



An Analysis of The Cost and Benefits of Investment in Education, Work Productivity with The Welfare

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Abstract:

Accumulatively increased quality of life, development potential, and level of social strata that are better able to make a more cultured society. The higher the quality demands, will have an impact on the type and cost of which cannot be ignored in the process of education. Investment education provide value (rate of return) are higher than on physical investments in other areas, and have supported the representative of economic growth. Financing functions Impossible separated from other functions in managing education. Financing to be a problem in the management educational activities. This research want to prove argument that education is human capital and have two aspects: 1. Whether education is a form of national investment to improve the quality of human resources needed in modern economic growth, 2. Whether education investment produce an improving the welfare and opportunities broader in real life.

The result of empirical study shows that 1. Education is a form of national investment to improve the quality of human resources needed in modern economic growth, 2. Education investment produce an improving the welfare and opportunities broader in real life.

Keywords: cost benefit, education investment, work productivity welfare.

INTRODUCTION

Background

Education plays a very strategic role in various stages of life because it gives a lot of educational opportunities to improve the quality of life. It is characterized by good education will make human potential that is so rich in a person can continue to be developed. Cumulatively education can make human resources more cultured and quality, as well as having an important role in the transformation of individuals and society. The higher quality of demands, will have an impact on the types and costs may not be ignored in the educational process. Development and economic growth cannot be separated from the problem of education. Development concepts in socio-economic field varies depending on its use. Economists developed a theory of development that is based on human labor in production capacity in the development process that came to be known by the term investment in Human Capital. Today developing human capital theory (Theory of Human Capital) describes the process of



education has a positive process on economic growth. In line with the opinion of Nana Fatah express opinions based on the results of his research states that education is important in supporting economic growth. The contribution of education to economic growth stronger after taking into account the effect of the interaction between education and other forms of physical investment.

The approach in the analysis of the relationship between education and economic growth using several models, either directly or indirectly linking education indicators and economic indicators, production function model. This has led to the theory of Human Capital believes that investment in education as an investment in improving the productivity of society. The basic assumption underlying the necessity of a relation between education and workforce preparation that education is organized to raise and knowledge to work. Most economists agree that human resources (Human Resource) of a nation as a determinant in accelerating social and economic development of the nation in question. As revealed by Federick Harbison in the writings Todaro "Human resources is the basis of the wealth of a nation". Education efforts include human capacity development efforts is human investment. Now the need for education is a necessity, even the government has determined that since 1983 the education is a must. The argument presented by advocates of this theory is that humans have a higher level of education will have jobs and better wages than the lower educated. If the attempt to reflect the productivity, the more people who have a higher education, the higher the productivity and results of the national economy will grow taller. Implicitly, education ;

contributes to the specific excavation.

Educational investment gives the return value (rate of return) is higher than the physical investment in other areas. Return value is the ratio between the total education expenses incurred to finance the education of the total revenue that would be obtained after one pass and enter the workforce. Investment in Education and Economic Education has a carrying capacity that is representative of the economic growth. Economics reveal that education can increase productivity later someone will increase their income. The increase in revenue was also influential in the national income of the country concerned which would then increase the income and standard of living of low-income communities.

The issue of human resources (human capital) as inputs the real economic development has been put forward by Adam Smith in 1776, who tried to explain the cause of the prosperity of a country, to isolate two factors, namely; 1) the importance of economies of scale; and 2) the formation of skills and human qualities. The second factor is a major issue about the importance of education in promoting economic growth. Relationship investment in human resources (education) and economic



growth are the two chains. A nation can realize the advances in technology, including science and management, as well as physical capital such as buildings and machinery equipment only if the country has a strong human capital and quality. Through education, people are considered to acquire knowledge, and with knowledge of the existence of humans is expected to build a better life. From various studies it is clear it can be concluded that education has an influence on economic growth through the development of opportunities to improve health, knowledge, and skills, expertise, and insight they be able to work more productively, either individually or in groups. The implication, higher education, human life would be more qualified. In relation to the economy in general (national), the higher the quality of life of a nation, the higher the rate of growth and well-being of the nation. The basic assumption in assessing the contribution of education to economic growth and the reduction of the gap is education can improve worker productivity. If labor productivity increases, the economic growth will increase as well. In other words, prepare educational personnel who are ready to work.

