



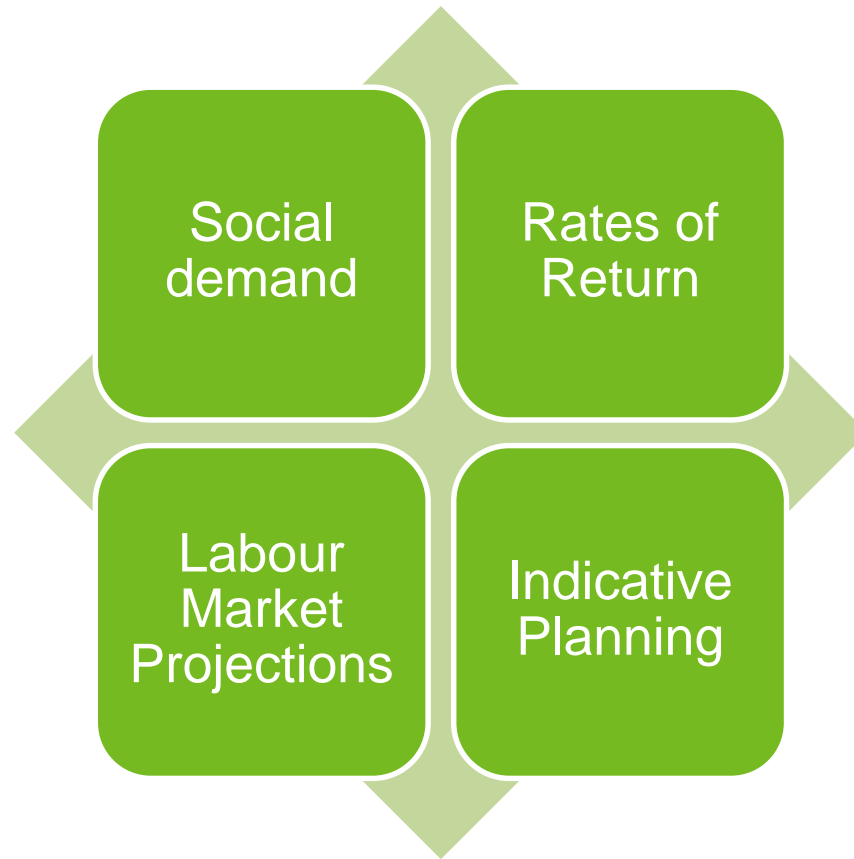
# Four Approaches to Planning Expansion of Secondary Schooling

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# Key Issues for Financing the Expansion of Secondary Schools



# Social Demand

## Principle

Those able, willing and qualified should have a place

## Criteria

Students are best judge of needs

## Methods

Enrolment = No. Qualified x (% able + willing)

## Problems

- How to choose between alternatives if all unaffordable?
- Social demand can be very unstable
- Individual decisions may not be collectively rational
- Marginality may remain a problem - gender, poverty etc

# Rates of Return

## Principle

Compare costs with benefits

## Criteria

Labour Market signals shape investment

## Methods

Calculate additional lifetime earnings associated with extra education;  
Work out private and social rates of return

# Rates of Return

*Comparing costs of education Year 1-4 with lifetime earnings*



# Rates of Return

## Problems

- Past earnings may not be a good guide to future earnings
- Average earnings may be difficult to establish
- Labour market may over value some and under value others
- Individuals may not be profit maximisers
- Changes in the structure of the labour market not anticipated
- Years of schooling, and costs of schooling, may be a very imperfect measure of quality of educational investment

# Labour Market Projections

## Principle

Identify future demand for different workers

## Criteria

Project the numbers that are needed with different levels of education and training

## Methods

Construct tables of supply and demand by level of education, training, economic sector, occupational category

Job	PhD	MA	BA	12yr	10yr	6yr	0yr
Professional							
Management							
Administration							
Sub Professional							
Technical							
Skilled							
Semi-Skilled							
Unskilled							

