UNIT 4 ECONOMICS OF EDUCATION

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4.1 INTRODUCTION
Making provisions for education involves cost. This cost may be in the form of infrastructure creation, salary of teaching staff and non-teaching employees, tuition waiver/scholarship to students and such other heads. The funds required to meet the expenditure may come from the national/international agencies. From wherever the funds are obtained, it is one of the most important preconditions for making education available, and also augmenting the quality of education provided. This unit discusses issues and provisions of funding education.

Funding determines to a large extent, the quality of education. In turn, the quality of education determines the type of jobs, promotions and perks to employees. So, in effect, funding avenues affect learners’ progress and income.

Issues related to financing of education are crucial for understanding overall educational development. This unit discusses a few pivotal issues related to financing of education.

4.2 OBJECTIVES
After going through this unit, you should be:
• the relevance of adequate funding for education;
• issues involved in financing education;
• various types of costs involved in education; and
• considerations in allocating funds for various heads of education.
4.3 THE RATE OF RETURNS TO EDUCATION

It is universally accepted that there is a valid (though imperfect) analogy between the expenditures incurred on education and that incurred on other productive investments. This analogy (i.e., acceptance of education as an investment) naturally suggests that education, like other productive investments, must have (i) the returns, (ii) the beneficiaries to whom the returns may accrue, and also (iii) the method(s) to measure the returns to investments in education.

Educational expenditures give rise to a large variety of economic benefits. Broadly speaking, these benefits may be grouped into two: (a) the monetary benefits, and (b) the non-monetary benefits. Similarly, the beneficiaries of educational investments may also be grouped into two: (a) the private individuals, and (b) the society. The economists have developed various methods to measure the returns to education. These methods are: (a) ‘the residual factor’ in which education plays a crucial role. This is also called as ‘the third factor’, (b) ‘cost-benefits’ ratios, (c) a calculation of ‘human capital’ and (d) a discounting of the additional earnings of the educated over those of the uneducated. This is alternatively called also as the ‘rate of return approach’.

Now we shall study in some detail about the various types of returns to education and also about its beneficiaries. We shall limit our study only to the fourth method of measuring the returns to education, i.e. ‘the rate of return approach’. Hence, what follows below has been divided into three sub-sections:

a) returns to education,
b) beneficiaries of the returns to education, and
c) Measuring the returns to education through ‘the rate of return approach’.

4.3.1 The Benefits or Returns of Education

It is already noted above that the contribution of education to human economic welfare may be grouped into the monetary and the non-monetary benefits. These benefits may be further classified as the direct benefits and the indirect benefits.

Still further, these may be grouped in the private benefits and the social benefits of education. The ‘indirect benefits’ of education may also be called by another name of ‘external economies’ of education.

1) Direct Benefits of Education

The direct benefits of education are those benefits of education (or returns from education) which are realized directly by the students. We may group the direct benefits of education into the following three types:

1) Direct returns;
2) ‘Financial option’ returns; and
3) Non-Monetary returns.

a) The Direct ‘Financial Returns’ of Education: The direct ‘financial returns’ or the monetary benefit of education is reflected in the higher life-time wages or salary earned by the persons having higher educational qualifications compared to those persons having relatively lower qualifications. Various empirical studies show that with the acquisition of additional education/qualifications, the lifetime monetary or wage-earnings of individuals go up. These studies have been conducted both for the developed and developing countries. These studies have shown that the levels of aggregate or total life-time wage-earnings of persons...
with different educational levels are different from each other. To put it simply, these studies have shown that there are remarkable differentials in the earnings of the persons having different levels of education. It is generally found that higher the level of one’s education, higher is his/her earnings and vice-versa. Persons with lower levels of education have lower earnings. It may be noted that while estimating the earnings accruing due to education, the amount of education is measured in terms of either the completed number of years or the levels of schooling. It should also be noted that there are ‘other factors’ which have determining effects on the personal earnings. Some of these ‘other factors’ are: age, sex, race, innate ability, social class background, family wealth, social mobility, place of residence, branch of employment, occupation, on-the-job training, informal education home, non-formal education, ambitions, motivation, efforts taken for the search of information regarding jobs with better salary and with better scope of promotions, number of hours worked, family wealth, quality of schooling, father’s occupation, etc. Many of these factors are positively correlated with education and also have impacts on one’s earnings. Various studies have recognized the influence of these non-educational factors and further they have tried to make suitable ‘adjustments’ for these factors and refine their calculations for the additional earnings attributable to education. One may safely say that at least a part, perhaps the most significant part, of the additional earnings of the better educated persons is due to their additional education. The economists of education have suggested that education first raises one’s marginal productivities which in turn raise their wage-earnings.

