A COMPARISON BETWEEN COUNTRIES MAKING EXPENDITURE ON EDUCATION AND THEIR ECONOMIC GROWTH

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Abstract:
It has also been seen that in the year 2021-22 the budgetary allocation of India for educational expenditure was a lot less than that the GDP of this country which was 3.1%. This included the budgetary allocation done by combining both Union government and the state governments. On the other hand, in the case of Malaysia in the year 2018, their spending on educational development was 19.64%. This has been decreased from their education spending of 2017 which as 20.31%. Therefore, it can be said that the Malaysian government is ahead of the Indian government in terms of expenditure on education. In the case of USA, there is not a lot of governmental expenditure in the case of education and that can be considered as around 3.41% of the income of Taxpayers. The publicly supported schools of USA that are attended by the students prior to their college receive $60.34 billion in total or $1,193 per student as per the record of 2022 from the federal government. In addition to that, in case of states, they contribute around $357.0 billion to the complete public education system of K-12 schools in total or $7,058 per pupil. Lastly, in the case of China their central governments, regional and local governments are considered as their general government. It can be found that as of 2019, their education spending was 10.60%, which has declined by 0.7% and became 10.53% in the year 2020. In this research work the analysis and evaluation of different countries based on their educational expenditure is going to be conducted and in this process, secondary data will be collected from various sources for achieving an accurate and non-biased result.

Key words: Expenditure on education, Economic development, GDP, Growth of the country.

INTRODUCTION:
Countries all over the words contribute a large percentage of their GDP for the development of their educational system. With the help of a developed education system they can achieve better growth in their economy as well as the lifestyle of people improves with the help of developed educational level. In the present generation, different countries compete on the basis of their literacy rates. This, in turn has led to a higher level of economic growth, and development. A good and effective education system has the potential to change the world. An educated society can achieve great heights of productive and allocative efficiency. This will lead to rapid rates of growth, and development. In this age of globalization, countries compete with each other in terms of their economic growth, and development. In this situation, economically successful naturally hold a level of competitive leverage over less-economically developed countries. In case of a developed economy, it will have several benefits and disadvantages when it comes to the global market. Under this situation, the level of education, and training received by the country’s workforce is a major determinant of how that country will perform. Therefore, governments of developing, and developed, and even underdeveloped countries try to spend more on education, and training than any other sector.

This study aims to analyze economic growth and educational expenditure between countries. This research has been developed to compare the economic growth of “India, Malaysia, China, and the USA” and the total government expenditure of these countries. On the other hand, this research has been conducted to find the “government consumption,”“Transfer payments” and “payments of interest” for the three countries as well as to analyze and compare the GDP of these countries. Hence, the aggregate demands in their country’s economy along with the education expenditure of universities, schools, or any other types of public as well as private institutions that are providing support to the education system for that country are discussed below. In addition to that, numerous free hands graphs are also going to be incorporated for better representation along with graph taken from the internet. The objective of this concern research work is to evaluate investigate a comparison between countries about their expenditure on education and their economic growth. In this analysis, several countries have been considered which India, Malaysia, china and USA are.

METHOD:
Throughout this research work, the expenditure statistics of “India, Malaysia, China, and the USA” on their economic growth, as well as their education systems, are collected from authentic articles and newspapers in a “secondary manner”. Newspapers like “The Times of India” along with “Hindustan Times” are considered to collect the data for analyzing the “Indian educational expenditures”. On the other hand, “WENR-WES” and “The Hindu” are used to collect the education level and its growth for China and the USA. Through this research work, “positivism research philosophy” is used to use scientific investments for
research work. Following that, collecting the data sets from such authentic resources makes the research work more accurate. Hence, it can be stated that implementing the positivist research philosophy despite relevant sources as well as creating strategies can be adapted for this research work to get findings that are more accurate. In addition to that, this research philosophy has also allowed a scope to get an overview of the societal conditions, and also uncover several social trends that have been found to be relevant to the topic of this research work. On the other hand, this collection of data sets in a secondary manner will also provide more efficiency in the allocated budget and provide a timeline.

