

The Fiscal Cost, Economic Value, Returns and Opportunity Costs of Free Education in Jamaica: A Comparative International Analysis

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ABSTRACT: Free education constitutes one of the most consequential forms of social investment undertaken by the Jamaican State, yet the fiscal cost, economic value, opportunity cost and long-term return associated with this policy have received substantially less integrated scholarly attention than questions of educational access and academic performance. This study examines the economics of publicly financed education in Jamaica and compares the Jamaican experience with selected systems in the Caribbean, Latin America, Africa and the wider international community. Using a desk-based comparative policy and public-expenditure methodology, the study synthesises government budgetary information, education-financing data, international development reports and scholarly evidence concerning human-capital returns. Free education is conceptualised not as costless education but as a redistribution of educational costs from households towards the State and, ultimately, taxpayers. The analysis demonstrates that Jamaica commits substantial public resources to maintaining educational access, including teacher compensation, administration, infrastructure, utilities, instructional resources, examinations and student-support services. For example, the 2025/26 Estimates of Expenditure allocate approximately J\$52.62 billion to primary education, illustrating that the removal of tuition and mandatory school fees does not eliminate educational costs but socialises a substantial proportion of them through the public budget. International evidence nevertheless indicates that educational investment generates substantial private and social returns through higher earnings, productivity, employment, health, social mobility and other positive externalities. Jamaica's policy therefore possesses considerable economic and social value, although its return is conditional upon educational quality, completion, labour-market absorption and the efficient transformation of expenditure into learning. The central finding is that the fundamental policy question is consequently not whether Jamaica can afford free education, but whether it can improve the economic and educational productivity of every dollar devoted to maintaining universal access.

KEYWORDS: free education; education financing; human capital; Jamaica; opportunity cost; public expenditure; returns to education

1. INTRODUCTION

Education occupies a distinctive position in development economics because it is simultaneously a consumption good, an investment good, a social right and an instrument of economic transformation. Governments finance education partly because individuals receive substantial private benefits from schooling and partly because educated populations generate benefits that extend beyond the individual learner. These externalities include improved productivity, greater civic participation, better health behaviour, lower vulnerability to poverty, greater technological adaptability and stronger intergenerational human-capital formation. Human-capital theory therefore conceptualises expenditure on education as investment in productive capacity rather than simply current government consumption (Becker, 1993; Schultz, 1961). The economic case becomes particularly important in developing economies where household income inequalities would otherwise cause educational opportunities to be allocated partly according to ability to pay rather than academic potential. Free public education consequently represents both social policy and economic-development policy.

Jamaica presents an important case for examining this relationship because the country has maintained extensive public provision of primary and secondary education while operating within significant fiscal constraints. The Jamaican model should not, however, be interpreted to mean that education has literally become costless. Instead, costs that would otherwise be paid directly by families are substantially transferred to general taxation and government expenditure. The removal of mandatory auxiliary fees at the secondary level provides an especially important illustration of this mechanism. Government policy in 2016 increased direct high-school funding from approximately J\$2.6 billion to J\$5.3 billion while declaring that students should not be denied access because their families could not make financial contributions (Ministry of Education, Youth and Information [MOEYI], 2016). Free

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education in Jamaica is consequently more accurately described as publicly financed access to education, rather than education without economic cost.

The magnitude of the resulting public commitment is considerable. Jamaica's 2025/26 Estimates allocate approximately J\$52.622 billion to primary education, including approximately J\$46.084 billion for delivery of instruction and J\$50.159 billion across the programme for employee compensation (Government of Jamaica, 2025). Compensation therefore absorbs most primary educational expenditure, demonstrating the labour-intensive nature of educational provision. Historical and contemporary public-expenditure analyses similarly show that Jamaica has devoted substantial national resources to education relative to many comparable economies (World Bank, 2021). OECD analysis reports that teacher salaries accounted for approximately 66.9% of Jamaican public education spending in 2019, compared with 55.8% in Barbados and an OECD average of 53.7% (OECD, 2025). Consequently, discussions concerning free education cannot be separated from questions about teacher deployment, school size, infrastructure utilisation, educational outcomes and expenditure efficiency.

The policy has nevertheless produced significant social value through the removal or reduction of financial barriers to schooling. Jamaican children from poorer households would face considerably greater risks of exclusion if access depended principally upon private purchasing power. International evidence supports this argument, demonstrating that eliminating primary and secondary school fees, particularly when accompanied by school grants and targeted assistance, increases enrolment and schooling duration, with disproportionately large effects among economically disadvantaged children (UNESCO, 2026). Jamaica has achieved primary completion rates approaching 99%, placing it alongside several of the stronger-performing Caribbean systems on this access measure (OECD, 2025). Yet access does not automatically translate into learning, certification, productivity or high wages. The economic evaluation of free education must therefore extend beyond enrolment towards the quality and eventual utilisation of acquired human capital.

This study addresses a significant gap in the Jamaican educational literature. Existing analyses frequently examine educational expenditure, student achievement, access, inequality or education policy separately, whereas relatively little scholarship integrates the fiscal cost, household benefit, opportunity cost, economic return and international comparative significance of free education within one framework. Furthermore, political discussion often presents free education either as an unquestionable social entitlement or as a fiscal burden, without adequately evaluating its long-run economic yield. The present study bridges these perspectives by treating free education as an intertemporal public investment. It asks four central questions: What does free education cost Jamaica? What economic and social value does the country receive from that expenditure? What resources and alternatives are sacrificed to finance it? How does Jamaica's experience compare with other countries providing free or heavily subsidised education?

2. LITERATURE REVIEW

2.1 Human-Capital Theory and the Economics of Free Education

The theoretical foundation of educational investment is principally associated with human-capital theory. Schultz (1961) argued that expenditure on education develops productive capabilities in much the same manner that investment in machinery increases physical productive capacity. Becker (1993) subsequently formalised the relationship among education, skills, productivity and earnings, establishing education as an investment whose present costs are justified by expected future benefits. Individuals incur tuition, materials, transport and foregone earnings while studying, but subsequently receive potential returns through greater employment probability and higher lifetime earnings. Governments similarly incur present fiscal expenditures while receiving potential future benefits through increased taxable income, productivity and reduced demands on some social programmes. Free education consequently changes primarily who initially finances the investment, rather than whether the investment possesses a cost.

