

The Global Education Crisis: What role for the EU?

Introduction

Basic education is the single most powerful weapon against poverty. It is also a fundamental human right. Yet today, 125 million primary aged children are not enrolled in school, and almost 900 million adults are unable to read or write.

The European Commission is the world's fifth largest donor, while the EU member states account for two thirds of total bilateral aid to basic education. The combined influence of the EU and its member state governments on the educational prospects of the world's poorest children is potentially enormous. But too often education development policy has been fragmented, incoherent and weakly co-ordinated. This lack of coherence and internal efficiency has been reflected in a lack of international policy influence, and in a limited positive impact on poverty.

This paper identifies some of the key problems in EU aid to education:

- Basic education continues to be under-funded, with 3% of European Development Fund 8 allocated to basic education. Although allocations to basic education as a proportion of total aid to education have risen within EDF8, overall aid to education has been halved since EDF7. This has offset half of the increase in aid to basic education within the overall aid budget.
- The gap between disbursements and commitments, which has been as large as 40% within DGVIII, has resulted in a large proportion of allocated resources being returned to member state treasuries.
- Allocations to Eastern Europe in 1997 were three times larger than to the ACP group. If allocations were based on objective human development criteria, this situation would be reversed.

Oxfam International believes that the European Union can - and should - act now to make a fuller and more effective contribution towards achieving the international target adopted at Copenhagen, and laid out in *Shaping the 21st Century*, to provide every child with a quality primary education by 2015.

Oxfam International calls on the EU to improve allocation, quality, effectiveness and democracy in EU aid to education. Urgent change is demanded in the following areas:

- The EU member states must work together to ensure that a minimum 8% of total bilateral aid is allocated to basic education. This would meet more than 50% of the global financing gap in basic education. At present, less than 2% of member state aid is allocated to basic education. Similarly, the Commission must increase its own support to basic education to the 8% target, and improve co-ordination with member states.
- The Commission must broaden its skills base in basic education, particularly in gender, so that it is better able to develop education programmes which meet the needs of structurally disadvantaged groups. The most significant of these is girl children, who account for 70% of children out of school.
- Accountability and positive learning would be encouraged by integrating consultation with civil society into programme planning, and by introducing independent monitoring of education interventions.
- The Commission should increase its effectiveness by bringing all policy instruments under a single country strategy.

The scale of the crisis

Education is the single most powerful weapon against poverty. It gives people the opportunity to improve their lives and raises their voice. It can improve health, raise productivity and help foster participation in civil society. Education is also a fundamental human right, to which we are all entitled.

In 1990, representatives of the world's governments met at Jomtien in Thailand. Jointly convened by the UN agencies and the World Bank, the World Conference on Education For All saw international targets set for universal primary education and the halving of adult illiteracy by 2000.

Yet only ten months from the new millennium, 125 million children of primary school age are not enrolled in school. A further 150 million children will fail to complete five grades of primary education, and leave without basic literacy skills. For millions who remain in school, the quality of education is dismal, and little effective learning takes place. The net result of this educational crisis has been that the target of halving the incidence of adult illiteracy has been missed, and the Education For All decade has seen a rise in the number of illiterate adults. The rate of progress over the past decade has been so slow that, on current trends, Oxfam International estimates that there will be 75 million primary aged children not enrolled in 2015.

Why has Jomtien failed?

Why has Jomtien failed to deliver on the outcomes promised in 1990? The conditions in many of the world's poorest countries were not propitious for meeting the targets. Persistently high levels of poverty in most developing countries were a key obstacle, which has been reinforced by the HIV-AIDS pandemic, the proportionate size of the primary age population in the most educationally deprived countries in Africa, negative economic growth, diminishing income earning opportunities for school leavers, and the spread of civil conflict and violence.

These conditions have created a vicious circle for many of the poorest countries: the education deficit has perpetuated high levels of poverty, and poverty makes it doubly difficult to make inroads into the education deficit. One dimension of this problem is that low-income countries, with weak tax-collecting systems, small revenue bases and declining export receipts, face severe constraints on resource mobilisation. Falling aid levels since 1990 contributed to a growing financing gap in basic education, with insufficient funding for the goal of universal primary education by 2000 to be met. While the Jomtien Conference produced financial analysis of the costs of attaining the various targets, in practice there was no clear linking of these targets to financing needs. Nor was there any clear effort to ensure national level plans were adequately financed within the overall Jomtien framework. The failure to mobilise resources needed to attain the international education commitments was apparent from the outset of the Education For All decade, and reflects the lack of political will which has underpinned it.

