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May educational expenditure limitations play a positive role?

Aldo Visalberghi

Few terms seem to fit so well in the educational tradition as the word 'austerity'. Both in Western and Eastern civilizations, in manuals for the education of aristocrats and throne heirs as well as treatises for the training of middle-class youth, a modest style of life is suggested; luxury and affluence are condemned. Vittorino da Feltre, the greatest educationist of the Italian Renaissance even refused any type of artificial heating (this in North Italy!) in addition to preaching moderation in food and modesty in clothes. The practical textbook pedagogy for popular, universal education in the nineteenth and early twentieth centuries in almost every country, stressed frugality and saving as first-class virtues.

A pseudo-ethic favouring increased consumption in order to improve economic production and development has only partially taken the place of this earlier trend towards savings. Only in recent decades has increased consumption

become more pervasive and education has only had limited success in orienting individual behaviour in this direction.

But educational finance has been affected by a different approach. Different trends of thought have had a synergic effect in this field. Human capital theory, the social concern for equality of opportunity, affirmative action in compensatory education, and the pursuit of excellence which requires a favourable environment have been among the main factors favouring the acceptance of higher and higher public education budgets (and/or family sacrifices for giving children better educational opportunities). Of course the explosion of school enrolments, chiefly after the Second World War, multiplied the joint effects of these tendencies. When the oil crisis and other negative international factors jeopardized public finance in most countries, the trend to increase educational expenditure ceased. This phenomenon was just an aspect of the more general crisis of the 'welfare state' or 'social assistance state'.

But educational expenditure has a different character from most types of public allocations for social assistance: it is to some degree a special kind of capital investment, which is usually not the case for unemployment subsidies, old-age pensions and assistance, free health services, which replace the role or interests of accumulated personal savings. This statement is not a black-and-white utterance. The 'human capital' theory has been bitterly criticized (we will come back to this), and good free health services can

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contribute to a better productivity. In general it seems justified to say that spending for a good school system instead of for consumption goods or plants for producing them (perhaps polluting the environment at the same time) may be interpreted as austerity behaviour in a sense that links together both the educational and the public budget meaning of the term austerity. The individualistic 'spirit of capitalism' connected by Max Weber to the 'Protestant ethic' might find a new, collective form and be connected to a modern social and political ethic.

I shall illustrate the following thesis in this article: austerity can and should play a positive educational role, with positive social and political (chiefly international) implications, but this is possible only under certain conditions which are not easy to be fulfilled. However there are symptoms that something is moving in the right direction in respect of youth attitudes, political awareness, and technological developments. Therefore we can hope that austerity in the developed countries can be oriented toward the development of better international relations, peace values and the ecological respect of the planet.

Austerity as a 'saving' behaviour

Austerity is not poverty. Really poor people lack enough resources for a bare livelihood and even more for investment for future consumption and welfare. Human behaviour inspired by an 'austerity' principle is a different matter. It is a conscious choice between consuming and saving, which usually (except in the case of the farmer suffering hunger in order not to consume the grain necessary for future sowing, and in a few other cases) means the reorientation of production toward capital goods as opposed to consumption goods.

Such a truism is important as a starting-point for a slightly paradoxical statement: an 'austerity climate' should produce an increase of both private and public investments in education. If the theories about 'human capital' have even only a partial validity, education

should be one of the better long-term and even middle-term investments.

Let us briefly analyse the paradox. Why does it sound like a paradox? Two main answers are possible. The first is that the austerity climate we are living in is really very close to a poverty climate. Our surplus is so small that we must limit ourselves to a few short-term investments. For instance in the educational field, there is a tendency to foster vocational education for the most urgent manpower needs, according to a rather myopic reflex which is rather common in contemporary debates. A second answer might be that the 'human capital' theory is basically false. Correlations between per capita income and quantity of education received (both between nations and between individuals) cannot be explained as a causal relationship in the sense that education is a main factor in prosperity, but rather in the opposite way. Education, chiefly prolonged education, is mainly a luxury and a status symbol which affluent people are eager to give their children.