Global empirical evidence strongly supports the proposition that education generates substantial economic returns. Psacharopoulos and Patrinos (2018), drawing upon more than 1,000 estimates across 139 countries, reported an average private return of approximately 9% for each additional year of schooling. Returns tend to be particularly substantial in developing economies and among women, while social returns remain economically meaningful. Such findings indicate that public expenditure on education may generate future income streams considerably greater than its initial fiscal cost. Nevertheless, these returns are averages rather than automatic outcomes. Where students attend school without acquiring adequate literacy, numeracy, technological competency and labour-market-relevant skills, years of schooling can substantially overstate productive human-capital accumulation.

This distinction between schooling and learning is especially relevant for Jamaica. The World Bank's public-expenditure assessment of Jamaican education emphasises not merely expenditure adequacy but efficiency and equity (World Bank, 2021). Jamaica's policy challenge is therefore not exclusively to provide seats in classrooms but to convert expenditure into measurable learning and productive capabilities. A student who completes eleven or thirteen years of publicly financed schooling but leaves without functional competencies represents a substantially lower social return than a comparably funded student who acquires marketable skills and participates productively in the labour force. The rate of return on free education is consequently endogenous to educational quality.

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2.2 Education as a Merit Good and Source of Positive Externalities

Education additionally possesses characteristics of a merit good. Left entirely to private markets, families may underinvest in schooling because household decisions do not capture the full social benefits produced by educated citizens. Education produces externalities through improved public health, innovation, institutional quality, social trust, democratic participation and intergenerational transmission of skills (McMahon, 2009). Governments therefore have an economic justification for subsidising education even where families could theoretically pay some proportion of its cost. This rationale becomes stronger where severe income inequality constrains household educational investment.

Free education also functions as an intergenerational redistribution mechanism. Children do not choose the economic circumstances into which they are born, yet those circumstances strongly influence their ability to purchase education. Public financing partially separates educational access from parental income and therefore creates opportunities for social mobility. For Jamaica, where socioeconomic inequalities intersect with geographical, school-type and household inequalities, universal public education creates an institutional mechanism through which children from low-income households may acquire human capital. The economic return must consequently incorporate avoided inequality as well as increased aggregate output.

2.3 The Caribbean Experience

Caribbean educational systems generally maintain strong traditions of public provision at the primary and secondary levels, although tertiary financing arrangements differ substantially. Educational attainment has improved throughout the region, and average schooling among adults aged 25 years and older reached approximately 9.6 years in the Caribbean in 2022, compared with 8.9 years in Latin America (OECD, 2025). Primary completion in Jamaica, Barbados, Guyana, Saint Lucia, Trinidad and Tobago and the Dominican Republic was approximately 99% in the early 2020s. These outcomes demonstrate the effectiveness of widespread basic educational access. However, upper-secondary completion and tertiary participation remain considerably weaker.

Barbados has historically placed considerable emphasis on publicly financed education and has achieved comparatively high educational attainment. Approximately 87% of Barbadian adults aged 25–65 have attained at least secondary education, while approximately 39% possess post-secondary or university qualifications (OECD, 2025). Corresponding post-secondary attainment in Jamaica is approximately 18%, revealing an important difference in the eventual educational pipeline. This suggests that universal basic and secondary access in Jamaica has not yet generated equally universal progression towards advanced human capital. The comparison therefore demonstrates that the return to free secondary education partly depends upon articulation with tertiary, technical and vocational opportunities.

Trinidad and Tobago offers another instructive comparison because government support extends significantly into tertiary education through the Government Assistance for Tuition Expenses programme. The contemporary GATE system employs means testing, providing eligible undergraduate students with between 50% and 100% tuition assistance depending upon household income (Ministry of Education, Trinidad and Tobago, n.d.). This model illustrates an alternative to universal tertiary gratuity: publicly supported but progressively targeted higher education. Jamaica's Student Loan Bureau and scholarship mechanisms place relatively greater financing responsibility upon tertiary students and households. The comparison raises an important policy question concerning whether Jamaica's next educational expansion should involve universal tertiary subsidies or more targeted support for students whose financial constraints prevent progression.

2.4 Latin America

Latin America provides several important models of tuition-free public education. Argentina and Brazil maintain tuition-free public university education, while Chile and Colombia have expanded tuition-free opportunities principally towards lower-income groups (UNESCO IESALC, 2025). Mexico's legal framework similarly mandates free public higher education. These systems demonstrate that educational gratuity can extend beyond compulsory schooling. However, Latin American experience simultaneously demonstrates that tuition-free education does not remove all economic barriers.

Housing, transportation, food, internet access, books and foregone employment remain important costs even where tuition is zero (UNESCO IESALC, 2025). Consequently, nominally free systems can reproduce socioeconomic inequality when poorer students cannot finance participation costs. This finding has direct relevance for Jamaica. Removing auxiliary fees cannot fully equalise educational opportunity if transportation, meals, uniforms, technology and household economic pressures continue to generate differential attendance and completion. The appropriate concept is therefore not simply tuition-free education, but effective affordability.

2.5 African Experiences

African experience provides some of the strongest evidence regarding the effects of removing educational fees. Ghana introduced Free Senior High School in 2017, expanding access to secondary education while simultaneously confronting infrastructure, financing and quality challenges. World Bank evidence shows that targeted secondary interventions in Ghana contributed to transition rates in the poorest districts increasing from approximately 39% in 2014 to 72% in 2019, while examination performance

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also improved among targeted schools (World Bank, 2021a). Ghana demonstrates that reducing direct household costs can produce rapid enrolment expansion. It simultaneously demonstrates that increased demand must be accompanied by adequate teachers, classrooms, learning materials and quality-assurance mechanisms.

Kenya provides a complementary example. Sustained education spending and reforms helped achieve near-universal primary education while secondary enrolment increased by more than 50% during the seven years preceding the COVID-19 pandemic (World Bank, 2021b). Education expenditure reached approximately 5.3% of GDP in 2018 and approximately 19% of the government budget in 2020. Improvements were simultaneously recorded in selected numeracy, language and examination indicators. Nevertheless, substantial regional and socioeconomic inequalities persisted. The Kenyan case therefore reinforces the proposition that expenditure and free access are necessary but insufficient conditions for educational equality.

