



De La Salle University – Dasmariñas

**DEVELOPMENT IMPACT OF HIGHER EDUCATION
ACROSS COUNTRIES IN SOUTHEAST ASIA**

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ABSTRACT

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Education and development reforms have been established to expand economic growth and help alleviate poverty. As development agencies have placed great emphasis on primary and secondary education of many developing countries, poverty reduction agenda have not yet seen the importance of tertiary education as a means to improve economic growth and mitigate poverty. In the recent decades, Southeast Asia has been experiencing an expansion in the higher education sector and rapid economic growth.

This study determines the impact of higher education on economic development in Southeast Asia from 1980 to 2010. Specifically, the study aimed to describe the trends of selected economic development and higher education indicators, determine the short- and long-term effects of higher education on economic development of each Southeast Asian Countries, and compare the impact of economic development indicators across Southeast Asian countries.

Higher education was measured by gross enrolment rate, and education expenditure while economic development indicators include gross domestic product (GDP), GDP per capita, adolescent fertility rate, and carbon dioxide emission. Using partial adjustment model, the study revealed the long-term effects of higher



education on economic development in Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand, and Vietnam.

The result of the study has shown that gross enrolment rate has short-run effects on GDP and carbon dioxide emission while education expenditure has a short-run effect on GDP. When a student enters into a university, economic growth is strengthened through spending.

The study also finds that an increase in gross enrolment and education expenditure by one percent will affect GDP, GDP per capita, and carbon dioxide emission positively in the long-run. Mean lags on GDP, GDP per capita, and adolescent fertility rate for gross enrolment rate are mostly higher than four years, indicating that the increase in economic development can be felt fully in the long-run when the students graduate in a four-year course. On the other hand, higher education has a negative impact on adolescent fertility rate. Mean lags on adolescent fertility rate are mostly higher than three years. This suggests that a student who is eager to pursue college at a young age will more likely to become more responsible in engaging to opposite sex. Hence, the results support the hypotheses that higher education contributes an impact to economic development.

With the results indicating the impact of higher education on economic development indicators, the study recommends increasing public spending on higher education that would help publicize public and private higher education institutions, develop a public e-learning website, and enhance higher education curriculum by adding subjects that promote environmental sustainability in their specific fields.



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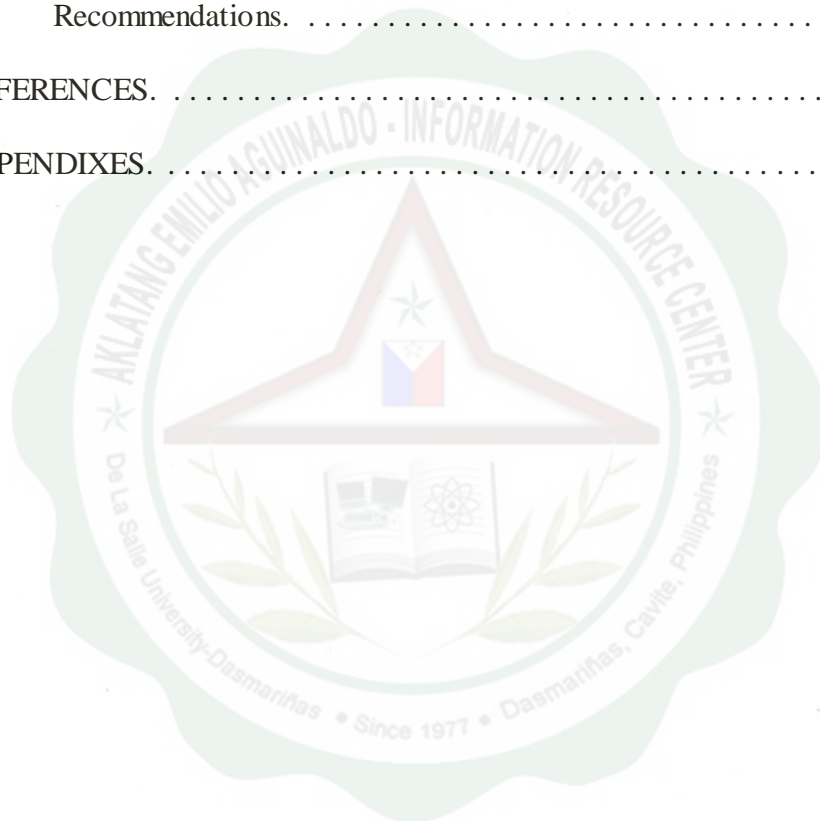
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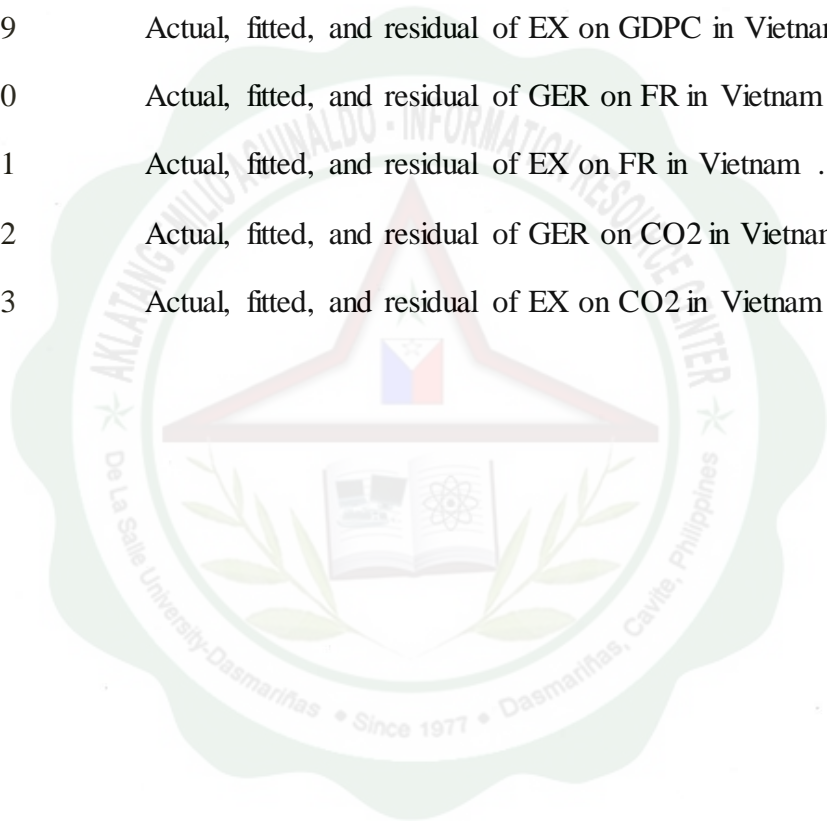
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