PATHWAYS TO LEARNING IN THE 21ST CENTURY TOWARD A STRATEGIC VISION FOR USAID ASSISTANCE IN EDUCATION

VOLUME II: USAID Educational Strategies Research Papers

June 2009

This publication was produced for review by the United States Agency for International Development. It was prepared under the Global Evaluation and Monitoring II BPA Number EDH-E-00-08-00003-00. It was prepared by the Aguirre Division of JBS International, Inc.

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BASIC EDUCATION RESEARCH PAPERS

BE Paper #1: The Changing Context of Basic Education[1]

Definition

Basic education, according to USAID usage, includes all efforts aimed at improving early childhood development, primary education, and secondary education (delivered in formal or informal settings), as well as training for teachers working at any of these levels. In its definition, USAID also includes training in literacy, numeracy, and other basic skills for adults and out-of-school youth. The common thread among these elements is that they help learners gain the general skills and basic knowledge needed to function effectively in all aspects of life. For formal education, aid efforts have been directed towards improving the access and the quality during the compulsory years of schooling: in most countries compulsory education includes primary and lower secondary school.

Trends in enrollment and educational attainment

With the exception of fragile states, educational attainments have risen globally since 2000: more children are enrolled in school for longer periods of time, although durations of compulsory basic education continue to vary by region. The lowest is in Sub-Saharan Africa (7.1 years) while the highest is in the Latin America and Caribbean region (9.5 years), closely followed by Eastern Europe and Central Asia (9.4 years). Appendix 1 presents the average years of compulsory schooling by region.

Non-enrollment in primary education but also drop out after primary completion is closely associated with poverty, distance to school (lack of access), and the poor quality of education. According to the UNESCO Institute of Statistics (UIS), 9 out of 10 children are in primary school among the wealthiest fifth of children. In contrast, only 6.5 out of children are in school among the poorest fifth. The Education Policy and Data Centers projects, based on household surveys and UIS, that one-third of school-age children in developing countries will not finish primary school: 12% because they will never enter school and 22% because they will drop out of primary school before they have finished.[2]

As the 2009 Global Monitoring Report confirms, the transition from lower to upper secondary school is a dropout point in many education systems.[3] The average gross enrolment ratio (GER) in 2006 was, at a global level, 78% in lower secondary but only 53% in upper secondary. In sub-Saharan Africa attainment levels are low for both cycles of secondary: 38% in lower secondary and 24% in upper secondary. But also in other regions of the developing world, the disparities between GER in lower and upper secondary are vast. They are especially pronounced in East Asia,

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[2] Education Policy and Data Center (2009). *Global Educational Trends, 1970-2025. A Brief Review of Data on Ten Issues*. Washington, DC: EPDC (draft version, January 2009); reference to p. 3.

[3] Global Monitoring Report (2009). *EFA Global Monitoring Report 2009. Overcoming Inequality: Why Governance Matters.* Paris: UNESCO GMR; excerpts are from p. 86.

in Latin America and in the Caribbean regions.[4] The gap is narrow, however, in developed countries, countries in transition, as well as in the Central and Eastern Europe region. In the latter, GER in lower secondary is 89% and only drops by 4% at the upper secondary school level. In Central and Eastern Europe, the gross enrollment ratio in upper secondary is 85%.

Educational attainment remains only tenuously related to quality of education. Gender parity has improved (see Appendix 2), but the gender gap in favoring males in overall enrollments has remained large, especially in the countries of South Asia and sub-Saharan Africa. In one-fifth of the developing countries, there is a slight "inverse gender gap" at secondary school level in which females outperform males in educational attainments. The countries with the greatest inverse gender gap by the year 2025 are projected to be Lesotho, Nicaragua, Swaziland, Mongolia, and Namibia.[5]

Entry and exit stages of primary education

Recent efforts to achieve universal primary education have focused increasingly on the entry into primary (pre-1) as well as on the exit into lower secondary education. The EFA Fast-Track Initiative, in particular, has supported School Readiness programs (or pre-1 classes) to mitigate drop out during primary school.[6] Research further suggests that expanding lower secondary education boosts completion rates in primary school; increased availability and access at the lower secondary level seems to motivate parents to have their children complete primary school.[7] This suggests that a critical mass of lower secondary schools may be needed to attain universal primary completion, with estimates indicating that at least 35% secondary net enrollment is necessary to achieve over 90% primary net enrollment.[8] The shift in focus favoring increased attention to secondary education is manifest in the sharp 13% decreased in IDA credits allocated for primary education.[9] This shift can be seen as a sign that many developing countries are approaching the goal of near-to-universal primary education by the year 2015 and are as a result focus on expanding lower secondary education.

Near-to-universal primary completion, however, entails that many of these countries do not pursue—or possibly have abandoned after a series of serious and costly attempts—the goal of reaching out to difficult to reach and excluded children. Besides orphans, the group of difficult to reach and excluded children is broadly defined and ranges from disabled children or children with special needs to homeless children, street children, or child laborers.

Priority of basic education in external financial assistance

Basic education has remained the focus of external financial assistance. Globally, official development assistance (ODA) for basic education doubled in nominal terms over the past ten years. This redoubling is also reflected in US increases in ODA for education from $98 million in 2000 to

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4 In East Asia, GER in lower secondary is 92% as opposed to 57% in upper secondary. The drop in enrollment is also prominent in Latin America (103% in lower secondary, 76% in upper secondary) and in the Caribbean (72% in lower secondary, 43% in upper secondary). Source: GMR (2009, p. 86).

5 Education Policy and Data Center (2007). *Window on the Future: 2025. Projections of Education Attainment and Its Impact.* Washington, DC: EPDC. See also Figure 5 (EPDC 2007, p. 45) in Appendix 2.

6 M. Clemens (2004). *The long walk to school: International education goals in historical perspectives.* Center for Global Development Working Paper 37. Downloaded on November 16, 2008 from http://www.cgdev.org/content/publications/detail/2754/.

7 See World Bank (2005). *Expanding Opportunities and Building Competencies for Young People. A New Agenda for Secondary Education.* Washington, DC: World Bank.

8 M. Clemens (2004).

9 EFA-FTI (2008). *Annual Report 2007*, p. 13.

$465 million in 2006. Over 70% of US ODA support for education is spent on this sub-sector, reflecting the high priority given to basic education.[10] The concentration of external financial assistance on this sub-sector is both an opportunity and a challenge for recipient governments, especially in cases in which donor coordination, alignment with education sector strategies and institutional capacity are weak. In contrast to other education sub-sectors, external financial assistance in basic education is tied and committed to the EFA Millennium Development Goals and, more recently, to the Paris Declaration on Aid Effectiveness (2005). As a result, this sub-sector is subject to a host of global, regional, and national evaluation studies as well as monitoring and progress reports. These studies and reports reflect the continued priority of basic education within development assistance frameworks and strategies, as well as the persistence of challenges in meeting educational development goals.

New donors

Over the past ten years, there has been a proliferation of multinational companies, many of which are based in the United States but operate globally, that have committed themselves to corporate social responsibility for sustainable development.[11] Basic education stands out along with the health sector as the one education sub-sector that is able to attract funding from non-federal sources, including private foundations, philanthropies and businesses based in the United States. These sources have initiated a variety of new programs, with some executed in the form public-private partnerships to support technology development, and others community-specific programs aimed at poverty alleviation, health provision, social protection, and universal access to basic education. The financial volume available to these new donors is not to be underestimated: the Bill and Melinda Gates Foundation, for example, made over $2 billion in grant payments in 2007, and expects to disburse $3 billion in grants in 2009. In contrast to the Global Development Program, these new programs—funded by private foundations, celebrity undertakings ("Product Red") and corporate social responsibility efforts—are following their own "donor logic" that does not necessarily correspond to either international agreements or to government sector strategies. This changing aid environment calls for new cooperation strategies between government and private donors. As suggested by the evaluators of USAID's public-private partnerships for development, there is a need to differentiate between corporate philanthropy and private sector partners. The Global Development Alliance model, presented in the evaluation report, calls for a more centralized USAID funding system that would enable private sector partners to commit to multi-year partnerships and also entails clearer target-setting and reporting mechanisms.[12]

Another phenomenon attracted great attention from international organizations: remittances, that is, money that emigrants send to their home countries. First noted was the cash flow to Latin America, followed by more recent research on money transfers to East Asia, Eastern Europe and Central Asia. It is impossible to assess what proportion of remittances is channeled into the education sector. Nevertheless, case-studies on remittances, such as the ones presented by the IOM (International Organization of Migration), suggest that a great proportion of remittances is used for poverty alleviation and for improving the livelihood of relatives, but also for building schools, improving the learning environment in schools, and in general for improving the infrastructure in rural areas.

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[10] UNESCO (2005). *Global Monitoring Report 2005*. Chapter 5: Aid flows to education. Paris: UNESCO GMR; USAID Fact Sheet (2006). *U.S. Support for Education in the Developing World*. Washington, DC: USAID; EFA-FTI Secretariat (2008). *Quality Education for All Children: Meeting the Challenge. Annual Report 2007*, p. 12f. Washington, D.C.: EFA-FTI Secretariat. USAID (2008).

[11] USAID (2008). *Evaluating Global Development Alliances.* Washington, DC: USAID.

[12] USAID (2008). *Evaluating Global Development Alliances.* Washington, DC: USAID.

External Factors and Key Trends

The digital divide: gaps in technology integration in learning systems

Many governments in transforming and developing countries have given high priority to increasing access to computers, the Internet, and information and communications technology (ICT). This commitment reflects not only the need for the economies in these countries to become competitive in a global market, but also the impacts of technology on political and social development. Connectivity enables greater transparency, better governance, and greater civic participation.[13] At the same time, the digital divide exacerbates existing disparities in market access and position, not only between developed and developing countries but also between rural and urban areas in developing countries themselves. The *Global Information Technology Report 2007-2008* ranked 127 developed and developing countries with respect to "networked readiness."[14] Unsurprisingly, developing and transforming countries occupy ranks 50 through 127. Exceptions to this general observation are worth analyzing in greater detail: Jordan—considered a developing country in the US Foreign Assistance Framework—ranks 47th, followed by Saudi Arabia, Croatia, and India. Yet, Botswana (at number 78) scores much lower than one would expect from a "sustaining economy."[15] The rural-urban divide in Botswana and the prominent position of Jordan as the technology hub of Cisco, Intel, and Microsoft (Jordan Education Initiative) for the Middle East account for these unexpected rankings.[16] The revolutionary growth of ICT technologies over the past decade have had discernable impacts on education development strategies. In particular, ICT for Development is marked by extensive private-public partnerships. Companies provide the hardware at little or no cost, and the public sector—with the support of donors—is supposed to ensure integration of ICT into curriculum and teaching. However, whereas the spread of computers and Internet connectivity has been breathtaking, the integration of ICT into learning systems lags visibly behind. Under-utilization, both general and pedagogical, has become as a result the leading issue with respect to the role of ICT in education.[17] Computers and other hardware are often under-utilized because they are locked up or in disrepair, or because problems with electricity or connectivity prevent their effective use. In schools and teacher training institutions where maintenance and access are secured, the computers are exclusively used to teach technological literacy (how to use software) but are pedagogically under-utilized. Learning and teaching have not been revolutionized by the introduction of ICT, as happened in other areas of social and economic life, as available technologies remain neither integrated nor mainstreamed across the curriculum.

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13 World Economic Forum (2008). *The Global Information Technology Report 2007-2008.*

14 The Networked Readiness Framework applies a composite index, measuring the presence of an ICT-friendly and conducive environment, the level of ICT readiness and preparation to use ICT of the three main national stakeholders (individuals, the business sector, and the government), and the actual use of ICT by the above three stakeholders (WEF, 2008).

15 Throughout this paper and subsequent papers in Basic Education, the USAID Foreign Assistance Framework has been used (2006) to categorize donor aid recipient countries as falling in rebuilding, developing, transforming, or sustaining economies. However, the lines between "developing" and "transforming" countries are blurred. In this paper we use the term "developing countries" to denote, according to the OECD DAC framework, countries that are considered least developed or have a low as well as a low-middle income.

16 Z. Bhanji (2009). Transnational corporations as propellers of educational transfer in the Middle East. In L. Chisholm and G. Steiner-Khamsi, eds., *South-South Cooperation in Education and Development.* New York: Teachers College Press, pp. 87-102.

17 Wadi D. Haddad and Alexandra Draxler, eds. (2002). *Technologies for Education. Potentials, Parameters, and Prospects.* Paris and Washington, DC: UNESCO and AED.

The technological revolution is not limited to computers and Internet. It also extends to the ubiquitous appearance of the cell phone as well as solar technologies and other alternative energy sources that enable a widespread use of television, monitors (for DVD), and radio for instructional purposes. Cell phones are nowadays used for a broad spectrum of activities, ranging from mentoring novice teachers to inquiring about whether the teacher salary has been disbursed and is ready to be collected. Over the past few decades, a series of projects have taken advantage of the radio and other electronic devices as a medium for distance education. More recently, interactive radio instruction (IRI) has been used to enable interaction between teachers and learners as well as among learners.[18]

Three complementary approaches to technology integration

Currently, ICT is used in three distinct ways in basic education and in the education of primary and secondary school teachers: (i) as a substitute or supplement to the delivery system, (ii) as a virtual space and social networking tool, and (iii) as a medium to innovate teaching and learning. The first use of ICT in basic education has witnessed unrealistic expectations of messianic magnitude, leading to promises that ICT would permit a leapfrogging of print material and books in school libraries, or even of teachers by way of a "constructivist" approach to learning among students. Certainly, this is not to deny that ICT may provide an important means for disseminating information and for tackling shortages in basic education delivery systems. For instance, the shortage of qualified teachers is acute, and stands as one of the greatest barriers to achieving universal basic education. South and west Asia will need an additional 3.6 million teachers, and according to the 2009 *Global Monitoring Report*, countries in sub-Saharan Africa would need to recruit 145,000 new teachers annually to increase primary school enrolment to a universal level by the year 2015. Distributed learning may represent a short-term solution for many countries to bridge the gap between demand for education and supply of qualified teachers. In the Latin America and Caribbean region and in Africa, contract teachers or para-teachers have been trained in distributed learning and act as facilitators of modularized educational programs delivered over a screen or tape-recorder. The second use of ICT is centered around the use of the Internet as a communication and social networking tool between stakeholders in education, as well as between schools in various countries. School linkages programs have been a very effective modality for enhancing global thinking and for teaching and learning English as the *lingua franca* in cross-national communication. Finally, ICT has been used, although still just sporadically, to support and accelerate ongoing innovations in the education sector. Problems of cross-sectoral coordination of ICT strategies remain endemic. For instance, technology development remains an attractive focus for private-sector involvement in development strategies. However, even though the private sector requires a "roadmap" prior to its involvement in a given country, recipient governments tend to supply technology strategies that may satisfy private partners or donors but that are dissociated from their strategies for other sectors. In basic education, for example, curricular reform or teacher training reform are rarely linked with technology roadmaps or strategies, and ICT integration in the content and methods of teaching only takes place haphazardly.

The reform pressure from globalization and knowledge-based economies

The quest for economic competitiveness in a global market place and the fear of falling behind knowledge-driven economies has exerted tremendous reform pressure on educational systems. The reform pressure calls for improving not only access to education, but especially the quality of

[18] World Bank (2005). *Improving Educational Quality through Interactive Radio Instruction. A Toolkit for Policy Makers and Planners.* Washington, DC: World Bank, Africa Region Human Development, Working Papers Series No. 52.

education. Several studies have presented evidence that not education attainment *per se*, but the quality of education, measured in student achievement tests, is strongly linked to economic growth.[19] Other studies reiterate that a high level of educational spending per student is not a guarantor for a high-quality education.[20] For all these reasons, governments are now keen to compare the quality of their educational systems with those in other countries. League tables from PISA, TIMSS-R, PIRLS, and other OECD- and IEA-type studies are used to generate (or in rarer cases: to alleviate) reform pressure. International funding is made available for developing countries to participate in such international student achievement studies. However, there is typically little policy-relevant insight to be gained for countries that consistently score at the very bottom of international league tables. The situation might change in the future with more comparable educational systems from developing countries joining OECD and IEA-type studies.

