

G8: Failing the world's children

The debt burden of the poorest countries helps keep children out of school. School fees make education an unaffordable luxury for the world's poor. But the G8 has failed to tackle the education crisis. Debt relief is not deep enough, and aid levels are falling. The world's richest nations should launch a global initiative to abolish school fees and get all the world's children into school.

July 2001

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Executive summary

Every G8 country is committed to ensuring that developing countries achieve the target of universal primary education by 2015. At their meeting in Okinawa last year, the G8 communiqué stated “no countries seriously committed to education for all will be thwarted in their achievements of this goal by lack of resources”. Despite this rhetoric, the G8 have made no progress towards launching a global initiative to get all the world's children into school, or to significantly close the financing gap that exists for basic education. As a result, the global education crisis persists. 125 million primary aged children are not enrolled in school, and 900 million adults are illiterate.

Limited debt relief, inadequate aid, and a failure of many developing countries to prioritize basic education are key barriers to ending this crisis. The debt burden of the world's poorest countries is still keeping children out of school, because the debt relief provided has not gone far enough. Of the first 22 countries to receive debt relief, over half will spend more servicing their debt this year than on basic education. **Achieving universal primary education in these countries would cost \$1.5 billion a year, yet they will spend \$1.8 billion servicing their debts in 2001.** The achievements of debt relief seem even less significant when set in the context of declining aid flows to the poorest countries. Between 1990 and 2000 aid from the G7 fell from 0.3% to 0.19% of GNP, to some \$53bn, and is still falling.

For millions of the world's poorest children school fees mean access to education is not a human right but an unaffordable privilege. New Oxfam research in Tanzania shows how official and unofficial charges for schooling are preventing children from going to primary school. Tanzania's government is committed to abolishing school fees and delivering universal primary education, but to achieve this the country needs deeper debt relief and increased aid.

Oxfam is urging the G8 to agree to:

- **Launch a global initiative to abolish school fees and get all the world's children into school. The initiative would mobilize resources in support of nationally owned plans, whereby the G7 would provide \$4.5bn of the \$9.1bn required annually to provide every child with a free and good quality primary education.**
- **Deepen debt relief for countries with good plans for poverty reduction, including basic education. No country should spend more than 10% of government revenue on debt.**
- **Support cancellation of World Bank and IMF debts for Heavily Indebted Poor Countries which will fail to achieve the 2015 goals without further debt relief.**

Promises forgotten

At consecutive meetings throughout the 1990's world leaders committed themselves to the goal of achieving universal basic education. At the World Social Summit in 1995 the target for achieving universal primary education was moved back by 15 years to 2015. The Dakar World Education Forum in 2000 committed countries to launch with immediate effect a global initiative to deliver universal primary education. The communiqué from the G8 meeting in Okinawa last year supported the Dakar commitments and stated that “no countries seriously committed to education for all will be thwarted in their achievement of this goal by lack of resources.”

Despite this high rhetoric and virtuous target-setting, the G8 have made no progress towards launching a global initiative to get all the world's children into school, or to significantly close the financing gap that exists for basic education.

The global education crisis

125 million primary school age children are not enrolled in school; two thirds are girls. Of the children who do go to school, many only attend for a few years, but not enough to learn how to read, write and count properly. In the Least Developed Countries (LDCs) the dropout rate before 5th grade is 58%. According to UNESCO almost 900 million adults are illiterate, mainly women.

Illiteracy undermines efforts to improve health and nutrition; efforts to address the causes and impact of HIV/Aids; efforts to reduce infant and child mortality; efforts to enhance opportunities for more productive livelihoods; and efforts to strengthen democracy, good governance and the achievement of other fundamental rights.

The target of universal primary education for all by 2015 is ambitious but still achievable. The world does not lack the resources or the capacity to achieve this goal. What is lacking is the political will and vision needed to accelerate progress.

Debt is keeping children out of school

Much has been made of progress on debt relief. Twenty-three countries are now receiving some debt relief under the enhanced HIPC initiative. In Uganda, the government has used the additional resources to help finance free primary education, and has seen enrolments in primary schools jump from 2.5 million in 1997 to 6.5 million in 2000.

However debt relief has not gone far enough. Of the first 22 countries to receive debt relief, over half will spend more on debt than on primary education, and two thirds will still spend more servicing their debt than they spend on basic health care (figure 1).

Oxfam estimates that achieving universal primary education in these countries would cost \$1.5 billion a year. Even after debt relief these countries will spend \$1.8 billion servicing their debts in 2001.

Zambia: debt trap tearing the education system apart

In Zambia, more teachers died of AIDS last year than passed through teacher training. One out of five children will not live to see their 5th birthday. Yet even after debt relief, Zambia will spend a quarter of its national budget on debt this year.

Luke Kapambwe is a teacher at Luansobe Community School in the Copper-belt region of Zambia. He tells local Oxfam staff how he is often too hungry to teach. He has to rely on the parents of his students to provide him with one simple meal of rice each day. Some of his pupils walk for over 3 hours to get to school in the morning.

Oxfam challenges any one of the G8 leaders meeting in Genoa to justify to those teachers, parents, and children why their government will spend 5 times as much on debt as on education in 2001.