b) *Financial Option’ Return of Education*: We have seen that additional education gives rise to additional earnings. Such earning related benefits of education have been most talked about and measured benefits of education. But there are other benefits of education. We know that completion of a given level of education (say, graduation) creates/opens the ‘option’ to obtain still further education (e.g. master’s degree, etc). One is normally not permitted to pursue higher degree without the completion of the corresponding lower degree. We also know that such further education will result in still further additional earnings for the concerned individuals. Any estimation of returns to a given level of education (but ignoring the option of any additional education and resultant additional earning) will result in gross under-estimation of returns to education. According to estimates made by Weisbrod, “the option value of high-school education increased the rate of return on high school cost from 14 to 17 percent, considering only the ‘monetary’ returns”. B.A. Weisbrod pointed out that “the value of the option to pursue additional schooling depends upon (a) the probability of its being exercised and (b) the expected value if exercised”. He further said that “if the option value of education has been overlooked by the parents as it has been by economists there would be a tendency toward under investment in education”.

c) *Non-Monetary ‘opportunity options’*: In addition to the ‘financial option’ returns, there are numerous economic but non-market options that become available to the educated persons due to their acquisition of education. These will include the direct consumption value of learning per se, the opportunity to lead the ‘full life’, way-of-life options, on-the-job learning options, ‘hedging’ options, preparing one’s own income-tax return, etc. Some of the other examples of indirect effects of education are: the relation between schooling and the savings behavior, effects of education on consumer behavior and also on the ‘consumer efficiency’, relation between the education and crime, relation between education and the allocation of women’s time, education and fertility/family-size, education’s impact of child-care and health-care.
4.3.2 Indirect or External Benefits of Education

Any investment in education gives rise to many benefits which are often not so visible and are indirect. Further, these benefits are not appropriate or captured by the parents and students making investments in one’s schooling. Some such benefits of education accrue to ‘other’ individuals and the society at large. All such benefits (which accrue to other than those who actually make investments are education) are called as the ‘external benefits’ of education. It is necessary to identify and measure these external benefits. It will help us in determining the true rate of return of education. This in turn will help in attaining the ‘allocative-efficiency’ while making allocation of scarce economic resources between education sector and other sectors of the economy. Education system may give rise to some intended or unintended by-products. One of the by-products of education system, particularly which of the elementary education, is the child care. This enables many mothers to perform other jobs, for example, to seek and to engage in productive/paid work in the job-market. In the absence of educational provision for the children, these mothers would have been forced to supervise their children themselves or to arrange for the baby-sitter. In fact, some mothers’ earnings are made possible only due to the reason that children remain in school. Though difficult but it should not be impossible to measure the economic value of child-care services provided by education.

Inter-generational benefits: Education also brings some valuable benefit to children from the education of their parents by way of informal education at home, better help in school related home-work etc. Education is presumed to develop in the individuals various acceptable social values and behavior. It may inculcate in them the qualities of flexibility, adaptability, cooperation etc. The neighbors benefit from these good qualities of the educated persons staying in their neighborhood. This may be called as the neighborhood effects/benefits of education. The qualities that make the individuals good neighbors also make good colleagues at the work place. It creates a positive and conducive environment in the factories and other work places which in turn may be reflected in the higher productivity of the factory as a whole. This may be called as the employment related external benefits of the education. Further, education creates some benefits also for the society in general. Education is supposed to make persons more law abiding. It is presumed that educated persons will have lower tendency of indulging in criminal and unlawful activities. This will be reflected in lower requirements for law enforcement which in turn will lead to avoidance, at least lowering, of the costs of law enforcement. This type of social benefits of education may be called as the ‘cost-reduction’ benefits of education. There are other examples also of the social benefits. Education is presumed to promote ‘equality’ of opportunities in the fields of employment, various other economic and social spheres. Thus education promotes goals of socio-economic goal of equality. Education helps in improving the communication of information, functioning of political democracy. Higher education promotes research, innovations, inventions etc. In fact these are the ‘joint products’ of education. The national and the international communities reap the benefits of research etc.