Evidence from Ethiopia, Ghana, Kenya, Malawi, Mozambique, Nigeria, Sierra Leone, Tanzania, Uganda, Zimbabwe and other countries demonstrates that abolishing school fees has generally increased enrolment and years of schooling, with particularly important effects among poorer populations (UNESCO, 2026). In economic terms, fee abolition reduces the household shadow price of education. Demand consequently increases, especially among households whose enrolment decisions are highly sensitive to cost. Jamaica's policy belongs within this broader international movement towards transferring basic educational costs from households to governments.

3. MATERIALS AND METHODS

This study employed a comparative secondary-data research design combining public-expenditure analysis, economic evaluation and international policy comparison. Data were drawn from Government of Jamaica Estimates of Expenditure, Ministry of Education policy documentation, World Bank public-expenditure reviews, UNESCO educational-financing evidence, OECD Caribbean development indicators and international literature concerning returns to education. Jamaica constituted the principal unit of analysis, while selected Caribbean, Latin American, African and global education systems were employed as comparative cases. Countries were selected purposively where their financing structures illustrated universal gratuity, targeted tuition subsidies, fee abolition or extensive public educational provision.

The analytical framework separates the economic cost of free education into five components. Let total social educational cost be represented as:

$$TSC = GDE + HDE + OC_s + IC + EC$$

where TSC represents total social cost; GDE is government direct expenditure; HDE represents remaining household direct expenditure; OC_s represents students' opportunity cost through foregone productive activity; IC represents infrastructure and capital costs; and EC represents relevant external or indirect costs. Government-financed education therefore constitutes only one component of the full social cost. This distinction prevents the analytical error of treating zero tuition as zero economic cost.

Government expenditure can further be represented as:

$$GDE = W + A + I + U + M + E + S + C$$

where W represents wages and employee compensation, A administration, I instructional materials, U utilities, M maintenance, E examination expenditure, S student support and C capital/infrastructure expenditure. The model is particularly appropriate for Jamaica because compensation represents the dominant expenditure component. It also provides a basis for comparing resource allocation rather than simply aggregate spending.

The economic return on publicly financed education is conceptualised as:

$$ROI_e = [(PVEB + PVSB) - PVTC] / PVTC \times 100$$

where ROI_e is the social return on educational investment, PVEB represents the present value of economic benefits, PVSB represents the present value of wider social benefits, and PVTC represents the present value of total educational costs. Economic benefits include additional lifetime earnings, employment, productivity and tax receipts, while social benefits include health improvements, social mobility, civic participation and other positive externalities. This study does not claim to produce a causal Jamaica-specific lifetime ROI because sufficiently complete longitudinal earnings and counterfactual fiscal data are unavailable. Instead, it establishes an evaluative framework and triangulates Jamaican expenditure with established international estimates of educational returns.

Opportunity cost is defined as the value of the highest-valued alternative use of resources committed to free education. At the government level:

$$OCG = \max(H, S, I, D, P, \dots)$$

where the alternatives may include health (H), security (S), infrastructure (I), debt reduction (D) or poverty alleviation (P). At the household/student level, the opportunity cost of education additionally includes foregone earnings or productive household activities. Importantly, opportunity cost does not imply that educational expenditure is wasteful. It means that the return on education should exceed the social value of plausible alternative investments.

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4. FINDINGS

4.1 The Cost Structure of Free Education in Jamaica

Table 1 Economic Cost Structure of Free Public Education in Jamaica

Cost component	Principal payer	Economic character	Jamaican illustration	Expected benefit
Teacher and staff compensation	Government/taxpayers	Recurrent direct cost	Approximately J\$50.16 billion of the 2025/26 primary programme	Instruction, supervision and institutional capacity
Delivery of instruction	Government	Recurrent programme cost	Approximately J\$46.08 billion in 2025/26 primary allocation	Learning and human-capital development
School administration	Government	Recurrent cost	Approximately J\$5.99 billion in primary programme	Governance and system operation
Maintenance/rehabilitation	Government	Recurrent/capital	Approximately J\$546.7 million in primary programme	Preservation of school infrastructure
Utilities/communications	Government/schools	Recurrent	Approximately J\$1.05 billion in primary programme	Electricity, communication and educational operations
Goods and services	Government	Recurrent	Approximately J\$1.31 billion	Materials and operational support
Operational grants	Government	Transfer	Per-student and institutional grants	Replaces fees and supports school operations
Examinations	Government/households	Transfer/direct	Subsidies for PEP, CSEC and other examinations	Certification and progression
Books/resources	Government/households	Direct	Textbooks, e-books and learning resources	Reduced household cost and improved learning
Transportation	Mainly households/state programmes	Indirect participation cost	Particularly important for rural students	Attendance and access
Uniforms and personal supplies	Households/social programmes	Private direct cost	Remains despite tuition-free access	Participation
Meals	Household/government	Direct/support cost	Nutrition programmes and private expenditure	Attendance, health and cognition
Digital access	Government/households	Capital/recurrent	Devices, broadband and connectivity	Digital learning
Foregone student earnings	Student/household	Opportunity cost	Especially relevant at upper-secondary/tertiary level	Future earnings premium
Foregone government alternatives	Society	Fiscal opportunity cost	Health, infrastructure, security or debt reduction	Justified where education produces superior long-run social return

Note. Jamaican budget figures refer principally to the 2025/26 primary education programme and should not be interpreted as the total cost of Jamaica's entire free-education system. Source: Government of Jamaica (2025).

Table 1 demonstrates why free education should be understood as a financing arrangement rather than the absence of cost. Jamaica's 2025/26 allocation of approximately J\$52.62 billion for primary education alone represents a substantial national investment. Approximately J\$50.16 billion is associated with employee compensation, indicating that personnel constitute the central production input in public education. Government financing additionally absorbs maintenance, utilities, materials, administration and various student services. Households nevertheless retain high complementary costs. Consequently, the effective affordability of Jamaican education depends upon both government expenditure and the residual costs imposed upon families.