Along with that, the “deductive research approach” is used to align the research hypothesis pearly and get findings that are more accurate from this research work. This approach in the research work will help to align the core principles and existing theories in the research. In addition to that, this research approach makes it possible to explain the causal relationships that exists between variables, and concepts. Other than that, it also presents a possibility of generalizing the key findings of this research work. Hence, the findings from the research will be more relevant in comparison with the implementation of the inductive research approach. This research approach is flexible in nature, and therefore, will allow the generation of new theory, that is relevant to this research work. “Descriptive research design” is attained to perform this research work more systematically as well as methodically to get the answers of the research work more logically. This helps to conduct the research work in a descriptive manner with proper logical explanations of the steps of research in a systematic manner hence, through performing these methods in the research work, the researcher has been able to complete the research work within their estimated timeline and allocated budget. Apart from that, descriptive research design has also allowed to analyse the facts that have been deduced from this research study, and get a deeper understanding of the research problem. Ultimately, it will lead to achieving a clear understanding of the topic of this research work. According to the secondary data collection method, the research work has performed “qualitative thematic analysis” for analysing the collected datasets. This will suit the analysis of the collected data sets while providing an accurate interpretation of the research aim and objectives. A chief advantage of form of analysis is that it did not require any kind of theoretical, and technical knowledge, that is generally required in case of other qualitative approaches. Since this approach is quite flexible in nature, it has allowed to present a wide range of analytical options. Furthermore, this approach is easier to grasp, and the interpretation of the research themes will be supported by reliable sources of data, and information. In addition to that, they have also ensured that any kind of biases must not be projected onto the readers of this work. Furthermore, it has been ensured that no data that can potentially be used to spread misinformation has been used in this research work. On the other hand, throughout this research work, the management has followed all the necessary ethics for protecting any issue of the collected datasets. Thus, accuracy in their aimed objectives in this research work while being clear and authentic throughout the work has been proficiently maintained for this research by following such methods.

**COMPARISON OF COUNTRIES:**

**Analysing Educational Expenditures for India, Malaysia, China, and the USA**

Through several surveys, it has been observed that the Indian government has spent a notable expenditure on their educational system in comparison with the “USA, Malaysia, and China”. It has been seen that the government has proposed a 3.1% expenditure of its GDP on the development of its education systems in its budget for the year 2021. This allocation of money was stated by combining both their “state governments” and their “Union governments”. However, they have provided a share of 3.9% of their GDP to their educational developments in the year 2017, due to the consequences that occurred during the pandemic.

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period, the country has to reduce their expenditure on the growth of education.

Figure 1: Educational Expenditures for India:
(Created By Learner)
The above figure shows the educational expenditure of the Indian government to develop their education system from the year 2000 up to the year 2020. It has been observed that they have provided a notable focus on this section to increase the literacy rate of their country as well as to increase the overall growth of their economy.

On the other hand, it has been seen that the government of Malaysia spent 19.64% on education from their GDP in the year 2018. This was about an amount of 3.5% of the total expenditure that the Malaysian government has invested to develop its educational system. The amount was reduced to an amount of 15.44% until they reached the year 2021, which was about an amount of 21.32% initially in the year 2017\(^6\). Hence, they have increased the spending in the sector by about a remarkable amount from what they provided in the last few decades as shown in the below figure.