4.3.3 Educational Expenditure is Investment

Marshall pointed out investment in education and health are better forms of investment compared to any investment in landed property, financial savings or any other material capital because investment in health and skill improvement would bring relatively more returns compared to material capital/financial savings/landed property.

It may be argued that there is a strong positive relation between education and economic growth. We know that during the Middle Ages economic progress was very slow and this slowness was partly due to a deliberate disregard of learning. During the 18th and the 19th century’s education and science played crucial roles in
achieving mechanical advances and thereby in accelerating the industrial growth rates for various countries like Britain, Germany, France, and America. Education accelerates also the commercial and agricultural growth. Further, education has positive effects on innovations and inventions of both the machinery and method of production. Education improves workers’ productivity through its effect on one’s ability to adapt the mind to use its best faculties in one’s job. However, it may be noted that, in addition to education, some other factors such as training, technical education, artistic studies, exchange of ideas, and traveling also play crucial roles in improving the workers’ productivity. These factors like education play a positive role in acquisition of knowledge, adoption and improvement of exiting machineries, and also in the invention of the new machines. Education promotes accumulation of capital and financial savings. Further, it may be argued that education and health are themselves forms of capital accumulation and that too better ones. It is because of the fact that the investment in education and health bring relatively higher returns compared to the accumulation of physical capital. Studies have shown that there is a positive link between education and the improvement of agricultural skills, modernization and development of agriculture.

In short, educational benefits/returns are reflected in the growth of workers’ marginal productivity, higher wage-earnings, progress of industry, commerce, trade, agriculture, innovations, inventions etc.

Check Your Progress 1

1) How does education increase ‘opportunity options’?

2) How can education accelerate commercial growth?

4.4 MEASUREMENT OF RETURNS TO EDUCATION

The measurement and analysis of the “rate-of-return” to investment in education has been a major area of research for the economists of education. The economists of education have developed various models to calculate returns to investment in education which are based on the human capital framework of Garry Becker (1975) and Jacob Mincer (1974). Due to limitations of the space, we shall not go into the details of these models. However, we may point out that none of these models is satisfactory. The estimation of the rate-of-return to education based on cross-sectional data has been the most popular method. This method is based on the cross-sectional data relating to (a) life-time income profiles of groups and individuals with different levels of schooling, and (b) the direct cost of education as well as the opportunity costs of income forgone due to attending the school. Generally speaking, while estimating the return to education, the economists have taken into account either the completed number of years or the levels/stages of schooling. They have further assumed that completed years/levels of schooling accurately measure an individual’s stock of human capital and his/her marginal productivity. They did not have any way to measure one’s level of acquired skills. These models ignored the fact that variations
in the school’s quality and/or that in the students’ learning ability may cause significant differentials amongst students in terms of levels of the skills acquired by them per completed year/level of schooling. They have often also ignored the potential impact of ‘innate ability’ on one’s probability of completion of higher levels of schooling. It is common knowledge that more able children tend to complete more years of education and also they acquire more cognitive skills per year of the schooling. There are other grounds also on which these models have been criticized. These drawbacks may vitiate the calculations and may lead to over or under estimation of returns to education. Hence the question arises whether the estimated rates of return are accurate measures of returns to education. Doubts have also been raised whether the rate of returns to additional year/level of schooling is the relevant rate of return to examine. It has been argued that, while estimating the returns to education, suitable adjustment should be made to take into account the effects of factors such as mortality, morbidity, sickness, unemployment/under-employment, natural abilities, good luck, good start in life, exceptional hard work or personal motivations/initiatives, etc.

One should take into account also the ‘non-pecuniary’ rewards. The non-pecuniary rewards are those non-monetary benefits which are received by the workers ‘in kind’. These non-monetary rewards are in danger of being overlooked or ignored. The extra earnings due to investment in education may not be limited only up to one’s age of retirement but it may accrue to an individual during the maximum possible duration of his productive life (i.e., till the date of his death). Hence, one should include the post-retirement incomes also in estimates of returns to education.

Various efforts have been made to take care of the different criticism and thus improve the estimations of returns to education. It has been realized that education is both consumption good as well as an investment good. A neglect of consumption benefit of education will lead to gross under estimation of return to education. It is argued that education may improve one’s productivity not merely in activities related to his/her work place (the factory or the office), but it may also make him/her more efficient (a) in maintaining health of himself/herself and his/her family members, (b) in imparting human capital to their own children. It is argued that education may (and in fact it does) enhance one’s productivity in activities performed within the household.