The first statement is obviously false for the advanced societies, and only partially true, as we shall demonstrate later on, for developing countries.

The second statement is somewhat more serious and consistent. It is a warning against oversimplification. As a proponent of human capital theory, Theodore W. Schultz stated:

... to increase so much the share of resources going into education may have been cultural in ways that can hardly be thought of as 'consumption', or they may have been policy-determined for purposes that seem remote from 'investment'. Even if this were true, it would not preclude the possibility, that the rates of return of the resources allocated to education were large simply as a favorable by-product of whatever purposes motivated the large increases in resources entering into education (Schultz, 1960).

General discussion gave scarce attention to these arguments, and the debate was carried on with variations in the old, but also in new keys. Others argued, there are complicated inter-relations between welfare and education. Surely they work both ways. But the 'human capital' theory has generally overlooked the fact that

education is chiefly for life enrichment and a status symbol. It is true that a cost-benefit analysis of education in thirty-two countries (Psacharopoulos, 1973) showed that the rate of return of educational investments are not only profitable, but in many cases, particularly in developing countries, seem to exceed the rate of return of physical capital, and that the social rate of return is consistently higher than the private rate of return, chiefly with respect to primary education. But such analyses do not demonstrate that greater expenditure in secondary and higher education is really profitable.

Both in developing and developed countries, there is an 'overeducation' phenomenon, linked to a so-called 'ratchet effect'. This is most visible in public employment where the 'credentialism' or the 'diploma disease' causes a spiral of increased school requirements needed for employment, which are, in turn pursued by students (and families). It is difficult to believe that such phenomena have an economically sound meaning.

An any event, experts analysing the possible effects of 'overeducation' deny that after basic schooling, educational investments can have a negative return (Foster, 1965).

In fact, the economics of education has become in the last twenty years a more and more intricate field of research and theory (Blaug, 1968, 1978), but it is difficult to deny that education has positive correlations and probably causal effects with respect to economical growth and development. This dualistic expression is not redundant: growth means linear expansion and development means structural enrichment. Both are probably highly linked with educational levels. But the word level or standard has a double meaning: it refers both to school attendance rates and to the quality of education.

Both attendance rates and quality of education, of course, require public and/or private investments. But in most cases public investment is chiefly needed for a correct orientation and an optimization of the rate of return.

One can take the problem of the gifted and talented of rather poor socio-cultural background. It is more and more widely recognized

that the racially and ethnically different and the economically disadvantaged populations represent the largest untapped talent reservoir and are making particular efforts to identify and develop the gifted and talented in those pools. Several countries are focusing on better ways of identifying these different and/or disadvantaged people; others are testing more appropriate educational provisions. This concern for the group which is called the 'gifted disadvantaged' in the United States is often considered part of the drive for educational equity (Passow, 1984).

No cultural and economic development is possible without stimulating creative intelligence in children and youth, beyond the limits of family care and highly selective private initiatives. But it is a costly endeavour. It would be possible to divert money from other costly but much less profitable educational enterprises, such as special care for the handicapped, retarded and difficult children. Advanced pedagogy tends to foster both sides of the problem of 'exceptional children', and tries to solve it through highly flexible models drawing upon both social and individualistic characteristics. May we just cut down one side, like the Nazis did? What kind of future mankind will be the future product? If we refuse to save money in favour of an 'economic' investment in the gifted, then we must accept to spend more on education in the new 'austerity' climate.

The Post-industrial or information society

The previous statements about the inter-relationship between austerity and wise investments, chiefly in 'human capital', may be further qualified in terms of the impressive social changes we are now encountering in all advanced societies. They are becoming post-industrial societies, because both income and labour are concentrating in the tertiary sectors, rather than in agriculture and industry. This change is caused by scientific and technological advances of a new type. Electronics and information science are now moving in a different or even opposite direction than in the classic in-

dustrialization process: then technology tended to empty most human work of human traits, to make man an appendix of the machine. Now the tendency is to substitute artificially controlled operations for all human performances which are not 'highly human' (i.e. creative, original, evaluative, and so on). One result is a large quantity of goods and services at lower prices. A second result is a growing unemployment rate, chiefly of young men and women. A third one is a growing demand for highly qualified people, and chiefly for creative people, capable to quickly readapt themselves to new situations and to cope with unforeseen problems.