The additional costs of achieving universal primary education are relatively modest. UNICEF has estimated that \$8 billion extra a year is needed to be spent to make primary education for every child a reality - equivalent to just four days worth of global spending on armaments. Yet since Jomtien many of the world's poorest countries have cut spending on education, both in absolute terms and as a percentage of GDP. This partly reflects misplaced priorities, and wasteful use of public money on unproductive projects. Yet it also reflects the increasing challenges to resource mobilisation facing poor countries. A shrinking formal economy, the erosion of trade-based taxes as a result of trade and investment liberalisation, and falling commodity export receipts have all hit hard at the ability of the state in low income countries to finance basic social services .

Yet the current education crisis is not only a failure of developing country governments. It is a collective failure for which the world's wealthiest countries must share responsibility. At a time when many developing country governments face unprecedented challenges in raising the resources needed to finance universal primary education, donor support to the education sector has not been forthcoming. Despite the declarations at Jomtien and at subsequent UN conferences at Copenhagen and Beijing, the rhetorical commitments to primary education have not been followed up by increased donor support. While in global terms, aid to education accounts for only 2% of developing country education expenditures, this aggregate obscures the fact that for the world's poorest countries aid from multilateral and bilateral agencies remain a crucial source of funding. Many low income countries, especially in Africa, depend almost entirely on donor support for non-recurrent expenditures.

Yet aid flows to the poorest and least developed countries having fallen consistently over the past decade. While there has been a proportionate increase in education spending by donors,

this has been offset by the overall decline in aid. Moreover, the declining aid 'cake' has been distributed increasingly unevenly between countries and regions. This trend has been especially marked amongst the multilateral donors. The World Bank's basic education commitments and disbursements to sub-Saharan Africa have fallen sharply in relation to other regions, while Commission attention has steadily shifted away from the least developed countries where human development needs are greatest, to the Mediterranean and transition countries in Eastern Europe.

Meanwhile, donors continue to underinvest in primary education. Though the share of overall education aid going to 'basic education' rose from 6% in 1990 to 19% in 1995, reaching \$1.1 billion in 1995, this represents less than 15% of the financing shortfall required to achieve universal primary education. These trends are developing in a context where the costs of poor quality education and a weak and inappropriate skills base are rising sharply. In a globalising world characterised by increasingly knowledge intensive higher-value added industries, the ability to acquire, adapt and create knowledge-based goods is a crucial factor in poverty and inequality.

The lesson to be learned from Jomtien is a simple, but vitally important one. Without a concerted international effort to link the 2015 targets to financing needs, the failures of the Education For All decade will be repeated, with dire consequences for the world's poorest people.

The crisis is most acute in sub-Saharan Africa

Sub-Saharan Africa and South Asia account for most of the global education deficit, with respectively 45 and 56 million 6-11 year olds not enrolled. Both regions also perform badly in terms of completion, gender equity and poverty. Yet it is in Africa where the crisis is at its most acute. Whereas South Asia, with the notable exception of Pakistan, has made steady inroads into its education deficit over the last decade, and will have fewer than 30 million 6-11 year olds not enrolled by 2005, sub-Saharan Africa continues to see a steady rise in the numbers of children out of school.

For sub-Saharan Africa in particular, the current rate of progress is insufficient to reach the Jomtien goal of universal primary education even by the target date of 2015, set at the World Summit for Social Development in 1995. Globally, seventy five million children will continue to be out of school by the target date adopted at Copenhagen unless far more rapid progress is made in the next decade than has been achieved in this one. Of those out of school children, approximately seventy per cent will be from sub-Saharan Africa, despite the region accounting for only 15% of the primary aged population by that date.

Concerted international action is needed which focuses on sub-Saharan Africa's obstacles to economic and human development. Retention, completion, quality and efficiency continue to hamper educational progress, and urgently need to be addressed. But coverage of the education system is also a fundamental obstacle to universal primary education. Without massive new investment in the education systems of sub-Saharan Africa, the economic and social marginalisation of the region will continue apace.

What is the role of the EU?

The European Commission is the fifth largest single donor in the world, and a major player in education aid. Meanwhile, the individual budgets of EU member states accounted for almost two thirds of total bilateral aid to basic education in 1996. The combined influence of the EU and its member state governments on the educational prospects of the world's poorest children is potentially enormous. But because education aid policy is not set in one place within the EU, development policy has often been fragmented, incoherent and weakly co-ordinated. This lack of coherence and internal efficiency has been reflected in a lack of international policy influence. Oxfam International believes that the European Union can - and should - act now to ensure it plays a more full and effective part in realising the international commitment made at Copenhagen, and laid out in *Shaping the 21st Century*, to provide every child with a quality primary education by 2015.