Analysis of Costs and Benefits of Education

The cost of education includes direct costs (direct costs) and indirect costs (Indirect Cost). Direct costs consist of costs incurred for the purposes of the implementation of teaching and learning activities of students in the form of the purchase of tools lessons, learning tools, transportation costs, salaries of teachers, both issued by the government, parents, and students themselves. While the indirect costs of lost profits (opportunity cost) were sacrificed by students during learning.

Understanding Costs

In language education expenses (cost) can be interpreted spending, in economic terms, the cost / expenditure can be money or other monetary form. Understanding the economic cost of the sacrifices that are expressed in the form of money, given rational, inherent in the production process, and can not be avoided. If not, then the expenses are categorized as waste. And the cost of education, according to Prof. Dr. Dedi Supriya, is one component of the instrumental (instrumental-input) are very important in the provision of education (at school).

Cost in this sense has a broad scope, ie all types of expenditure relating to the provision of education, both in the form of money or goods and labor. In general, the financing of education is a complexity, which are interwoven in it will be on every component, which has a range of micro programs (education units) to the macro (national), which includes education funding sources, systems and allocation mechanisms, effectiveness and efficiency in its use, accountability measured result of the changes that occur at all levels, particularly schools, and issues that are still associated with the financing of education, so necessary for more specific studies recognize this education funding. Nana Fattah added in the cost of education includes direct costs (direct costs) and indirect costs (indirect costs). Direct costs consist of costs incurred for the purposes of the implementation of teaching and student



learning activities such as the purchase of tools of learning, providing learning facilities, transportation costs, salaries of teachers, both issued by the government, parents and the students themselves. While the indirect costs of lost profits in the form of lost opportunity costs were sacrificed by students while studying.

Analysis Cost Benefit Analysis is a methodology that is widely used in educational investment analysis. This method can help decision-makers in determining the choice among alternative allocation of educational resources are limited but highly profitable. The basic concepts of education funding, there are two important things that need to be studied or analyzed, namely the cost of education as a whole (total cost) and the cost per student (unit cost). The unit cost is the school level, school level education Aggregate costs both from the government, parents, and community for education in a school year. The unit cost per-pupil is a measure that describes how much money the school is effectively allocated for the benefit of pupils in education. Therefore, the unit cost is obtained by calculating the number of students in each school, the unit cost is considered a standard size and can be compared between schools with each other. An analysis of the cost of the unit in relation to other factors that influence it can be done by using the school as the unit of analysis.

For society, the education cost benefit analysis is useful as a basis / foundation in making "investments" in education. It was felt important to be known and studied, because according to some community education only exhaust the money without any guarantee / clear prospect of improving the lives of the future. Thus appears that education is an important factor for the world economy of a nation. The higher the level of education and human resources of a country will influence the level of the country's economy. Humans who have higher levels of education, employment and wages will have a better education than the lower. The cost of education can be said to play an important role in sustainability education.

Work Productivity John (1984) saw education as a tool to prepare a well-educated and trained workforce needed in the economic growth of a country. He saw that education has an ability to prepare students to become workforce potential and become better equipped and trained in a job that will spur the level of labor productivity which will directly increase national income. Education and work are the most popular size in view of the contribution of education and economic growth. This thinking is based on the assumption that education is a Human Capital.

In general, labor productivity is the comparison between the results achieved (output) with total resources used (inputs). The concept of productivity was developed to measure the ability to generate added value on the input components used (Cahyono, 1996: 2810). Simply put productivity is meant here is the arithmetical



ratio between the amount produced and the amount of each source used during the activity. Others say production and productivity are two different things. Increased production increase the number of results that are used, while increasing productivity and improvement implies accretion mode of production. The increase in production is not always caused by an increase in productivity. It describes the significant increase in production and productivity increased productivity which is the focus of human resources in the process of increasing productivity due to production equipment and technology is basically the result of human labor. Increased productivity can be seen in three forms, namely: (1) Total production increased by using the same resources, (2) the same amount or increased production achieved using fewer resources, (3) Total production was obtained with a much larger increase in resource relatively smaller. As according to Nawawi (1990: 97), labor productivity is the best comparison between the results obtained (output) by the amount of labor used source (input). Said high labor productivity if the result obtained is greater than the source of the work used, otherwise said to be low productivity if the results obtained are smaller than the source of the work used. Thus labor productivity is illustrated by the level of success in achieving organizational goals.

