Civil Society Calls for More and Better Financing to Guarantee the Right to Education for All

Education needs USD $16 billion more to meet 2015 targets

With national governments not meeting education targets and donor support falling far short of requirements, civil society is demanding that governments and donors do much more to achieve education for all. In this regard, coalitions and civil society organisations from the Asia Pacific gathered in Manila, Philippines, to participate in regional conferences on Official Development Assistance SWAp and Innovative Financing for Education (5-6 April 2011) and on Public-Private Partnerships and Privatisation Issues in Education (7-8 April 2011).

The meetings brought about a lively debate about the gaps in education financing, what needs to be done to close those gaps, and the need to build greater civil society understanding and consensus around issues of public private partnerships, various financing measures currently promoted such as conditional cash transfers and taxation mechanisms such as the Financial Transaction Tax (FTT).

Poor countries face the biggest challenge in filling the gaps to achieve education for all.
The education challenges are quite stark in the Asia and the Pacific region. Almost 50% of the world’s 770 million illiterates (two-thirds of them women) belong to this region. The quality of education in schools in these countries falls far short of acceptable standards.

Official Development Assistance (ODA) for education in Asia and the Pacific is mostly targeted at improving schools alone, without considering that non-formal education could address the needs of out-of-school youth and adult illiterates. It is only now that the Fast Track Initiative is beginning to recognize that the six Education For All (EFA) goals are inseparable and that sector-wide approach is needed, where achieving one goal is directly linked to achieving all the others.

In order to meet the EFA goals by 2015, it is estimated that USD $16 billion needs to be allocated to bridge gaps in finances; aid-giving countries need to commit 0.7% of their GNI to assistance of which 15% should be allocated for education; and recipient countries need to spend at least 6% of their GDP or 20% of their national budgets on education.

With insufficient aid for education and governments often falling short of meeting education requirements, public private partnerships (PPP) seem to offer alternatives to government-funded services. However, PPP is a contentious issue for civil society organisations generating much discussion about the fundamental responsibility of education falling with the state, the nature of public private partnerships, and how civil society can be involved.

Cecilia (Thea) Soriano, National Coordinator, ENet Philippines, states that, “For civil society organisations, we have to consider whether PPP as a means to ease government fiscal policy and as an education strategy will help to meet education targets efficiently. We also have to think about our position on PPP because part of the work of civil society organisations is to claim resources that governments should provide.”

As civil society debates its position on public private partnerships, participants of the conference in Manila highlighted several issues related to civil society and PPPs. Some of these were:

- The state is responsible for providing education to all its citizens.
- There needs to be a common understanding amongst civil society of what PPP is and how and whether it can work with the private sector.
- Macro-economic reforms and progressive taxation are necessary actions governments and the private sector must take if Education for All is to be achieved.
- There needs to be research on good practices of multi-stakeholder partnerships, existing government policies, and PPP initiatives.
- A regional framework for civil society engagement with PPP should be developed.
- Civil society should monitor developments and play a watchdog role in multi-stakeholder partnerships.
- Civil society should fine-tune its own capabilities of engaging with governments, donors, and the private sector.

Civil society organisations are also looking at ways to strengthen their role with regard to education financing. Representatives from several civil society organisations present at the Manila conference on ODA highlighted their role in advocating for donor aid to be targeting to countries facing the greatest challenges, including those suffering from war and conflict, and where there is rampant discrimination against girls. They are calling for basic education, including adult literacy, and early childhood care and education to be prioritized to receive aid. Civil society is demanding that the criteria for funding education be more inclusive, results-oriented, and needs-based. There needs to be a focus on improving quality of education and on developing national capacities. Civil society is demanding that aid for education be bigger, better, and faster.

Representatives from the Government of the Philippines, Global Campaign for Education, World Bank, Education International, Open Society Institute, Asian Development Bank, and national and regional organisations from Asia and the Pacific participated in the ODA and PPP conferences organised by ASPBAE and E-Net Philippines.

In this issue, we share with readers of Ed-lines, some of the rich material and inputs shared during the regional workshops on education financing in Manila.
The Education for All Global Monitoring Report 2010 (GMR 2010) estimates that annual resources needed to finance Education for All is USD $36 billion, which is the figure to achieve three goals – 1) improving early childhood care and education 2) universal primary education and 3) halving adult illiteracy rate.

However, actual financing for basic education by governments is USD $12 billion, which is 3.8% of the GNP on average among low income countries in 2008. The Global Monitoring Report 2010 estimates governments can afford to allocate an additional USD $7 billion through domestic resources from economic growth and from domestic prioritization on basic education if there is political will. Despite additional resource mobilization efforts by governments, there still remains a huge financial gap of USD $16 billion to reach the Education for All goals. How much are donors supposed to give to close this financial gap? Current aid volume to basic education is only USD $4.7 billion. This means donors have to increase aid to basic education more than three times. What is worse, the financial gap is increasing after the 2008 financial crisis.