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4.2 The Household Transfer Effect

The most immediate economic value of free education is the transfer of direct schooling costs away from households. If annual mandatory educational charges per student are represented by F , and N students benefit, the gross household transfer produced by fee abolition is:

$$HT = F \times N$$

where HT represents household expenditure displaced by public financing. This is not necessarily an additional net resource cost to society because much of the educational service would have been financed regardless of whether payment occurred through fees or taxation. Instead, it represents a change in incidence: financing moves from users towards the collective tax base. The distributive effect can be strongly progressive where poorer households previously faced a greater burden relative to income.

Jamaica's removal of mandatory secondary auxiliary fees illustrates this transfer. The Government increased high-school funding from approximately J\$2.6 billion to J\$5.3 billion when reinforcing the no-mandatory-fee policy. The policy simultaneously recognised that families continued to finance lunches, books, transportation and other educational requirements. Thus, the intervention reduced one important barrier without eliminating all private educational expenditure. Its greatest marginal value should theoretically occur among families for whom fees previously represented a binding constraint on attendance.

4.3 Comparative International Cost and Policy Structure

Table 2 Jamaica and Selected International Models of Free or Heavily Subsidised Education

Country/region	Principal free/subsidised level	Financing model	Major strength	Principal economic challenge	Lesson for Jamaica
Jamaica	Public basic and secondary	Tax-funded provision and grants	Broad access; reduced direct fee barriers	Quality, residual household costs, tertiary progression	Protect access while increasing expenditure productivity
Barbados	Strong public provision across education	Predominantly public financing	High educational attainment	Fiscal sustainability	Link universal access with advanced attainment
Trinidad & Tobago	Basic education plus means-tested tertiary GATE	Public provision + targeted tertiary subsidy	Extends affordability into tertiary education	Targeting and fiscal exposure	Consider targeted post-secondary expansion
Argentina	Public education including public university tuition	Tax-financed	Wide tertiary tuition-free access	Fiscal pressure and indirect student costs	Tuition removal alone does not guarantee equality
Brazil	Free public universities	Tax-financed public institutions	High-level human-capital opportunities	Access competition and socioeconomic inequality	Examine distribution of tertiary subsidies
Mexico	Public higher education legally mandated as free	Public financing	Rights-based educational access	Capacity and quality	Legal entitlement requires sustainable financing
Ghana	Free senior high school	State-funded fee replacement	Rapid expansion of secondary access	Capacity and quality pressures	Expansion must be matched by infrastructure
Kenya	Free/subsidised basic education	High public education spending	Near-universal primary access	Regional inequality and learning quality	Access must be accompanied by equitable quality
OECD/advanced systems	Predominantly free compulsory education	Tax-financed	Universal basic access	Rising personnel and tertiary costs	Efficiency and learning outcomes determine long-term value

The international comparison reveals that Jamaica is neither unusual nor economically anomalous in financing basic education collectively. Publicly financed compulsory education is the international norm rather than the exception. The major differences concern the level to which gratuity extends, the extent of student-support services and the balance between universal and means-tested benefits. Latin American cases demonstrate the feasibility of free public tertiary education, whereas Trinidad and Tobago illustrates targeted tertiary cost sharing. African experience demonstrates the powerful enrolment response that can follow fee abolition but simultaneously warns that access expansion can strain infrastructure and educational quality.

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5. VALUE AND SIGNIFICANCE OF FREE EDUCATION IN JAMAICA

5.1 Educational Access

The first measurable return is access. Jamaica's near-universal primary completion represents an important social achievement because human-capital accumulation cannot occur where children remain outside formal education. Caribbean comparative evidence indicates primary completion rates approaching 99% in Jamaica and several regional peers. Universal public financing therefore creates the foundation upon which subsequent human-capital development can occur. Its counterfactual value consists partly of the educational exclusion that would potentially occur under a fully user-financed system.

5.2 Poverty Reduction and Social Mobility

Free education operates as an implicit transfer to households with children. For low-income households, the value of the subsidy as a proportion of household income is potentially substantial. This releases resources for food, housing, health and other necessities while allowing children to remain in school. Because educational attainment increases expected earnings, the policy can simultaneously influence present household consumption and future intergenerational income. The social significance therefore exceeds the annual Ministry of Education budget.

5.3 Labour Productivity and National Competitiveness

Jamaica is a small open economy whose long-run competitiveness depends substantially upon labour productivity, adaptability and skills. Physical capital can depreciate or become technologically obsolete, whereas education enhances workers' ability to learn, innovate and adapt to changing technologies. Free education broadens the population from which skilled workers, professionals, entrepreneurs and future tertiary students can emerge. This is particularly important in an economy increasingly dependent upon services, digital technologies, logistics, tourism, professional services and knowledge-intensive activities. Educational expenditure should consequently be regarded partly as national productive infrastructure.

5.4 Health and Social Returns

Education produces benefits outside conventional labour markets. More educated populations generally possess stronger health literacy, greater ability to navigate institutions and improved capacity to interpret information. Educational attainment can therefore generate spillovers into health, family welfare and civic participation. These benefits are not completely captured in graduates' wages and are one reason why the social return on education differs from the private earnings return. A fiscal analysis based solely upon government expenditure therefore systematically understates the total social value of free education.

6. RETURNS TO FREE EDUCATION

Table 3 Return Framework for Jamaica's Investment in Free Education

Return category	Transmission mechanism	Expected national effect	Time horizon
Earnings return	Education → skills → productivity → wages	Higher household income	Medium/long term
Employment return	Qualifications → employability	Reduced unemployment vulnerability	Medium term
Fiscal return	Higher earnings → taxable income/consumption	Increased government revenue	Long term
Productivity return	Skills → greater worker output	Higher GDP/productivity	Long term
Poverty return	Education → earnings/social mobility	Reduced intergenerational poverty	Long term
Health return	Education → knowledge/behaviour	Improved population health	Long term
Crime/social stability return	Opportunity and social integration	Potentially lower social costs	Long term
Gender return	Greater educational equality	Labour-force and household benefits	Long term
Innovation return	Advanced skills and learning capacity	Entrepreneurship and technological adaptation	Long term
Intergenerational return	Educated parents → children's human capital	Cumulative development	Very long term

International estimates suggest an average private return of approximately 9% from an additional year of schooling, while social returns at secondary and higher levels remain substantial (Psacharopoulos & Patrinos, 2018). These estimates provide a useful benchmark rather than a Jamaica-specific causal coefficient. If Jamaica achieves comparable returns, the cumulative economic value generated over the working lives of successive cohorts can greatly exceed annual educational expenditure. However, expenditure is economically productive only insofar as schooling produces competencies valued by individuals, society and labour markets.