Thus we are confronted with a jungle of contradictory issues. But it seems that some trend is emerging for the field of education:

To conciliate excellence and equity because we need high level and flexible competencies, but also a certain degree of equality, chiefly among enlightened citizens. The ghost of technocracy may only be exorcized by more democracy in order to control and orient the technological changes.

To stress the importance of general (not only intellectual) education for all, both in sequential and recurrent forms. Work activities should be integrated in the curricula not so much for direct vocational purposes, but rather as opportunities for essentially educational experiences.

All pupils should have a chance to become familiar with the new technologies, chiefly the information technologies as well as computer sciences. Because we are living in an information society, where people engaged in some form of information activities (including art, literature, television, consultancies, and so forth tend to become a majority of the active population.

What might be the implications of such tendencies for an educational 'austerity' policy? Given my earlier concern for the dangers of any shortsighted 'elitism', the most striking consideration concerns the 'spontaneous' development of information technologies within and outside schools. This development is now rather chaotic

and highly expensive for the society as a whole. Is it possible to control, perhaps to plan it in such a way that it could represent a good investment, able to reduce socio-cultural differences instead of reinforcing them, as now seems to be the case?

But some explanation of the last statement is perhaps necessary. First of all, micro- and personal computers are increasingly present in well-to-do families, where they are often available to children. They can largely play with them, and often master some computer languages and programming.

If they find electives or even compulsory instruction in computer science in school, their achievement will probably be better because of their familiarity and motivation in the field. Pupils lacking such a free, playful experience perceive instruction as an external indoctrination and achieve much less on the average.

Schools should 'compensate' such inequality of opportunities. But it is a very difficult task. Schools themselves show a very unequal distribution of opportunities and equipment in this sector. In several countries micro- and personal computers, as well as teachers interested in utilizing them, seem to be restricted to schools located in the higher socio-cultural areas.

In countries like Italy, where the geographical distribution of most educational indicators (except perhaps per capita) public expenditure show a wide gap between the North and the South. Electronic equipment is even more unevenly distributed. A recent research commissioned by the Ministry of Education and implemented in almost 80 per cent of the public schools of the nation, gave evidence that at the compulsory education level, computers of any type were present in the South at a level of less than one-third of the already modest percentage of the North (1.5 per cent versus about 5 per cent). At upper secondary level, the computer presence in the South concerned about 24 per cent of schools versus 41 per cent of the North (CENSIS, 1985, pp. 94-101). If the number and quality of the computers in the individual schools is taken into account, as well as teachers' competence in utilizing them, the disproportion

would probably be much higher. Free co-operative initiatives in the field are also much more widespread in the North. A recent ministerial programme of in-service training in computer science for an upper secondary school teacher of mathematics and physics aims to equalize the situation as do financial plans to endow schools by quality computers. But what is the impact of such modest undertakings?

More advanced and rich programmes are undertaken in several countries, such as the United States, the United Kingdom, France and the Federal Republic of Germany. But even there, according to most evaluations made by experts, it is unlikely that they can counteract the background economic and cultural differences, at least when they are as pronounced as in Italy.

In spite of this limitation, the field of 'computer literacy' and 'computer education' seems a promising field for educational investments inspired by a serious spirit of 'austerity'. Where school financing is chiefly a state of public duty, more shrewdness in several cases, and a complex 'positive discrimination action' may both reduce heterogeneity and enhance quality.

The educational and finally the economic rates of return of such investments seem to be encouraging, at least in a future international perspective, chiefly if we take in account the following points: (a) the teaching of computer science should rapidly be undertaken, to avoid the build-up of a new gap between developed and developing countries in a strategic field; and (b) 'the teaching of foreign language may very soon become cost effective with computers' (Orivel, 1985, p. 1564).

Point (a) is also highly relevant within some advanced but regionally diverse countries such as Italy. Point (b) has clear implications for scientific education and international citizenship.