Sector	Speciality	Other
Agriculture	Mechanical Engineers	Male
Industry	Civil Engineers	Female
Services	Electrical Engineers	
	Electronic Engineers	National
		Expatriates
		Minority Groups

# Labour Market Projections

## Problems

- Uncertainty of projections
- Employers are an unreliable source of information
- Future labour market may be very different
- Workers may be substitutable - qualification escalation etc
- Flexible specialisation undermines simple job classification



# Indicative Planning

## Principle

Decide on future economic and occupational structure

## Criteria

Identify educational output needed for these structures

## Methods

Provide educational output to meet the needs of the planned patterns of employment assuming these will happen

# Indicative Planning

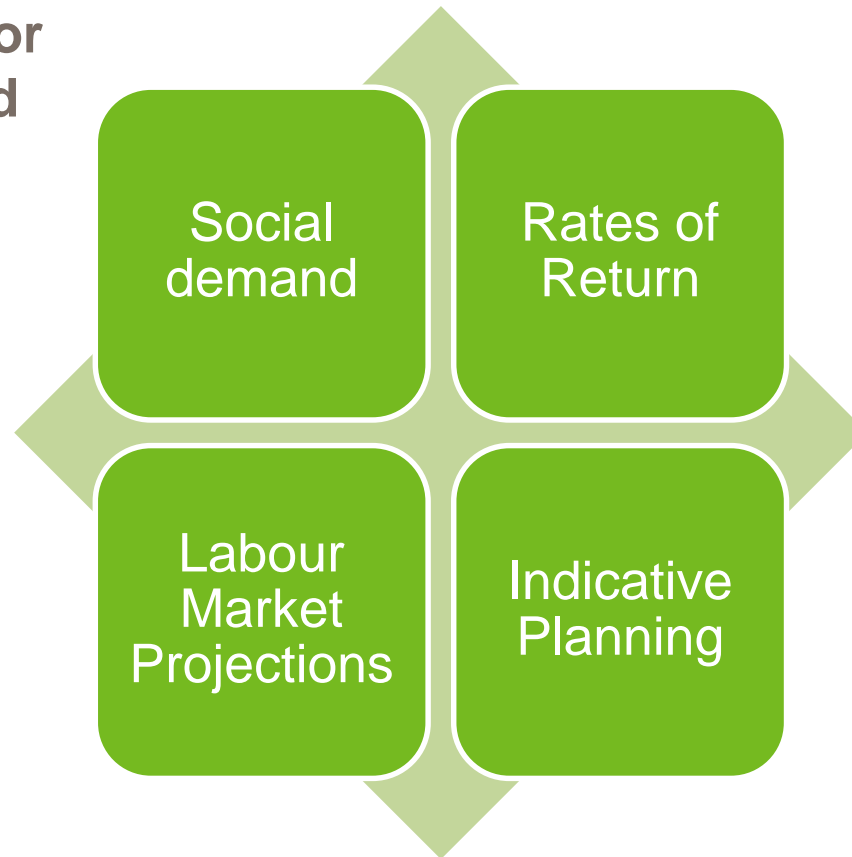
## Problems

- Assumes inputs will lead to outputs
- Time scale may be problematic
- Effective demand may not mirror planned demand
- Quantity of output may not be of sufficient quality
- Choice is minimised in favour of central direction
- Picking winners is uncertain

# Key Issues for Financing the Expansion of Secondary Schools

Opportunities for willing, able and qualified

Costs and benefits



Forecasting of job needs

Central planning to create desired outcomes

# Strategic Planning

- Planning requires consistent, predictable and balanced investment
- Scaling up service provision has non-linearities and lead times
- Three year plans can obscure long term liabilities and sustainability
- “Laissez faire” and “muddling through” are unlikely to result in pro-poor outcomes
- Quality is cumulative and can be undermined by rapid expansion
- Supply constraints may be replaced by demand constraints as participation increases
- Financing has to ensure equitable access to public goods