This is the overview of the current financing gap for Education for All. What should civil society organizations, including ASPBAE, advocate for? Firstly, they should advocate for governments to allocate at least 6% of their GNP to education (recommendation from the UNESCO International Commission on Education for the Twenty-first Century). 6% of the national education budget should be spent on youth and adult education (civil society policy demands to CONFINTEA VI). Half of this should be spent on literacy in countries with significant literacy challenges.

Donor countries should mobilize resources in accordance with indicative standards - at least 15% of the Official Development Assistance should be allocated to education; with at least 60% of this allocated to basic education, including adult literacy and life skill programs for adults and the youth (recommendation from the working group at the Education for All High-Level Group Meeting in 2008). Donors must also improve quality of aid to basic education. They must support country-led education sector plans by making a shift from donor-driven project support to program and sector support, allowing schools and literacy programs to pay teacher’s salaries as well (Paris Declaration on Aid Effectiveness).

The Education For All Fast Track Initiative needs to be radically transformed into a global initiative on Education For All which explicitly requires sector plans to include credible action on, and investment in, Early Childhood Care and Development and youth and adult literacy, especially women’s literacy (civil society policy demands to CONFINTEA VI). This initiative should be much more ambitious than the present Fast Track Initiative in terms of resources and should aim to secure further assistance to education.

Emerging donors should integrate investment in education and health into their economic growth agenda. The G20’s growth-oriented discourse led to a less human rights perspective. However, experiences of emerging donor countries show that government investment in education and health lead to sustainable growth rather than private-led social policy. Economics says that education is a good for consumption, which is not the case. Education means investing in GDP growth, expanding the tax base and improving the investment environment. The G20 should agree on introducing a Financial Transactions Tax. An extremely small tax of only 0.005% on financial transactions would generate USD $33 billion per year (Civil Society Statement to the G-20 Leaders Summit in Seoul).

Let us keep moving ahead to fulfill the promise made in Dakar 2000 - no country seriously committed to education for all will fail due to lack of resources.
In Pakistan, a country troubled by war and conflict, budgetary allocations to education fall far short of requirements. Most Official Development Assistance (ODA) to Pakistan is in the form of loans, not grants, increasing the national debt. Successive governments have not prioritised funding for education and currently less than 3% of the national kitty is spent on education. Apart from low investment in education, a very high portion of ODA for Pakistan is given to infrastructure development rather than to social or human development.

These are some of the findings of a study on ODA in Pakistan conducted by the Pakistan Coalition for Education (PCE), a coalition of civil society organisations and individuals advocating for education issues in the country. The findings of the study also pointed at the need for more government commitment towards education as a means of not only increasing literacy rates but also combating terrorism and poverty.

Pakistan is a signatory to the UN Convention on Child’s Rights 1989, the MDGs, and the EFA goals. These commitments require the government to spend adequate resources for the education sector. Pakistan has been making frequent efforts to mobilise resources from external sources resulting in Pakistan being a recipient of significant levels of ODA over the years. The main donors for education aid to Pakistan are the World Bank, USA, ADB, UK, Canada, and Japan.

The ODA study highlighted several concerns:

- A small percentage of total ODA to Pakistan is allocated for the education sector - mainly for primary and basic education, higher education, or miscellaneous projects with adult, special, secondary, and vocational education underprioritised.
- There is significant difference between ODA committed and ODA actually disbursed.
- There has been concern over the inconsistency in frequency and amount of donor aid, the lack of long-term commitment by donors, delays in starting projects and implementing programmes
  - With most of the ODA provided as loans not grants, Pakistan ends up having to pay high debt servicing rates to pay off interests and loans. Between 1999 and 2008, 75% of ODA was used for servicing loans the country had already accumulated.
  - Neither the government nor donors have established a transparent system to track ODA - its total size, sector-wise distribution, commitments vs. disbursements and utilization.
  - Participation of local civil society or other stakeholders in decision-making and planning is either non-existent or ineffective

The study also makes several policy recommendations to ensure Education for All –

