

CHAPTER 5

CONSLUSION

5.1 Conclusion

This paper focuses on macroeconomics variables affecting the primary school enrolment rate and secondary school enrolment as the proxy of the human capital resource in Myanmar. The author used ARDL approach to co-integration model to know the relationship between the primary school enrollment rate, secondary school enrolment rate, and their determinants. The variables used in this study are primary school enrolment rate, secondary school enrolment as the dependent variables and the GDP per capita, education expenditure as the percentage of GNI, primary school teachers and secondary school teachers and, real GDP growth rate and the inflation rate as the independent variables. In this study, the author constructs two models. The first model is the primary school enrolment rate and its determinants which are GDPPC, education expenditure, real GDP growth rate, the number primary school teachers, and inflation rate. The second model is the secondary school enrollment rate and its determinants, which are the number of secondary school teachers instead of the primary school teachers and for the rest variables, all are the same to the first model.

According to the long run co-integration results, the educational expenditure, the gross domestic product per capita as the proxy for income level of the family, and the growth rate of real GDP that indicates the growth rate of the economy are the main contributors of the primary school enrollment rate. Either increasing education expenditure or increasing family income level can lead to increase the primary school enrollment rate. For the long run results of the secondary school enrolment rate, the macroeconomic variables, education expenditure, the GDPPC and the growth rate of RGDP that can effect to the secondary school enrolment of Myanmar. The two variables, school teachers and the inflation rate as the proxy for macroeconomic

instability are negatively related to the primary school enrolment rate and the secondary school enrolment rate. Although the income level of the household increased, the purchasing power parity of the people decreases because of high inflation rate of the country. For that reason, most of the parents were faced with the high cost of their children's education. However, the inflation rate is only significant negatively related to the secondary school enrolment rate in the short run. Therefore, inflation rate is a less important factor than the other factors. The numbers of school teachers also have a negative relationship to the school enrolment rate, for there are financial problem for the households. School enrollment rate did not increase although the numbers of school teachers are increased.

The main findings of this paper are that the education expenditure, income level, and the country's economic growth are the important factors to improve both primary school enrollment and secondary school enrollment rate in Myanmar. During the new government led by National League of Democracy, government spending in the education sector increased to \$1.3 bn compared to the last year's spending (\$1bn). For the development of basic education level, education funds are being spent not only by waving the school fees for both primary and secondary but also by hiring additional school teachers. In addition, nowadays, education's budget is also distributed to the higher education level in order to wave the school fee for high school students. However, based on Myanmar MoFR (2012) and ESCAP Statistical Yearbook 2011, Myanmar's government spending on education sector is the lowest compared to the neighboring countries. Due to the improvement in education, people can develop in areas such as knowledge, creativity, and thinking skills and can create new innovations and products. The higher the education level, the better the job opportunities and the higher the income level. If the income level of the people increases, parents can afford to send their children to the schools. The human capital improvement by means of improving education can lead to increase the labor's productivity, and higher labor's productivity can contribute to the economy's growth.

Looking back to the education system of Myanmar, the government should increase in their spending on the educational sectors and they need to create job opportunities to improve the income level of the households. Moreover, in order to

increase the school enrollment rate in Myanmar, it is necessary to improve the education infrastructures, quality of teachers, teaching facilities, provide safe and sound learning environments, economically and politically stable environment, etc., along with cooperating between the Myanmar Government and its people.



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