Detailed breakdowns of Commission education aid are not available, and despite some minor progress made in gathering data on the European Development Fund (EDF), the Commission does not report to the OECD's Development Assistance Committee. As a result, monitoring trends in sectoral allocation is an inexact science. Nonetheless, trends in aid to basic education have been broadly positive within DGVIII, responsible for support to the Africa Caribbean Pacific (ACP) group of countries. This includes all but nine of the world's least developed countries, and is the epicentre of the global education crisis.

Prior to Lomé IV social sector spending had not been a priority for the Commission. However, under EDF8 basic education became a new priority, with a significant shift in resources, especially if structural adjustment funds are included. Per capita social sector aid has doubled under Lomé IV, and the proportion of aid to education going to basic education quadrupled from 15% under EDF7 to 60% under EDF8. Yet although allocations to *basic education* have risen within EDF8, for the education sector as a whole the picture is more mixed. **Overall only 5.4% of EDF8 funds were allocated to education and training, having fallen from 11% under EDF7.** As result, this offset half of the increase in aid to basic education within the overall aid budget, with **basic education spending accounting for 3% of total EDF spending.**

The Commission's lack of clear commitment to the education sector is combined with skewed allocations by region. Commission and member state commitments to the targets in *Shaping the 21st Century* (most notably to reduce absolute poverty by 50% by 2015, and in education to achieve universal primary education by 2015) are not reflected in the fact that aid allocated to Eastern European and Association countries in the Mediterranean has risen markedly in recent years, while the proportion going to the ACP has fallen sharply. **Allocations to Eastern Europe in 1997 were three times larger than to the ACP group. If allocations were based on objective human development criteria, this situation would be reversed.**

Policy trends in the EU

Increasingly, the Commission provides sectoral support to education ministries, tying in with bilateral donors such as Sweden in Mozambique and the Netherlands in Burkina Faso. Under the terms of the Maastricht Treaty, increased EU donor co-ordination is required, and this has been piloted in a number of countries: Ethiopia, Burkina Faso, Côte d'Ivoire, Peru, Mozambique, India and Tanzania. These pilots are known as the *Horizon 2000* initiative, and internal assessments have revealed ongoing weaknesses in programme implementation. These weaknesses are partly the result of bilateral donors' reluctance to be co-ordinated, and partly the result of chronic underinvestment by the Commission in key areas.

An attraction of tying to a bilateral donor is that unless there is co-financing or parallel financing of projects and programmes, extremely rigid procedures apply for financing and procurement of projects, requiring approval from all 15 member states. Yet there are limits to the opportunities for tying in with bilaterals, and it cannot obviate the need for the Commission to undergo systematic reform, not least because individual member states do not have the same geographical spread as the Commission.

While Commission policy statements on education are increasingly sounding the right note, but as with other multilateral donors, rhetoric is not being matched by reality. Education has not been a priority, and there remains a gap between policy and implementation capacity. Meanwhile slow disbursement of allocated resources remains a major problem. **The gap between disbursements and commitments, which has been as large as 40% within DGVIII, has resulted in a large proportion of allocated resources being returned to member state treasuries.** Resources are not being allocated in a way that is effective or transparent, and there is an urgent need for a poverty-focused agenda to be designed and implemented under a single directorate. In conclusion, development co-operation at the EU level needs to be given priority status.

An agenda for change

Oxfam International calls on the European Union to actively work with governments, other multilateral agencies, and with a broad range of civil society actors to ensure that the international education targets are met. Urgent change needs to be pursued in the following four areas:

- **Allocation** by region and sector needs to reflect poverty levels, and be linked explicitly to the education targets laid out in *Shaping the 21st Century*. Aid policy must reward governments which have demonstrated a clear commitment to poverty reduction and basic education. The EU member states must work together to ensure that a minimum 8% of total bilateral aid is allocated to basic education. This would meet more than 50% of the global financing gap in basic education. At the same time, the Commission must increase its own support to basic education in line with the 8% target, and improve co-ordination with member states. Increased allocations must be accompanied by an improved rate of disbursement.
- **Quality** must be addressed, by broadening the skills base within the Commission, by integrating consultation with civil society into programme planning, and by introducing independent monitoring of education interventions.

- **Effectiveness** must be enhanced by developing education programmes which meet the needs of structurally disadvantaged groups. This especially applies to girls, who account for the vast majority of out of school children. Bringing all policy instruments under a single country strategy is needed for increased effectiveness, as is better co-ordination with bilateral donors and recipient governments. The model of co-operation and dialogue developed within the Lomé conventions provides a valuable foundation on which greater co-ordination can be developed.
- **Democracy** urgently needs improving on. Planning, implementation and evaluation must be open and accountable to the communities affected, with a redress and complaints procedure established. Civil society groups must be given access to programme material, and systems put in place so EU taxpayers can know their money is being effectively spent. Full reporting to the DAC would increase transparency, and allow meaningful comparisons to be made of EU aid performance.

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