- Substantially increase ODA for the education sector and ensure donors honour their pledges and commitments.
- Donors must ensure they are supporting a consultative process involving all stakeholders including relevant ministries, civil society groups, and parliamentarians.
- The share of grants for ODA, especially for the education sector, should be at least 50%. For least developed countries, especially those facing internal conflict, all ODA for education should be in the form of grants rather than loans.
- The government must ensure that while ODA goes up, it is committed to increasing budgetary allocations to education from its own resources.
- Donors must recognize the important role of civil society in planning and decision-making, and support capacity-building efforts on civil society advocacy.
- Donors must invest in independent and rigorous evaluation of programmes to determine what works in education and what can be improved.
  - Debt swaps must be strictly additional to ODA funding and not an instrument of inflating ODA figures. The amount swapped must be additional to the national budget to ensure that swap investments are over and above budgets for the education sector. Swaps for education must be integrated into the national education plan.
- Education aid needs to be made more predictable and sustainable. Hiring thousands of new teachers when funds might dry up after three years or so is risky.
Global civil society and human rights advocates are advocating to the G20 to adopt the Financial Transaction Tax (FTT) as a concrete mechanism to finance global public goods. Health and climate change activists have a strong presence in global FTT work. Education advocates are well served to join efforts at the national and global level to gain resources for education from the financial sector by enacting an FTT.

Civil society organisations are lobbying with the G20 to go beyond endorsing national level action to implement tax mechanisms by putting authority behind a global mechanism such as the FTT. The FTT is envisaged to systematically tap the power and growing volume of the financial sector as a motor to generate much needed resources for development and poverty.

Calculations reveal these instruments could generate revenue of about 1% of nominal world GDP per year. This amount surpasses the .07% aid targets many of the donor countries still have not achieved and is generated automatically by virtue of financial transactions occurring.

The Financial Transaction Tax is a fairly simple instrument to understand. Financial transactions are identified for taxation, generating revenue anytime those transactions are undertaken. The FTT globally would be applied to those trading in financial products such as stocks, bonds, currencies, commodities, futures, and options. These instruments affect individual investors, banks, hedge funds and other financial institutions engaging in the targeted type of financial transactions. The FTT taps resources from the financial sector as a whole by generating resources from each transaction and could be made more rigorous as a financial risk management tool by taxing especially risky transactions at a higher rate.

What other instruments are there?
- The Financial Activities Tax (FAT) would levy a fee only against bonuses and remuneration given to financial sector workers.
- The Currency Transaction Levy (CTL), promoted by the US, would only tax trades of foreign exchange.
- Financial Stability Contribution (FSC) or ‘bank tax’, introduced by the US, would tax institutions rather than transactions. One of the differences between a FTT and a bank levy is that by targeting transactions rather than institutions, the FTT selectively discourages excessive speculation without discouraging any other banking activity.

The proposed rate for the Financial Transaction Tax is 0.05%. Its projected revenue has been estimated to be USD $600-700 billion a year if implemented on a global basis.

The proposed rate for the Currency Transaction Levy of 0.005% would raise more than USD $30 billion a year if applied to all four major currencies (dollar, euro, sterling & yen).

The FTT is not a substitute for Official Development Assistance (ODA), but the international community can surpass what it has been expecting from ODA if there is a Financial Transaction Tax. Governments need to hear why the Financial Transaction Tax is an important mechanism. An outreach needs to go to the public to understand the importance and features of the tax and to economists to articulate and educate the public that such an instrument is feasible.

Additional information on these financial instruments can also be found at http://www.cttcampaigns.info/

(Sources: Policy Briefing for Global Campaign for Education members and Education for All advocates, GCE Secretariat, Summer 2010, and inputs from Amy Gray of the GCE at the ASPBAE Education ODA Workshop, Manila, April 2011)
INTERNATIONAL FINANCING INSTITUTIONS

Policy Recommendations to Achieve Education for All

Extracts from a presentation made by Amy Gray of the GCE Policy Group at the Regional Conference on ‘Deepening the Civil Society Discourse on Public-Private Partnerships and Privatisation Issues in Education’ held from 5-6 April 2011 in Manila, Philippines. Information from the GCE update on the May 2011 FTI Board Meeting in Rwanda has also been used in this write-up.

International Financing Institutions, or IFIs, are multilateral organizations with financial operations - for example, regional multilateral banks and regional monetary authorities and notably the International Monetary Fund (IMF) and the World Bank.

The IMF promotes very specific reforms and macroeconomic policies in exchange for the money it lends governments such as single-digit inflation, no-to-low deficit spending, high interest rates, high foreign reserves, and wage bill ceilings. How do these policies hurt Education for All (EFA)?

- Single-digit inflation forces governments to reduce either the wages paid or the base of employed workers, or both, in order to reduce the amount of money circulating in the economy. Low inflation means fewer teachers hired or those hired receiving lower pay.

