poverty and inequality and in achieving sustained economic growth¹.

However, four years before the MDG Declaration, the United Nations Educational, Scientific and Cultural Organization (UNESCO) released a report on education, highlighting the necessity to invest more on education. This means pegging a percentage of the gross national product (GNP) as the basis for the budgetary allocation for the education sector.

The Delors Perspective

In 1996, the International Commission of Education in the Twenty First Century², headed by former European Commission President Jacques Delors, submitted a report to the UNESCO entitled "Learning: the Treasure from Within." The report, among others, influenced the Commission to set the following principles³:

1. Education is a basic human right and a universal human value;

¹ Education and The World Bank, <http://web.worldbank.org>

² The commission was itself an offshoot of the general conference held in November 1991 tasked 'to convene an international commission to reflect on education and learning for the twenty-first century'.

³ Taken from <http://www.unesco.org/delors/mandate.html> on May 24, 2008

2. Education, formal and non-formal, must be society's instrument for fostering the creation, advancement and dissemination of knowledge and science, and by making knowledge and teaching universally available;
3. Equity, relevance and excellence must prevail in any education policy;
4. Education reform must be the result of profound and thoughtful examination;
5. All approaches must take into account basic and agreed-upon values and concerns of the international community and of the United Nations system; and,
6. Education is the responsibility of the whole of society.

To realize these principles, the report recommended six percent (6%) of GNP to education, now referred to as the UNESCO Delors benchmark for education. Over a hundred countries willfully accepted this standard.

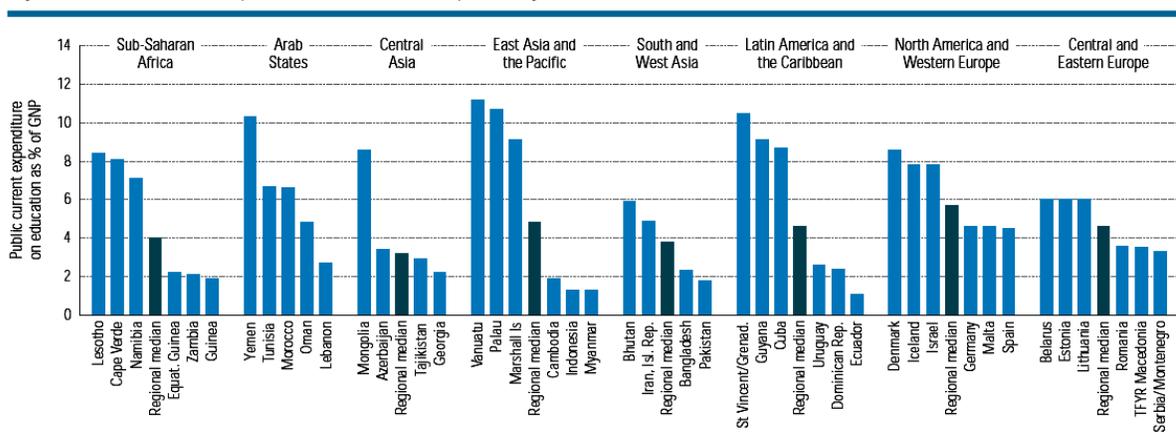
Giving More to Education

Since its international recognition in 1996, the Delors standard has given education spending a clear political weight among governments. It has also set the demarcating contour by clearly establishing the minimum level below which state subsidy on education cannot fall without causing serious ill effects in quality, accessibility and sustainability.

Because of this, governments, especially those based in developing countries, have been raising their level of public spending on education as proof of their concrete commitment to education.

A 2006 Education For All (EFA) study⁴ (see graph below) enumerates some countries which have invested 6 percent or more of their total national income to education.

Figure 3.3: Public current expenditure on education as percentage of GNP, 2002



Note: The figure shows regional medians and countries with the highest and lowest values. No regional median was calculated for Arab States because data were available for too few countries. See source table for detailed country notes.
Source: Statistical annex, Table 11.

⁴ Education for All (EFA) 2006 Global Monitoring Report: Literacy for Life

The study also lists countries not meeting the widely accepted benchmark, though it reports significant strides are being made to do so.

According to the same study, education spending increased in about two-thirds of the countries from 1998 to 2002. These include Malaysia, Madagascar, Grenadines, Cameroon and Cape Verde. Another study⁵ shows that other countries like Bangladesh, Brazil and Egypt invested close to 6 percent of their GNP to education.

Some argue that appropriate level of government spending varies, especially when taking the peculiarities of their economic and political backgrounds into consideration. But among countries with similar income per capita to the Philippines, only war-torn Lebanon is fractionally higher. All others are spending above 5 percent of their Gross National Income (GNI) to education. GNI is similar to GNP, except that in measuring the latter, one does not deduct the indirect business taxes.