In recent years, a new series of student achievement tests has been developed that allow policy makers and stakeholders in developing countries to assess the quality of their educational system with that of other comparable countries. One such initiative is EGRA (Early Grade Reading Assessment)—funded by USAID and the World Bank and carried out in conjunction with RTI International, the EFA Fast Track Initiative, and the William and Flora Hewlett Foundation—is now used in more than twenty countries. Another useful test, to date piloted in two countries (Jamaica and Peru), is the SSME (Snapshot of School Management Effectiveness). The standardized test draws from school effectiveness research and compares, among other variables, school management effectiveness with student learning outcomes. In addition, a few regional initiatives do exist, such as, for example, SAQMEC in the Southern Africa region, LLECE in Latin America, or MLA in three Central Asian countries. However, lacking in many developing countries are reliable national standardized tests at critical stages of the basic education system (i.e., at the end of primary and lower secondary education) that link country-specific educational standards and curricula with student achievement. Such standardized national studies would allow governments to compare student performance across regions, districts, and schools. One basic challenge, therefore, is that pressures for reform of basic education, today felt globally, remain unmet by adequate tools to isolate specific problems or bottlenecks in promoting educational quality.

Life-long learning and second chance education

While global reform pressures have focused on strengthening the quality of basic education delivery systems, a key change in the current context is a growing appreciation of the need for remedial mechanisms to compensate for ongoing systemic failure. In the context of education, such mechanisms provide "second chances" to those who were unable to avail themselves of first-chance opportunities to secure basic primary and lower secondary schooling. Such mechanisms are hardly unique to the developing world. In even the developed countries, second chance opportunities—such as high school graduate equivalency or adult literacy programs—have become commonplace features of an expanded context for basic education; these are designed to support and complement "life-long learning." But in the context of developing countries, the need for second chances becomes even more apparent, as children are far more likely to drop out or even not attend school, thus lacking even many of the most rudimentary skills needed for effective social and economic

[19] E. Hanushek and L. Woessman (2007). *The Role of Education Quality in Economic Growth.* World Bank Policy Research Working Paper 4122. Washington, DC: World Bank. E. Hanushek and D. Kimko (2000). Schooling, labor-force quality, and the growth of nations. *The American Economic Review, 90 (5),* 1184-1208.

[20] UNESCO Global Monitoring Report (2009). *Overcoming inequality: why governance matters.* Oxford: Oxford University Press. Michael Barber and Mona Mourshed (2007). *How the World's Best-Performing School Systems Come Out on Top.* London: McKinsey & Company. Martin Carnoy (2008). *Cuba's Academic Advantage. Why Students in Cuba Do Better in Schools.* Stanford: Stanford University Press.

performance. For example, as pointed out in the 2007 *World Development Report*, while worldwide primary school completion is now 85%, in sub-Saharan Africa, where many states are in a transitory or rebuilding phase, the rate is about 55% - with whole age cohorts in certain countries, such as war-torn Sierra Leone, lacking in primary education altogether.[21] Systematic research and corresponding data on second chances education in developing contexts is rare, as such efforts are fragmented and tend to be run by local NGOs, sometimes supported by national education ministries and/or outside development agencies. In Bangladesh, for example, where drop-out rates are as high as 48% and student to teacher ratios standing at 1:54, a cross-cutting array of literacy and non-formal education programs have arisen to support second chances for persons with no or few literacy or practical vocational skills.[22] Like notions of "lifelong education," second chances education takes the model of basic education beyond the childhood period, viewing learning and educational opportunity as processes that may unfold across extended spans of the life course.

Youth bulge and socio-demographic changes

Demographic trends and phenomena constitute an additional factor driving external change within the context of basic education. In recent years, for instance, much expert attention has been paid to youth bulges.[23] Understood as a "large group of 15-24 year olds relative to the rest of the population,"[24] the emergence of a youth bulge may lead to intensifying demands on a country's governance systems, social institutions, and economic and natural resources. Especially where such systems and institutions are weak or fragile—whether due to persistent poverty and underdevelopment, humanitarian emergency, and recent or recurrent civil strife and social conflict—the resulting demographic pressure on social institutions and resources threatens efforts to provide, much less expand, equitable access to quality basic education, health care, and economic opportunity. For instance, worldwide primary school enrollments in 2005 was 688 million, an increase from 647 million (+6.4%) since 1999, with enrollments in sub-Saharan Africa up 29 million (or 36%) and South and West Asia (+35 million, 22%) showing the most noteworthy gains.[25] These gains are impressive given that many of the most persistent challenges to realizing universal basic education are to be found in these regions. Yet, these are precisely the regions in which rapid increases in the size of youth populations potentially threaten recent accomplishments. The presence of a youth bulge thus creates windows of opportunity that may, however, eventually close. On the one hand, if provided adequate education and employment opportunity, a large youth cohort can offer important human capital benefits to a country, increasing prospects for long-term economic growth and productivity. But on the other hand, even under favorable economic and political circumstances, rapidly growing numbers of youth also represent added burdens on public expenditure and national resources that lowest-income countries in particular would be

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[21] World Bank (2007). *World Development Report*. Washington, D.C.: World Bank, p. 59.

[22] See, e.g., the World Bank's recently completed Post-Literacy and Continuing Education for Human Development Project for Bangladesh, at http://web.worldbank.org/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=40941&menuPK=228424&Projectid=P050752

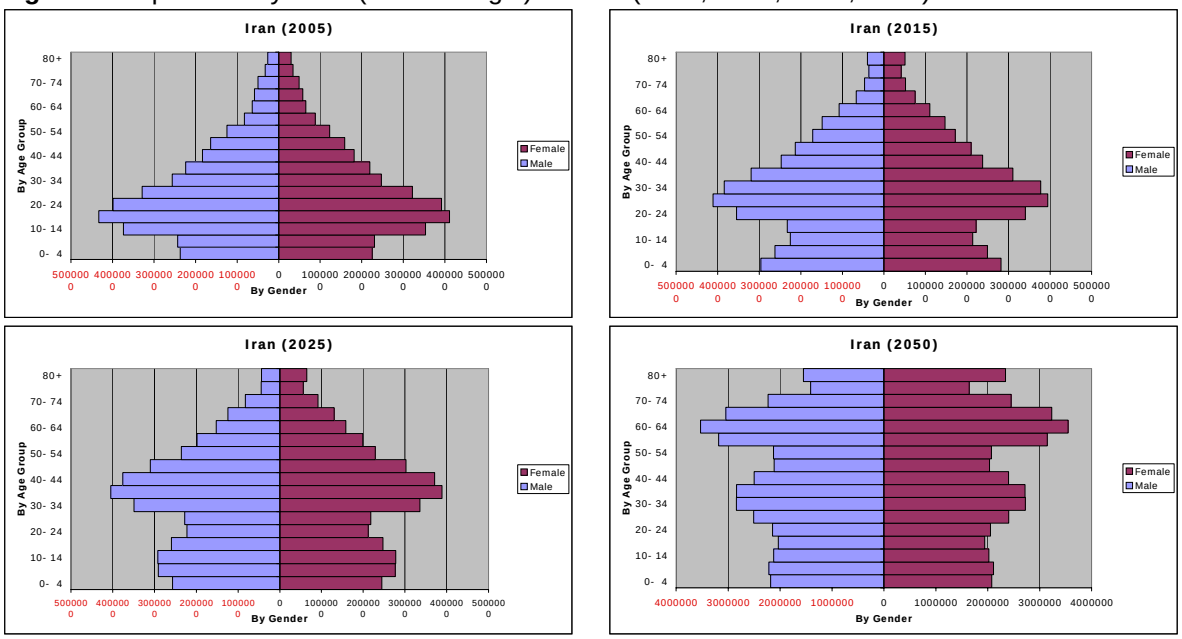
[23] Much of the attention to youth bulges has arisen in connection with studies of historical and contemporary episodes of civil conflict. Among the contributions to this increasingly voluminous literature are H. Urdal (2004), The devil in the demographics: Youth bulges and armed conflict, 1950-2000, *Social Development Papers: Conflict Prevention and Reconstruction* 14, Washington DC: World Bank; J. Goldstone (2002), Population and Security: How Demographic Change Can Lead to Violent Conflict, *Journal of International Affairs*, 56 (1), 3-22; R. Cincotta (2005), Youth bulge, underemployment of raise risks of civil conflict. *State of the World Global Security Brief (2).* Worldwatch Institute.

[24] Education Policy and Data Center (2009). *Global Educational Trends, 1970-2025. A Brief Review of Data on Ten Issues*. Washington, DC: EPDC (draft version, January 2009); citation from p. iii.

[25] UNESCO (2008), *Global Monitoring Report*, p. 48.

extraordinarily pressed to meet or sustain. The youth bulge, exemplified by the socio-demographic trends for Iran as seen in Figure 1, is an issue that needs to be addressed simultaneously as a complement to second chance or accelerated learning for youth in basic education, workforce development, and higher education.

Figure 1: Population Pyramid ('Youth Bulge') for Iran (2005, 2015, 2025, 2050)



Data: US Census International Database

Decentralization of governance and finance

Under pressure to shift decision-making authority to the regional, district, and school levels, many educational systems have undergone alternating cycles of de-centralization and re-centralization: first decentralizing their governance and finance structures; years of poorly implemented reforms then cause the pendulum to swing back toward re-centralization. The back-and-forth movement between de- and re-centralization has been amply documented for the Caucasus countries, Central Asia, and Mongolia.[26] The potential for significant financial gains that decentralized reforms could entail, if implemented properly, is uncontested: greater accountability and transparency of school budgets, more efficient use of funds, and income generation and financial participation at local level. Three larger public sector reforms have accompanied decentralization reforms in education. Conceived as global reforms, the following reforms "traveled" around the globe over the past decade: (i) introduction of per capita financing to ensure a more cost-efficient use of funds, (ii) the separation of budget approval and budget disbursement in two separate ministries [line-ministries versus Ministry of Finance] to reduce leakage and enhance accountability, and (iii) results-based management that necessitate close monitoring and evaluation. These global reforms required new

[26] Gita Steiner-Khamsi, Christine Harris-van Keuren, with Iveta Silova and Ketevan Chachkhiani (2009). *Decentralization and Recentralization Reforms: Their impact on teacher salaries in the Caucasus, Central Asia, and Mongolia. Background paper for the EFA Global Monitoring Report 2009.* Paris: UNESCO GMR.

mechanisms for regulating schools: Education and Management Information Systems (EMIS), school report cards, training of school principals in education finance and management, hiring of school accountants, multi-year school development and budget plans, changes in education laws that would allow schools to charge fees from parents and to generate income at school level, and a host of other reforms. The introduction of such reforms offer an opportunity to tackle several problems that have been endemic to schools in developing countries: the inclusion of students with special needs by introducing a per-capita financing formula that includes not only school characteristics (typically, grade level and location of school) but also student characteristics (students with special needs, multilingual students, orphans and vulnerable children), the de-politicization of schools by professionalizing educational administration and management and thereby curbing the rapid turn-over of school principals and local education authorities in the wake of each government change, or school-based educational reform by developing realistic school innovation plans that serve as planning tool for teachers and administrators at the school level. For these great opportunities to actually transfer into practice, more education experts need to get involved and help shape decentralization reforms. Currently, however, governance and finance decentralization reforms are almost exclusively advanced and designed by economists with little reflection on the pedagogical consequences and the potential of such reforms for remedying pressing issues in schools.

Internal Factors and Key Trends

In addition to external developments in other sectors (technology, economy, security, demography, public management), internal factors from within the educational system have significantly affected basic education over the past decade. As with the external factors listed above, the range of internal factors outlined below represents key trends and is not intended to be exhaustive. It remains vital in considering these factors to acknowledge differences both between and within regions and classifications of countries (sustaining, developing, transforming, sustaining).

Education and fragility

It is estimated that one-sixth of the world population lives in fragile states, defined as countries with ineffective governments that lack political will, legitimacy, or capacity to carry out essential provisions for livelihood, let alone universal basic education. Even though aid to these approximately forty countries has visibly increased in the new millennium, 75 percent of ODA earmarked for fragile states has been spent on just five countries: Nigeria, Afghanistan, Sudan, Democratic Republic of Congo, and Cameroon.[27] There is also a realization that humanitarian assistance needs to include, besides life-saving emergency measures, long-term social and educational provisions. Conflict and post-conflict situations may last from a few years to more than a decade, making it essential to create a sense of normality in a context that is regarded as transitional and to ensure universal access to basic education. In reflection of the increasing involvement of aid organizations in fragile states, the OECD's Development Assistance Committee issued a set of '*Principles for Good International Engagement in Fragile States and Situations*' (2007), formulated to be consistent with the 2005 Paris Declaration on Aid Effectiveness. These principles and the ones developed in the USAID Strategy for Fragile States (2005) make it clear that the type of educational interventions, the modality for cooperation, and the purpose of aid differ significantly from those applied to other developing countries.

[27] OECD-DAC (2007). *Ensuring Fragile States Are Not Left Behind.* Paris; OECD-DAC.

Stability and the mitigation of fragility. Education can play a key role in both mitigating as well as contributing to instability and fragility.[28] Unequal access to education and discrimination based on ethnicity, religious or political affiliation, or gender, creates "pockets of exclusion" that may lead to grievances and to civil unrest. Similarly, corruption, violence, and indoctrination in schools—commonly viewed as safe and protected public places—are root causes for social conflict. Stable states, in contrast, tend to use education as a means for human development, security, raising income, and advance social cohesion by way of recognizing multilingualism in the curriculum and by hiring teachers and administrators from diverse segments of society.

Aid favoritism and modalities for cooperation. The ineffectiveness, harmfulness or, in the extreme case, the non-existence of a government prompts the need for close donor coordination, in particular with UN agencies, and partnerships with in-country non-governmental and community-based organizations that both have the capacity and are trusted for delivering services to the population. As a corollary, the indicators for effective educational interventions change from indicators that primarily target sustainability and institutionalization of donor-funded interventions to indicators that simultaneously address issues related to access to education, safety and social protection, and mitigation of state fragility. Examining educational interventions from the lens of fragility also brings to light the adverse effects of foreign assistance that is insensitive to patterns of exclusion within a country. International development projects often target populations and regions that are easy to reach or, as is the case in corrupt states where governments act as primary stakeholders, target groups that already benefit from preferential access to resources. The fragility framework begs for a closer scrutiny of "geographic favoritism" and other types of social favoritism unintentionally enforced by means of donor-funded projects.[29]

The rising private cost of basic education

The rising private cost of basic education over the past decade, evidenced by the proliferation of private schooling, is a well-explored phenomenon. While the growth of private schooling may not appear from an economic perspective to be a source of concern, this development can be taken as an indicator of the low quality of public education. The global trend of parents "exiting" their children from public education has been supported by governments as well as donors, since such movements may (or may not, if vouchers are paid to students attending private schools) relieve burdens on national education budgets. However, attention must be directed to the surge in the private cost to public schooling, as well as the explosive growth of low-fee private (LFP) schools in developing countries.

Private Cost of Education in Public Schools

The household cost for education in public schools cover both official costs (textbooks, supplies, uniforms, school meals, fees for special classes or services such as private tutoring) and unofficial cost (gifts, bribes, extortion). Over the past decade, the spillover of private tutoring from developed countries (notably, Japan, South Korea, USA) to developing countries has become noticeable. In Korea, household spending as a share of GDP on private tutoring rose continuously, from 0.7 percent

[28] INEE Working Group on Education and Fragility (2008). *Education and Fragility: A Synthesis of the Emerging Research.* Amherst: Center for International Education, University of Massachusetts. Y. Miller-Grandvaux (2008). *Draft Education and Fragility. A New Framework.* Washington, DC: USAID.