- No-to-low deficit spending also contracts the amount the government can put into the economy. This policy reinforces the wage bill ceilings by limiting how much the government can spend on public goods and public sector salaries. These two policies combined create fewer or less well-financed public services and public sector workers. As teachers make up the largest percentage of public sector workers, wage bill ceilings and low deficits hit teachers and the education sector especially hard.

- High interest rates make it expensive for local and start up borrowers to gain access to credit. Especially in the area of gender equity, access to credit is an important incentive for parents to invest in their daughters’ education. For example, if a local business owner cannot get credit to expand production and hire more local skilled labor, this lack of current and future work opportunity can dissuade parents from sending their children, especially girls, to school.

- High reserve rates require governments to keep foreign reserves in their Central Banks’ vaults in order to reassure creditors – including the IMF - that the state has the money on-hand to pay back. This reduces the amount available for investment in all systems, including education.

The World Bank on the other hand has historically promoted two policies problematic for EFA advocates.

With insufficient funds to train and hire teachers, governments have been advised by the World Bank to rely on ‘para-teachers’, neither well trained nor adequately paid. The World Bank also continues to promote privatization which provokes a series of problems including putting the private sector between citizens and the state, opening decisions about curriculum and mother tongue, to name just two, to entities that are not educators and which are primarily seeking profit.

In 2011, the World Bank announced its new Education Strategy 2020: Learning for All, Investing in People’s Knowledge and Skills to Promote Development. Rights activists have described the strategy as providing a global vehicle for the commercialization of education, creating tension with the key principles of a right to education, which is not mentioned in the strategy. EFA and the need to achieve it by 2015 is not referred to. The World Bank can be described as ‘a partner with privileges’ of the EFA Fast Track Initiative (FTI). World Bank Task Managers have had exclusive access to and use of Education Programme Development Fund funds; the World Bank being the sole supervising entity for FTI operations. World Bank International Development Association conditionality have been imposed on countries approved for FTI grant funding. This last condition led to unacceptably long delays in disbursements, a situation which provoked the independent evaluation of the FTI. The independent evaluation of the FTI in 2010 noted these privileges and encouraged reforms.

The FTI is currently planning its replenishment strategy and a key element in this is the adoption of priority policy issues for the forthcoming strategic period up to 2014 which are fragile states, girls’ education, and quality improvements. Varying degrees of concern were raised about the current proposals with some strong views voiced by civil society representatives during the last FTI Board Meeting in Kigali, Rwanda, in May 2011. The proposal on quality attracted the most criticism with civil society organisations criticizing the highly reductionist nature of the approach proposed by the FTI which embraces a ‘new learning paradigm’ called ‘literacy in 100 days’ which could in the future be linked to result-based financing down to the level of individual teachers. Civil society organisations pointed out that it neglects the wider learning needs and experiences for learners and has unacceptable implications for the role, and remuneration, of teachers who could be penalized according to the results that pupils achieve. The Fast Track Initiative agreed to a further period of consultation and development of these strategies.

Change options for the IMF, the World Bank, and the Fast Track Initiative -

- IFIs should transform into advisor watch dogs which ensure that their member nation states pursue economic development in full compliance with the

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SOLOMON ISLANDS OFF TRACK ON EDUCATION GOALS - GREATER EDUCATION AID NEEDED

The Pacific Island country of Solomon Islands is far from achieving the Education for All goals by 2015. It is a country with a small tax base, and is highly reliant on overseas aid to provide basic services, such as education, to its people.

Substantial work needs to be done in relation to all six goals. Among the more neglected goals are Goal 3 (promote learning and life skills for young people and adults), Goal 4 (50% improvement in adult literacy) and Goal 6 (improve the quality of education).

ASPBAE and the national Coalition for Education Solomon Islands (COESI) have collaborated in recent years to conduct education experience surveys and literacy assessments in a number of provinces in the Solomon Islands. They have recently released a report on findings of a survey conducted in 2010 for Renbel and Isabel provinces. The findings provide significant information that will enable evidence-based policy debate and action to take place between the government, education partners, civil society, and the community.

Key findings of the Renbel and Isabel surveys reveal that:

- 29% of adults did not go to or have not completed primary school. Very few completed secondary school or attended university.
- Most respondents self-declare they are literate.
- Only 17.5% and 33.9% of adults in Isabel and Renbel are literate. This is substantially below the internationally reported literacy rate of 77%.
- Of those who completed primary school, only 34.2% are literate in Renbel, while only 24.4% are literate in Isabel.
- Completion of secondary school does not assure literacy attainment. Of those who completed secondary school, only 65.2% are literate in Renbel, while only 45.2% are literate in Isabel.