4.4.1 Need for an Alternative Method

Recently, economists have pointed out that there is a need for an alternative method for estimating the returns to education. New method should be able to take appropriate note of the impact that may be on the returns to education due to the factors like the investment in school quality, the impact of cognitive skills (not merely of schooling) on wage-earnings and also on ‘non-monetary’ but economically important productive activities that take place within the household (e.g., child care, fertility behavior of educated women etc.)

4.5 FINANCING OF EDUCATION

Every society from earlier times had been faced with the question: ‘Who should pay for the educational programmes?’ Adam Smith, in his famous book Wealth of Nations, wrote that the “expenses of the institutions of education...May...without injustice, be defrayed by the general contribution of the whole society. This expense, however, might perhaps with equal propriety, and even with some advantage, be defrayed altogether by those who receive the immediate benefits of such education and institutions”. Alfred Marshall, in his books Principles of Economics (1908), and Industry and Trade (1919), argued that the responsibility of financing of education should be shared by three sets of people or the agencies: (a) the ‘society’ or State/
Government, (b) the individuals/parents, and (c) the employers. They have further argued that this sharing of educational finances should be done on the basis of three criteria: (i) the 'benefit principle' (ii) the principle of 'social justice'; and (iii) the social or 'external benefits' of education. It is suggested that the costs of education should be shared by different agents in proportion to the benefits reaped by them from given educational projects. Education benefits not only the present generation but also the future generations. Further, education gives rise to the 'direct' as well as the 'indirect' benefits. Education results in both (i) the 'private' benefits, and (ii) the 'external' or 'social' benefits. Any scientific inventions, medical discoveries etc have an economic value for the society as a whole. One may use the criterion of 'external or social benefits' to argue that the society or State should finance the education and scientific research related to R & D. the principle of 'social justice' or equity may be invoked while arguing for the State funding of education of deprived groups such as women, SC/ST, children of low-income parents. By doing so the State will promote equity and social justice by help the under-privileged to get the crucial start needed for bringing out their latent abilities, many of whom may have died unknown. It is argued that any neglect of such social justice will be harmful both for the social harmony as well as to the overall economic growth. Alfred Marshall (1890) argued that there "is no extravagance more prejudicial to the growth of national wealth than that wasteful negligence which allows genius that happens to be born of lowly parentage to expend itself in lowly work. No change would conduce so much to a rapid increase of material wealth as an improvement in our schools...which enable the clever son of a working man to rise gradually from school to school till he has the best theoretical and practical education which the age can give."

4.5.1 Agencies Financing Education

It may be noted that the governments at all the three levels, (the central, the state, and local level), contribute to financing of education. With the passage of time, a complex inter-governmental system of taxation and revenue for the financing of education has evolved. No doubt, the system and its complexities vary from country to country. Broadly speaking, the rationale for financing of education by the governments may be grouped into four categories: a) manpower development, and b) promotion of social equity, c) promotion of productivity and economic growth, nation building, d) improving quality and efficiency of educational system.

In India, the responsibility of financing and managing education has been defined by the Indian Constitution: (a) the Central list where the responsibility lies with the Central Govt., (b) the State list where the responsibilities rest with the State Governments., and (c) the concurrent list where both the Central and the State Governments share the responsibilities for making provision of education.

4.5.2 Financing of Education by the Parents

We know that it is the parents who have always been the major investors in the education of their children. Given the new trend of reduction of public funding and privatization of education, particularly the higher education, the parents' share in financing of their children's education has increased and is bound to further increase substantially. The financing of children's education by the parents depends on: (a) financial resources of the parents, (b) willingness of the parents to make sacrifice for the future of their children, (c) educational background of the parents, and (d) parent's ability to distinctly 'foresee' the future.