[29] Marc Sommers (2005). "It always rains in the same place first": Geographic favoritism in rural Burundi. *Africa Program. Issue Briefing, 1, July.* Woodrow Wilson International Center for Scholars: Africa Program.

of GDP in 1977 to 1.2 percent in 1990 and 2.9 percent in 1998.[30] In developed countries, the main drivers of private tutoring are household income, parental education, and urban location. Affluent, educated parents in urban areas choose to pay for private tutors because they are unsatisfied with the quality of public education. In addition to these drivers of private tutoring, the subject of instruction (with mathematics ranking highest) and the grade level (the higher the grade the more private tutoring is requested) determines whether private tutors are hired.[31] In developing countries, however, there is an entirely different dimension added as driver for private tutoring: the low income of teachers. Staying in the classroom when classes have ended to tutor students privately is a daily routine for many teachers. The spread of private tutoring in the post-socialist region of Eastern Europe, Central/South East Europe, Caucasus, Central Asia, and Mongolia is well examined.[32] It has been suggested that some forms of private tutoring are corrupt, notably when teachers – whose classroom activities can only be imperfectly monitored – withhold the prescribed curricular content or purposefully fail to prepare students for tests in order to create a demand for income-generating private tutoring after school hours. The income generated from private tutoring can be substantial, ranging from $20 to $2000 per month, depending on the subject and the qualifications of the tutor. In Azerbaijan, for example, the highest fees for private tutoring are collected by tutors who also work as test writers for the centralized university entrance examinations. While there were many cases of educational corruption during the socialist period, the unethical use of private tutoring as an income generating activity for teachers is a new phenomenon of the post-socialist period. Compared to Central/Southeast Europe, Central Asian countries have the largest proportions of students tutored by their own class teachers, including 51.2 % of students in Tajikistan, 39.6% in Kazakhstan, and 39.3% in Kyrgyzstan. By contrast, the percentage of students tutored by their own teachers is less than 10% in Croatia and Poland and less than 20% in Lithuania, Slovakia, Bosnia and Herzegovina, Georgia, and Ukraine. Interestingly, students do not seem to associate possible instances of teacher corruption with teacher professionalism. A study on teacher corruption in the Kyrgyz Republic found that students tend to blame systemic factors like the economy and the government rather than teachers themselves for such corruption.[33] The findings can be interpreted as a sign that parents find themselves both dependent on teachers and retaining a measure of solidarity with them for their poor salary and social status.

Low-Fee Private (LFP) Schools

The explosive growth of LFP schools is well studied for the sub-Saharan region, Pakistan, India, and Haiti.[34] In some regions, the schools receive additional financial support from non-governmental organizations or faith-based organizations, and in fewer instances from companies (e.g., commercial

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[30] Cited in Hai-Anh Dang and F. Halsey Rogers (2008, p. 164). *The Growing Phenomenon of Private Tutoring: Does It Deepen Human Capital, Widen Inequalities, or Waste Resources?* The World Bank Research Observer, 23 (2), 161-2000. See also Sunwoong Kim and Ju-Ho Lee (2004). *Private Tutoring and Demand for Education in South Korea.* Milwaukee: University of Wisconsin-Milwaukee, Department of Economics.

[31] Iveta Silova, Virginija Budiene, and Mark Bray, eds. (2006). *The Hidden Marketplace: Private Tutoring in Former Socialist Countries.* New York: Open Society Institute.

[32] Silova, Budijene, and Bray (2006); see also Steiner-Khamsi, Harris-van Keuren with Silova and Chachkhiani (2009).

[33] Eric M. Johnson (2008). *Out of control? Patterns of teacher corruption in Kyrgyzstan and their implications for the study of street-level corruption control.* New York: Columbia University, Graduate School of Arts and Sciences, Ph.D. dissertation with distinction.

[34] Johanna Härmä (2009). Can choice promote Education for All? Evidence from growth in private primary schooling in India. Forthcoming in the journal *Compare*; James Tooley and Pauline Dixon (2006). *"De facto"* privatization of education and the poor: implications of a study from sub-Saharan Africa and India. *Compare, 36 (4), 443-462;* Keith M. Lewin (2007). The limits to growth of non-government private schooling in sub-Saharan Africa. *CREATE Pathways to Access, Research Monograph No 5.* Sussex: University of Sussex, Centre for International Education.

farms, mines, factories). Estimates on the number of privately owned LFP schools differ: for sub-Saharan Africa, for example, they range from 10% primary and 13% secondary education to 23% lower secondary and 29% upper secondary schools.[35] In many countries, these LFP schools in rural—sometimes remote—areas rely exclusively on the fees from low-income parents. In India and Pakistan, for example, these schools are considered "private un-aided schools," i.e., privately owned, fully self-funded and autonomous in terms of management, fees, hiring and pedagogy.[36] Parents choose to enroll their children in these schools because they perceive the quality of education superior to that provided by public schools: they are perceived to be better managed, staffed by better-qualified (though lower-paid) teachers, and thus less prone to problems of teacher absenteeism. In these regards, low-fee public schools share the same positive features that community or alternative schools tend to exhibit: strong professional engagement of teachers and administrators and strong community participation. Even though some of these LFP schools cost less than a "dime a day,"[37] parents indicate that they would rather enroll their children in public schools at no or less expense if public education were of acceptable quality. Yet, in contrast to what is commonly assumed, the rise of private schools in developing countries, whether high-fee or low-fee, has not generated pressure on public schools to improve their quality. The most tangible outcome appears to be an added financial burden on individual households with many school-aged children.

The incoherence of provisions in the basic education sub-sector

Basic education, and specifically primary schools, have been the chief focus of donor assistance. However, there has been a proliferation of new donor-funded reform initiatives within basic education without any corresponding effort to replace, modify, or systematically adjust existing practices within the sub-sector. The result is a sub-sector that has become overloaded with incoherent reforms that place significant burdens on the management, monitoring, and evaluation capacities of ministries of education. For example, standardized tests were introduced at critical stages of basic education without adapting the curricula or the textbooks; outcomes-based or standards-based curricular reform were imported without sufficiently training teachers in formative student assessment; performance-pay, bonus payments, or incentives schemes for improving the quality of select teachers were advanced without having an accountability system in place for school administrators responsible for making decisions on rewards; textbook rental schemes were introduced with little consideration given to the low demand for textbooks, which parents tend to consider of secondary importance (all subjects except for mathematics and language). The reasons for incoherent reforms in basic education are multifold. Some reforms were uncritically imported as "best practices" from other regions and have encountered national or cultural resistance. For example, the enthusiasm of donors for contractualism, outcomes-based education, or performance-based payment is difficult to implement in an environment that is based on favoritism and informal social networks.[38] The failure to implement reforms systematically has also to do with the aid

[35] The more conservative figures are provided by the UNESCO Institute of Statistics (2005) and the larger figures by the World Bank (Mingat, 2004). UNESCO (2005). *The Quality Imperative, EFA Global Monitoring Report.* Paris: UNESCO. Mingat, A. (2004). *Questions de soutenabilité financière concernant le development de l'enseignement secondary dans les pays d'Afrique Subsaharienne.* Washington, DC: World Bank, background paper. See also Lewin (2007, p. 7ff).

[36] A. De, M. Majumdar, C. Noronha, and M. Samson (2002). Private schools and universal elementary education. In R. Govinda, ed., *India Education Report.* New Delhi: Oxford University Press, pp. 131-150.

[37] T. Andrabi, J. Das, A. Ijaz Khwaja (2008). A Dime a Day: The possibilities and limits of private schooling in Pakistan. *Comparative Education Review, 52 (3),* 329-355. The authors estimate that the medium annual fee in LFP schools in rural areas of Pakistan translates approximately to $1.50 a month, or less than a dime a day. The burden on household finances is nevertheless high when several children are at the school age and enrolled in LFP schools.

[38] In the late 1990s virulent criticisms were made against applying New Contractualism or the New Zealand model of New Public Management, which led to worldwide dissemination of results-based

modalities whereby many donors merely pilot a reform with the expectation that the government will scale up the pilot throughout the country. By the time the pilot is completed, the government lacks funds and possibly the will or capacity to implement the reform nationwide. Another pattern is to fund and focus on one aspect of a reform (e.g., development and implementation of standardized student tests) and leave other aspects (curricular reform, textbook revision, teacher education reform) for a later stage or for a different donor to finance or undertake. Finally, there is also the tendency in some governments to implement whatever reform is externally funded as long as financial funds are channeled into the system. One might argue that there are always beneficiaries to donor-funded projects (including students, teachers, parents) even if a pilot project or a reform is not systematically implemented and sustained. However, such incoherent, unsystematic and at times apparently nonsensical pilot projects and reforms absorb scarce management, monitoring, and evaluation resources available to governments whose structures are already weak. In the basic education sub-sector, in particular, it is imperative to critically reflect on aid modalities and strategies precisely because basic education is the primary focus of donor support.

Vulnerability: Poverty and educational attainment

The past decade has seen a growing awareness of children and youth who for poverty-related reasons do not enroll in school or drop out during basic education. The causes for poverty are complex and vary by region. In sub-Saharan Africa 9 percent of all children have lost one or both parents to AIDS.[39] The group of Orphans and Vulnerable Children (OVC) is broadly defined as "those living with HIV/AIDS, those whose parents are sick with HIV/AIDS, and, more generally, children who are especially vulnerable because of poverty, discrimination or exclusion, whether as a consequence of HIV/AIDS or not."[40] The donor community has responded, both in sub-Saharan Africa and in South Asia, with a series of scholarship and conditional cash transfer programs to enroll and retain Orphans and Vulnerable Children in schools. Conditional cash transfer (CCT) programs have gained prominence over the past decade and nowadays implemented at least in 35 countries (including the United States, in New York City): 16 countries in the Caribbean and Latin America, 6 countries in Asia and the Pacific, and 13 countries in the Africa.[41] The CCT programs have reinforced the ongoing debate over the value of increasing the demand for education without investing in supply-side improvements in educational quality. Another group of vulnerable children and youth are those with special needs. Despite international pressure to advance inclusive education and provide adequate schooling for students with disabilities, little has been implemented in practice at large scale. As mentioned in section 3 of this paper, there is a need to draw greater attention to difficult to reach and excluded children including in those developing countries that are likely to achieve near-to-universal primary completion by the year 2015. How to reach out and enroll the last 2%, 5% or 10% children that are currently not enrolled or drop out during primary school requires an entirely different approach than is currently used for the increase of general participation in education.

management approaches. See Malcolm Bale and Tony Dale (2008). Public sector reform in New Zealand and its relevance to developing countries. *The World Bank Research Observer, 13(1),* 103-121; Allen Schick (1998). Why most developing countries should not try New Zealand's reforms. *The World Bank Research Observer, 13(1),* 123-132.

[39] UNAIDS (2008). *Report on the Global AIDS Epidemic.* Geneva: UNAIDS.

[40] UNICEF (2006). *Africa's Orphaned Generations.* New York: UNICEF (citation from page 6).

[41] Michelle Morais de Sá e Silva (2008). *Conditional Cash Transfer Programs: Their Impact and Survival in Education Policymaking.* New York: Teachers College, Columbia University (unpublished); see also Morais de Sá e Silva (2008). *Opportunity NYC: A Performance-based Conditional Cash Transfer Programme. A Qualitative Analysis.* Brasilia, Brazil: International Poverty Centre Working Paper.

The global spread of English

There have been significant curricular changes in primary schools with regard to the teaching of foreign languages. Starting in 1990, English has become the most frequently taught foreign language, being taught in 69% of all national educational systems, with French (11%) and German (1%) trailing far behind. This represents a steady historical expansion: from 1900-1919 English was only offered as a foreign language in 37 educational systems; a century later, this figure stands at 147 countries.[42] A surge occurred in the mid-1990s, when more than thirty countries of the former Soviet Union or former socialist countries switched from Russian to English as a foreign language. The trend is indicative of two factors. The first is the external factor of globalization (transnational flow of capital, communication, culture, people, and ideas) with English as the global *lingua franca*. The second is the internal factor of curricular reform: students today are increasingly exposed to foreign languages at a younger age, i.e., in primary school. In addition, a few educational systems have also started to introduce English language immersion as well as dual language programs in which English is taught as the language of instruction for selected subjects alongside with one of the national or ethnic/minority languages. The spread of English as a global language is not without its threats to indigenous or minority languages. The vital importance of supporting bilingual or multilingual curricular reform globally has been pointed out by several scholars who have presented English as a "killer language"[43] that drives out not only other global languages as foreign languages but also weakens the teaching of indigenous and immigrant/minority languages.

There is a vast body of literature that examines the language of instruction and its impact on enrollment and drop out rates.[44] A strong argument has been made for bilingual and multilingual education, whereby the community language is taught at primary school and later on supplemented with a language of wider communication or with a national language; the latter also used as a language of instruction. Ecuador, Burkina Faso, and Papua New Guinea have been reported as countries that systematically implemented a mother tongue policy that increased access and participation in education. The studies on language policy also illuminate the varied community responses to mother tongue instruction making it necessary to advocate more strongly for bilingualism and multilingualism in general, but at the same time take into account the perspectives of parents and communities in a given region and country.

[42] Yun-Kyung Cha (2006). The Spread of English Language Instruction in the Primary School. In Aaron Benavot and Cecilia Braslavsky, eds, *School Knowledge in Comparative and Historical Perspective.* Hong Kong: Comparative Education Research Centre and Springer Publisher, pp. 55-71.

[43] The term has been coined by Tove Skutnabb-Kangas and analyzed by Joshua Fishman, Ofelia Garcia, and many others.

[44] For example, B. Brock-Utne, C. Cdxzi, M. Qorro, eds (2004). *Researching the Language of Instruction in Tanzania and South Africa.* Cape Town: African Minds. B. Trudell (2007). Local community perspectives and languages of education in sub-Saharan African communities. *International Journal of Educational Development, 27,* 552-563. C. Benson (2004). Do we expect too much of bilingual teachers? Bilingual teaching in developing countries. *International Journal of Bilingual Education and Bilingualism, 7 (2/3),* 204-221. See also the much-cited, older book by A. Bamgbose (1991). Language and the Nation: The Language Question in Sub-Saharan Africa. Edinburgh: Edinburgh University Press.

