

Bolivia. Household Spending on Education



Education is a fundamental children's right that creates opportunities for employment and improves future incomes, helping to overcome the intergenerational cycle of poverty. Both of these issues are strong incentives for families to decide to invest in their children's education. Thus, families distribute resources to not only cover school fees, but also to cover indirect costs such as school materials, transport and others. In public education, although there are no registration fees, even the poorest are subject to indirect expenses.

In order to quantify the behaviour of Bolivian families in terms of how much they spend on their children's education, the Economic and Social Policy Analysis Unit (UDAPE) and the United Nations Children's Fund (UNICEF) have produced the document entitled *Bolivia. Household Spending on Education*.

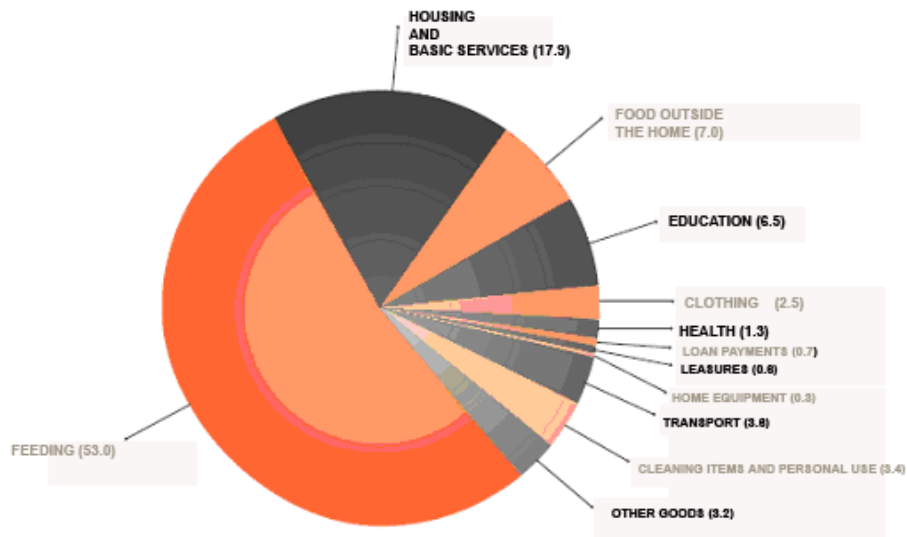
Public spending on education

Public spending on education in our country is relatively significant as a percentage of the GDP (7.2% in 2005). Most public spending on education goes to paying the school salaries of teaching and administrative staff at district, departmental and national levels. Another portion is allocated to the purchase of supplies and materials. Municipal governments also use this budget to pay for basic services (electricity, water and telephone), as well as paying for the building, expansion or refurbishing of school infrastructure. It also covers school meal programmes, among other things.

Household spending on education

On average, households spend most of their budget on food (53%). Their next highest expense is housing and basic services (18%), followed by education costs (6,5%). School expenses are higher than what is spent on clothing or even healthcare.

Average distribution of total monthly expenditure (in percentages)



Source: information from EH-2005 (INE).

Richer households spend a greater proportion of their income on education than poor households, while the percentage spent on clothing and health is similar in both cases. Urban homes assign double that of rural households to education. Finally, indigenous households spend less than non-indigenous ones, although this difference is not considerable.

Regarding public education, the State and households share the costs of educating children and adolescents. In 2005 the average cost of this reached approximately Bs 1,741 child per year, of which 80% was State financed and 20% picked up by households. Regarding private education, the entirety of education costs are assumed by the household, which in 2005 was estimated at around Bs 2,954 per child per year on average. This suggests that the cost of private education is approximately 70% higher than that of public education.

Determining factors in household education costs

- Looking at incomes earned by all family members, it is the head of household's income which has the most impact on the decisions made about spending on children's education, followed by the non-labour based incomes of spouses.

- Parents with higher levels of education value their investments in human capital the most, and thus spend more on their children's education. The father's education has more influence on this than the mother's.
- Families in rural areas spend less on education per child than in urban areas. In addition, spending is higher on the Altiplano than in the lowland and valley areas.
- There were no significant differences in education spending between indigenous and non-indigenous households, or between boys and girls. When comparing boys and girls registered in some type of educational establishment, there were no significant differences between in terms of the amounts spent on their education.
- Spending increases as the child progresses through the grades, and spending is even higher for children who are older than the set age for the grade that they are studying in.

Some policy recommendations

- In order to guarantee children and adolescents' right to education, the State must make greater efforts to provide the education system with enough teachers and new infrastructure, as well as improving and refurbishing existing schools. These efforts should be accompanied by actions aimed at improving the quality of public education.
- State policies should focus their efforts on those regions with the highest levels of poverty, since it is there that the highest levels of dropout or non-attendance are found.
- Furthermore, continuity must be given to the strategies for direct money transfers such as the 'Juancito Pinto Grant' or the 'Hope Grant', as well as supporting programmes for lodging, school transport, donation of school materials and other things. In addition, we recommend that these monies be delivered to the mothers or female partners in the home to ensure the efficient spending thereof and to guarantee a more effective impact on children's education and well-being.
- It is also suggested that programmes be created to provide incentives to staying in school, especially in secondary school. Within this context, the programmes could deal with work training and certification, as well as providing improved educational quality, among other things.
- In order to reduce the costs to households, the appropriate entities (Ministry of Education, Departmental Education Services and School District Boards) should exercise greater control over school units, implement new mechanisms and improve existing ones in order to avoid irregular salary payments. This is in strict adherence to current legislation and helps to reduce the number of barriers to accessing education.