

3 Approximately 95% of students in Macao, a special administrative region of China, attend a private school. Internationally, competition for students is high amongst private schools. Private schools are often technologically innovative in their methods of teaching. However, some argue that private schools make the government aim of redistribution of income more difficult to achieve.

(a) Define *privatisation*. [2]

(b) Explain how technological innovation can benefit firms. [4]

(c) Analyse the effects of increased competition amongst firms. [6]

(d) Discuss whether or not improving education can help a government achieve its macroeconomic aims. [8]