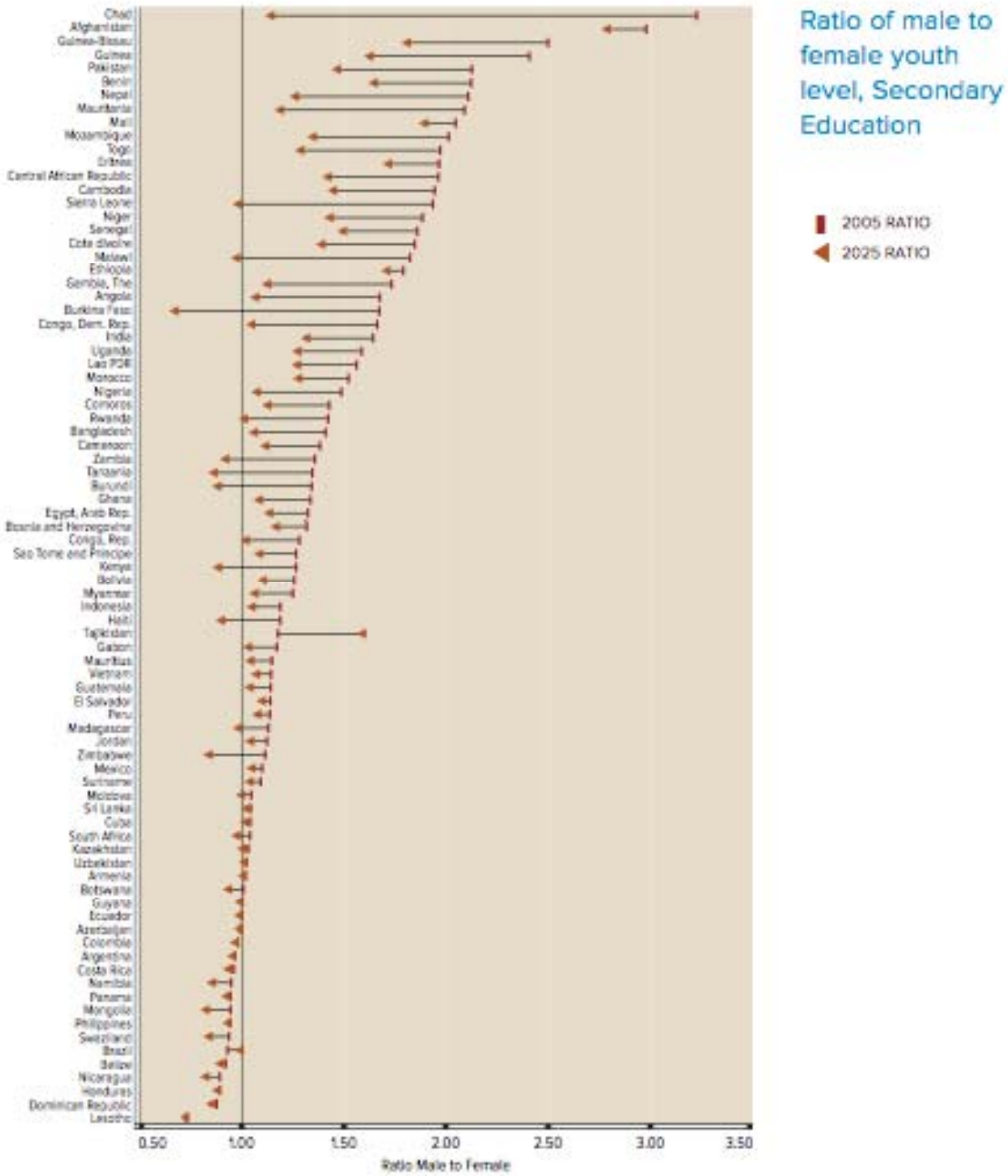
Appendix

Table 1. Duration of Compulsory Education by Region (Years) & Primary School Completion Rates (by Gender)

Region	Compulsory Education	Primary School Completion Rate: Males	Primary School Completion Rate: Females
Sub-Saharan Africa	7.1	65	55
Middle-East/North Africa	8.2	93	88
Latin America & Caribbean	9.5	100	98
Eastern Europe & Central Asia	9.4	96	94
East Asia & Pacific	8.2	98	98
South Asia	8.6	83	77

Sources: World Bank (2005). *Expanding Opportunities and Building Competencies for Young People.* Washington, DC: World Bank (for data on compulsory education); UNESCO Global Monitoring Report 2008 (for data on primary school completion rates). Note: The primary school completion rate is the percentage of children completing the last year of primary schooling in relation of to the number of children of official completion rates. In countries with over-aged students (Africa) or high repetition rates (Latin America and Caribbean), the computation may overestimate the actual proportion of a given cohort completing primary school.

Appendix 2 Ratio of Male to Female Youth, Secondary Education: Year 2005 and Projections for Year 2025



Source: Education Policy and Data Center (2007). *Window on the Future: 2025 Projections of Education Attainment and Its Impact.* Washington, DC: EPDC, excerpt from page 45.

Table 3. Summary Table: Gross Enrollment Ratios in Primary and Secondary Education and Percentage of Private Primary Schools by Country Typology (US Government Foreign Assistance Framework FAF)

Variable & FAF Typology	N (Foreign Assistance Framework)	N (complete data available)[1]	Year 2000	Year 2005
Primary GER				
Rebuilding Countries	11	8	84.96	106.06
Developing Countries	68	62	93.15	99.13
Transforming Countries	23	23	99.50	107.04
Sustaining Countries	39	39	105.22	103.25
Secondary GER				
Rebuilding Countries	11	7	41.22	54.15
Developing Countries	68	62	50.13	55.21
Transforming Countries	23	21	54.46	62.61
Sustaining Countries	39	39	84.97	91.55
% Private Primary				
Rebuilding Countries	11	4	31.97	33.23
Developing Countries	68	52	9.77	11.84
Transforming Countries	23	23	10.92	11.62
Sustaining Countries	39	38	15.91	17.65

[1] Complete data entails information for the year 2000 or 2005, or for both years. Note: Kosovo and Sudan are not included in this table (listed under rebuilding countries).

Source: World Bank, World Development Indicators (2008).

Table 4. Key Indicators by Country Typology (USG Foreign Assistance Framework)

School Enrollments, Rebuilding Countries

Country Name	Series Name	2000	2005
Afghanistan	School enrollment, primary (% gross)	21.64	101.40
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	18.99
Colombia	School enrollment, primary (% gross)	114.52	115.74
	School enrollment, primary, private (% of total primary)	18.75	18.69
	School enrollment, secondary (% gross)	69.30	79.24
Congo, Dem. Rep.	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	17.93	-
Cote d'Ivoire	School enrollment, primary (% gross)	69.28	-
	School enrollment, primary, private (% of total primary)	11.63	-
	School enrollment, secondary (% gross)	21.85	-
Haiti	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Iraq	School enrollment, primary (% gross)	90.92	99.45
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	36.18	45.33
Lebanon	School enrollment, primary (% gross)	101.46	95.42
	School enrollment, primary, private (% of total primary)	65.53	65.77
	School enrollment, secondary (% gross)	75.63	81.46
Liberia	School enrollment, primary (% gross)	99.88	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	32.29	-
Nepal	School enrollment, primary (% gross)	116.68	113.27
	School enrollment, primary, private (% of total primary)	-	15.22
	School enrollment, secondary (% gross)	35.35	45.72
Sierra Leone	School enrollment, primary (% gross)	65.35	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Somalia	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Average, Rebuilding**	School enrollment, primary (% gross)	84.96	106.06
	School enrollment, primary, private (% of total primary)	31.97	33.23
	School enrollment, secondary (% gross)	41.22	54.15

Source: World Bank, World Development Indicators.
* Country selection based on USAID 10/2006 classification
** Averages exclude missing or unavailable data

School Enrollments, Developing Countries

Country Name	Series Name	YR2000	YR2005
Albania	School enrollment, primary (% gross)	101.93	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	70.21	-
Algeria	School enrollment, primary (% gross)	107.78	111.65
	School enrollment, primary, private (% of total primary)	-	0.00
	School enrollment, secondary (% gross)	-	83.22
Angola	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	14.65	-
Armenia	School enrollment, primary (% gross)	99.16	93.75
	School enrollment, primary, private (% of total primary)	-	1.25
	School enrollment, secondary (% gross)	90.27	88.04
Azerbaijan	School enrollment, primary (% gross)	94.41	95.35
	School enrollment, primary, private (% of total primary)	0.00	0.17
	School enrollment, secondary (% gross)	75.36	82.84
Bangladesh	School enrollment, primary (% gross)	101.55	-
	School enrollment, primary, private (% of total primary)	38.69	-
	School enrollment, secondary (% gross)	46.17	-
Bosnia and Herzegovina	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Burkina Faso	School enrollment, primary (% gross)	43.81	56.19
	School enrollment, primary, private (% of total primary)	11.39	13.75
	School enrollment, secondary (% gross)	10.30	13.83
Burundi	School enrollment, primary (% gross)	59.84	81.86
	School enrollment, primary, private (% of total primary)	0.79	1.39
	School enrollment, secondary (% gross)	-	13.06
Cambodia	School enrollment, primary (% gross)	102.03	125.76
	School enrollment, primary, private (% of total primary)	1.62	0.49
	School enrollment, secondary (% gross)	17.95	-
Cameroon	School enrollment, primary (% gross)	86.03	108.03
	School enrollment, primary, private (% of total primary)	27.26	-
	School enrollment, secondary (% gross)	27.20	27.12
Cape Verde	School enrollment, primary (% gross)	118.18	107.96
	School enrollment, primary, private (% of total primary)	0.00	0.00
	School enrollment, secondary (% gross)	-	67.70
Central African Republic	School enrollment, primary (% gross)	-	60.66
	School enrollment, primary, private (% of total primary)	-	9.76
	School enrollment, secondary (% gross)	-	-
Chad	School enrollment, primary (% gross)	65.89	75.61
	School enrollment, primary, private (% of total primary)	27.77	31.23
	School enrollment, secondary (% gross)	10.57	15.16
Comoros	School enrollment, primary (% gross)	84.18	85.42

	School enrollment, primary, private (% of total primary)	10.74	10.01
Country Name	**Series Name**	**2000**	**2005**
Comoros	School enrollment, secondary (% gross)	23.99	35.14
Djibouti	School enrollment, primary (% gross)	32.49	41.54
	School enrollment, primary, private (% of total primary)	6.74	14.66
	School enrollment, secondary (% gross)	13.74	22.75
Dominican Republic	School enrollment, primary (% gross)	115.52	103.54
	School enrollment, primary, private (% of total primary)	14.38	17.28
	School enrollment, secondary (% gross)	60.62	71.15
Ecuador	School enrollment, primary (% gross)	115.25	116.74
	School enrollment, primary, private (% of total primary)	21.80	28.79
	School enrollment, secondary (% gross)	57.05	64.66
Egypt	School enrollment, primary (% gross)	101.16	101.56
	School enrollment, primary, private (% of total primary)	-	7.26
	School enrollment, secondary (% gross)	84.87	-
Eritrea	School enrollment, primary (% gross)	57.43	66.26
	School enrollment, primary, private (% of total primary)	10.06	7.91
	School enrollment, secondary (% gross)	24.63	30.29
Ethiopia	School enrollment, primary (% gross)	52.31	78.00
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	13.30	23.55
Fiji	School enrollment, primary (% gross)	107.12	102.96
	School enrollment, primary, private (% of total primary)	-	98.90
	School enrollment, secondary (% gross)	80.23	85.91
Gambia	School enrollment, primary (% gross)	76.64	-
	School enrollment, primary, private (% of total primary)	2.89	-
	School enrollment, secondary (% gross)	32.52	-
Georgia	School enrollment, primary (% gross)	100.06	93.90
	School enrollment, primary, private (% of total primary)	1.84	3.51
	School enrollment, secondary (% gross)	79.39	83.06
Guatemala	School enrollment, primary (% gross)	103.51	113.14
	School enrollment, primary, private (% of total primary)	12.84	11.39
	School enrollment, secondary (% gross)	37.94	51.12
Guinea	School enrollment, primary (% gross)	61.32	86.18
	School enrollment, primary, private (% of total primary)	16.07	-
	School enrollment, secondary (% gross)	16.62	30.95
Guinea-Bissau	School enrollment, primary (% gross)	69.73	-
	School enrollment, primary, private (% of total primary)	19.39	-
	School enrollment, secondary (% gross)	17.71	-
Guyana	School enrollment, primary (% gross)	124.87	124.33
	School enrollment, primary, private (% of total primary)	0.94	2.19
	School enrollment, secondary (% gross)	89.70	104.06
Indonesia	School enrollment, primary (% gross)	109.34	114.76
	School enrollment, primary, private (% of total primary)	15.76	16.65
	School enrollment, secondary (% gross)	54.53	62.22
Jamaica	School enrollment, primary (% gross)	94.62	94.95
	School enrollment, primary, private (% of total primary)	5.21	8.00
	School enrollment, secondary (% gross)	86.28	87.06

Country Name	Series Name	2000	2005
Jordan	School enrollment, primary (% gross)	99.07	98.42
	School enrollment, primary, private (% of total primary)	29.95	30.40
	School enrollment, secondary (% gross)	88.53	87.44
Kazakhstan	School enrollment, primary (% gross)	97.14	105.09
	School enrollment, primary, private (% of total primary)	0.46	0.71
	School enrollment, secondary (% gross)	93.01	95.36
Kenya	School enrollment, primary (% gross)	96.87	108.24
	School enrollment, primary, private (% of total primary)	-	4.46
	School enrollment, secondary (% gross)	39.18	48.21
Kyrgyz Republic	School enrollment, primary (% gross)	96.81	96.80
	School enrollment, primary, private (% of total primary)	0.21	0.31
	School enrollment, secondary (% gross)	84.36	86.45
Lao PDR	School enrollment, primary (% gross)	108.89	114.59
	School enrollment, primary, private (% of total primary)	2.03	2.36
	School enrollment, secondary (% gross)	34.95	44.13
Macedonia, FYR	School enrollment, primary (% gross)	99.46	97.91
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	83.99	83.99
Malawi	School enrollment, primary (% gross)	136.86	120.04
	School enrollment, primary, private (% of total primary)	-	0.90
	School enrollment, secondary (% gross)	30.93	27.61
Maldives	School enrollment, primary (% gross)	133.72	118.72
	School enrollment, primary, private (% of total primary)	2.32	1.45
	School enrollment, secondary (% gross)	55.31	-
Mauritania	School enrollment, primary (% gross)	89.14	99.07
	School enrollment, primary, private (% of total primary)	2.80	7.99
	School enrollment, secondary (% gross)	19.14	23.97
Moldova	School enrollment, primary (% gross)	101.38	97.89
	School enrollment, primary, private (% of total primary)	-	1.01
	School enrollment, secondary (% gross)	81.59	88.06
Montenegro	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Morocco	School enrollment, primary (% gross)	92.00	106.80
	School enrollment, primary, private (% of total primary)	4.68	6.58
	School enrollment, secondary (% gross)	38.09	49.17
Niger	School enrollment, primary (% gross)	32.76	49.71
	School enrollment, primary, private (% of total primary)	4.30	4.14
	School enrollment, secondary (% gross)	6.80	9.75
Nigeria	School enrollment, primary (% gross)	90.51	96.16
	School enrollment, primary, private (% of total primary)	4.76	-
	School enrollment, secondary (% gross)	-	32.44
Pakistan	School enrollment, primary (% gross)	69.18	86.18
	School enrollment, primary, private (% of total primary)	-	35.80
	School enrollment, secondary (% gross)	-	28.58
Papua New Guinea	School enrollment, primary (% gross)	68.66	56.52
Country Name	**Series Name**	**2000**	**2005**

Papua New Guinea	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Paraguay	School enrollment, primary (% gross)	119.53	111.34
	School enrollment, primary, private (% of total primary)	14.76	16.61
	School enrollment, secondary (% gross)	61.17	66.48
Peru	School enrollment, primary (% gross)	120.77	116.43
	School enrollment, primary, private (% of total primary)	13.01	16.40
	School enrollment, secondary (% gross)	86.69	92.42
Congo, Rep.	School enrollment, primary (% gross)	83.22	106.58
	School enrollment, primary, private (% of total primary)	15.22	26.51
	School enrollment, secondary (% gross)	34.43	-
Romania	School enrollment, primary (% gross)	102.72	105.40
	School enrollment, primary, private (% of total primary)	-	0.19
	School enrollment, secondary (% gross)	80.58	85.65
Rwanda	School enrollment, primary (% gross)	95.81	128.26
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	10.32	13.43
Sao Tome and Principe	School enrollment, primary (% gross)	-	128.15
	School enrollment, primary, private (% of total primary)	-	0.00
	School enrollment, secondary (% gross)	-	45.29
Senegal	School enrollment, primary (% gross)	66.95	79.71
	School enrollment, primary, private (% of total primary)	10.59	11.65
	School enrollment, secondary (% gross)	15.63	22.06
Serbia	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Solomon Islands	School enrollment, primary (% gross)	85.46	100.52
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	20.04	30.05
Suriname	School enrollment, primary (% gross)	-	120.11
	School enrollment, primary, private (% of total primary)	-	46.61
	School enrollment, secondary (% gross)	-	74.15
Swaziland	School enrollment, primary (% gross)	99.59	105.86
	School enrollment, primary, private (% of total primary)	0.00	-
	School enrollment, secondary (% gross)	43.09	46.74
Tajikistan	School enrollment, primary (% gross)	98.26	100.34
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	73.81	82.01
Togo	School enrollment, primary (% gross)	103.63	99.38
	School enrollment, primary, private (% of total primary)	36.92	41.74
	School enrollment, secondary (% gross)	30.42	40.35
Tonga	School enrollment, primary (% gross)	107.81	117.34
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	101.27	-
Tunisia	School enrollment, primary (% gross)	112.90	109.67
	School enrollment, primary, private (% of total primary)	0.71	1.12
Country Name	**Series Name**	**2000**	**2005**
Tunisia	School enrollment, secondary (% gross)	74.61	83.25