<i>UNESCO 2004 data</i>	GDP per Capita, PPP, in US\$	Education Spending as % of GNI
Cape Verde	5,449	6.23
Lebanon	5,422	2.51
Philippines	4,834	2.36
Swaziland	4,646	6.24
Guyana	4,482	5.35

Thus, education spending is mostly a matter of national policy.

State Indifference

However, that policy is absent in the Philippines. From the time the Delors standard was widely accepted as an international point of reference, education spending in our country has reached no more than 3.8 percent GNP. This wouldn't be much of a problem if our government spending on education was geared towards the fulfillment of the standard like other developing countries.

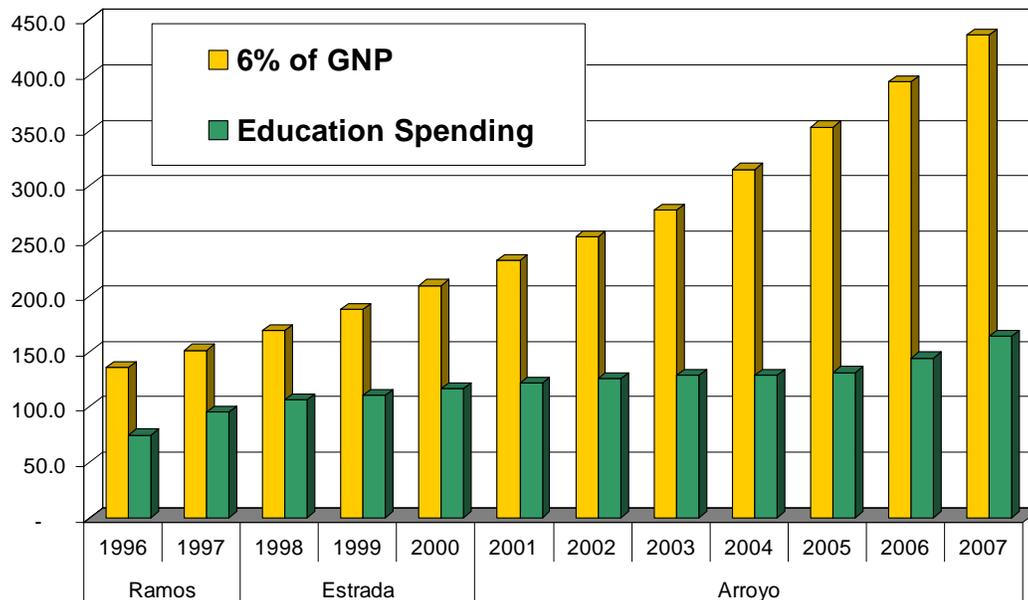
	GNP	6% of GNP	Education Spending	Delors Gap	Education Spending as percentage of GNP
1996	2,261,339	135,680	74,682	60,998	3.30%
1997	2,522,884	151,373	94,954	56,419	3.76%
1998	2,815,259	168,916	106,850	62,066	3.80%
1999	3,136,170	188,170	110,614	77,556	3.53%
2000	3,496,863	209,812	116,827	92,985	3.34%
2001	3,876,603	232,596	121,498	111,08	3.13%
2002	4,223,326	253,400	125,395	128,005	2.97%
2003	4,631,479	277,889	128,995	148,894	2.79%

⁵ UNESCO Institute for Statistics 2000 Facts and Figures

2004	5,248,064	314,884	128,789	186,095	2.45%
2005	5,885,050	353,103	131,217	221,886	2.23%
2006	6,570,310	394,219	144,226	249,992	2.20%
2007	7,274,660	436,480	164,103	272,377	2.26%

**As computed by the Freedom from Debt Coalition*

Education Spending vs. Delors Required Education Spending (in billions)



Instead, we see a decreased and sustained drift to state indifference concerning education. From 3.8 percent GNP in 1998 under Estrada, education expenditure dipped to 2.26 percent in 2007 under President Arroyo.

Even some countries not spending the standard 6 percent GNP for education spend more. In 2002, Namibia, Oman, and Iran all posted education expenditures at 4 percent GNP, compared to our 2.97 percent showing during the same year.

P 1.66 trillion lost from Education

While all post-Marcos administrations have professed to giving education the highest budgetary allocation, our non-compliance with the standard tells otherwise.

As of 2007, the total loss our education budget incurred due to our governments' refusal to heed the Delors benchmark is a whopping P 1.66 trillion!

This is enough money to wipe out classroom shortages, to augment diminishing state subsidy to public higher education institutions and to hire more teachers. This sum can fund more than a hundred Comelec-supervised national and local elections and even run the operation of the entire government for a year.⁶

Arroyo, Least Spender on Education

While the governments of Ramos and Estrada are equally accountable and guilty for our dismal state of education, President Arroyo's treatment of the education expenditure is most alarming.

