

The Situation of Education Budget in Thailand.

By Rubkwan Tharmmapornphilas

With a new constitution draft unveiled and the date of national referendum is approaching, the content of the new constitution draft has stirred public controversial. Many parties voice their agreement and opposition in many issues. Education is certainly one among them. In fact, Thai education system has long been criticized for its inefficiency. The Ministry of Education receives the highest budget (approximately 20% of total government budget) among various offices but the academic achievement of student does not improve much.

However, if we look deep down into the education budget, we will notice that most of it is spent on salary of teacher and education personnel. Research conducted by Dr. Chaiyuth Punyasavatsut, chief of Thailand's national education accounts project, showed that of the Bt805 billion spent in 2013, the government provided Bt640 billion or 80 percent in subsidies, and was mostly spent on salaries (69 per cent); administrative expenses and utilities (12 per cent); student loans (5.5 per cent); research and development (6 per cent); and classroom activities (5 per cent). It shows that Thailand has enough resources for education but the system fail to direct the resources to appropriate channel that can increase the quality of education.

Another dimension is the problem in budget allocation. Even though schools receive the same amount of per-student subsidy, we have to admit that based on the number of student, larger schools would receive higher amount of money from the government. On the other hand, small schools are left with financial shortage, although the Ministry has provide add-on budget for smaller schools but it rarely to be able to compensate the amount they are lacking. There is also a fix cost to run school even though you have zero students in that school, for example, building maintenance, and teacher salary. Under the supervision of the Office of Basic Education Commission, there are approximately 32,000 schools, about 50% of them are classified as small schools (less than 120 students). With the large number of small schools, the Ministry could not take advantage of economies of scale concept as the budget and educational resources need to spread across many schools leading to higher cost per unit of output (or student in this situation).

Then, what should we do to alleviate the problems in education budget management?

First, we need to spend more money on the component that affects the quality of education, and less money on the factor that does not relate to student learning. Expenditures on classroom activities have direct impact on student learning and more resources should be

direct to this category. On the other hand, the proportion of administrative expense should be lower to make budget allocation more effective. It is also worthwhile to consider merit-pay system for teachers where teacher receive bonus and salary increase from the performance of their teaching, not just by working experience.

Second, we need to solve the problem of small schools to reduce unnecessary costs in education budget. The closure or merger of small schools is recommended by many researchers. But we have to emphasize that it has to be done on case by case analysis because small schools are required in some situations. For example, a school for hill tribe children needs to remain because there is no other school nearby as an alternative. Thus, we need to consider the distance and the transportation of student before making a decision. However, for the area that has other schools nearby, the closure or merger of schools or creating small school network would help reduce cost per head and facilitate resources sharing.