Turkmenistan	School enrollment, primary (% gross)	-	-
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	-
Uganda	School enrollment, primary (% gross)	125.42	117.86
	School enrollment, primary, private (% of total primary)	-	8.50
	School enrollment, secondary (% gross)	15.95	18.33
Ukraine	School enrollment, primary (% gross)	109.13	107.74
	School enrollment, primary, private (% of total primary)	0.36	0.51
	School enrollment, secondary (% gross)	98.98	91.80
Uzbekistan	School enrollment, primary (% gross)	99.12	100.38
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	87.62	99.87
Vietnam	School enrollment, primary (% gross)	105.75	-
	School enrollment, primary, private (% of total primary)	0.30	0.37
	School enrollment, secondary (% gross)	64.55	-
Yemen, Rep.	School enrollment, primary (% gross)	74.26	87.33
	School enrollment, primary, private (% of total primary)	1.34	2.33
	School enrollment, secondary (% gross)	43.08	45.63
Zambia	School enrollment, primary (% gross)	80.11	114.61
	School enrollment, primary, private (% of total primary)	-	3.44
	School enrollment, secondary (% gross)	23.12	30.37
Average, Developing**	School enrollment, primary (% gross)	93.15	99.13
	School enrollment, primary, private (% of total primary)	9.77	11.84
	School enrollment, secondary (% gross)	50.13	55.21

Source: World Bank, World Development Indicators.
* Country selection based on USAID 10/2006 classification
** Averages exclude missing or unavailable data

School Enrollments, Transforming Countries

Country Name	Series Name	2000	2005
Benin	School enrollment, primary (% gross)	77.35	95.67
	School enrollment, primary, private (% of total primary)	10.08	11.76
	School enrollment, secondary (% gross)	19.82	32.48
Bolivia	School enrollment, primary (% gross)	114.84	-
	School enrollment, primary, private (% of total primary)	20.70	-
	School enrollment, secondary (% gross)	79.97	-
Brazil	School enrollment, primary (% gross)	150.42	136.87
	School enrollment, primary, private (% of total primary)	8.33	-
	School enrollment, secondary (% gross)	104.14	105.47
Bulgaria	School enrollment, primary (% gross)	105.52	101.98
	School enrollment, primary, private (% of total primary)	0.32	0.44
	School enrollment, secondary (% gross)	92.02	104.52
El Salvador	School enrollment, primary (% gross)	111.29	115.86
	School enrollment, primary, private (% of total primary)	11.17	9.75
	School enrollment, secondary (% gross)	53.83	64.82
Ghana	School enrollment, primary (% gross)	79.78	86.76
	School enrollment, primary, private (% of total primary)	17.41	20.52
	School enrollment, secondary (% gross)	37.50	43.22
Honduras	School enrollment, primary (% gross)	107.28	112.91
	School enrollment, primary, private (% of total primary)	-	6.10
	School enrollment, secondary (% gross)	-	75.56
India	School enrollment, primary (% gross)	93.89	114.60
	School enrollment, primary, private (% of total primary)	16.53	-
	School enrollment, secondary (% gross)	46.27	54.02
Lesotho	School enrollment, primary (% gross)	113.99	114.08
	School enrollment, primary, private (% of total primary)	0.01	0.31
	School enrollment, secondary (% gross)	30.42	37.37
Timor-Leste	School enrollment, primary (% gross)	-	98.89
	School enrollment, primary, private (% of total primary)	-	-
	School enrollment, secondary (% gross)	-	53.44
Madagascar	School enrollment, primary (% gross)	99.07	139.13
	School enrollment, primary, private (% of total primary)	22.62	18.95
	School enrollment, secondary (% gross)	-	20.88
Mali	School enrollment, primary (% gross)	60.91	77.18
	School enrollment, primary, private (% of total primary)	-	37.03
	School enrollment, secondary (% gross)	18.81	27.10
Mongolia	School enrollment, primary (% gross)	98.94	96.84
	School enrollment, primary, private (% of total primary)	0.92	3.18
	School enrollment, secondary (% gross)	62.78	90.73
Mozambique	School enrollment, primary (% gross)	74.93	102.03
	School enrollment, primary, private (% of total primary)	-	2.40
	School enrollment, secondary (% gross)	6.07	13.23
Namibia	School enrollment, primary (% gross)	103.66	106.29

	School enrollment, primary, private (% of total primary)	4.20	4.55
Country Name	**Series Name**	**2000**	**2005**
Namibia	School enrollment, secondary (% gross)	56.72	56.30
Nicaragua	School enrollment, primary (% gross)	100.62	111.55
	School enrollment, primary, private (% of total primary)	16.01	15.23
	School enrollment, secondary (% gross)	52.90	66.49
Philippines	School enrollment, primary (% gross)	-	111.22
	School enrollment, primary, private (% of total primary)	-	7.62
	School enrollment, secondary (% gross)	-	84.79
Samoa	School enrollment, primary (% gross)	99.18	99.92
	School enrollment, primary, private (% of total primary)	15.94	16.97
	School enrollment, secondary (% gross)	77.87	80.56
Sri Lanka	School enrollment, primary (% gross)	-	108.32
	School enrollment, primary, private (% of total primary)	-	1.50
	School enrollment, secondary (% gross)	-	-
Tanzania	School enrollment, primary (% gross)	68.73	107.37
	School enrollment, primary, private (% of total primary)	-	0.86
	School enrollment, secondary (% gross)	-	-
Thailand	School enrollment, primary (% gross)	106.41	109.39
	School enrollment, primary, private (% of total primary)	13.06	15.81
	School enrollment, secondary (% gross)	-	77.21
Uruguay	School enrollment, primary (% gross)	109.14	113.96
	School enrollment, primary, private (% of total primary)	14.00	13.14
	School enrollment, secondary (% gross)	98.22	101.32
Vanuatu	School enrollment, primary (% gross)	113.99	113.95
	School enrollment, primary, private (% of total primary)	3.35	26.01
	School enrollment, secondary (% gross)	34.02	-
Average, Transforming**	School enrollment, primary (% gross)	99.50	107.94
	School enrollment, primary, private (% of total primary)	10.92	11.16
	School enrollment, secondary (% gross)	54.46	62.61

Source: World Bank, World Development Indicators.
* Country selection based on USAID 10/2006 classification
** Averages exclude missing or unavailable data

School Enrollments, Sustaining Countries

Country Name	Series Name	2000	2005
Argentina	School enrollment, primary (% gross)	117.81	112.35
	School enrollment, primary, private (% of total primary)	19.92	21.97
	School enrollment, secondary (% gross)	96.65	84.44
Bahamas, The	School enrollment, primary (% gross)	93.30	100.40
	School enrollment, primary, private (% of total primary)	-	27.51
	School enrollment, secondary (% gross)	80.16	90.30
Bahrain	School enrollment, primary (% gross)	106.66	110.96
	School enrollment, primary, private (% of total primary)	19.08	23.67
	School enrollment, secondary (% gross)	96.90	101.16
Barbados	School enrollment, primary (% gross)	98.82	99.76
	School enrollment, primary, private (% of total primary)	9.84	11.69
	School enrollment, secondary (% gross)	96.47	103.08
Belize	School enrollment, primary (% gross)	116.98	121.77
	School enrollment, primary, private (% of total primary)	87.18	85.15
	School enrollment, secondary (% gross)	68.05	84.08
Botswana	School enrollment, primary (% gross)	104.84	106.73
	School enrollment, primary, private (% of total primary)	4.89	-
	School enrollment, secondary (% gross)	75.26	76.46
Brunei Darussalam	School enrollment, primary (% gross)	110.76	107.49
	School enrollment, primary, private (% of total primary)	35.10	35.72
	School enrollment, secondary (% gross)	85.48	95.59
Chile	School enrollment, primary (% gross)	100.31	103.73
	School enrollment, primary, private (% of total primary)	45.46	51.07
	School enrollment, secondary (% gross)	82.70	90.79
Costa Rica	School enrollment, primary (% gross)	107.96	109.52
	School enrollment, primary, private (% of total primary)	6.89	6.11
	School enrollment, secondary (% gross)	60.53	79.20
Croatia	School enrollment, primary (% gross)	93.07	95.00
	School enrollment, primary, private (% of total primary)	0.16	0.24
	School enrollment, secondary (% gross)	85.31	88.58
Cyprus	School enrollment, primary (% gross)	96.73	100.86
	School enrollment, primary, private (% of total primary)	4.07	5.79
	School enrollment, secondary (% gross)	92.46	96.54
Czech Republic	School enrollment, primary (% gross)	103.36	101.51
	School enrollment, primary, private (% of total primary)	0.85	1.16
	School enrollment, secondary (% gross)	88.11	95.55
Equatorial Guinea	School enrollment, primary (% gross)	135.24	122.02
	School enrollment, primary, private (% of total primary)	32.83	29.91
	School enrollment, secondary (% gross)	33.07	-
Estonia	School enrollment, primary (% gross)	103.06	99.89
	School enrollment, primary, private (% of total primary)	1.31	2.04
	School enrollment, secondary (% gross)	92.06	99.93
Gabon	School enrollment, primary (% gross)	146.22	-

	School enrollment, primary, private (% of total primary)	-	-
Country Name	**Series Name**	**2000**	**2005**
Gabon	School enrollment, secondary (% gross)	49.44	-
Greece	School enrollment, primary (% gross)	95.66	101.81
	School enrollment, primary, private (% of total primary)	7.02	7.25
	School enrollment, secondary (% gross)	89.46	102.05
Hungary	School enrollment, primary (% gross)	101.25	97.56
	School enrollment, primary, private (% of total primary)	5.12	6.40
	School enrollment, secondary (% gross)	96.49	96.17
Ireland	School enrollment, primary (% gross)	103.59	103.63
	School enrollment, primary, private (% of total primary)	1.18	1.05
	School enrollment, secondary (% gross)	107.59	111.64
Israel	School enrollment, primary (% gross)	113.21	109.78
	School enrollment, primary, private (% of total primary)	0.00	0.00
	School enrollment, secondary (% gross)	92.33	92.70
Korea, Rep.	School enrollment, primary (% gross)	97.99	104.86
	School enrollment, primary, private (% of total primary)	1.50	1.31
	School enrollment, secondary (% gross)	97.57	92.87
Kuwait	School enrollment, primary (% gross)	95.50	97.89
	School enrollment, primary, private (% of total primary)	31.10	33.03
	School enrollment, secondary (% gross)	93.57	95.32
Latvia	School enrollment, primary (% gross)	101.64	94.54
	School enrollment, primary, private (% of total primary)	-	1.06
	School enrollment, secondary (% gross)	90.13	98.76
Lithuania	School enrollment, primary (% gross)	104.46	94.35
	School enrollment, primary, private (% of total primary)	0.33	0.44
	School enrollment, secondary (% gross)	97.66	99.79
Malaysia	School enrollment, primary (% gross)	97.03	100.50
	School enrollment, primary, private (% of total primary)	-	0.83
	School enrollment, secondary (% gross)	64.99	69.07
Malta	School enrollment, primary (% gross)	106.59	100.12
	School enrollment, primary, private (% of total primary)	35.92	37.71
	School enrollment, secondary (% gross)	89.23	99.46
Mauritius	School enrollment, primary (% gross)	105.24	102.09
	School enrollment, primary, private (% of total primary)	23.94	25.07
	School enrollment, secondary (% gross)	77.60	88.42
Mexico	School enrollment, primary (% gross)	110.45	112.49
	School enrollment, primary, private (% of total primary)	7.39	8.05
	School enrollment, secondary (% gross)	72.47	84.68
Oman	School enrollment, primary (% gross)	91.34	84.90
	School enrollment, primary, private (% of total primary)	4.51	4.64
	School enrollment, secondary (% gross)	78.19	87.59
Panama	School enrollment, primary (% gross)	108.95	111.01
	School enrollment, primary, private (% of total primary)	9.89	10.41
	School enrollment, secondary (% gross)	67.15	70.21
Poland	School enrollment, primary (% gross)	98.62	98.20
	School enrollment, primary, private (% of total primary)	0.81	1.65
	School enrollment, secondary (% gross)	100.39	99.55

Country Name	Series Name	2000	2005
Portugal	School enrollment, primary (% gross)	124.10	115.93
	School enrollment, primary, private (% of total primary)	9.65	10.55
	School enrollment, secondary (% gross)	107.67	97.44
Qatar	School enrollment, primary (% gross)	100.59	105.09
	School enrollment, primary, private (% of total primary)	38.24	45.29
	School enrollment, secondary (% gross)	87.64	96.63
Russian Federation	School enrollment, primary (% gross)	106.50	94.03
	School enrollment, primary, private (% of total primary)	0.30	0.50
	School enrollment, secondary (% gross)	-	84.73
Seychelles	School enrollment, primary (% gross)	118.05	115.60
	School enrollment, primary, private (% of total primary)	4.32	-
	School enrollment, secondary (% gross)	113.10	105.35
Slovak Republic	School enrollment, primary (% gross)	103.02	99.00
	School enrollment, primary, private (% of total primary)	3.87	4.86
	School enrollment, secondary (% gross)	86.69	96.49
Slovenia	School enrollment, primary (% gross)	98.12	98.23
	School enrollment, primary, private (% of total primary)	0.11	0.12
	School enrollment, secondary (% gross)	100.96	96.07
South Africa	School enrollment, primary (% gross)	108.22	-
	School enrollment, primary, private (% of total primary)	1.70	-
	School enrollment, secondary (% gross)	85.74	-
Trinidad and Tobago	School enrollment, primary (% gross)	98.76	94.71
	School enrollment, primary, private (% of total primary)	71.53	70.39
	School enrollment, secondary (% gross)	74.87	76.30
Turkey	School enrollment, primary (% gross)	95.39	94.15
	School enrollment, primary, private (% of total primary)	1.77	1.67
	School enrollment, secondary (% gross)	-	74.43
United Arab Emirates	School enrollment, primary (% gross)	89.25	101.12
	School enrollment, primary, private (% of total primary)	45.00	61.07
	School enrollment, secondary (% gross)	74.67	85.73
Average, Sustaining**	School enrollment, primary (% gross)	105.22	103.25
	School enrollment, primary, private (% of total primary)	15.91	17.65
	School enrollment, secondary (% gross)	84.97	91.55

Source: World Bank, World Development Indicators.
* Country selection based on USAID 10/2006 classification. Table does not include Taiwan. No WDI school enrollment data available for Taiwan or for selected years for Saudi Arabia or Singapore.
** Averages exclude missing or unavailable data

BE Paper #2: Efficient and Effective Resource Allocation in Education[45]

A Shift in Paradigm

Research on resource allocation tends to focus nowadays on how allocated resources are used most efficiently. The earlier emphasis on examining how much resources are, or should be, allocated for human resources (salaries), infrastructure (building, maintenance, utilities), and learning materials proved to yield few new insights, and even less room for maneuver for decision-makers. Human resources absorb over seventy percent of national education budgets, and at school level the spending on salaries accounts up to ninety percent or more of the school budget. In Mongolia, for example, only 1 percent of the school budget is left for covering the cost of learning materials.[46] Against this backdrop, improving the allocation of resources and the efficiency with which those resources are used will depend upon improved accountability systems. To this point, the most recent literature identifies *inefficient intersections* within the educational system in an attempt to minimize pecuniary wastage, leakage, and corruption.

Do Inputs Matter?

The impact of increased expenditures on educational outcomes is a controversial and hotly debated topic in the field. Eric Hanushek is perhaps the most cited scholar on this issue and for over the past two decades has conducted research on education production functions (the relationship between school inputs and student outcomes) and the failure of input-based school policies (1981, 2003).[47] Hanushek's research concludes that there is a lack of evidence that increased per pupil expenditures has a consistent or strong positive impact improved educational outcomes. He states that is not that resources never matter and that they cannot matter. Instead he urges researchers to consider how resources are allocated and measuring the impact of targeted increased expenditures.[48] In response to Hanushek's findings, a host of researchers have found the contrary, that indeed increased expenditures does positively impact educational outcomes and in some cases, to a large extent. Citing methodological discrepancies with Hanushek's research, Greenwald, Hendges and Laine, for example, found that the impact of increasing select school inputs is associated with large increases in student achievement. The researchers concluded that per pupil expenditures, smaller schools and smaller classrooms were all consistently correlated with higher student achievement. Specifically, the quality of the teacher demonstrated a very strong relationship with student achievement.[49] Esther Duflo found that the quality of school facilities also product large returns [50] and Holmlund et al

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[45] Authors: Gita Steiner-Khamsi, PhD, professor, and Christine Harris-Van Keuren with Carina Omoeva and Andrew Shiotani, PhD students and graduate research assistants in Comparative and International Education, Teachers College, Columbia University, New York.

