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MEASURING EFFICIENCY IN EDUCATION: AN APPLICATION OF DATA ENVELOPMENT ANALYSIS

Abstract:

This paper surveys conceptual and methodological issues related to the measurement and analysis of public spending efficiency in the context of education. A Data Envelopment analysis is applied to a wide range of EU countries. It enables us to evaluate technical efficiency of the education system.

Due to the specific nature of public sector service providers, the profitability yardstick is often replaced with concepts of efficiency. Furthermore, there is a multiplicity of inputs and outputs which are difficult to measure and the goals of stakeholders in education are poorly observed and complex. This makes the investigation of efficiency quite complex, both conceptually and in terms of measurement. Given the already stretched out public resources the goal of the research is to discover the key obstacles to efficiency gains in the system and to develop an outline of a policy agenda for improvement.

Keywords:

Efficiency, Education, Public Spending, Data Envelopment Analysis, EU

JEL Classification: I21, C14, C67