Her recent freezing of the tuition hikes of state schools, her appeal to private schools to have a heart and her "*Katas ng VAT*" scholarship grants will not hide the fact that education suffered the worst under her rule.

Of the total P1.66 trillion losses, the Arroyo administration contributed P1.3 trillion deficit, making her the least spender on education.

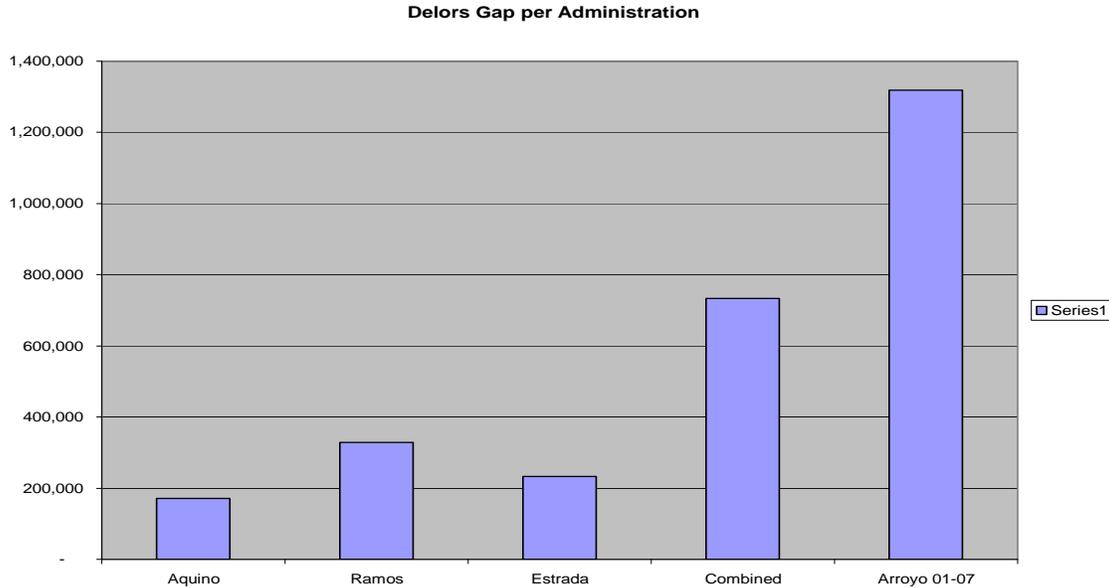
Even if the said amount is deflated to real value (1985 prices), Pres. Arroyo still is the least spender compared to Ramos and Estrada.

The government may argue that its deficit is due to a lengthy rule, currently on its 8th year. However, it is still the most tightfisted of all post-Marcos governments concerning education spending, when compared to the combined losses of the Aquino⁷, Ramos and Estrada administrations (P733 billion)⁸.

⁶ The total loss education incurred is bigger than the 2008 National Government Budget.

⁷ The Delors Benchmark does not cover the Aquino government as it was only widely recognized in 1996. However, for the sake of argument, we included her administration.

⁸ Deflating the amount loss to real value, the combined deficit of Aquino, Ramos and Estrada (10 years) is P 345.6 billion as compared to the P 303.9 billion of Mrs. Arroyo gained in only seven years.



**As computed by the Freedom from Debt Coalition*

What separates Mrs. Arroyo from her fellow contraveners of the Delors standard is her growing indifference to increased education spending.

Where Did the Money Go?

So where did the money go? While there are many answers to this question, one way of knowing is by looking deeply into our debt problem.

According to government data, as of the end of December 2006, the Consolidated Public Sector Debt (CPSD) stood at P4.944 trillion or \$98.99 billion,⁹ a large chunk of which was incurred by the National Government (NG). As of end of 2007, the NG outstanding debt is pegged at P3.782 trillion or \$81.6 billion.

Due to the government's standard policy of prioritizing debt payments as institutionalized by the automatic debt servicing provision enshrined in the Revised Administrative Code of 1987, succeeding administrations have been investing much less in social services as percentage of GNP.

This decrease in allocation for social services is seen in the per capita and per student spending of the administration for health and education respectively. According to FDC, per capita spending on health dropped from Estrada's P201 to P184 under Pres. Arroyo. Furthermore, per pupil spending dropped from Estrada's P5,830 to P5,467 during Arroyo's term.