[46] World Bank (2006). *Public Financing of Education. Equity and Efficiency Implications.* Washington, DC: World Bank.

[47] Hanushek, E.A. (1981). "Throwing money at schools". *Journal of Policy and Analysis and Management*, 1, pg 19-41.

Hanushek, E. A. (2003). "The failure of input-based schooling policies." *Economic Journal, 113 (485)*, February 2003, 64-98.

[48] Hanushek (2003).

[49] Greenwald, R., L. Hendges and R. Laine (1996). The Effect of School Resources on Student Achievement. *Review of Educational Research*, Fall 1996, Vol. 66, No. 3, pp. 361-396.

[50] Duflo, E. (2001). Schooling and labor market consequences of school construction in Indonesia: Evidence from an unusual policy experiment. *American Economic Review, 91 (4)*, 795-813.

concluded that school expenditures had a consistently positive and statistically significant effect on educational outcomes especially for those students who were economically disadvantaged.[51]

In developing countries, even if funds are invested as efficiently and effectively as possible, schools still face the challenge of providing high quality education. There are too little funds to significantly enhance the quantity and quality of inputs, and there are even fewer incentives to direct these funds to improve student outcomes.[52] Despite the pressure on schools in developing countries to generate additional funds at school level—by means of fees for services and other income-generating activities—there is remarkably little research done on whether income is generated at schools, and how the increased level of resources is subsequently used. It is important to advocate with governments and donors for appropriate levels of spending in basic education.

Corruption and the Unofficial Private Cost of Public Education

In developing countries, the public services offered are often minimized or the quality is lowered due to financial capture of originally allocated funds.[53] The prevalence of such leakages in education also increases the unofficial fees parents pay. These fees can raise each student's school costs from 10 to 86 percent.[54] The increased rate makes school economically unattainable for some students and forces them into the labor market at a younger age. In one study of 53 countries, those countries with a higher corruption index were highly correlated with student drop out rates. Countries with low corruption and high efficiency of government services in the education sector have about 26 percentage points fewer dropouts as compared to countries with high corruption and low efficiency rates.[55] In general, education is not perceived to be a highly corrupt sector, as opposed to customs or the justice system. However, the same research shows that bribes are indeed frequent and coercive. For example, utilizing education as a vehicle for economic and social mobility warrants providing a bribe in order to receive a higher grade. In many countries, the low salaries of teachers require additional financial support from locals in order for their survival.[56]

Low fee private (LFP) schools and community schools have recently risen in prominence. LFPs and community schools can provide increased access to marginalized populations, incentives for improvements in government schools and potentially more school choice for parents. LFPs might also better meet the needs of students in terms of performance and curriculum. Unlike traditional public schools, the LFP schools face open market forces. If the LFP does not meet or exceed parent expectations the students can be moved to a better performing school and the current school might be closed due to a lack of demand. Still despite the minimal fees associated LFPs, these schools are still cost prohibitive for many of the poorest groups. In India for example, families might prefer low fee private schools but simply cannot afford the tuition. The consequence is the poorest still have few options and often remain in the lowest performing public schools or decide not to send their children to fee-charging private schools regardless of how low-fee they are. This finding leads to the

[51] Holmlund. H., S. McNally and M. Viarengo (2008). Does money matter for schools? Institute for the Study of Labor Discussion Paper No. 3769. IZA P.O. Box 7240, 53072 Bonn, Germany.

[52] Hanushek (2003) underscores the latter point of this statement (the lack of incentives).

[53] Reinikka, R. and Smith, N. (2004). *Public expenditure tracking surveys in education.* UNESCO. Paris: UNESCO International Institute for Educational Planning.

[54] Not all of these costs are due to corruption or ineffective resource allocation. CIET social audits in Gupta, S., Davoodi, H. and Tiongson, E. (2000). *Corruption and the provision of health care and educational services*. International Monetary Fund Working Paper WP/00/116. Washington: International Monetary Fund; see also USAID (2004). *USAID Anticorruption Strategy*. Washington, DC: USAID.

[55] Gupta, Davoodi and Tiongson (2000).

[56] Hallak, J. and Poisson, M. (2007). *Corrupt schools, corrupt universities: What can be done?* UNESCO. Paris: UNESCO International Institute for Educational Planning.

conclusion that government level education reforms are indispensable and that market forces alone will not rectify achievement gaps between the rich and the poor. [57]

Grand versus Petty Corruption

It is difficult to assess if "grand corruption" or "petty corruption" has a greater impact on the resources of a government. Grand corruption can be found in large scale infrastructural projects, such as building schools and textbook production. In these instances, the incidents are fewer but the financial losses are greater. Petty corruption, although lower financially, is more pervasive throughout all levels of the educational system. Corruption in the education does not merely exist at these two points; there a spectrum spanning the distance between them. Often, the line between ethical and unethical practices is blurred at best. For example, the act of giving gifts to teachers, private tutoring and teacher absenteeism are noted as problematic areas. In one instance providing a gift to a teacher is a thoughtful act; in another it is perceived as a bribe. Likewise a teacher tutoring a student can be seen as justified in an ineffective system with few resources. However if the teacher withholds vital information for an entrance exam and students must now pay in order to obtain the knowledge, then the line is crossed and the act is unethical.[58]

Measuring Leakage

In recent years, efforts by donor agencies and government officials to identify and minimize fiscal wastage have increased. There are two complimentary survey tools for quantifying the leakage that occurs on a micro level- public expenditure tracking surveys (PETS) and quantitative service delivery surveys (QSDS). QSDS collects quantitative data at the school level to explore the quality of service delivered to the students. PETS trace the path of government financial resources through the education framework and identify what percentage of the originally designated funds arrives at the intended destination. The allocated government amount is then compared to the funds received at the local level or to the intended supplier. PETS and QSDS are most effective when the role of *accountability* is incorporated into the analysis. Considering who is accountable to whom sheds light on the motivations for financial ebb and flow. [59]

Money Lost in Transaction or the Problem with *Inefficient Intersections*

There are three levels of fiscal transactions that are evaluated by PETS. They include the follow:

- Central Government (prime ministers, presidents, ministers of finance): These are the individuals who have the authority to designate funds and initiate their flow.
- Regional and/or Local Government (education officers, inspectors, district level government): This is the largest and most diverse level and therefore most of the PETS are completed by members of this category.
- Front Line Providers (schools and teachers): PETS often include one-on-one interviews to gain their insight.[60]

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[57] Harma, J. (forthcoming). Can choice promote Education for All? Evidence from growth in private primary schooling in India. *Compare* (forthcoming).

[58] Eschborn, K. (2004). *Preventing corruption in the educational system*. Deutsche Gesellschaft für Technische Zusammanarbeit (GTZ) GmbH.; Hallak and Poisson (2007).

[59] Eschborn (2004).

[60] Reinikka and Smith (2004).

PETS pinpoints which expenditures are at risk for the largest amount of leakage and at which governmental level capture is the largest. At the local level, nonwage funds experience a much larger percentage of leakage than those funds allocated toward salary and allowances. However, the financial allocation for salary funds does experience abuse through ghost teachers. These include individuals who were once teachers but continue to be paid despite no longer being in service or individuals who were never in service but receive a salary.[61] For example in Honduras, a full 5 percent of the teachers employed on paper were found to be ghost teachers and in Uganda the number was an astonishing 20 percent.[62] These numbers have a significant drain on the system given that teachers' salaries and benefits account for over 70 percent of recurrent government spending on education in developing countries.[63]

A more extreme form of "ghost teachers" involves the creation of fictitious teachers (entire schools "ghost schools" and students "ghost students") as a means for misappropriating funds. Noted as being "one of the country's worst corruption scandals," an investigation in Pakistan revealed over 4,500 fictitious schools in one Indian province alone.[64] These embezzled funds included the teacher salaries, student expenditures, and the cost of facilities costs and materials. Likewise in Sierra Leone corrupt officials embezzled hundreds of thousands of dollars in the form of fictitious teacher salaries.[65] The impact of these ghost schools is felt by legitimate institutions as funds are siphoned off to corrupt officials thus further reducing the limited resources available.

Evidence from Public Expenditure Tracking Surveys (PETS)

One well-documented example of reversing leakage in an educational system is Uganda. In 1996, Uganda was the first country to undertake PETS. The hypothesis was that the level of service, proxied by primary school enrollment rates, was worse than on paper budgetary allocations depicted. The government believed that some portion of the funds was being captured at the different organizational levels resulting in a small percentage of the allocated funds reaching their original destination. The surveys collected five years of data on government spending for 250 primary schools and the aggregate budget allocations were then compared to the actual spending at the local level. They found that most of the schools were only receiving a fraction of the money allocated to them and, in fact, many schools received none of their central government grant at all.

To counteract this financial outflow, the Ugandan government rolled out an information campaign incorporating media (such as radio and local newspapers) and posting monthly expenditure distribution data in the schools themselves. These measures, in conjunction with the explicit renewed government interest in monitoring expenditure flow, decreased leakage from 97 percent to 18

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61 Reinikka and Smith (2004).

62 World Bank (2001). *Honduras: Public Expenditure Management for Poverty Reduction and Fiscal Sustainability*. (Report No. 22070). Poverty Reduction and Economic Sector Management Unit, Latin American and Caribbean Region. Washington DC: World Bank; Reinikka, R (2001.) *Recovery in Service Delivery: Evidence from Schools and Health Centers*. In R. Reinikka and P. Collier (eds.), *Uganda's Recovery: The role of farms, firms and government.* World Bank Regional and Sectoral Studies. Washington DC: World Bank.

63 Bruns, B., Mingat, *A.*, Rakotomalala, R. (2003). *Achieving Universal Primary Education by 2015: A Chance for Every Child*. Washington, DC: World Bank.

64 International Crisis Group (2004). *Pakistan: Reforming the Educational Sector.* Asia Report No. 84. Islamabad/Brussels: International Crisis Group.

65 BBC News, August 20, 2008. http://news.bbc.co.uk/2/hi/africa/7571903.stm. accessed January 14, 2009

percent over a ten year period. The information campaign specifically account for approximately two-thirds of this effect. [66]

In addition to Uganda, PETS found that between 60 percent (Zambia) and 30 percent (Peru) of the funds allocated toward nonwage inputs, such as books and instructional materials, do not reach their intended destination. Table 1 below shows that leakage in nonwage funds is a significant problem in each country. [67]

Table 1. Leakage of Nonwage Funds in Primary Education: Evidence from Public Expenditure Tracking Surveys

Country	*Mean of Leakage (in percentage)*
Ghana 2000	50
Peru 2002*	30
Tanzania 1999	57
Uganda 1996	97
Zambia 2002	60

* Utilities only

Sources: Ye and Canagarajah (2002), Instituto Apoyo and World Bank (2002) for Peru; Price Waterhouse Coopers (1999) for Tanzania; Reinikka and Svensson (2003) for Uganda; Das et al (2002) for Zambia.[68]

In Uganda specifically, PETS noted a large variation in the size of leakage that schools experienced. In countries with weak central government fiscal monitoring, local government officials and schools debate over the amount of nonwage expenditures which will actually be distributed to the schools. It is a bargaining game in which the local schools have little power. On paper, the district is required to distribute the entire grant amount to the schools. However as PETS are exposing, a substantial amount of the funds are captured. The schools, in theory, can contact the central government directly regarding the amount of their assigned grant but doing so is politically difficult at best. The large variation documented between schools can be attributed to school characteristics. PETS research shows that schools that are larger (in terms of enrollment rates), and have parents who are more affluent and vocal in their demands, experience less leakage of funds. Conversely, small poor schools, which have less affluent parents and the largest amount of unqualified teachers, experience the greatest amount of fiscal leakage.[69]

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66 Reinikka, R. and Svensson, J. (2003). *Survey techniques to measure and explain corruption*. World Bank Policy Research Working Paper 3017. Washington, DC: World Bank.

67 Reinikka and Svensson (2003).

68 Ye, X and Canagarajah, S (2002). Efficiency of public expenditure distribution and beyond: A report on Ghana's 2000 public expenditure tracking survey in the sectors of primary health and education. Africa Region Working Paper 31, (June). Washington, DC: World Bank; Instituto Apoyo and the World Bank. (2002). PETS: The education sector in Peru. Background paper for Report to the Public Expenditure Review: Peru, Restoring Fiscal Discipline for Poverty Reduction. Report No. 24286-PE. Washington, DC: World Bank; Price Waterhouse Coopers (1999). *Tanzania public expenditure review: Health and education financial tracking study*. Final report, Vol. I-II." Dar es Salaam; Das, J., Dercon, S., Habyarimana, J. and Krishnan, P. (2002). *Rules vs.Discretion: Public and private funding in Zambian basic education. Part I: Funding equity*. World Bank, Development Research Group, Washington, DC: World Bank.

69 Reinikka and Svensson (2003).

Such leakage patterns have repercussions for equity concerns in education in that the schools that serve poor children tend to experience the greatest amount of pecuniary capture by higher-level officials. Similarly, in developing countries that suffer from clientelism and favoritism, bribes are disproportionately expected from those with the least financial resources. Those with resources typically have a wide and resourceful social network that enables them to return favors in other, non-pecuniary ways.

Policy Options

The following presents a tentative list of policy options that would enhance the input level as well as the efficiency and equity of resource allocation.

9.1. Enhance the input level at school level

The wave of decentralization[70] and privatization reforms of the past decade should be seen as attempts to increase, on one hand, funding sources at the local or school level by means of financial decentralization as well as more efficient school-based management, and, on the other hand, to free up the national education budget for allocating more funds to public schools. There is no conclusive research on whether decentralization, school-based management, or the proliferation of private schools have produced a greater input level for resources at the school level or, alternatively, whether these reforms enabled government to cut public expenditures in education.[71] A second wave of reforms has propelled income-generation at school level (fees for special services and other income-generating activities). As mentioned before, there exists remarkably little research on how generated income is actually used at school level.

9.2. Create incentives to use resources efficiently

A series of incentive-based reforms such as performance pay, bonus systems, or result-based management have been put in place in many developing countries. It deserves a closer scrutiny whether these reforms have indeed increased the efficient use of scarce resources and, more broadly, whether the benefits of such incentive-based reforms exceed the implementation and monitoring cost associated with these reforms. Nevertheless, the research literature on resource allocation tends to underscore the value of incentive-based reforms for using resources more efficiently, but does not sufficiently indicate what outcome they have had in the development context.[72]

9.3. Enforce the accountability triangle

The inefficient use of scarce resources in developing countries is closely associated with a weak or ineffective accountability system. It is commonly acknowledged that there are three groups involved in education accountability[73]: (i) policy makers (allocation), (ii) service providers (schools, teachers),

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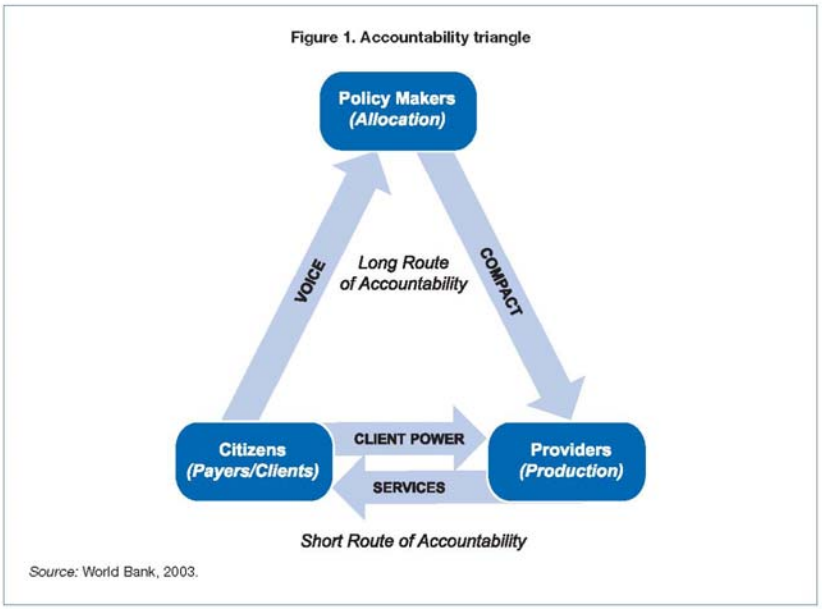
[70] Depending on the country, executed in the form of deconcentration, devolution, or delegation of decision-making authority from the central to the lower levels of administration.