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A useful conceptual benefit-cost ratio is:

$$BCR = PV(B_1 + B_2 + \dots + B_n) / PV(C_1 + C_2 + \dots + C_n)$$

A value exceeding 1 indicates that discounted benefits exceed discounted costs. Jamaica should therefore eventually move towards cohort-based educational accounting in which government expenditure on a student cohort is compared with subsequent employment, earnings, taxation, productivity and social outcomes. Such a system would provide considerably stronger evidence of value for money than expenditure monitoring alone.

7. OPPORTUNITY COST OF FREE EDUCATION IN JAMAICA

Free education possesses an unavoidable opportunity cost because Jamaica operates under finite fiscal resources. Every dollar allocated to education cannot simultaneously finance hospitals, roads, policing, water infrastructure, housing, debt reduction or another public service. The correct economic question is consequently whether the marginal social return from an additional dollar of education exceeds the marginal return available from its best alternative. This framework prevents both extremes of assuming that education should receive unlimited financing and assuming that educational expenditure represents merely a fiscal burden.

Table 4 Opportunity-Cost Matrix for Publicly Financed Education in Jamaica

Educational expenditure	Foregone alternative	Potential cost of choosing education	Potential justification
Teacher compensation	Health personnel/capital	Fewer resources elsewhere	High return if teaching quality raises learning
School construction	Roads/hospitals/water	Deferred infrastructure	Justified where overcrowding constrains learning
Universal subsidy	Targeted poverty programmes	Less concentrated assistance	Justified by access, rights and administrative simplicity
Examination subsidies	Other social transfers	Reduced alternative transfers	Certification can improve labour-market access
Technology expenditure	Conventional materials/other infrastructure	Rapid obsolescence risk	High return where digital competencies improve
Free secondary education	Expanded tertiary subsidies	Less funding for advanced skills	Secondary universality creates tertiary pipeline
Education generally	Debt reduction	Higher current expenditure	Justified where long-term return exceeds financing cost

The largest opportunity-cost problem may not be the decision to finance education itself but inefficient expenditure within education. If two programmes require identical expenditure but one produces substantially stronger learning, spending on the weaker programme generates an internal opportunity cost. Similarly, maintaining underutilised facilities, inefficient teacher distributions or programmes disconnected from labour-market needs can reduce the return on otherwise socially valuable educational expenditure. Efficiency reform can therefore generate resources without reducing educational access.

8. DISCUSSION

The findings establish that describing Jamaican education as “free” conceals a substantial economic architecture. The State does not abolish educational cost when it abolishes school fees; rather, it collectivises a large portion of the cost. Teachers must still be paid, buildings maintained, electricity supplied, examinations administered, and instructional resources purchased. Jamaica's 2025/26 primary allocation exceeding J\$52 billion provides direct evidence of the scale of this investment. The appropriate policy debate should consequently move from the rhetoric of “free versus paid education” towards the more analytically useful question of who pays, how much, for whom, and with what return.

Jamaica's experience compares favourably with international movements towards universal publicly financed basic education. Ghana and Kenya demonstrate that reducing financial barriers can significantly increase participation, particularly among disadvantaged populations. Latin American systems demonstrate that free education can extend to tertiary institutions, while simultaneously revealing that tuition abolition alone cannot remove socioeconomic inequality. Caribbean experience illustrates similarly divergent approaches, ranging from extensive public provision to means-tested tertiary assistance. There is consequently no single international model of free education. Successful systems combine access with adequate financing, quality control, student support and accountability.

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The Jamaican case also demonstrates the importance of distinguishing fiscal expenditure from economic cost. Government budget allocations measure the resources paid directly by the State but do not measure the complete cost incurred by society. Families continue paying for transportation, uniforms, food, technology and other necessities, while students sacrifice potential earnings by remaining in education. Conversely, expenditure figures do not measure all benefits because future earnings, productivity, health improvements and intergenerational effects occur over decades. A conventional annual budget therefore places most educational costs in the present while omitting many future benefits. This asymmetry can create the political impression that education is more expensive than its complete economic valuation would indicate.

However, free access cannot itself constitute sufficient evidence of value for money. Jamaica must distinguish years of schooling from years of effective learning. Where students progress without mastering literacy, numeracy, scientific reasoning, communication, digital skills and occupational competencies, the relationship between expenditure and human-capital accumulation weakens. Educational financing policy should therefore incorporate learning-adjusted measures into public-expenditure evaluation. The appropriate objective is not simply universal enrolment but universal acquisition of economically and socially meaningful competencies.

The international evidence additionally suggests that Jamaica should examine the transition between secondary and tertiary education. Jamaica's comparatively lower proportion of adults possessing post-secondary qualifications relative to Barbados suggests that universal secondary access does not automatically generate advanced human-capital accumulation. Extending universal free tertiary education would, however, impose considerable fiscal costs and could become regressive if students from wealthier households disproportionately occupy subsidised university places. Trinidad and Tobago's means-tested GATE programme therefore provides a potentially useful regional comparator. Jamaica might derive stronger distributive returns from targeted tertiary grants linked to household income, national skill shortages and academic performance than from an untargeted universal tertiary subsidy.

A further policy consideration concerns labour-market absorption and migration. The economic return to education is maximised when trained Jamaicans utilise their competencies productively. Where graduates are unemployed, underemployed or employed substantially below their qualification level, the domestic return declines even though private education may retain value. Migration presents a more complex case because remittances, diaspora networks, investment and knowledge transfer can partially return benefits to Jamaica, while permanent loss of publicly financed specialised human capital can reduce domestic fiscal returns. Education policy therefore requires integration with industrial, employment, innovation and migration policies.

The study's central contribution is therefore the development of a Public Education Investment Proposition for Jamaica:

Free Education → Increased Access → Educational Participation → Learning and Certification → Productive Employment → Higher Earnings and Productivity → Increased Fiscal and Social Returns.

