
Education Spending

Does Spending More Always Lead to Better Outcomes?

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Key Takeaways

- Education spending is an investment in human capital, shaping skills, productivity, and a country's long-term growth potential. UNESCO recommends that governments allocate approximately 4–6% of GDP to education.
- Higher education spending does not automatically produce proportionately better educational outcomes. The quality of teachers, curriculum design, governance, and the efficiency of resource allocation are equally important.
- Countries have developed their education systems in ways that reflect their own economic structures. Finland prioritizes teacher quality, Germany closely links education with industry, China continuously updates its curriculum to support emerging industries, while Singapore adapts learning to keep pace with new technologies.
- Thailand's public spending on education stood at approximately 2.52% of GDP in 2023. While additional spending will bring it closer to the UN benchmark it needs to carefully consider how to improve learning outcomes, reduce skill mismatches, and equip the workforce for the future economy.

If one country spends more on education than another, we naturally expect its students to receive a better education, develop stronger skills, and ultimately contribute more to economic productivity once they enter the workforce. After all, education depends on resources, from schools, teachers, and learning materials to universities and research institutions.

UNESCO recommends that governments allocate approximately 4–6% of GDP, or 15–20% of total public expenditure, to education. By comparison, Thailand's public spending on education was around 2.52% of GDP in 2023.

Looking at these figures, the first question that comes to mind is whether Thailand should increase its education budget.

Before answering that question, however, it is worth looking at how other countries approach education. Each has taken a different path, and the amount of money spent does not fully explain the outcomes they have achieved.

Finland: Better Teachers Create Better Classrooms

Finland is widely regarded as having one of the world's highest-quality education systems. One of its defining strengths is the quality of its teachers. Classroom and subject teachers are generally required to hold a master's degree and complete rigorous teacher training before entering the profession.

The Finnish system places strong emphasis on selecting and preparing capable teachers from the outset. Regardless of how advanced the curriculum or educational technology may be, students' learning ultimately depends on teachers' ability to bring those resources to life in the classroom.

Germany: Bringing Education Closer to the Workplace

Germany has taken a different approach through its Dual Vocational Education and Training (Dual VET) system, where students divide their time between vocational schools and workplace training.

This model allows businesses to play an active role in developing future talent before students' graduate, ensuring that what students learn closely reflects the skills required in the workplace. Around half of German graduates choose this vocational pathway, creating a close connection between the education system, the labor market, and the country's industrial structure.

China: As the Economy Changes, the Curriculum Must Change Too

As China continues to promote industries such as artificial intelligence (AI), clean energy, digital technology, and advanced manufacturing, its universities have been adjusting their academic programs accordingly.

According to China's Ministry of Education, during the 2024 undergraduate program review announced in 2025, universities introduced 1,839 new programs, discontinued 1,428 programs, suspended admissions for 2,220 programs, and established 29 entirely new disciplines, including programs related to AI and emerging technologies.

Adding or removing academic programs does not immediately eliminate skill mismatches in the labor market. However, it reflects an effort to align higher education with a rapidly evolving economic structure. If universities continue producing graduates in fields where demand is declining while emerging industries struggle to find qualified workers, skill mismatches will inevitably persist.

Singapore: Keeping Education in Step with the Economy

For a small country like Singapore, human capital is one of its greatest strategic assets. With a limited domestic market and few natural resources, developing people has become a national priority.

The PISA 2022 results ranked Singapore first globally in mathematics, reading, and science. At the same time, its education system continues to evolve alongside technological change. The Ministry of Education has been integrating AI literacy into curricula and classroom activities while expanding opportunities for students to learn coding and artificial intelligence.

Perhaps the most remarkable feature of Singapore's education system is its ability to adapt. Students entering school today may not join the workforce for another decade or more, and many of the jobs and skills they will need may not even exist today. Keeping the curriculum aligned with future economic needs therefore requires continuous adjustment.

Should Thailand Increase Its Education Budget?

Having sufficient resources is undoubtedly important, particularly when schools still face shortages of teachers, equipment, or essential infrastructure, and when educational opportunities remain unequal across different regions.

Thailand's public expenditure on education was approximately 2.52% of GDP in 2023, below UNESCO's Education 2030 benchmark of 4–6% of GDP.

However, increasing the budget should go hand in hand with a clear strategy for how additional funding will be used. If spending patterns remain unchanged, the curricula fail to keep pace with labor market needs, teachers continue to face constraints in delivering effective instruction, or universities produce graduates whose skills do not match the needs of the economy, then simply allocating more money may not produce significantly better outcomes.

This issue becomes even more important as Thailand's economic structure continues to evolve. Future labor demand will depend not only on the number of workers available but also on skills in digital technologies, AI, engineering, technology, and lifelong learning. At the same time, fundamental competencies such as reading, mathematics, critical thinking, and problem-solving will remain indispensable.

Education Spending Is Only the Starting Point

From an economic perspective, education is an investment in human capital, because people's knowledge and skills directly influence productivity, income, and a country's long-term growth potential. Providing adequate funding is therefore essential, but the experiences of many countries demonstrate that money alone does not determine educational success.

Finland focuses on teacher quality. Germany integrates education with industry. China adjusts its curriculum to reflect changes in its industrial landscape. Singapore continually updates its education system to keep pace with technological change. Each country has developed its own approach based on its unique economic circumstances.

Thailand needs to decide its own direction as the students sitting in classrooms today will become the workers, entrepreneurs, researchers, and innovators driving Thailand's economy over the next ten or twenty years.

The decisions made about education today will shape Thailand's economy for decades to come. The real issue is not how much we should spend, but how we should invest those resources to prepare people for the world in 20 years from now.

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