Figure 2: Educational Expenditures for Malaysia:
(Created By Learner)

The above figure shows the educational expenditure of the Malaysian government to develop their education system from the year 2017 up to the year 2021. It has been observed through conducting surveys in Malaysia that the government did not follow the approach of spending more to develop the education system and to educate the citizens just like what the Indian government has performed. They have provided such priority to their education system to enhance their citizen’s literacy rate along with increasing the growth rate of their economy. However, in the case of the USA, the government has not been keen to provide that much expenditure on their educational system to generate higher economic growth as their education is costly. The government has provided support to their schools, which get public support, an amount of sixty-one billion dollars. Thus, each student has the help of twelve hundred dollars for their education as per the records of the year 2022 that have been enlisted by the federal government. In the case of the states in the USA, a contribution of three hundred fifty-seven billion dollars is provided which is estimated to be an amount of seven thousand fifty-eight dollars per student\(^7\). It has been seen that the country was spending initially an amount of 3.5% for their educational development, which decreased to an amount of 3.1% until they reached 2021 and faced the consequences of the pandemic period. The below figure provides a visual representation of the educational expenditure that the government of the USA has provided.

**Figure 3: Educational Expenditures for USA:**
(Source: Created by Learner)

The above figure shows the educational expenditure by the government of the USA to develop their education system from the year 2017 up to the year 2021. It has been observed that they have not provided such priority to their education system to enhance their citizen’s literacy rate as they mainly rely on immigrants from all over the world to develop their economic growth. Thus, their citizens have not gotten any extra benefits just as the Indian and Malaysian citizens have gotten in current times.

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The above figure shows the educational expenditure by the government of China to develop their education system from the year 2000 up to the year 2020. It has been observed that they have not provided such priority to their education system to enhance their citizen’s literacy rate despite having reduced the expenditure of this section. The management has enacted such action to mitigate the impact of the consequences on other sections of the economy during the pandemic period. Hence, they have provided a lower focus on the development of educational systems for their country to mitigate the risks that have been raised in the sustainable economic growth that they have attained in the last few decades in comparison with the other three countries. On the other hand, it has been surveyed that China has spent 10.53% on their educational system which declined by an amount of 0.7% from what they spent in the previous year. In the year 2017, it has been observed that the country spent an amount of 11.59% to develop its educational system, which thereafter declined and reached its lowest in 2020.

Evaluating Governmental Expenditures for India, Malaysia, China, and the USA:
Governmental expenditure describes the spending of the government over the consumption of the government, payments that had been made on the interest. In addition to that, this also includes the transfer payments, which the government of that country has enacted. Thus, in simple words, governmental expenditure can be stated as the government purchases for their countries in the form of goods and services. It has been seen through conducting several economic surveys that the government expenditure in India has been reduced to an amount of 10.4% in the year 2021 from 11.4%, which they have attained in 2012.

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Due to such a reduction, the forecasted growth in the “gross domestic product” of India as well as the “national income” has been reduced for the upcoming years. It has been observed that this was the lowest growth of the economy of India that has been the country attained through its governmental expenditure for the last few decades. In the year 2017, the “governmental expenditure for the fiscal section” is expected to be an amount of 14.9% however, the GDP was forecasted at about an amount of 7.17%. Thus, it has been observed that the government expenditure was quite low in comparison with their GDP growth rate due to which the economy requires a push by the government to recover from such a financial crisis.

Figure 6: Governmental Expenditures for India:
(Created By Learner)
The above figure shows the government expenditure of the Indian government from the year 2012 up to the year 2021. It has been observed that they have to reduce their expenditure on government consumption as well as payments to interest to mitigate the issues, which have been raised in the financial system of their country during the pandemic period.

The above figure shows the government expenditure of the USA from the year 2017 up to the year 2021. It has been observed that initially, they were increasing their consumption to develop different sections of the economy and to provide more beneficiary systems to their citizens. However, they have to reduce their consumption due to the rise of inflation all over the world due to Covid-19. Thus, the benefiting systems also are changed for the citizens of the USA in accordance with which the economic growth also is reduced for the whole country.