[71] The most recent UNESCO Global Monitoring Report (2009) addresses the complex issue of decentralization.

[72] E. A. Hanushek, referred to earlier, strongly advocates incentives-based reforms for increasing the efficient usage of resources.

[73] EQUIP 2 (2004). *Strengthening Accountability in Public Education. Policy Brief.* Washington, DC: USAID. See also OECD (2008). *Service Delivery in Fragile Situations: Key Concepts, Findings and Lessons.* Paris: OECD. World Bank (2003). *Making Services Work for Poor People.* Washington, DC: World Bank.

and (iii) "clients" (parents, students). The accountability triad is reduced to a dyad in fragile states,[74] and, to some extent, in private education where the accountability relationship only applies between providers and clients. Figure 2 presents the accountability triangle that is frequently used in educational policy research.



Source: World Bank (2003), cited in OECD (2008, p. 17).

According to the accountability triangle, services reach the citizens or the clients (e.g., students, parents) in a two-step process: allocation (by policy makers) and production (by service providers or implementers). The accountability relation between the policy makers and the providers is defined by a compact, which, according to OECD (2008), includes service delivery standards, monitoring methods, rewards and sanctions. Note that the accountability triangle recognizes that policy makers cannot fully specify outcomes, because there is a loose coupling between policy decisions made by policy makers and policy implementation carried out by providers. Therefore, the relation between policy makers and providers reflects a long route of accountability. In this model, the influence of the citizen consists of voicing concerns directly to policy makers and exerting pressure through a democratic electoral system. However, gaining access to policy makers can be difficult for the poor, and even if a well-functioning electoral system is in place, citizens may be ineffective in influencing policy makers. For example, they may chose not to participate in the process due to skepticism about their capacity to incite change or if they do vote, they do so based upon factors other than the importance of improved public services.[75]

In contrast, the short route of accountability reflects the direct relationship between the parents/students ("citizens") and schools ("providers") thereby omitting the role of policy makers entirely. In this relationship, citizens may enjoy an increased role in tailoring the service to best fit their needs and holding schools accountable for their performance through local monitoring measures. Additionally by increasing the choices available, citizens can chose to exit the relationship altogether and use alternative provisions in the form of private schools, community-based schools, or government-independent schools.[76]

74 OECD (2008, p. 18ff.) and EQUIP 2 (2004, p. 3), see previous footnote for references.
75 World Bank (2004). *World Development Report 2004*. Washington DC: World Bank.
76 World Bank (2004).

The leakage and wastage of funds in developing countries has triggered a host of recommendations on how to "fix" the accountability problem. These recommendations can be grouped in two types of interventions: (a) enhance the demand-side of accountability, that is, strengthen the social accountability exerted by the clients (parents), and/or (b) enhance the supply-side of accountability, that is, strengthen regulation and monitoring capacity of policy makers. The latter is frequently referred to as "top-down" accountability and frequently incorporates a political checks and balances component. Both supply-side and demand-side accountability interventions tend to exert pressure on the providers/schools and hold them accountable for their services. Additionally, in developing countries, international donors have taken on the role of holding policy-makers or the government accountable for their compacts and agreements.[77]

Strengthen the demand-side of accountability (social accountability)

Reforms that strengthen the "client power" in the form of increasing parental and community participation, attempt to generate bottom-up pressure on the providers/schools to manage funds in a more transparent and efficient manner. The EDUCO reform in El Salvador and the Escuela Nueva reform movement in several Latin American countries have been praised as a model of school-based management in which the active participation of parents and communities has led to a more transparent and efficient financial management at school level. Other reforms, emphasizing more strongly the school's/provider's accountability for learning outcomes (rather than for financial management only), are also worth examining in greater detail. The system of school-assessment (SSA), implemented in six northern regions of Namibia, for example, has drawn attention for its promise of pursuing a 360 degree accountability approach: school to parents, parents to school, school to district and region, and region and district to school.[78]

Strengthen the supply-side of accountability (top-down or vertical accountability)

Public sector management reform, including in the education sector, has been one of the intervention priorities of development banks, that is, both the World Bank and the regional development banks. They attempt to strengthen the compact aspects of accountability: clearer division of roles among the various government offices, a specification of standards and outcomes that are expected from the providers/schools (including student outcomes), and a systematic implementation of reward and sanction schemes that are directly linked with the achievement or non-achievement, respectively, of the expected outcomes. Several tools, such as, for example EMIS (Education Management and Information Systems) or result-based management training were put in place to strengthen the supply-side of accountability. The importance of supply-side reforms has regained prominence in the recent three-country study (Brazil, Chile, Cuba) conducted by Martin Carnoy and his associates.[79] He asserts that highly decentralized states or weak states fail to hold teachers and schools accountable and therefore produce lower learning outcomes of students.

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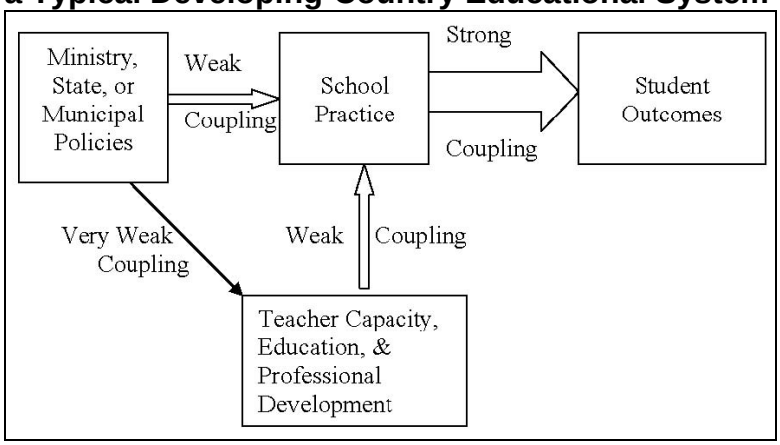
[77] OECD (2008).

[78] EQUIP 2 (n.d.). *Strengthening Accountability and Participation: School Self-Assessment in Namibia.* Washington, DC: USAID.

[79] Carnoy, M. with Gove, A.K and Marshall, J.H. (2007). *Cuba's Academic Advantage. Why Students in Cuba Do Better in School.* Stanford, CA: Stanford University Press.

Figure 2. Relationships among Components of the Educational System in a Typical Developing-Country Educational System



Source: Carnoy (2007)[80]

Carnoy suggests that centralist education systems, such as Cuba, with strict regulations and rigorous monitoring mechanisms fare better than other developing countries, such as Brazil or Chile, when it comes to improving student outcomes. The Ministry is directly in charge of curriculum reform, teacher education, and teacher remuneration and therefore is able to exert direct control on teacher capacity as well as on school practice. In contrast, students/parents in many other developing countries have to rely exclusively on what their school has to offer in terms of human and material resources, causing not only inequity among schools with regard to input but also lower student outcomes. Reports from the post-socialist region, comprising over thirty countries, confirm that accountability was much higher in previous times, but it came at the expense of conformity, coercion, and lack of personal freedom. In fragile states such a top-down control is either not feasible or not desirable, leading possibly to a disenfranchisement of groups that already are discriminated or underprivileged. Nevertheless in other developing countries, the request for more top-down or vertical accountability is as essential as social accountability.

9.4. Introduce professional accountability

In many countries, both in the developed and in the developing world, there exist professionals in the education sector (teachers, administrators, government officials) who use public resource with which they have been entrusted wisely, efficiently, and effectively. They choose to do so regardless of specific sanctions or reward mechanisms that may be in place. They follow a professional code and apply knowledge and skills that they have learned, or otherwise acquired, in their job. It is noteworthy that the introduction and strengthening of professional accountability is rarely addressed, and even less considered as a viable option to help improve the efficient, equitable, and effective use of resources.

In developing countries, the professional preparation of individuals working in the education sector is strictly limited to teacher education. All other individuals, including principals, lack a preparation for carrying out their tasks professionally. The concept of Graduate Schools of Education that, besides teacher education, prepare professionals for curriculum design, policy analysis, evaluation, etc., and, last but not least, for educational administration is not widespread in higher education

[80] Excerpt from Martin Carnoy (2007, p. 16). Lessons from the past two decades: Investment choices for education and growth. *Southern African Review of Education, 13 (2),* 5-26. A similar figure is also provided in *Cuba's Academic Advantage* (Carnoy, 2007).

systems of developing countries. A professionalization of personnel in the education sector would introduce professional accountability; a type of accountability that is under-explored both in aid interventions as well as in research on educational systems in developing countries.

9.5. Apply educational criteria in education finance

We are nowadays witnessing the second or third generation of school-based management reforms. The question is no longer whether school-based management increases the efficient use of scarce resources, but rather which formula should be used to allocate funds to schools and, as mentioned above, how to better prepare and train school administrators for their comprehensive management tasks. The absence of education experts in developing equitable funding formulas is worth pointing out. This area of intervention seems to be entirely occupied by finance experts with little knowledge of larger educational issues.

School-based management entails the decision-making authority with regard to the usage of funds, in some educational systems given more rhetorically than in practice. The philosophy is that schools know better than policy makers at the central, region, or district level where funds are most needed to increase the quality of education at the school. The same philosophy includes the expectation, or rather the hope, that schools will reduce wastage by ruling out inefficient but costly practices or provisions at the school level. There is a vast body of literature and technical reports on effective formulas for per capita or per student financing.[81]

Two key issues, however, have remained unresolved: first, how can small schools in rural areas survive and thereby ensure universal access to education, and second, how can student characteristics be taken into account? The first problem has been tackled with a series of corrections to the formula to account for school size, type, and location; in some countries referred to as "micro-coefficients." Despite the micro-coefficient that enable the Ministry of Education to allocate less money to very large schools and more money to very small schools than these schools would be entitled to based on the uncorrected formula, very small schools tend to struggle with survival because of the high per-student infrastructure and salary costs. In addition, the educational cost per student typically varies by grade level, type of school, and the location of the school with remote schools typically receiving a higher amount because of their higher costs for accessing goods and services.

The second problem is not sufficiently addressed in studies on per capita financing in developing countries: funding formulas in developing countries are exclusively based on school characteristics rather than on student characteristics. A distinctive feature between formulas in developed and developing countries, in fact, is the disregard for student characteristics in developing countries. Whether a student is bilingual, has special needs, is poor, vulnerable, orphaned, or has any other characteristic that would call for more educational provisions and services, and as a consequence entails greater cost, is entirely overlooked in the developing context. Special schemes are in place (e.g., bursary schemes for OVC, conditional cash transfer programs for poor children and youth, etc.) but they operate in parallel and at a great implementation and monitoring cost rather than being mainstreamed into the school budget.

The disregard for student characteristics as part of the per capita financing formula might be endemic of a general disregard for students with special needs and/or as the lack of capacity or willingness to register student characteristics that would call for greater and more diversified educational provisions. There is a need to provide technical assistance on how to improve funding formulas in ways that are more equitable. A greater preoccupation with "zones of vulnerability[82]."

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[81] For example, Levacic, R. and Downes, P. (2004). *Formula funding of schools, decentralization and corruption: a comparative analysis.* Paris: UNESCO IIEP.

[82] The concept "zones of vulnerability" has been developed by CREATE (Consortium for Research on Educational Access, Transitions and Equity) at Sussex University, UK. See Keith M. Lewin (2007). Why some

that is, identifying difficult to reach and excluded groups that are at risk of not enrolling or dropping out, might be an important first step to allocate resources not only efficiently and effectively, but also more equitably.

Education for All and Millennium Development Goals will not be met: Difficulties with goals and targets. *Southern African Review of Education, 13 (2),* 44-60.

BE Paper #3: Access and Quality in Basic Education[83]

Introduction

Over the course of the 20th century, basic education has evolved from something of a privilege reserved for the elites in every society to a basic human right that must be guaranteed by the state to all its citizens. The provision of education became a measure of the state's ultimate capacity to sustain itself and ability to compete in the world political and economic sphere. Rebuilding education is also one of the first elements of reconstruction of fragile states. Education is seen as an indicator of social progress, and the indicator of the degrees of equality and justice across social and ethnic groups. In that respect, ensuring that all citizens, irrespective of their background, have access to education is crucial. However, it is equally important that the education provided to less advantaged groups is of comparable quality to that received by the wealthy and the political elites – otherwise, it merely reproduces inequities that can be a barrier to progress and the breeding ground for social tension.

The expansion of physical access to basic education has taken different forms in different regions, and in many cases efforts to improve quality took place at the same time: building schools meant the recruitment and training of teachers, development of new instructional materials, and the set up of the management systems. As this paper will show, as a general trend, countries have been able to build their education systems in a balanced way. As many scholars have pointed out, the achievements made during the past several decades relative to the history of education have been quite impressive. However, these efforts will not be deemed successful or sufficient until the basic human right of education is guaranteed to every child in the world.

As educators, policy makers and parents continue to look for policies and reform measures that bring the greatest value in terms of education for the young ones, legitimate questions arise on whether it is possible to reach both the greatest "breadth", or access, and the greatest "depth", or quality, at the same time. In particular, these questions arise in lower-resourced contexts, where the needs are pressing, timeframes short, and capacity to produce and sustain change underdeveloped. Should the state put all its resources into getting the children into schools, or work on the quality of schooling that is already provided? A more detailed discussion of the movement towards the abolition of school fees, and the associated surge in enrollments provides a vivid context for exploring this issue, and has indeed been the very context where it has emerged most acutely. Despite the challenges of the process, and the growing pressure for quality learning outcomes which are sometimes seen as being adversely affected by it, this paper argues that this issue should not be perceived as a clear tradeoff. To the contrary, access cannot be sustained without adequate quality. Importantly, the literature reviewed here allows us to argue that even in such dire contexts, it is possible, and therefore imperative, to address both dimensions at the same time – however, it requires long-term commitment of resources and capacity.

The Short-Term Effects of School Fee Abolition in Primary Schools

Since much of the controversy surrounding the tradeoff between quality and access to education reflects the perceived deterioration of quality as a result of school fee abolition, it will be used to start off the paper and provide an illustration for its major arguments.

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[83] Authors: Gita Steiner-Khamsi, PhD, professor, and Carina Omoeva; with Andrew Shiotani and Christine Harris-Van Keuren, PhD students and graduate research assistants in Comparative and International Education, Teachers College, Columbia University, New York.

The fee abolition movement.

While expansion of access to education has been pursued in many countries as part of the human rights movement since the middle of the 20th century, the abolition of school fees is a more recent process. In some countries, fees were deliberately instituted in the 1980's following advice by major international development organizations, as an effort to raise local participation in education and lower the pressure of public budgets[84]. School fees had a major detrimental effect on enrollments. Following the adoption of the EFA agenda and the Millennium Development Goals, including universal primary completion, a number of countries abolished official tuition fees for primary education. The EFA Global Monitoring Report (2008) states that 14 countries abolished school fees in the period since Dakar. With the exception of Cambodia, Timor Leste, Vietnam and Yemen, these were countries of Sub-Saharan Africa. As a result of school fee abolition, enrollments grew sharply within one to two years, with gross enrollment ratios at primary levels steadily above 100% in the recent years.[85]

Adverse effects of rapid expansion if narrowly measured by input indicators.

