

Panel
UKFIET Conference 2019

Financing, Fallacies and Futures beyond 2020

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Abstract

Over the last three decades well over half a trillion dollars has been disbursed as aid to education much of it to Africa. Despite this the numbers of children failing to complete school successfully remain stubbornly high, levels of learning are disappointing, and social exclusions persist. Doubts about the efficacy of aid to education have led to a stagnation at around USD12 billion a year. Peak Aid may have already happened. At the same time there are about 30 countries in SSA that have received more than 7% of GNI in aid since 1990. These countries typically raise about 14% of GNI in domestic revenue so aid is equivalent to as much as 50% of national budgets. New global campaigns including those by the Education Commission, seek to increase aid massively.

There is a paradox. If aid is effective in catalysing endogenous development then the need for aid should diminish. If there have been persistent needs for more aid over the last 30 years this signals the limited impact of previous aid. More aid of the same kind cannot be a solution and something different to conventional “gap filling” aid is needed.

1. Keith M Lewin Financing Education in Africa: Beyond Peak Aid

Sub-Saharan Africa would need to spend an additional \$40 billion a year to achieve SDG4 or about ten times more than current educational aid to Africa. A new generation of large scale aid risks a return to dependence that locks countries into financing recurrent costs through (unreliable) grants and loans (repayable with interest and fees). More than a quarter of SSA countries are currently in debt distress or at high risk. The poorest countries continue to need grants. Massively increasing lending to low middle-income countries that have sub-prime status is not a way forward. New approaches are needed that catalyse increased efficiency and effectiveness that have lasting impact, rather than “gap filling” aid that addresses

symptoms not causes. Fiscal reform is essential. Aid to support the development of fiscal states is aid to education.

2. Stephen P Heyneman, Reforming the International Architecture of Foreign Aid to Education

Throughout many of the AID-providing countries there is a political backlash. It is common for aid to be seen as misused, stolen, and ineffective as current revelations about USAID indicate. It may also be unappreciated by some beneficiaries. Aid can supplant rather than add to local finance. Some NGOs implement their assistance programs with little buy in by local authorities, and staff enjoy benefits that can breed local resentments. New populism in donor countries highlights national needs --- inequality, inadequate pensions, physical insecurity --- and undermines the case for more aid. What options (venture capital, new generation PPP's, new codes of conduct) are available for new kinds of aid and how can levels of commitment be raised.

3. Moses Oketch, Financing Education Systems in SSA and Why Aid is Still Necessary

The relative effectiveness of foreign aid in promoting equitable quality education in Sub-Saharan Africa compared with domestic public spending remains an open question. Aid can be more effective in supporting learning especially where 75% of public spending consists of teacher salaries. Donor aid can target building schools; supplying teaching materials; improving school management and supporting improved quality. Government spending can be biased against the poor whereas donor aid usually focuses on the poor, disadvantaged groups and girls. Aid can be used to achieve non-market outcomes and can support endogenous development. There remains serious underinvestment in education and strategic donor financing should be a catalyst for increased public spending on education.

4. Nicholas Burnett, Three Priority Actions to get the International Education Architecture to Work for Africa

The current international architecture is broken and is not delivering either the finance or the systems support that's needed for Africa. SDG4 makes no sense for Africa, the multilateral institutions compete rather than collaborate, data remain a huge problem and countries aren't able to absorb the sorts of external funding that they need and deserve because their systems aren't technically and managerially strong enough. A major overhaul is needed of the architecture but this is not very feasible in the current global political climate. A more pragmatic approach would be enhanced cooperation around a global vision for the future of education, a program to finance adequately needed public goods in education (like data and knowledge), and a program to expand Africa's absorptive capacity so it can absorb more finance and move more quickly to improve its education systems.

Discussant – Professor Karen Mundy