The achievements of debt relief seem even less significant when set in the context of massive reductions in aid flows to the poorest countries. Despite a tremendous explosion of wealth in the G7 countries over the last decade, the world's richest countries have become increasingly mean when it comes to helping the world's poor. Between 1990 and 2000, G7 aid fell from 0.3% to 0.19% of GNP (figure 2). Non-G7 donor countries allocate 0.46% GNP to aid. The four countries which allocate more than 0.7% GNP, namely Denmark, Norway, Sweden and the Netherlands, provide an equivalent of four fifths of the US total, yet have the combined population of California. Sweden provides more aid than Canada; the Netherlands, twice as much as Italy. This penny-pinching attitude has seen aid flows fall in every G7 country except the UK (UK aid has grown recently from a low base). This decline in aid dwarfs the modest resources that have been freed up for poor countries through the HIPC initiative.

School fees are keeping children out of school

The Universal Declaration of Human Rights is unequivocal: 'Education shall be free, at least in the elementary and fundamental stages'. Under the terms of the Convention of the Rights of the Child, now signed by all of the world's governments, with the exception of the US and Somalia, States are required to 'recognize the right of the child to education, and, with a view to achieving this right progressively and on the basis of equal opportunity...make primary education compulsory and available free to all'. In reality, the principle that education should be free and compulsory is honored more in the breach than in the observance.

For millions of the world's poorest people, access to education is not a human right, but an unaffordable privilege. Parents face official government school fees (for registration, tuition, and examinations); levies imposed by schools and parent-teacher associations; informal payments to teachers; payments for uniforms, books, pencils, meals, transport; and community contributions, such as payments in cash or kind for school construction and maintenance. In sub-Saharan Africa, the costs of getting a child through primary school can represent more than one-quarter of the annual income of a poor household. In Nepal, the poorest fifth of the population spends more than 40% of an average household income to send one child to primary school. Oxfam research in Kenya shows that when school fees increase, girls are twice as likely as boys to be withdrawn from school.

There is now a broad consensus that school fees for education are inequitable and prevent the poorest children from attending the school. In the 1990s the World Bank actively promoted school user fees, now the Bank's official policy is not to promote fees. The US Congress has passed legislation that compels the US Executive Director of the World Bank to block any World Bank loan that promotes user fees in education and health. But school fees will continue to prevent children from attending school until the World Bank helps countries develop plans to end fees, and until there is a concerted effort by donors to close funding gap for basic education, as part of a global initiative to get all the world's children into school.

Tanzania: struggling to eliminate school fees

In Tanzania 2.5 million children of primary school age are out of school. New Oxfam-funded research in the Kilimanjaro region shows that large numbers of children are out of school because school fees have turned education into an unaffordable luxury. Charging children to go to school has also failed as a financing strategy for schools. In impoverished communities, reliance on school fees mean that schools are permanently under-resourced, and unable to provide the basic conditions needed for effective learning.

Tanzania: struggling to eliminate school fees

The Msoka household's situation is typical. Francis and Rosina Msoka live on a plot of land near Ngumeni village. They grow coffee, maize, yams and bananas, and keep a cow. Both of their two primary aged children had to leave school because the family could not afford to pay the school fees. Francis estimates the family income to be 80,000 shillings. Keeping two children in school would cost over 30,000 shillings, a sum that is simply unaffordable.

Tanzania's Government is committed to eliminating school fees by January 2002, as part of a program to get all children into school by 2005. This would cost \$970 million over the first three years. The Government is meeting 57% of the cost, and a World Bank loan is funding a further 15%. This leaves a massive financing gap of \$278 million over 3 years, which is equivalent to debt servicing over that period. If schools are not adequately compensated for the removal of fees, then formal charging practices will simply be informalised.

Front loading of debt relief could significantly reduce the gap. Reducing the debt service to 10% of government revenue would generate an additional \$50m a year over 3 years. The cancellation of Tanzania's debt to the IMF and World Bank would further close the funding gap, as would a much needed increase in donor contributions to its education effort.

A global initiative

The G8 should deliver on their commitment that "no countries seriously committed to education for all will be thwarted in their achievements of this goal by lack of resources." They should agree to launch a global initiative to get all the world's children into school. The global initiative would identify finance gaps in national education plans; mobilize resources internationally and nationally to fill those gaps, help improve donor coordination, and provide a yearly report on progress in delivering the finance required. The global initiative would include a coordinated effort to abolish school fees in education as part of good quality nationally developed plans.

UNICEF estimates that it would cost \$9.1 billion to provide universal, good quality, free primary education. Oxfam proposes that \$5.1 billion annually could be generated from increased aid, debt relief, and private sector grants. The remaining \$4 billion could be raised by re-allocation of expenditures by developing country governments. In comparison with the size of their economies, G7 contributions to the \$5.1bn should be some \$4.5bn, and would include, for example, \$2bn from the US and \$1bn from Japan.

