

Policy Brief

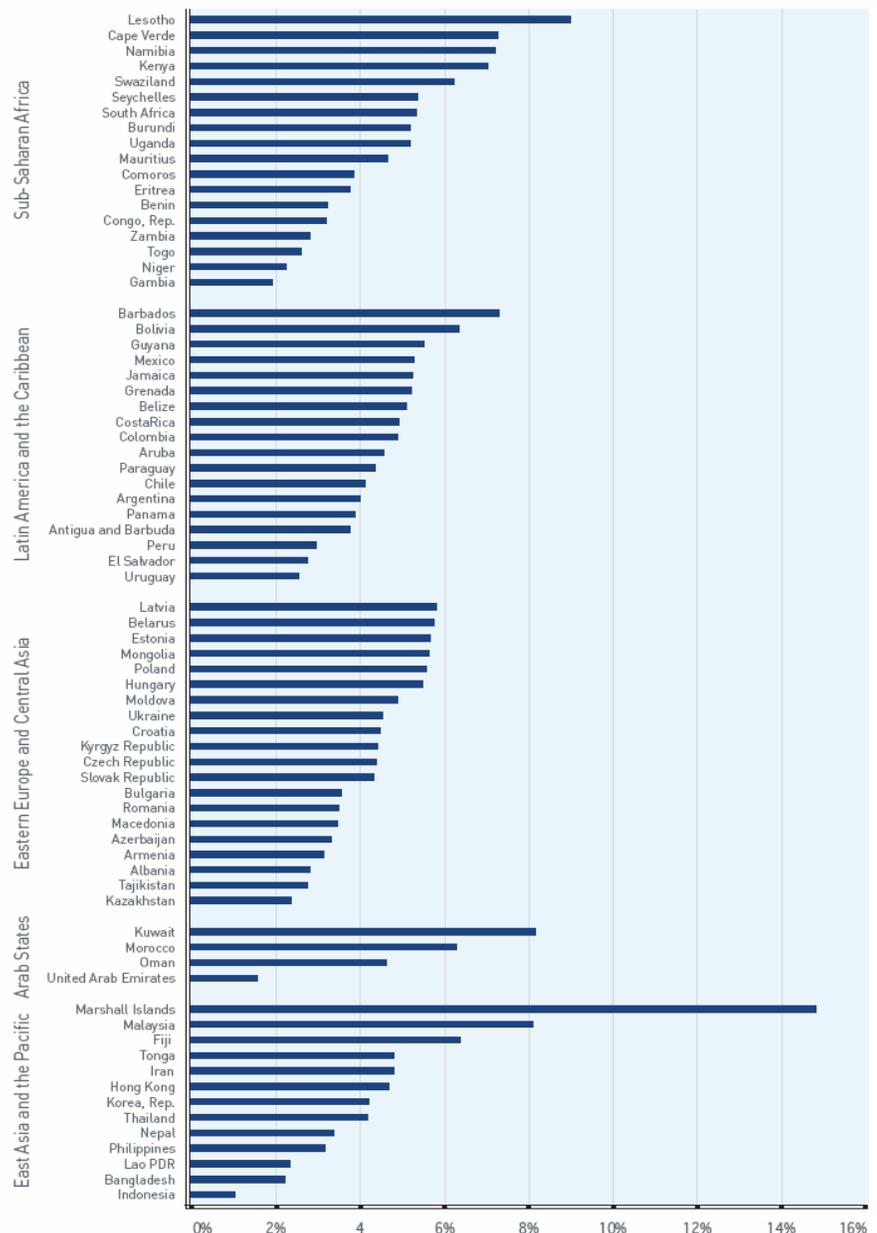
Resources for EFA: Where Will They Come From?*

Countries' ability to raise resources and use them efficiently and equitably determines, to a significant extent, how successful countries will be in their quest to reach their education goals. The financial requirements of upcoming education goals are significant - researchers estimate that in order to provide quality primary education to all children by 2015 additional financial resources of between \$7ⁱ and \$27ⁱⁱ billion a year will be required.

CURRENT RESOURCES FOR EDUCATION:

Financing for education in developing countries comes from three principal sources – national governments, households, and external donor assistance agencies. An analysis of education funding flows suggests that in many countries governments and households already make large contributions to education and may find it difficult to provide additional resources to fill the remaining gaps. While it may be possible for some countries to increase spending on education, others may need to focus on spending more efficiently. Many countries can free significant education funds by improving resource management practices and by decreasing

FIGURE 1. TOTAL EDUCATION EXPENDITURE AS A PERCENTAGE OF GDP



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student repetition and drop-out rates. Though there will inevitably be costs associated with efforts to attract scarce management resources, governments may be able to access these resources at a reduced cost through creative partnerships with the private sector.