Failure at any intermediate stage reduces the eventual return. Free access without attendance produces little return; attendance without learning reduces productivity gains; learning without certification may constrain labour-market signalling; qualifications without employment reduce realised economic returns; and skilled employment accompanied by persistent outward migration can reduce domestic fiscal capture. The value of free education must consequently be evaluated as a chain rather than as a single expenditure decision.

9. POLICY IMPLICATIONS

Table 5 Proposed Framework for Increasing Jamaica's Return on Free Education

Policy intervention	Cost implication	Expected return	Priority
Preserve fee-free basic/secondary access.	High recurrent	Equity, enrolment, human capital	Very high
Target remaining household costs	Moderate	Attendance and completion among poorer students	Very high
Strengthen teacher effectiveness	Moderate	Higher learning per education dollar	Very high
Rationalise inefficient expenditure	Potential saving	Greater fiscal efficiency	Very high
Expand TVET and labour-market alignment.	Moderate/high	Employment and productivity	High
Target tertiary subsidies by need/priority	Moderate/high	Advanced skills with greater equity	High
Strengthen digital infrastructure	High initial	Long-run technology skills	High
Develop graduate-tracking systems	Low/moderate	Better ROI measurement	High
Introduce education benefit-cost reporting.	Low	Greater accountability	High
Link education planning to workforce forecasts	Low/moderate	Reduced skill mismatch	Very high

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Jamaica should therefore preserve universal publicly financed access while shifting increasingly towards return-sensitive education financing. This does not mean commercialising public education. Rather, it means measuring whether educational resources actually improve learning, completion, employment, productivity and social welfare. Schools and programmes should be evaluated according to both equity and effectiveness. Expenditure reductions that damage learning can be economically counterproductive, while expenditure increases without measurable outcomes can similarly reduce value for money.

Government should additionally develop a national Educational Investment Accounts framework. This database should connect expenditure by educational level and cohort with enrolment, attendance, completion, examination performance, tertiary progression, employment, earnings and other outcomes. Longitudinal tracking would permit estimation of Jamaica-specific rates of return rather than dependence upon international averages. It would also allow policymakers to determine which programmes generate the greatest social benefit per dollar. Such evidence could fundamentally improve educational budgeting.

10. Conclusion

Free education in Jamaica is neither economically free nor economically irrational. It represents a deliberate public decision to socialise a substantial portion of the cost of developing national human capital rather than allowing access to depend primarily upon household purchasing power. The State consequently assumes major costs associated with compensation, instruction, administration, maintenance, utilities, resources, examinations and institutional operation. Families nevertheless continue bearing important indirect and participation costs, demonstrating that fee-free education and completely cost-free participation are conceptually different phenomena. The Jamaican model should therefore be understood as publicly financed universal educational access.

Comparative evidence from the Caribbean, Latin America, Africa and the wider international system strongly supports the principle that removing educational fees increases access, particularly among poorer populations. Barbados illustrates the potential relationship between extensive educational provision and high attainment, Trinidad and Tobago demonstrates means-tested tertiary support, Latin American countries illustrate the possibilities and limitations of tuition-free higher education, while Ghana and Kenya demonstrate the enrolment gains and capacity pressures associated with expanding free schooling. Jamaica therefore operates within a broad international policy tradition rather than pursuing an exceptional educational model.

The return on Jamaica's investment extends considerably beyond school attendance. Education can increase lifetime earnings, labour productivity, employment probability, tax revenues, social mobility, health literacy, technological adaptability and intergenerational human capital. International evidence indicating approximately 9% average private returns from an additional year of schooling reinforces the economic case for educational investment. Nevertheless, these returns cannot simply be assumed for Jamaica. They depend upon whether publicly financed years of schooling produce meaningful learning and whether the economy subsequently utilises that human capital productively.

The opportunity cost of free education is equally high. Resources committed to schools cannot simultaneously finance healthcare, security, infrastructure, debt reduction and alternative social programmes. Yet opportunity cost does not provide an argument against free education; it provides an argument for comparing the marginal return of educational expenditure with competing uses of scarce public resources. More importantly, Jamaica must address the opportunity cost generated by inefficient educational spending itself. A dollar spent without improving access, equity or learning displaces another educational intervention that potentially could.

The research gap identified at the beginning of this study is therefore resolved by integrating fiscal cost, household incidence, economic return, social return and opportunity cost into a single analytical framework. Free education should not be evaluated solely according to the amount government spends or the number of students enrolled. Its appropriate measure is the quantity and distribution of human capability generated relative to the complete social resources invested. Jamaica's fundamental challenge is consequently not merely financing free education but maximising the human-capital productivity of educational expenditure.

The study concludes that free public education remains economically and socially significant for Jamaica and should be regarded as long-term national investment rather than merely recurrent government consumption. Nevertheless, preservation of gratuity should be accompanied by stronger accountability, improved teacher effectiveness, reduced residual household barriers, expanded technical and vocational pathways, better alignment between education and labour-market demand and systematic measurement of graduate outcomes. The long-run sustainability of free education will ultimately depend upon whether Jamaica can transform universal educational opportunity into universal productive capability. In this respect, the most expensive education system is not necessarily one that spends heavily; it spends heavily without producing commensurate learning, productivity, mobility and national development.

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Table 1. Public Expenditure on Major Levels of Education in Jamaica, 2023/24–2025/26

Educational level	2023/24 provisional expenditure (J\$ billion)	2024/25 approved estimate (J\$ billion)	2024/25 revised estimate (J\$ billion)	2025/26 estimate (J\$ billion)	Change 2023/24–2025/26 (%)
Primary education	47.166	47.262	54.330	52.622	11.6
Secondary education	51.611	50.899	60.433	55.077	6.7
Tertiary education	28.425	26.036	34.898	30.705	8.0
Total: Primary + Secondary	98.776	98.162	114.762	107.699	9.0
Total: Primary + Secondary + Tertiary	127.201	124.198	149.661	138.405	8.8

Note. Figures are calculated from the Government of Jamaica Estimates of Expenditure and are rounded from J\$'000 to J\$ billions. Primary and secondary expenditure is especially relevant to the free-public-education discussion, whereas tertiary expenditure should not be interpreted as universally free tertiary education.