Alfred Marshall (1890) observed: "The slender means and education of the parents, and the comparative weakness of their power of distinctly realizing the future, prevent them from investing capital in the education and training of their children." It may
be pointed out here that the modern economists of education have tended to neglect the importance of parents' ability to 'foresee the future' and over-emphasize the role of parents' financial resources in explaining the low rate of participation in education by the children of the poor and the illiterates. These days the role of parental resources has fast diminished due to the emergence of welfare States which often provide free education and also the free mid-day meals for the students of the primary schools. Is it not difficult to explain the low rates of educational participation of the underprivileged groups (the illiterates, the rural population, the poor parents, the SC/ST) simply in terms of their poverty? We feel that one may find a more satisfactory answer to this question by exploring Alfred Marshall's suggestion about the role of parents' ability of 'realizing the future.' Marshall argued that educated parents can foresee the distant future with more certainty. The uneducated parents are often unable to foresee the distant future distinctly, thus they have higher degrees of uncertainty about the future (including the future earnings due to education). Consequent upon the higher uncertainty about the future, the uneducated parents discount the likely future earnings at a higher rate of interest. This makes the discounted value of education's returns comparatively lower for them. We know that higher expected returns will induce higher investment and the lower expected returns will result in lower investment in any field, including education. Consequently, other things being the same, the uneducated parents invest less in their children's education even when they have their own financial resources and/or when the same is provided by the State/society, or the philanthropic agencies.

4.5.3 Financing of Education by Employers

The employers may finance the (i) research and development (R & D), and (ii) the education/training of their employees. This they may do for the reasons such as (a) the expected benefits, i.e., if in their own opinion they think that it will pay them to do so, (b) their ambitious character that may make them aiming at leading the race, pioneering the new art production and management, and (c) their philanthropic nature and benevolence which may make them to take a generous interest in the education and the well-being of their employees.

Check Your Progress 2

3) What determines parents' investment in children's education?

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4) What are the major reasons for governments to fund education?

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4.6 COST AND COST EFFECTIVENESS

4.6.1 The Current and the Capital Costs of Education

The costs of education may be classified as (a) the current costs, and (b) the capital cost. The current costs consists those outlays or expenditures which are incurred on current activities, such as payment of salaries of teachers and non-teaching staff; depreciation of buildings, equipments etc. The capital cost, on the other hand, consists
of outlays incurred for future. The capital costs includes expenditures incurred for developments of the infrastructures, construction of new buildings for classrooms, hostels, school-offices, laboratories, purchase of equipments, etc. Though expenditures may have been fully incurred during the current year itself, but such expenditures should not be classified under the head of the current costs unless the part or all of such expenditures are used up during the current year. In other words, it is important to see not only the period/dates when expenditures are incurred. One should also see the period during which the concerned outlays will be used. If the use is extended beyond the current year, the relevant outlays should be considered as the capital costs.

4.6.2 The Direct and the Indirect Costs

The direct cost of education consists of expenditures explicitly incurred by the students or their families and the educational institutions for education. The students and their families incurs expenditures on account of tuition fees, books, additional costs of hostel, boarding, school uniforms/clothing, transportation to and from school, etc. The educational institutions incur explicit expenditures on salaries of teaching and non-teaching staff, library books, capital outlay, equipments and chemicals for the laboratories. These and any other explicit expenditures on education are included in the direct costs of education. These may have been incurred either by the private individuals (students, their parents) and/or the society (educational institutions, governments).

The indirect costs are often called as the opportunity costs of education. The indirect costs are also called as the imputed cost. Unlike the direct costs, the indirect costs of education are implicit rather than explicit. The indirect cost of education consists of the costs of earnings forgone by the students. The students, instead of enrolling and attending school/college, could have taken-up a job and made some income. By attending the school, the student foregoes the income that he may have otherwise earned. While estimating the imputed value of the students’ foregone earning, one should make adjustments for the facts that (a) students may be working part-time and hence not foregoing his/her entire potential earnings, (b) assuming the prevalence of high unemployment, the students would not have got any job at all. This would mean that the students could not have any income and the income foregone would have even been zero or much less than what it could have been if there was full employment. We shall not go into the other factors for which adjustment may be needed while calculating the imputed value of the students’ foregone earnings.

In addition to the students’ forgone earnings, there may be other hidden (opportunity) or indirect costs to education. For example, the “imputed rent” on school building should be included in the indirect cost of education. This is due to the fact that if the school building was not engaged in educational activities, it could have been used for some other purpose or else rented out and some rents could have earned. The society foregoes such potential rental income. Further, the imputed value of the tax exemptions enjoyed by the educational institutions should also be included in the indirect cost of education. We know that educational institutions are granted by the governments’ exemptions with regard to the income-tax, sales-tax, and property-tax. Many a times, the governments supply to schools electricity, water etc. at highly subsidized rates. These tax exemptions and subsidies are not reflected in the educational budgets but these amounts to real costs to the society and tax-payers. Hence, the imputed value of the same should be considered as the indirect costs of education. However, we find that discussion about the indirect costs of education often confines itself to the issue of forgone earnings of the students. This may perhaps be due to difficulties in measuring the imputed value of these items.