It is justified to conclude that: 'the shrinking of educational budgets, especially from public sources, makes the need for a better use of educational resources more urgent' (Orivel, 1985, p. 1564).

Sectorial possibilities and global complexity

However, besides this need for more accurate investment, chiefly in promising fields such as new technologies and information sciences, the 'austerity' climate in education should inspire some reflection about ongoing social and economic developments.

First, take the case of the interlinked crises of so-called 'social state' and of public budgets showing in most cases growing deficits and indebtedness. One side-effect is a growing demand for administrative staff and accountants. In the United States the last figures available show that more than one quarter of Bachelor of Arts students enrol in 'Business Administration' (Zuconi, 1985). This means that, in spite of 'deregulation' efforts, the fiscal and social security jungle demands new special personal skills for managing such an intricate stuff. People expert in the field are better paid or get a higher income than most researchers in sciences and even in technology. No computer system is able to reduce the size of the new private and public bureaucracy of this kind. Such additional 'parasite costs' cannot be lowered without some joint action in office automation, fiscal policy and services organization.

An austerity policy aiming to optimize investment should be inspired by the principle that any waste of energy toward artificial tasks is harmful for our societies and their quality of life. If we invest mainly in preparing some people to defend enterprises and individuals from fiscal pretensions and/or (the two jobs are largely interchangeable!) to squeeze as much as possible out of taxpayers, our operation is surely a dead-end investment. And if it is made at the expense of the scientific and humanistic types of study, the resulting distortion will represent a shrinking of a future perspective for real growth and development. Such an hypothesis needs of course to be better analysed and tested: here it is advanced as just an example of the complex nature of our problem.

However, besides such very general problems

of both economic legislation and professional orientation, there are of course several possible ways of saving money just in schools management, and at first sight they look rather simple. For instance, a field to explore is related to internal services within schools, like cleaning and maintenance. Some of them might be directly operated by students, guided by their teachers and a few experts. This is already the case in most Japanese schools. But even in this matter the choice is not a simple one. It is related to the general social and cultural atmosphere. If society is moving toward the acceptance of manual and even menial work as a social duty for all, then such a type of austerity behaviour could be introduced because of its educational value, rather than only because the need of saving money. The case under consideration is also, like the former one, an instance of the complexity of the problem. In education everything we do must be evaluated in terms of probable educational and social impacts. For instance, changes of the kind just envisaged would produce unemployment among janitors, caretakers and/or cleaning service manpower. Even here a global and democratically mature action would be needed.

A much more widespread technique for saving public money in school management, as well as in general welfare services, is based on charging their cost to the users at a differential rate, ranging from full exemption to full charge, according to the income level of the families. It seems an easy and highly equitable procedure. But even here a global approach is necessary. Such an expenditure policy for educational and social services implies that families be more or less officially classified according to their income levels. In several countries we have the experience of how difficult this is even for purely fiscal tasks; how common are inequitable consequences, and, last but not least in the field of education, how debatable is a practice of labeling children according their families wealth.

A provisional conclusion may be the following. To save money in public and even in private expenditure is in general very difficult, when people have been accustomed to a certain

level of consumption. The most dangerous way of doing it is to cut investment for the future, a practice which is unfortunately the easiest and at the same time the most contradictory in terms of the very concept of austerity. For educational expenditures the problem is even more complex. Educational investments are necessarily long- or middle-term investments. Short-term investments are profitable almost only on the ground of the former. Therefore, in education the attempt to limit long-term investment is even more dangerous than in other fields.

Furthermore, education is not only an investment in bare economic terms. It is also an investment in culture, democracy, citizenship, peace, quality of life (both individual and societal life). Everything we do concerning education has a plurality of educational consequences, most of which rely also on more general social and political circumstances, as in the brief examples just outlined.

This does not mean that in the education we cannot reduce some cost. Austerity is an educational value so far as it is intelligently enacted and clearly perceived. But the important fact is that no decision should be taken without a previous thorough analysis of a large array of both independent and dependent variables. The life of the next generations depend on what we do in our schools and in society as a whole. ■

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