Table 1 provides perhaps the clearest empirical indication of the fiscal scale underlying public education in Jamaica. In 2025/26, the Government budgeted approximately J\$52.62 billion for primary education and J\$55.08 billion for secondary education, producing a combined expenditure of approximately J\$107.70 billion. Once tertiary education is included, expenditure across these three levels reaches approximately J\$138.40 billion. These amounts should not be labelled entirely as the “cost of free education”, because they include the full cost of operating the educational system rather than merely the cost of abolishing tuition or auxiliary fees. Nevertheless, they quantify the scale of public resources required to make widespread publicly financed educational participation possible.

Table 2. Detailed Cost Structure of Primary Education in Jamaica, 2025/26

Expenditure component	2025/26 allocation (J\$ billion)	Share of primary expenditure (%)	Economic interpretation
Compensation of employees	50.159	95.32	Salaries and other employee compensation
Utilities and communication services	1.054	2.00	Electricity, water, communications and related services

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Expenditure component	2025/26 allocation (J\$ billion)	Share of primary expenditure (%)	Economic interpretation
Use of goods and services	1.314	2.50	Teaching and operational inputs
Travel and subsistence	0.096	0.18	Administrative and operational travel
Total primary programme	52.622	100.00	Total recurrent programme expenditure

Source: Calculated from Government of Jamaica, *Estimates of Expenditure 2025–2026*.

Table 2 reveals that the dominant cost of providing public primary education is human resources. Of the approximately J\$52.62 billion budgeted for primary education in 2025/26, approximately J\$50.16 billion, or 95.3%, represents compensation of employees. This has an important implication for the free-education debate: Jamaica cannot substantially reduce the fiscal cost of schooling merely by manipulating tuition arrangements because the principal expense is the human infrastructure necessary to provide education. Teacher deployment, class size, staffing efficiency, teacher quality and productivity therefore have major implications for the economic return on public educational expenditure.

Table 3. Functional Allocation of Primary Education Expenditure, Jamaica, 2025/26

Primary education function	Cost (J\$ billion)	Percentage of total (%)
Delivery of instruction	46.084	87.57
Direction and administration	5.992	11.39
Rehabilitation and maintenance	0.547	1.04
Total	52.622	100.00

Source: Government of Jamaica, *Estimates of Expenditure 2025–2026*.

The largest functional allocation is the delivery of instruction, consuming approximately J\$46.08 billion or 87.6% of primary expenditure. Administration accounts for approximately J\$5.99 billion, while rehabilitation and maintenance represent approximately J\$546.7 million. This distribution is useful for assessing value for money because it indicates that most expenditure is directed towards the core educational function rather than physical infrastructure. A cost-effectiveness assessment should therefore examine whether the substantial instructional expenditure translates into measurable literacy, numeracy, examination performance and progression outcomes.

Table 4. Cost of Jamaica's Secondary-School No-Mandatory-Auxiliary-Fee Policy

Indicator	Before enhanced funding	Initial fee-free arrangement, 2016/17	Subsequent reported level	Change
Government operational support	J\$2.6 billion	J\$5.3 billion	J\$7.2 billion	+J\$4.6 billion from original level
Minimum/per-student support	J\$11,000	J\$19,000	—	+J\$8,000
Percentage increase in per-student support	—	72.7%	—	72.7%
Mandatory auxiliary fees	Required/commonly charged	Abolished	Non-mandatory	Major household-to-state transfer
Voluntary parent-support requests, 2016/17	—	J\$2.1 billion requested	J\$893 million collected	42.5% collection rate

Note. The Government reported that support for secondary schools increased from J\$2.6 billion to J\$5.3 billion when mandatory auxiliary fees were abolished, with per-student support rising from J\$11,000 to J\$19,000. A subsequent Ministry statement reported support increasing to J\$7.2 billion.

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Table 4 is especially important because it comes closest to quantifying the direct fiscal cost associated with making secondary schooling free of mandatory auxiliary fees. Government operational support initially rose by approximately J\$2.7 billion, from J\$2.6 billion to J\$5.3 billion, representing an increase of approximately 103.8%. Funding per student increased from J\$11,000 to J\$19,000, an increase of approximately 72.7%. The Ministry later indicated that secondary-school support had increased to approximately J\$7.2 billion, or J\$4.6 billion above the former J\$2.6-billion level. This provides stronger empirical evidence for the paper's argument that “free education” represents a transfer of financing responsibility from households towards the public budget.

Table 5. Incremental Fiscal Cost Associated with the Shift to Fee-Free Secondary Education

Measure	J\$ billion	Interpretation
Previous government operational support	2.6	Baseline government expenditure
Initial expanded government support	5.3	Funding accompanying abolition of mandatory auxiliary fees
Initial incremental public cost	2.7	Additional annual government commitment relative to baseline
Later reported government support	7.2	Further expansion of public financing
Increment above original J\$2.6 billion baseline	4.6	Additional public financing compared with pre-policy level
Requested parental support in 2016/17	2.1	Indicative residual/private financing request
Actual parental support collected	0.893	Actual household contribution reported
Uncollected parent contribution	1.207	Difference between requests and collections

Source: Authors' calculations from Ministry of Education information.

This table permits a more precise distinction between the cost of the educational system and the incremental cost of the fee-free policy. The initial direct increase attributable to expanded secondary-school operational support was approximately J\$2.7 billion annually, based on the movement from J\$2.6 billion to J\$5.3 billion. Once support reached J\$7.2 billion, government expenditure was approximately J\$4.6 billion above the former baseline. This incremental approach is methodologically preferable when estimating the fiscal cost of fee abolition because the State was already financing public secondary education before the policy was introduced.

Table 6. Estimated Cost Distribution of Public Primary and Secondary Education, Jamaica, 2025/26

Category	2025/26 expenditure (J\$ billion)	Share of combined primary and secondary expenditure (%)
Primary education	52.622	48.86
Secondary education	55.077	51.14
Combined primary and secondary expenditure	107.699	100.00

Source: Authors' calculations from Government of Jamaica expenditure estimates.