Clearly much more needs to be done. To its credit, the Solomon Islands government increased spending on education to 24.6% for 2011-12. However, since it is a small country with limited infrastructure and without the capacity to meet the education needs of its people, education aid donors play a crucial role.

The main donors to the Solomon Islands are Australia, New Zealand, and the European Union.

A significant proportion of education aid is devoted to supporting the government’s policy of fee-free primary education and overseas scholarships.

The general Official Development Assistance (ODA) trend to Solomon Islands does not looking promising. World Bank figures indicate that net ODA received by the Solomon Islands as a percentage of the GNI has fallen from 47.8% in 2005 to 40.75% in 2008. According to ACFID, the Australian Council for International Development, the estimated ODA from AusAID in 2009-10 was $246.2 million. However in 2010-11 it fell to $225.7 million. Of that, $50.9 million (or 23%) was earmarked for education. While this percentage is quite high, it is still a long way from what is required to ensure access to quality education for all in the Solomon Islands.

A full copy of the Literacy Assessment study in Renbel and Isabel provinces is available on request. Please write to Bernie Lovegrove at bernie.aspbae@gmail.com.

‘International Financing Institutions’

Universal Declaration of Human Rights to which they are signatories.

- The IMF should promote macroeconomic planning that aligns with EFA goals.
- The World Bank should align its education policies and financing with its poverty eradicating mission. Privatizing education will not result in poverty reduction. Failing to sustain professional teaching forces decimated by decades of privatization policies will also promote inequality.

- The FTI should support countries that truly are innovating, support peer learning of best practices, and aggressively market innovation to public investors. The FTI should gain independence from the World Bank and its traditional education policies.

‘Conflict and Education’

Donors cannot be absolved of responsibility as well because the aid to basic education is skewed towards a small group of countries identified as national security priorities (Afghanistan and Pakistan ranking 1st and 3rd respectively). To make the scenario worse, unlike conflict-affected communities, humanitarian agencies do not recognize education as ‘life-saving’ and education is a ‘poor neighbour’ in the humanitarian aid system – with only 2% of humanitarian funding going towards education.

The GMR has some key messages and recommendations which can be utilized by education advocates in the Asia and South Pacific. The messages are:

- Education can fuel conflict…. and be an engine for peace
- Strengthen human rights protection for children caught up in conflict
- Put education at the centre of humanitarian responses
- Start early, and stay for the long haul, for reconstruction
- Use education as a force for peace

For more information on the status of Education for All and how conflict has a bearing on education, download the 2011 Global Monitoring Report at www.efareport.unesco.org
PUBLIC PRIVATE PARTNERSHIPS: A GREY AREA FOR EDUCATION

Why is PPP in education promoted in the Asia South Pacific?

• There is an Education for All (EFA) deficit which is indicated by low enrollment rates at primary and secondary schools; high drop-out rates; high illiteracy rates; low quality of education.
• One of the main factors for the EFA deficit is lack of public funds for free quality education. Low-income families, girls, indigenous people, and other poor and marginalized groups have limited access to education.
• Under this condition, there have been changes in thinking about how the state should provide education services. Among the innovations are public private partnerships (PPP) where the state and the private sector work together.
• The idea of PPP is strongly promoted by international agencies. They argue that PPP will help developing countries meet EFA and the MDG goals for education and improve learning outcomes.

Context of developing countries in Asia and South Pacific

• No political will to provide free quality public services.
• High rate of corruption; poor governance; weak law enforcement.
• Heavy influence of the market and financial international institutions; debt trap.
• The majority of people are unaware that education is a basic human right.

Dangers of PPPs: PPPs will....?

• Legitimize governments’ attempts not to allocate sufficient funds for education in national and local budgets.
• Lead to the privatization of education; reduce government’s control over a public service.
• Lead to increased socio-economic segregation in society. Middle class families will select high quality schools; poor students will be left behind in worsening public schools that lose the support of the government and society.
• Lead to the weakening of workers’ rights and labor unions, such as teacher unions, due to the flexibility of working arrangements in PPPs.
• Result in gaps in quality education unless government has comprehensive tools for monitoring.
• Lead to an increased opportunity for corruption mainly in awarding contracts. Good governance is badly needed in the PPP context.

How should civil society respond to the trend of PPPs in the Asia South Pacific?

• Civil society organizations should discuss the role of the state in providing free quality education by using a rights-based perspective on the scope of decentralization.
• Discuss how civil society and social movements will be able to monitor and ensure that public finances will be utilized for public services.
• Discuss how to press debtor countries to cancel their loans to developing countries for public services including education.
• Discuss how civil society will define the role of corporate social responsibility (CSR) in the context of PPPs.

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