What the G8 should do:

- **Launch a global initiative to abolish school fees and get all the world's children into school. The initiative would mobilize resources in support of nationally owned plans, whereby the G7 would provide \$4.5bn of the \$9.1bn required annually to provide every child with a free and good quality primary education.**
- **Deepen debt relief for countries with good plans for poverty reduction, including basic education. No country should spend more than 10% of government revenue on debt.**
- **Support cancellation of World Bank and IMF debts for Heavily Indebted Poor Countries which will fail to achieve the 2015 goals without further debt relief.**

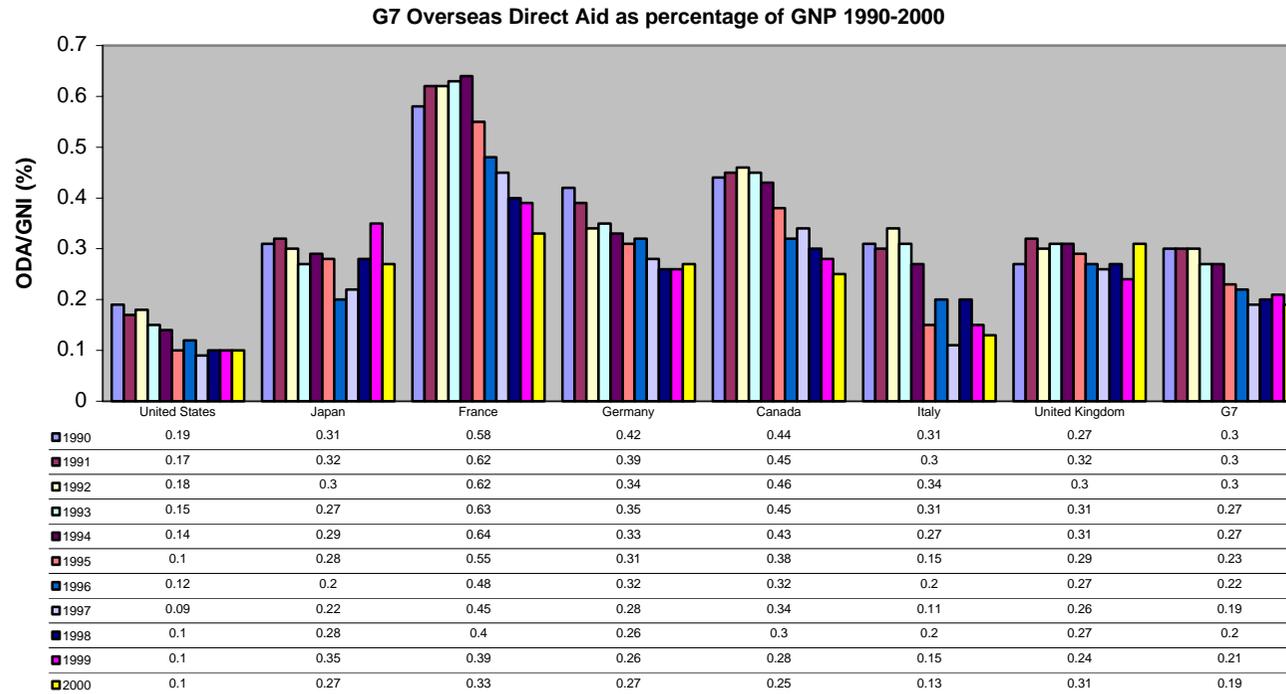
Figure 1**Comparing debt servicing to spending on primary education and health**

	Public Expenditure On Primary Education \$m	Public Expenditure On Health \$m	2001 Debt Service after enhanced HIPC debt relief \$m	Debt service is greater than health (+) and education (*) spending
Benin	56	50	46	
Bolivia	298	223	185	
Burkina Faso	55	54	30	
Cameroon	95	64	226	+ *
Gambia, the	1	1	16	+ *
Guinea	60**	12	78	+ *
Guinea-Bissau	3	2	6	+ *
Guyana	14	11	48	+ *
Honduras	94	89	134	+ *
Madagascar	33	45	64	+ *
Malawi	82	82	59	
Mali	34	25	64	+ *
Mauritania	22	20	80	+ *
Mozambique	119**	73	48	
Nicaragua	25	32	117	+ *
Niger	64**	48	49	+
Rwanda	6	8	16	+ *
Sao Tome and Principe	3**	4	2	
Senegal	64	148	159	+ *
Tanzania	229**	88	142	+
Uganda	37	16	51	+ *
Zambia	33**	24	158	+ *

Data has been calculated from Decision Point documents, I-PRSPs, the World Development Indicators (2000), and the UNESCO World Education Indicators (2000). The World Bank has not yet published figures for health and primary education spending for the HIPC countries.

** For these countries total education spending has been used because it has not been possible to calculate primary education spending.

Figure 2



Oxfam International is a network of twelve aid agencies working in 120 countries throughout the developing world: Oxfam America, Oxfam in Belgium, Oxfam Canada, Oxfam Community Aid Abroad (Australia), Oxfam Germany, Oxfam GB, Oxfam Hong Kong, Intermon Oxfam (Spain), Oxfam Ireland, Novib, Oxfam New Zealand, and Oxfam Quebec. Please call or write to any of the agencies for further information.

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