

Abstract

The government is required to manage expenditures efficiently, especially in the management of education expenditures where education is one of the important indicators in measuring the welfare of a country. The role of an institution is very important to obtain effectiveness and efficiency in resource management. Inadequate institutions will cause efficiency in resource management to be inefficient or lead to inefficiency.

This study aims to analyze the efficiency of education spending in 58 countries (24 developed countries, 34 developing countries) using secondary data from 2010-2016 obtained from the World Bank, Transparency International, and UNESCO. The analytical method used is Stochastic Frontier Analysis. The results showed that the average efficiency of education spending from 58 countries was 0.82 while for developing countries the average efficiency was seen to be lower than developed countries where developing countries only obtained an average of 0.76 while developed countries were 0.86. The corruption perception index variable, and the political stability index also show that they have a negative influence on the inefficiency of education spending in 58 countries in the world.

Keywords: education expenditure efficiency, corruption, political stability, population, and gross domestic product