Public secondary education accounts for slightly more than half of the combined primary-secondary allocation. The approximately J\$107.70-billion commitment provides a useful upper-level measure of the annual public resources sustaining the two educational stages most closely associated with Jamaica's policy of free public tuition. However, this J\$107.70 billion should be described as the cost of publicly providing primary and secondary education, rather than the incremental cost of the free-education policy itself.

Table 7. Direct and Hidden Costs of “Free” Education to Jamaican Households

Household cost	Paid by State?	Paid by household?	Likely significance	Effect on effective gratuity
Tuition at public primary/secondary level	Largely yes	Generally no compulsory tuition	Very high	Strongly promotes access
Mandatory auxiliary fees	Government replacement financing	Not mandatory	High	Major improvement in affordability
Uniforms	Limited assistance	Yes	Moderate/high	Reduces effective gratuity
Transportation	Partial programmes	Mainly yes	High, particularly rural areas	Can constrain attendance

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Household cost	Paid by State?	Paid by household?	Likely significance	Effect on effective gratuity
School meals	Partial public provision	Often shared	High for poorer households	Can affect attendance and concentration
Books and supplies	Partial	Yes	Moderate	Residual household burden
Internet/data	Partial	Yes	Increasingly high	Creates digital-access inequality
Computers/tablets	Partial	Often yes	Moderate/high	Affects technology-based learning
Examination-related expenses	Subsidised in some circumstances	Some residual costs	Moderate	Can affect certification
Foregone earnings/time	No	Student/household	Greater at upper-secondary level	Represents true economic opportunity cost

The Ministry itself acknowledged that economic pressures continued to influence attendance even after fee reforms, reporting that more than half of children were on PATH or otherwise very poor and that economic and related difficulties contributed to irregular attendance among a portion of students. Accordingly, tuition-free schooling does not necessarily equal cost-free educational participation.

Table 8. Hypothetical Household Savings Generated by Eliminating School Fees

This table can be included explicitly as a scenario analysis rather than presented as historical expenditure.

Number of students	Avoided fee of J\$10,000	Avoided fee of J\$20,000	Avoided fee of J\$30,000	Avoided fee of J\$50,000
100,000	J\$1.0 bn	J\$2.0 bn	J\$3.0 bn	J\$5.0 bn
150,000	J\$1.5 bn	J\$3.0 bn	J\$4.5 bn	J\$7.5 bn
200,000	J\$2.0 bn	J\$4.0 bn	J\$6.0 bn	J\$10.0 bn
250,000	J\$2.5 bn	J\$5.0 bn	J\$7.5 bn	J\$12.5 bn
300,000	J\$3.0 bn	J\$6.0 bn	J\$9.0 bn	J\$15.0 bn

Note. These are hypothetical calculations, not reported Jamaican expenditures. They illustrate the household-transfer effect using

$HT = N \times F$, where N is the number of students and F is the fee avoided.

Table 8 illustrates the distributive importance of free education. For example, if 200,000 students avoided annual compulsory fees averaging J\$30,000, the resulting gross transfer from household financing would be approximately J\$6 billion per year. This does not mean that the economy saves J\$6 billion; rather, responsibility for financing the educational service shifts away from households towards collective public financing.

Table 9. Opportunity Cost of Jamaica's J\$107.7 Billion Primary and Secondary Education Allocation, 2025/26

Current allocation	Approximate value (J\$ billion)	Economic opportunity-cost interpretation
Primary education	52.622	Resources unavailable for alternative public programmes
Secondary education	55.077	Resources unavailable for alternative public programmes
Combined	107.699	Total resources committed to these educational levels
Hypothetical 1% reallocation	1.077	Amount available for another programme if education fell by 1%
Hypothetical 5% reallocation	5.385	Potential health/infrastructure/security/debt allocation
Hypothetical 10% reallocation	10.770	Large fiscal alternative, but with substantial educational sacrifice
Hypothetical 5% efficiency gain retained in education	5.385	Resources potentially redirected to learning interventions without reducing total educational funding.

Note. The reallocation figures are mathematical scenarios and not Government proposals. Base expenditure is derived from the 2025/26 Estimates.

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Table 9 gives the opportunity-cost argument much greater analytical force. A 5% improvement in the efficiency of Jamaica's combined primary and secondary expenditure would represent approximately J\$5.38 billion in resources. If such an efficiency gain could be achieved without lowering educational quality, those resources could finance remedial education, technology, nutrition, teacher development, infrastructure or other national priorities. Conversely, simply removing J\$5.38 billion from education would impose an opportunity cost through potentially lower learning and future human-capital formation.

Table 10. Cost–Return Framework for Evaluating Free Education in Jamaica

Public cost	Immediate output	Intermediate outcome	Long-run economic return	Possible monetary/fiscal return
Teacher salaries	Classroom instruction	Improved learning	Higher productivity	Greater taxable earnings
School operating grants	Schools remain accessible	Attendance/retention	Higher educational attainment	Larger skilled workforce
Fee replacement	Lower household price	Increased participation	Greater social mobility	Reduced poverty-related fiscal pressure
School meals	Improved nutrition	Better attendance/cognition	Higher human capital	Health/productivity benefits
Transport assistance	Physical access	Reduced absenteeism	Higher completion	Greater labour-market participation
TVET investment	Occupational skills	Better job matching	Higher employment/productivity	Income and consumption taxes
Technology	Digital competence	Modern workforce skills	Innovation/productivity	Higher-value economic activity
Maintenance/capital	Usable educational infrastructure	Continuity of instruction	Sustained cohort development	Long-run public asset value

The cost tables should support a central argument in the manuscript: Jamaica spent approximately J\$107.7 billion on primary and secondary education in the 2025/26 Estimates, but this is not synonymous with J\$107.7 billion being the “cost of free education.” It is the wider public cost of supplying those educational services. The narrower fiscal effect of eliminating mandatory secondary auxiliary fees is more directly reflected in the increase in operational support from J\$2.6 billion to J\$5.3 billion, and subsequently to approximately J\$7.2 billion.

These distinctions would make the Scopus paper considerably more rigorous because they permit four different quantities to be analysed separately: (1) total public educational expenditure, (2) incremental cost of the fee-free policy, (3) residual household cost, and (4) economic opportunity cost. That framework also creates a much stronger foundation for subsequently estimating Jamaica's benefit-cost ratio and monetary return on free education, rather than merely discussing its social value.