Productivity measurement involves a complex and interdisciplinary problems. Fundamental factors affecting productivity gains is by positioning both capital investment, technology management, as well as skills and labor (Sinungan, 1997). Timpe (1989) suggested characteristics of a productive employee

1. Meets the job qualifications, which means higher productivity can not be achieved if the low employee qualifications. Characteristics: (1) intelligent and can learn quickly; (2) competent professional or technical; (3) creative and innovative; (4) understand the work; (5) working with 'clever' use logic, mengorganisasi work efficiently, always pay attention to the performance-reliability design-quality-safety-finance-maintenance-scheduling; (6) are always looking for improvement, but know when to stop; (7) is considered valuable by his superiors; (8) has a successful track record; and (9) are always improving ourselves.
 2. Second, highly motivated, with the characteristics of (1) can motivate yourself; (2) diligently; (3) have the willingness to work hard; (4) work effectively with or without a boss; (5) see things to do and take action as necessary; (6) like a challenge; (7) always wanted to ask; (8) demonstrated that constructive discontent and always thinking about improvement; (9) berorientasi on target or achievement of results; (10)
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is always on time; (11) believe that a reasonable working day needs to be balanced with a reasonable salary for the day.

3. Third, have a positive work orientation, with the characteristics of (1) likes his job and proud of it; (2) set a high standard; (3) have good work habits; (4) is always visible in his work; (5) carefully-trustworthy-consistent; (6) respect the management and its purpose; (7) has a good relationship with management; (8) can receive a briefing; and (9) flexible and adaptive.
4. Fourth, adults. Characteristics of adult employees who demonstrate consistent performance, it appears from (1) high integrity; (2) have a strong sense of responsibility; (3) knowing the weakness or strength of its own; (4) independent and self-confident; (5) deserve self-esteem; (6) emotionally steady and confident; (7) can work effectively under pressure; (8) can learn from experience, and (9) has a strong ambition.
5. Fifth, can get along with effectively. Characteristics (1) demonstrate social intelligence; (2) a pleasant person; (3) communicate effectively (clear and thorough, open to suggestions and good listener); (4) work productively within the framework of a team effort; and (5) demonstrate a positive attitude and enthusiasm.

The key to achieving high productivity is (1) responsible management expertise; (2) outstanding leadership; (3) organizational and operational simplicity; (4) effective staffing; (5) a challenging task; (6) planning and control purposes; and (7) specific managerial training.

Research Methods Approach and Type Research The approach used in this study is a qualitative approach. The method used in this research is descriptive qualitative method using single and multi-site approach to case study site. The design of a multi-site study is a qualitative research design involving multiple sites and research subjects. The study subjects are assumed to have the same characteristics. As suggested by Bogdan and Biklen, multi-site study is one form of qualitative research can indeed be used primarily to develop the theory of adaptation of some background research similar, so it can produce a theory that can transfer situation to a broader and more general in scope.

According to Bogdan and Biklen approach single site and multi site has two types of studies, the modified analytic induction and the constant comparative method. Each is described as follows: 1 Induction analytically, is an approach to collect and process data as well as a way to developed theory and test it. Analytic induction procedure used when there is a problem, question or issue that is the focus of



research. Data were collected and processed to develop a model description that summarizes all phenomena; 2. constant comparative method, the study design for multi-source data together with the induction of analytical formulas for the analysis starts at the beginning of the study and is nearing completion at the end of data collection. There are three main techniques used in data collection in a multi-site study, namely: (1) in-depth interviews; (2) observation participate; and (3) study the documentation.

The data have been obtained and grouped according to their group compiled and analyzed the data further your analysis, member check, and the draft of the research report. In analyzing the findings of the research, namely the observation of the process of quality improvement through the implementation of quality management at Madrasah School and analyzed following the steps, editing, coding, tabulation, interpretation and conclusion. Editing is intended for checking the completeness of data, followed by giving the code to determine the allocation of data placement. Then the data are tabulated in order to see the relationship between aspects. Then the next stage of the interpretation and conclusions. All of these processes is the beginning of a cycle of data collection, data reduction, presenting data and drawing

CONCLUSIONS.

The data obtained is descriptive observation, documentation, interviews and triangulation. The data analysis starts from the formulation of the problem until the report generation. While qualitative data to analyze, interpret and evaluate research guided by the data processing steps proposed by Miles and Huberman in Sugiono which includes data reduction, data display and drawing conclusions verification.

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