The above figure shows the government expenditure of China from the year 2017 up to the year 2020. It has been observed that they have not provided such priority to raise their governmental expenditure for increasing their economic growth. However, they have to purchase many necessary goods and services for their citizens during the pandemic period. This raised their government expenditure in the year 2019 although after the rules are reduced, the amount of imports also is reduced. Hence, they have been...
able to concentrate on exporting a section of their business since the middle of 2020 and reduced their government expenditure as of the year 2018.

Figure 9: Governmental Expenditures for Malaysia:
(Created By Learner)
The above figure shows the government expenditure of Malaysia from the year 2017 up to the year 2021. They have not provided such priority to the governmental consumptions and payments of the interests to enhance the growth rate of their economy. The total “government expenditure” of China was about an amount of 14.6% for the year 2010, which they have been able to increase at a remarkable rate, and achieved 17.1% governmental expenditure for 2021. Hence, it can be stated that after the reduction in their governmental expenditure about an amount of 16.8%, which they attained in the year 2000, they have been able to generate remarkable governmental consumption and payment of interests due to which such increment has been generated. In the case of the USA, it has been observed that the country has been able to spend at a higher rate than the other three concerned countries while increasing their payments of investments as well as their government’s consumption. Through conducting several surveys, it has been observed that the country has seen governmental expenditure of an amount of 45.3% for the year 2020 from 35.46% in the year 2017. The USA has been able to attain such a notable amount through the support of “taxpayer’s income” about an amount of 3.41%. The Malaysian government has engaged in governmental spending of about 25.27% for the year 2020. This country has attained a smaller growth in its governmental expenditure from an amount of 21.93% that it engaged in the year 2017 while increasing its consumptions and interest payments. Thus, it can be stated that between all the four above-mentioned countries, the USA has been able to attain the most noted growth in their government expenditure and India has engaged the lowest one in that section.

Comparison of Economic Growth between India and Malaysia:
Through the below graph, it has been seen that India has attained increasing growth in its economy through imposing efficient policies for governmental expenditure as well as providing more spending and investments to develop its education system.

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The above figure shows the economic growth of India from the year 2014 up to the year 2022. It has been seen that they were facing a fluctuating growth for their economy initially however they have been able to see a repetitive increase since the year 2018.

Through the above graph, it has been seen that Malaysia has performed a decreasing growth in their economy due to which they have to reduce their educational expenditure. In addition to that, they also have to consume goods and services in a lower amount as their government spending has been reduced with such decreasing growth in the economy.


<table>
<thead>
<tr>
<th>Year</th>
<th>Economic growth Of India (%)</th>
<th>Economic growth Of Malaysia (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.17</td>
<td>5.81</td>
</tr>
<tr>
<td>2018</td>
<td>7.05</td>
<td>4.84</td>
</tr>
<tr>
<td>2019</td>
<td>7.26</td>
<td>4.44</td>
</tr>
<tr>
<td>2020</td>
<td>7.49</td>
<td>-5.65</td>
</tr>
<tr>
<td>2021</td>
<td>7.74</td>
<td>3.13</td>
</tr>
</tbody>
</table>

Table 1: Comparison of Economic Growth between India and Malaysia

(Created By Learner)

The above table shows a comparison of the economic growth between India and Malaysia. It can be observed that the first one has been able to attain a higher growth rate for their economy in comparison with the latter one by imposing more expenditure on developing their educational systems. Through the table, it has been seen that India was achieving higher growth in their economy since the year 2017 in comparison with Malaysia\(^\text{16}\). However, the first one faced some consequences in the year 2020 due to the pandemic period. They have been able to attain growth for their economy in comparison with Malaysia, which has attained a negative one. Malaysia has not been able to generate efficient policies to increase its economic growth rate due to which they are intending to face a financial crisis in its country while attaining such a low growth rate of 3.13\% in the last year. However, this comparison of economic growth rates is not able to provide a clear picture of the government consumption of the two countries in which Malaysia has overtaken India as discussed in the previous section.