Government Contribution to Education:

Figure 1 shows differences in contributions to education across a group of low- and middle-income countries. While a few countries devote a relatively small amount to education, most spend between 4% and 6% of GDP on education. Taken as an indication of a government's commitment to funding education, this figure appears comparable to the 5.7% of GDP devoted to education by High Income countries (EdStats). However, because developing countries have low GDPs, these levels represent a relatively modest real contribution to education. Further, because evidence reveals that education is more efficiently transferred to students in societies that are generally more highly educated, the effective contribution of spending in low income countries is lower still.

Faced with a number of competing budget priorities, it may be difficult for many LDC governments to increase their real contribution to education significantly.

TABLE 1. HOUSEHOLD EXPENDITURE ON PRIMARY AND SECONDARY EDUCATION PER CHILD, 2000 – 2003

Country	Survey Year	US Dollar Value		% of per capita GNP	
		Primary	Secondary	Primary	Secondary
Uganda	2000	\$ 22	\$ 212	9%	88%
Nigeria	2003	\$ 58	\$ 148	19%	49%
Malawi	2002	\$ 3	\$ 47	2%	29%
Zambia	2002	\$ 32	\$ 121	9%	36%
Sierra Leone	2003	\$ 22	\$ 86	16%	61%

Source: Sierra Leone Integrated Household Survey. All others, Demographic and Health Surveys.

TABLE 2. PROPORTION OF STUDENTS ENROLLED IN PRIVATE EDUCATION IN 2003 BY NATIONAL INCOME LEVEL

Income Group	Private Enrollment Primary	Private Enrollment Secondary
Low Income	17%	40%
Upper Middle Income	6%	7%
High Income	11%	21%

Source: EdStats

Household Contribution to Education:

Households in many countries contribute significantly to their children's education through school fees, or, where fees have been abolished, through the costs of uniforms, books and supplies, transportation, or supplementary tutoring. While data on household contribution to education are not widely available, Table 1 shows that, in five countries in sub-Saharan Africa, households contribute a considerable proportion of income to education.

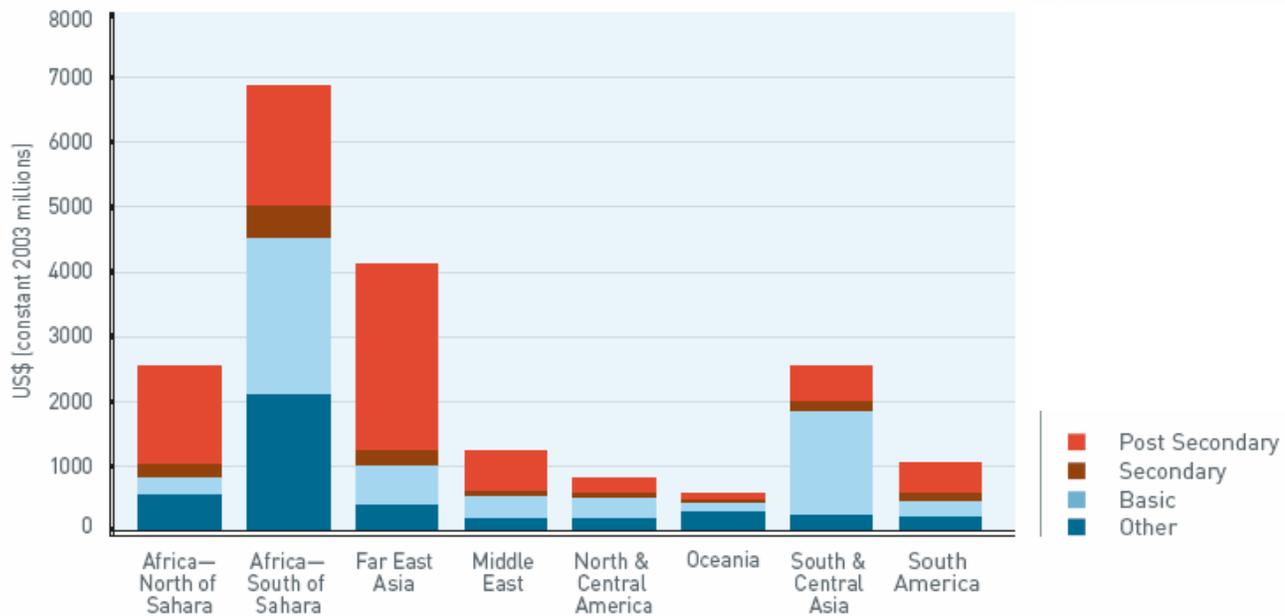
The proportion of students enrolled in private education can be taken as a proxy measure for household contribution to education. Table 2 indicates that a sizable proportion of education in low income countries may be funded by households with little or no government assistance.