The total costs of education consists both the direct costs and the indirect costs.
4.6.3 The Private Cost of Education

The private cost includes all expenditure incurred by the students/parents to meet (a) the tuition costs, (b) the non-tuition costs, and (c) earnings foregone. While estimating the tuition costs paid by the students, normally we deduct from the fees paid financial aids/scholarships etc. received by a student. In other words, only the net tuition costs are included in the private cost of education. In the non-tuition private costs, we include items such as books, stationery, equipments, cost of maintenance of students (lodging and boarding), and transport.

4.6.4 The Social Cost of Education

The Social cost of education is sum total of the private and the institutional cost of education. The private cost consists of net tuition costs, non-tuition costs. The institutional costs consists of both the current or operating cost and the capital costs of education borne by the schools, or society. The opportunity cost or income foregone is not included in the computation of the total social costs of education to the whole society.

4.6.5 The Unit Cost of Education

The unit cost of education is cost per unit. The unit cost is generally calculated per-student enrolled. But it may be calculated per graduated student, per-course, and per-institution. It is arrived by dividing the total costs of education by the total number of, say, students. The total costs of education consists of the sum total of all the expenditures incurred by the students/parents and that incurred by the institutions/government/society. It takes in account all expenditures incurred towards salaries of teaching and non-teaching staff, amortized cost of buildings, equipments, and other materials of an educational institution; household cost of students on books, stationery, living in hostels, and cost of foregone earnings. To put it simply, the unit cost of education consist of the three major components:

a) Institutional costs (capital costs, equipment cost, and operating costs)
b) Students costs (tuition and other fees, cost of books, equipments & stationery, extra costs of maintenance, income foregone.

The unit costs analysis helps us in ensuring the optimum utilization of resources and also in deciding the optimum size of educational institution. It may be used also as a criterion for studying and improving the internal external efficiency of resources invested in educational institutes. It helps in working out financial allocations and costing of education. By helping us in measuring the cost of education, it helps in studying the returns to education and productivity of the process.

4.7 THE INTERNAL AND THE EXTERNAL EFFICIENCY OF EDUCATION

The internal and external efficiency of the school system can be described in the following manner:

4.7.1 Internal Efficiency of Education

Internal efficiency of the school system covers the study of the problems relating to wastage and stagnation; drop-outs; utilization of school buildings and equipment; conservation, development, distribution and utilization of teaching and non-teaching manpower in school system; pupil-teacher ratio; teacher salaries; management; nature of schools; utilization of library facilities; length of schooling; time utilization by pupils; location of schools; and re-enrolment trends.
4.7.2 External Efficiency of Education

As the study of internal efficiency deals with qualitative aspects of the internal working of the school system, the external efficiency of the system indicates coordination between the school stage, educational sector and economic and higher educational sectors. It has got both quantitative and qualitative aspects. In terms of quantity, it attempts to measure how far the system produces the required numbers of pupils needed for the remaining sectors. The qualitative aspect of the system tries to show whether the educational sector is producing the type of output needed according to the present and future needs of the economy. It may even involve the study of utilization aspects of the output of the educational institutions when the products of educational institutions get settled in employment. A study of 'after-education wastage' in the form of increasing average waiting period for employment seekers, under-utilization of those employed, etc., will be of immense use in the study of unit cost of education.

Check Your Progress 3

5) What is known as the ‘current costs’ of education?

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6) What is the ‘unit cost of education’?

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4.8 LET'S SUM UP

After going through the unit you would have realized that 'economics of education' involves a large number of issues. The issues may not be just of arranging finances and spending the budget but beyond the simple income-expenditure issues. As stakeholders and as individuals interested in the system of education, we believe you would have enjoyed reading and understanding how financing decisions can help or hinder the benefits of education.

It is the State responsibility to arrange for education of all without prejudice but the State’s decision can also be influenced by the ideology and other considerations. Such issues have been touched upon and would be dealt with the following units of this block.

4.9 REFERENCES AND SUGGESTED READINGS

