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V I E W P O I N T P A P E R

*Benefits and Costs on the Education  
Targets for the Post-2015 Development Agenda*

Education International

# Benefits and Costs of the Education Targets for the Post-2015 Development Agenda

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Post-2015 Consensus

Education International

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## **Introduction**

Education International, the global federation of teachers and education workers, fundamentally disagrees with the approach of the Post-2015 Consensus Project. Moreover, we have a number of concerns about the analysis of the education goals, as presented by George Psacharopoulos in the Education Challenge Paper. In addition to our disagreement with the methodology of the exercise as a whole, we outline below a number of concerns around the methodology and scope of the education paper.

First of all, with regard to the exercise, our main concern is that the use of a cost-benefit analysis to assess the “best and most effective [post-2015] proposals” – the approach chosen by the Copenhagen Consensus Centre – is fundamentally flawed and results in inaccurate conclusions that ultimately cannot be used to prioritise one proposal over another. Economic evidence alone cannot determine choices that are made for public sectors, such as education.

While it is imperative that the deliberations around a new development agenda are underpinned by evidence, the choice of methodology and the selection of evidence are far from a neutral exercise. The formulation of the research question is in itself political and will guide the research process by implicitly encouraging certain ways and directions of thinking.

There are numerous critiques of cost-benefit analyses being applied to education policy, which underline that the costs and benefits of educational policies cannot be expressed in simple comparable units. It is possible to determine the costs/price of some inputs, for instance educational equipment and supplies, or instructional costs and facilities. However, it is much more complicated to estimate the costs of other inputs, such as the importance of nutrition or supportive home environments for students. Similarly for the benefits; while it might be possible to assign a monetary value to employment, wages, and tax receipts, it is much more difficult to guarantee causality. More importantly, the outcomes are not simply monetary but involve a number of other benefits such as improved health, greater civic engagement, lower crime rates, personal development and happiness, to mention but a few. Psacharopoulos recognises that the inclusion of these social outcomes would completely change the priorities identified in his cost-benefit analysis; yet these are not considered in the paper.

While we recognise the necessary limitations of any such paper, the decision to exclude all social outcomes impacts directly on and compromises the validity of the conclusions reached therein. The Global Monitoring Report 2013/14 effectively outlines the positive correlation between education and other development goals, such as poverty eradication, health and gender equality. The failure to recognise these interlinkages between policy areas reduces the potential utility of any recommendations on effective targets.

In the case of maternal health, for example, if all women completed primary education there would be an estimated 66 % decrease in maternal deaths, and the lives of

approximately 189 000 women would be saved. This means that the priorities and subsequent financing of the education and health targets will have a direct impact on the costs and benefits of these respective targets. A cost-benefit analysis of any target related to universal primary education should, therefore, factor in the benefits and potential savings in the area of health.

## Concerns

Looking at the paper itself and the analyses presented, we have three main concerns. Firstly, the object of the study; Psacharopoulos bases his analysis on seven different education targets but never explains how or why these particular targets have been chosen. There are a great number of proposed goals and targets for education, ranging from those suggested by UN agencies to those proposed by NGOs and the private sector, yet Psacharopoulos fails to provide his rationale for selecting the particular targets that he analyses in the paper. We are particularly concerned about his decision to exclude equity, as there has been wide consensus around equity and quality being obvious priorities for education beyond 2015 (see for instance the Summary of Outcomes of the UN Thematic Consultation on Education).

Secondly, the lack of clarity; Psacharopoulos continues to use vague formulations that hinder the possible application of his conclusions. Does ensuring secondary school completion refer to lower and/or upper secondary, and does it refer to the completion by those that are already enrolled at secondary level, or the whole age group concerned. Similarly, different forms of adult education and lifelong learning are among the more often cited education priorities, but Psacharopoulos chooses to focus on what he refers to as education and training programmes for older workers. In addition, he fails to clarify the age groups concerned, or the forms and duration of education, which makes it difficult to draw any lessons from his conclusions on the benefits of this particular target.

We are also concerned about some of the aggregated data being technically poorly specified and thus uninterpretable. This is the case for the regional averages that are used by Psacharopoulos. While regional averages may be convenient for a discussion about global priorities, it remains unclear whether these regional averages are weighted by population. At the same time, this raises questions about the relevance of regional averages as such. The new set of development goals of course has to be universal and globally relevant, but both policy-making and financing takes place at country level.