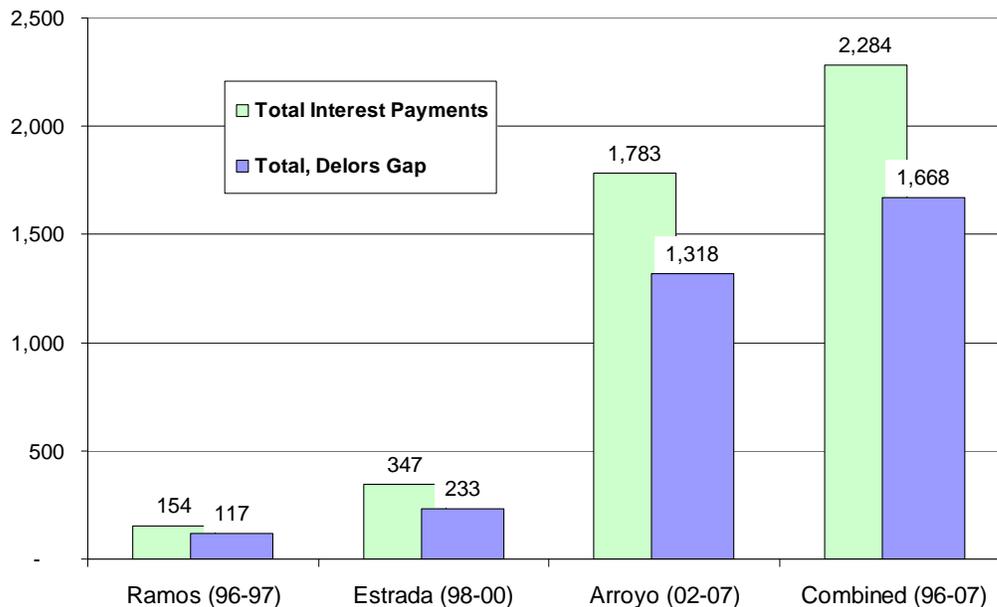
⁹ Sustaining the Momentum of Indebtedness: Debt and the Proposed 2008 National Government Budget Freedom from Debt Coalition, September 2007

Like its predecessors, the Arroyo administration's consistent top priority is debt servicing in the guise of "achieving a balanced budget." Education, supposed to get the highest budgetary allocation this year, has only a third of what will be spent on debt payment (P181.86 billion compared to P624.09 billion).

Debt Payments vs. Delors Gap

We can shed light upon the whereabouts of the losses by comparing total interest payments from the time (1996) UNESCO adopted the Delors Benchmark for education up to 2007 and the Delors gap earned by the Ramos, Estrada and Arroyo governments.

Delors Gap vs. Interest Payments (in billions)



As of 2007, total interest payments amount to P2.2 trillion, compared to the total gap or losses our education have suffered through the years, amounting to P 1.66 trillion.

Clearly, increased social spending is being siphoned away by debt servicing. And the trend through the years is: the larger the payment of debt interests, the larger the Delors gap becomes.

Delors Commission saw Debt

The Delors paper titled "Learning: The Treasure Within"¹⁰ argues that state resources must be freed from debt payments so that governments whose resources are sagging with burdensome external obligations may boost education spending.

¹⁰ Learning: The Treasure Within, Report to UNESCO of the International Commission on Education for the Twenty-first Century.

The Delors paper recommended debt-swaps and debt relief as a way for countries to invest more total national income to education.

We do not fully agree with the following recommendations, as these limited mechanisms will only legitimize many of our debts which many people consider unacceptable and illegitimate. However, the Delors report correctly highlights the debt as the chief problem hindering many developing nations in realizing increased social spending.

A Scarcity of Democracy not Resources

The problem(s) here is(are) our government's debt acquisition and the institutional mechanisms dictating and aggravating our reliance on more borrowing to pay debts. Sec. 31 (B) of Presidential Decree 1177 as reflected in Section 26 (B) Book 6 of the Revised Administrative Code of 1987 is the kernel stone of all these debt-creating laws.

Because of the automatic debt servicing provision, payments for both principal and interest on public debt are automatically appropriated, undermining social services like education and health. This is done without public review or scrutiny, which inevitably results in paying dubious if not illegitimate debts.

The assertion of an increasing scarcity of resources is false. What we have instead is a scarcity of democracy in the management and disbursement of our collective resources brought about by archaic institutional mechanisms. It not only compels our government to reject widely accepted international standards on social spending, it also subjects our people to forced indebtedness.

Six will Fix: Automatic Appropriations on Education

Thus, the government must make an effort to reach the 6 percent of GNP to education. This can be done gradually, with a 1 percent of GNP increase yearly for education spending until 2010.

However, this must be complemented by a strong legislative effort to institutionalize the standard by passing a law giving automatic appropriations on education. It will force our legislators to finally repeal the archaic law that ensures the automatic appropriation of payments for principal and interest on public debt. There must be no middle ground in this issue. Our national leaders must choose between the education of our people and the interest of foreign lenders.

Unless the appropriate political will and commitment from our government are exercised, generations of Filipinos will constantly be deprived of basic rights that would have guaranteed their path towards genuine human development. -30-