Contrast of Economic Growth between China and the USA:

Through the below graph, it has been seen that China has attained a fluctuation in the growth of its economy due to the pandemic period. Initially, in the year 2017, the country was having a lower growth for their economy about 3.28\%\(^\text{17}\). They have been able to impose efficient policies through which they have been able to achieve a higher growth rate of 5.09\%. However, due to the pandemic period, the government was not able to manage its expenditure and had faced a negative value of -7.08\% for its economy. After the period gets over, they again attend a positive value of 4.9\% while overcoming the consequences.


The above figure shows the economic growth of China from the year 1992 up to the year 2020. It has been observed that they were facing fluctuating growth for their economy initially however they have been able to see a remarkable increase in their economic growth in the year 2020 after the pandemic period got over.

Through the above graph, it has been seen that the USA has also performed a fluctuation in the growth of their economy just like China. However, they have been attaining growth for their economy, during the pandemic period they also have suffered from several consequences due to which their expenditure growth is reduced. It has been seen from the figure that they have been able to overcome those issues with efficient governmental expenditure policies and achieved a growth rate of 5.68%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Economic growth of China (%)</th>
<th>Economic growth Of USA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.28</td>
<td>2.26</td>
</tr>
<tr>
<td>2018</td>
<td>4.61</td>
<td>2.92</td>
</tr>
<tr>
<td>2019</td>
<td>5.09</td>
<td>2.29</td>
</tr>
<tr>
<td>2020</td>
<td>-7.08</td>
<td>-3.41</td>
</tr>
<tr>
<td>2021</td>
<td>4.9</td>
<td>5.68</td>
</tr>
</tbody>
</table>

Table 2: Contrast of Economic Growth between China and the USA
(Created By Learner)

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The above table shows a comparison of the economic growth between China and the USA. It can be observed that the first one has been able to attain a higher growth rate for their economy in comparison with the latter one in the initial period from the year 2017 up to the year 2019, before the pandemic period\(^1\). However, both countries faced some consequences in the year 2020 due to the pandemic period just as the whole world, due to which both of them have faced a negative economic growth rate. They have been able to attain growth for their economy after the issues get resolved in the next year\(^2\). It is observed that China has not been able to generate efficient policies to increase its economic growth rate in comparison with the USA due to which they have lacked a 0.78% rate of growth for their economy in the last year.

**Figure 14: Education Spending In Different Countries**

(Source: Stataista.com, 2022)

As seen in the above graph USA takes the 4\(^{th}\) place all over the world in terms of their expenditure on higher education. It can be said that the USA has also attended higher government expenditure in comparison with China and the latter has attained higher educational expenditure in contrast with the first one. All the above analysis and comparison of the economic growth has provided a picture that every country has faced several issues due to the consequences of the pandemic period. However, each of them has tried to overcome it in their own ways by imposing several policies in their country's required sections. It has been observed that the concerned countries have been able to see positive economic growth through implementing efficient policies in their economy after Covid-19. This can be stated that India has achieved the highest economic growth and Malaysia has achieved the lowest one as the implemented policies differ from the government’s point of view to attain economic growth and develop the financial status of the country.

**SUMMARY:**

Through the above analysis, it can be concluded that the USA has been able to perform the highest governmental expenditure in comparison with India, China, and Malaysia. However, India has provided the highest share of its GDP to develop its educational system in contrast with the other three countries. It has been observed that India has been able to achieve the highest economic growth rate after the USA with efficient policy implementation by their government. It can be also concluded that among the concerned four countries, Malaysia has lacked in both the government as well as education expenditure sections due to which they have gone through a lower growth rate for their economy. This happened due to the improper implementation of economic policies by their respective government to attain higher economic growth.

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BIBLIOGRAPHY:


Appendices

Appendix 1: Education Expenditure Of India


Appendix 2: Education Growth Of India


Appendix 2: Education Growth In China

(Source: https://wener.wes.org/2019/12/education-in-china-3)
Appendix 3: Education Expenditure Of USA