International Donor Contribution to Education:

Many low- and middle- income countries receive support for education from international sources. One advantage of this external funding is that it can be targeted at areas that receive less attention from the government. Figure 2 shows total aid commitments to education by region for the period of 2000 – 2004. It is important to note that secondary education receives the smallest aid commitments though student demand for this sector is expected to grow the most rapidly in the near future. Because donor

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FIGURE 2. TOTAL AID COMMITMENTS TO EDUCATION BY REGION, 2000-2004.



Source: OECD Donor Assistance Database.

assistance is not likely to be sustainable in the long run, it is important that aid recipients grow to be able to support their education systems independently of foreign aid. This will only be possible if governments and international aid donors pursue policies targeting long-term economic growth.

PUBLIC - PRIVATE PARTNERSHIPS AND RESOURCES FOR EDUCATION:

The policy options appropriate for closing the gap in resources needed to provide quality universal primary education coverage will vary by national context. Government spending, household contributions, and foreign assistance are important sources of funding and can contribute to gains in education.

When spending in itself is not sufficient to achieve educational goals, or when additional resources for education cannot be acquired, countries need to ensure that resources are used efficiently and judiciously. Good management is essential for a well-functioning education system and is needed to improve system performance. By improving performance, it can be possible to achieve greater educational outcomes

without increases in financial inputs. To the extent that skilled managers are rare in less-developed economies, education systems may turn to public-private partnerships as a source of available expertise.

New Types of Education Partnerships:

While traditional sources of funding will certainly remain an important component of education assistance, partnerships with the private sector and with civil society can also yield important resources for education. Through partnerships with private businesses and associations, schools can benefit from expertise in management and administration and technological know-how and can draw direct linkages between education and the workplace. Through partnerships with civic organizations, schools can benefit from strengthened ties to the community including improved credibility, better understanding of community needs, and greater ability to mobilize community resources. In the long term, businesses and civic organizations alike benefit from a better-educated, more productive, and more civically active population. More immediate benefits to these partners include augmented visibility and reputation, the

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opportunity to influence government policy and expenditures, and access to national and community leaders.

HOW PARTNERSHIPS CAN HELP:

Business brings a range of skills and experiences that can help improve educational opportunities for children. Among relevant business skills and best practices are managing people and resources, conducting strategic planning, performing needs assessments, resource allocation, market analysis, using incentives to accomplish specific objectives, and anticipating demand.

School Access:

Gaps in access to schools are a matter of both supply and demand. On the supply side, in some countries there simply are not enough schools nor enough spaces in existing schools. At the national and regional level, business can contribute to determining how and where to place more and better schools closer to students and partner with governments and communities to provide the schools. On the demand side, businesses can educate the public on the benefits of education and advocate for improved policies, programs, and funding.

Student Retention:

For many countries, retaining children to complete primary and secondary school is a huge challenge. Business can analyze the market to bring greater clarity to the source of the problem. It can suggest incentives or other creative solutions. Business can help design curriculum that provides skills needed to find employment. Similarly, mentoring programs, internships, and work/study programs can help provide students the wherewithal and incentives to complete their education and find future employment.

Learning:

Almost universally, learning needs improvement. Teachers need to be trained, children need books, learning materials are scarce, and curricula are bloated with too many subjects. Business can contribute to teacher training and can directly support the provision of books and other learning materials.

Equity:

Inequities too often are the norm rather than the exception in education systems. Normally children not in school or who drop out are from well-defined marginalized groups. This reality calls for the development of programs and activities that specifically target these groups. Business experience with social marketing campaigns can help address inequities both through government policy and public understanding. Business can work with community leaders to find ways to bring marginalized children into the education system and can target support programs to those children through well defined media messages.

A significant mobilization of resources is required if Education for All goals are to be reached by 2015. While some increases in finances from governments, individual households, and international donors may be possible, these sources cannot be relied upon to close the entire education funding gap. Policymakers must show increasing creativity in managing education resources, improving the efficiency of education systems, and forge new partnerships in order to achieve Education for All.

*This policy brief is adapted from G. Ingram, A. Wils, B. Carrol, and F. Townsend *The Untapped Opportunity: How Public-Private Partnerships Can Advance Education for All* (Washington, D.C.: Academy for Educational Development, 2006).

ⁱ B. Bruns, A. Mingat, and R. Rakotomala *Achieving Universal Primary Education by 2015: A Chance for Every Child* (Washington, D.C.: World Bank, 2003).

ⁱⁱ S. Devarajan, M. Miller, and E.V. Swanson *Goals for Development: History, Prospects, and Costs* (Washington, D.C.: World Bank, 2002).