Thirdly, the lack of accurate evidence bases and references; as pointed out in our critique to an earlier draft of the paper, the author cites both questionable and outdated evidence. We also note a selection bias by the author, for example, only part of the findings of the Project STAR (Chetty et al., 2011) cited are referenced in the paper and the findings of the long term effects of smaller class sizes on students from this study are ignored. Moreover, any rigorous analysis would consider citing alternative perspectives or contrary findings, or at least not only selecting evidence that supports the claims made in the paper. We would

have liked to see some of the alternative findings acknowledged and cited, such as those that highlight the positive effects of reduced class sizes (e.g. Krueger (2003)).

The evidence basis for the section on the benefits of education quality is weak and biased, and it lacks a basic operationalization of education quality. We are missing the evidence of the positive impact of qualified teachers (c.f. Teachers Matter, OECD, 2005), and regret the choice by Psacharopoulos to use PISA scores as the only indicator on quality.

Another example would be Psacharopoulos' description of vocational education as "relatively ineffective or there...[being]...a large uncertainty regarding the benefit-cost ratio". However, a number of recent studies show that vocational education has high positive outcomes, particularly given that the absence of opportunities to pursue vocational education contributes to higher school dropout rates and higher youth unemployment.

## **Viewpoint**

While it is important to analyse the feasibility of prospective targets, the paper does not present sufficient analysis for the conclusion to be drawn that "the vast majority of the post-2015 education targets could not be achieved by 2030". It is also problematic to pick one country for which the goal is not realistic (Burkina Faso in this case, figure 5), but not mention those countries in which they are, in fact, possible. At the same time, the paper is symptomatic of a political climate in which the role and the responsibilities of the state are being reduced and governments are being pressured to cut public spending. Education International considers the lack of finance the single greatest reason for the current education (and other development) goals not having been reached and, thus, the post-2015 process presents itself as an opportunity for governments to agree finally to take their responsibility for ensuring education for all.

## **Conclusion**

In conclusion, Psacharopoulos sets out to compare the cost-benefits of the different targets proposed for education beyond 2015. While the flawed method to calculate comparable rates-of-return on education leads the author to inaccurate conclusions, our disagreement with the paper remains on a much more fundamental level as we consider the narrow, economic cost-benefit approach ill-suited for analysing the education policy field. The social value and nature of education that Psacharopoulos chooses to disregard in his analysis is the very reason for this. Education is a human right and a public good and this means that the aim for any government has to be a strong national education system.

An analysis such as the one that Psacharopoulos attempted, moreover, positions the different levels of education in competition with each other. This is, in itself, as relevant as comparing pears and apples: a country that lacks the basic infrastructure of a national education system cannot choose either primary or lower secondary education – it will have to invest in both.

The post-2015 process must be based on the rights and the needs of people, as the ultimate objective is to ensure that these rights and needs are respected and met. Governments must ensure the right to education of all people and this requires a balanced development of all education sectors from early childhood education through to higher education and life-long learning. Moreover, the social values of education require public authorities to protect the education sector from the neo-liberal agenda of narrow cost-benefit analyses. Consequently, this paper has very little added value in the deliberations on a development agenda beyond 2015.

This paper was written by Education International, the global federation of teachers and education workers. The Post-2015 Consensus project brings together more than 50 top economists, NGOs, international agencies and businesses to identify the goals with the greatest benefit-to-cost ratio for the next set of UN development goals.

For more information visit [post2015consensus.com](http://post2015consensus.com)

## C O P E N H A G E N   C O N S E N S U S   C E N T E R

Copenhagen Consensus Center is a think tank that investigates and publishes the best policies and investment opportunities based on how much social good (measured in dollars, but also incorporating e.g. welfare, health and environmental protection) for every dollar spent. The Copenhagen Consensus was conceived to address a fundamental, but overlooked topic in international development: In a world with limited budgets and attention spans, we need to find effective ways to do the most good for the most people. The Copenhagen Consensus works with 100+ of the world's top economists including 7 Nobel Laureates to prioritize solutions to the world's biggest problems, on the basis of data and cost-benefit analysis.