A number of experts have argued that the rapid expansion of access to primary education had a substantial adverse effect on the quality of learning.[86] While output measures of quality, as well as its basic definition, are mostly limited in such studies, quality is proxied through input indicators. Large, overcrowded classrooms, unqualified and irregularly present teachers, lack of textbooks and learning materials, as well as deteriorating infrastructure are often named as the manifestations of poor and declining quality of education. Because there is a substantial body of literature on the effects of each of these input aspects on the quality of learning, they provide a useful framework for understanding the tradeoff between quality and access in education.

"School fees were abolished with great euphoria but little planning."[87]

In Malawi, for example, primary enrollments have more than doubled following the abolition of fees, with most gains made among the poorest citizens, including the urban low-income and rural populations, and girls.[88] At the same time, the provision of basic school infrastructure and teaching cadre lagged behind these impressive gains in access, limiting opportunities for these new entrants to

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84 Sifuna, D. (2007) The challenge of increasing access and improving quality: An analysis of universal primary education interventions in Kenya and Tanzania since the 1970s. *International Review of Education, 53*, 687-699 (see page 695 and on).

85 UNESCO (2008). *Education for All Global Monitoring Report 2008. Education for All by 2015: Will we make it?* Paris: UNESCO GMR.

86 See the following criticism: D. Sifuna (2007). The challenge of increasing access and improving quality: An analysis of universal primary education interventions in Kenya and Tanzania since the 1970s. *International Review of Education, 53,* 687-699; K. Deininger (2003). Does cost of schooling affect enrollment by the poor? Universal primary education in Uganda. *Economics of Education Review, 22 (3),* 291-305; R. Bentaouet Kattan (2006). *Implementation of free basic education policy.* Education working paper series, 7. Washington, DC: World Bank; M. Clemens (2004). *The long walk to school: International education goals in historical perspectives.* Center for Global Development Working Paper 37. Downloaded on November 16, 2008 from http://www.cgdev.org/content/publications/detail/2754/.

87 Andiwo Obondoh, Global Campaign for Education, cited in UNESCO (n.d.). *Education. The Price of School Fees.* Downloaded on December 8, 2008 from http://portal.unesco.org/education/en/ev.php-URL_ID=32571&URL_DO=DO_PRINTPAGE&URL_SECTION=201.html.

88 Castro-Leal (1996), cited in S. Al-Samarrai and H. Zaman (2006). Abolishing school fees in Malawi: The impact on education access and equity. *Education Economics, 15 (3),* 359-375.

obtain an education of good quality.[89] In Uganda, the post-abolition school system saw similar effects, with poor populations and girls benefiting from the increased access to primary education (enrollment of girls nearly doubled).

A surge in class sizes and a shortage of qualified teachers.

In Kenya and Tanzania, large class sizes, in some cases exceeding 100 students per class, accompanied by a shortage of qualified teachers, and a lack of textbooks are seen as direct consequences of the expansion of access to schooling. Even where qualified teachers are present, quality of learning is hampered by their limited ability to cover adequate material in class and assign homework, as teachers have to work longer hours and deal with greater number of students.[90]

Other private cost of education persist.

Despite the formal abolition of school tuition fees, however, parents in most of these countries continue to experience some form of fees collected by schools. Such fees include parent-teacher association fees, textbook fees, contributions for school uniforms, and informal tutoring fees.[91] The existence of such fees is seen as a continuing cause for disparities in access to quality education. Attendance has also been less than uniform, declining during harvest seasons and affected by the presence of other factors, particularly for girls, such as daycare facilities for younger siblings, and school latrines.

The transition to the labor market.

The rapid expansion of access in some Sub-Saharan African countries was particularly impressive by historic standards in comparison with now developed countries. The evidence of its impact on quality prompted some experts to doubt the sustainability of such gains. It is argued that expansion-oriented policies have generally ignored the demand-side of access, and the effect of private returns to education, such as job prospects for school graduates, for maintaining support for such policies among the general and low-income population.[92]

The false dichotomy between "pro-poor" and "pro-wealthy" educational reforms.

These findings and arguments have served to establish the dichotomy between access and quality in education, where efforts to increase access are often seen as necessarily leading to a deterioration of quality. In addition, strategies to increase access and improve quality are sometimes seen as benefiting different socioeconomic levels, access being "pro-poor" and quality seen as "pro-wealthy", or serving the relatively well-off groups that are already enrolled. However, in the absence of output indicators of quality, it is difficult to assess the extent of the tradeoff, as well as the possibilities of eliminating or mitigating is adverse effects.

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[89] Deininger (2003), for example, points out to the fact that a quarter of primary school students in Uganda did not pass the national examination, as evidence of poor quality. However, because no baseline data or reliability statistics are available for the examination, assessing the *decline* in quality based on this information is problematic.

[90] Sifuna, D. (2007) The challenge of increasing access and improving quality: An analysis of universal primary education interventions in Kenya and Tanzania since the 1970s. *International Review of Education, 53*, 687-699.

[91] Bentaouet Kattan, R. (2006). *Implementation of free basic education policy*. Education working paper series, 7. Washington, DC: World Bank.

[92] Clemens, M. (2004) *The long walk to school: International education goals in historical perspective*. Center for Global Development Working Paper 37.

Lessons to be learnt for the expansion of secondary education.

Importantly, the abolition of school fees has mostly been concentrated at the primary level, while enrollments remain at low levels for secondary school. The issue of the potential tradeoff is of interest to many countries, as access is gradually expanded at secondary levels, and lessons from primary education reform may or may not prove useful. The next section will look at this issue from a broad geographical perspective, using empirical findings from recent studied, produced by the World Bank and the Research Triangle Institute (RTI), on the relationship between access and learning outputs.

The Relationship between Access and Quality

Defining quality is perhaps the most challenging task in education, its meaning often shifting between the quality of inputs, such as teachers, classrooms, textbooks, to quality of achievement outputs, such as measured outcomes of learning– as reflected by assessments of various kinds. In addition, there has been a growing emphasis on the importance of non-cognitive skill outputs of schooling, such as work ethic, social and conflict resolution skills, health habits, and leadership capacity, which are not usually reflected in traditional assessments of education quality. A choice of one or the other measure of quality must be cognizant of these other aspects.

Access vs. participation.

Access is traditionally defined as enrollment in formal schooling. However, whether enrollment reflects actual presence in the classrooms is not always obvious, particularly in high-poverty contexts, where attendance depends on an array of family factors, or where teacher absenteeism is a problem. Furthermore, as the theme of this paper suggests, physical presence can not be equated with meaningful presence, which means that the student engages in his/her learning in an academic environment with the help of the teacher. To expand the definition of access to education beyond enrollment, some have suggested the term *participation*, which attempts to encompass both access and quality. In addition, suggestions have been made to rename the international Education for All (EFA) framework into *Learning for All*, again to address both access and quality.[93] In this paper, we focus on these aspects in the more traditional definitions, but we leave it up for discussion on whether these new inclusive terms should be used instead.

The broader role of education.

In fragile contexts, such as post-conflict situations or in environments prone to ethnic tension, quality encompasses much more than learning achievement. A substantial literature stresses the importance of addressing the psycho-social needs of the students in such contexts, and restoring their sense of normalcy and stability.[94] Furthermore, quality education in fragile contexts must also serve as a medium of mitigating conflict and cultivating social cohesion. As Bush and Saltarelli have argued, education may end up serving destructive goals and instigating tension, if it is left to the whim of disparate local groups.[95]

Defining quality as achievement on international student achievement tests.

[93] USAID Global Learning Portal online discussion, both suggestions by Don Sillers.

[94] For a review of literature, see Barakat, B., Karpinska, Z., and Paulson, J. (2008). *INEE Desk Study: Education and Fragility*. Available at http://ineesite.org/uploads/documents/store/doc_1_FINAL-Desk_Study_Education_and_Fragility_CERG2008.pdf

[95] Bush, K. D. & Saltarelli, D. (2000) *The Two Faces of Education in Ethnic Conflict: Towards a peacebuilding education for children.* UNICEF Innocenti Research Centre.

In the general, mainstream context, quality has been more narrowly defined as learning achievement. This paper mainly deals with this definition of quality, although we must keep in mind that it is but one aspect of a broader constellation of facets comprising good education. For the purposes of assessing quality, general technical literature looks at achievement scores, measured by standardized tests administered at different levels in the education system. Comparisons across countries are normally made on the basis of international standardized student assessments, which focus on cognitive skills of nationally representative samples of students enrolled in the same grades in participating countries. However, comparable international data often do not exist for a large number of developing countries.

Low representation but increasing demand for participation in international student achievement studies.

While high-quality international assessments, such as PIRLS, PISA, and TIMSS continuously expand the number of participating countries, Western and Southeast Asian countries remain heavily over-represented in these assessments. Although adequate regional assessments have taken place in Latin America (LLECE) and Africa (SACMEQ, PASEC) participation in these studies has not been universal, and the differences between these assessments have made it difficult to compare directly between these regions. Recognizing the need for comparable and reliable assessment instruments, international development agencies have supported the development of new tools. One example is Early Grade Reading Assessment (EGRA), a 15-minute test used in over twenty countries to assess the reading skills in the early grades or primary school.[96] As the results of these assessments become available for greater samples of students and across a greater number of countries, they may be used as a tool for assessing the quality of an educational system.

Coping with the lack of direct measurement instruments.

Given the absence of a high-quality, reliable and comprehensive measure of education quality internationally, Luis Crouch and Tazeen Fasih proposed an innovative method of addressing this lack of comparability.[97] Having determined a sufficiently high level of internal correlations between subsets of international assessments (in the range of .94), and external correlation with TIMSS 1999 results (ranging from .69 for Reading Literacy Study to .85 for PISA), they used a recursive process to generate a uniform scale of learning outcomes. This new scale, expressed as a TIMSS-99 equivalent scale, allows for a broader look at educational achievement, and provides a common metric of quality.

Limitations of constructed learning scores.

This method of constructing imputed learning scores has obvious limitations: the scores can only be interpreted as proxies of achievement, rather than direct measures, and do not provide an understanding of the skills and competencies of students that are being measured, while the cross-country comparisons must allow for a degree of error. However, this new scale is useful in looking at broad questions, such as the balance between access and quality, or the relationship between

[96] More information on EGRA is available under EdData II project of USAID. EGRA has been developed by RTI and supported by several international organizations and foundations. See also *USAID Frontlines, August 2008*, p. 5.

[97] L. Crouch and T. Fasih (2004). *Patterns of educational development: Implications for further efficiency analysis.* Washington, DC: World Bank.

economic performance and achievement, that can generate the more in-depth studies of particular aspects of education and factors affecting it.[98]

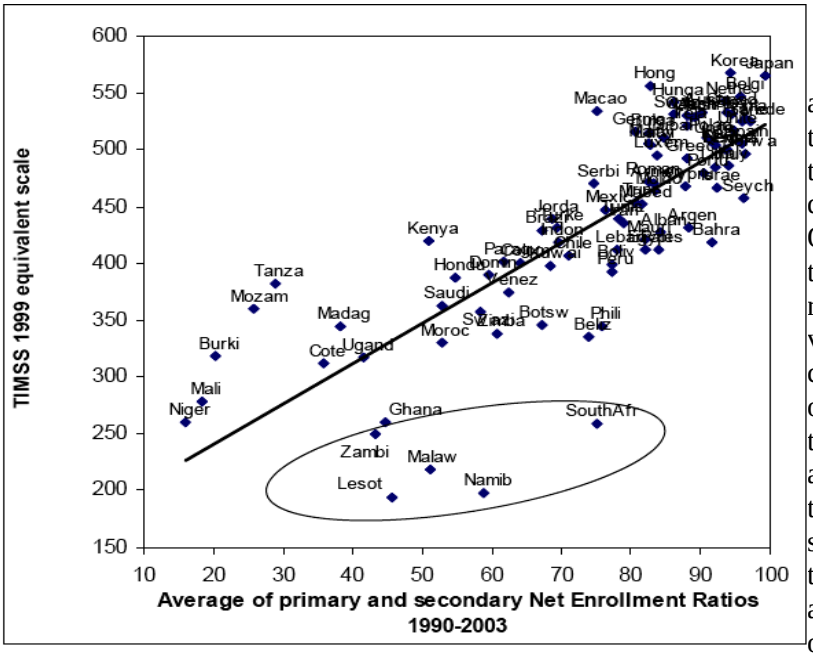
Visualizing the relation between access and quality.

The scores from the new quality scale are plotted against enrollment data for same sample of countries, which produces a visual of the relationship between access and quality (narrowly determined as academic achievement). This visual allows us to see if there are distinct patterns or visible tradeoffs between these two aspects. The same method was replicated in other studies.[99]

[98] For a useful application and interpretation of the method, see, for example Dina Abu-Ghaida (2007). Education. In C. Gray, T. Lane, and A. Varoudakis, eds., *Fiscal policy and economic growth. Lessons for Eastern Europe and Central Asia.* Washington, DC: World Bank.

[99] L. Crouch and P. Vinjevold (2006). South Africa: Access before quality, and what to do now? *Profesorado, 10(1),* 1-16; World Bank (2005). *Expanding opportunities and building competencies for young people: A new agenda for secondary education.* Washington, DC: World Bank.

Figure 1. Simple correlation between access and quality in basic education



Source: Crouch and Vinjevold (2006)

As this graph shows, overall and across all geographic areas, there does not appear to be a tradeoff between access and quality in basic education.[100] Quite the opposite is true, that is there is a strong positive relationship between the two variables, such that the countries that have high levels of access to education also tend to have high levels of achievement, as measured by the newly constructed quality scale. Consequently, countries that have lower levels of access also tend to have lower scores on the achievement scale. However, there appears to be a group of countries that substantially under-perform in terms of quality, given their levels of access, on the one hand, or having substantially lower levels for access than could be predicted by their quality levels, on the other. All of these countries are located in Sub-Saharan Africa—which once again, reflects the greater concern about the access-quality tradeoff in this region.

Same findings confirmed for secondary education.

Because enrollments at primary levels, where they had previously been troublesome in some countries, were boosted during the 1990's to near-universal levels, the disparities shown in the graph mostly reflect the differences in secondary enrollments. Indeed, a similar analysis restricted to secondary grades reflects the same positive trend, with greater-access countries tending to show greater results on the learning outcomes scale, and a larger group of countries clustered at the top—which is an artifact of the ceiling both on the enrollment scale (set at 100%) and quality scale.[101] By contrast, an analysis restricted to primary levels would not have produced the same trend, as results would be mostly distinguishable on the quality dimension and tightly clustered on the access axis.

Why are Some Countries Doing Better Both in Terms of Access and Quality than Others?

While it is tempting to delve into direct comparisons of countries on this graph, it is important to note that these data points are extrapolations of how most of these countries *would have fared* on TIMSS 1999, *if they had participated in it*. Some of these predicted scores were drawn from just one

[100] This finding was also confirmed in the study on secondary education, published by the World Bank (2005; see previous footnote).

[101] See Crouch and Vinjevold (2006) and World Bank (2005).

assessment in one year, and in many cases, from very different assessments (i.e. Mozambique was extrapolated from its SACMEQ II results, while Ghana's were drawn from TIMSS 2003). Any comparisons must allow for a substantial degree of error. This does not mean, however, that this analysis does not provide useful insight, as it did withstand a rigorous sensitivity analysis, but only to the extent that it provides a *broad* understanding of the *trend* and direction for further research.

No evidence of a drastic tradeoff.

An explanation for this general positive trend is that countries tackle the two dimensions in a balanced way, such that there are no drastic tradeoffs, where one is continuously boosted at the expense of the other. This is not to mean that increasing access will improve quality – we have seen from examples listed above that rapid expansion puts education systems at a considerable strain. But what it does tell us is that overall, there has been some equilibrium, with the exception of a group of countries in Southern Africa.[102]

GDP per capita is a key predictor.

Another valid explanation for both enrollment and learning scores is country wealth, expressed in income per capita. Wealthier countries have more resources to provide universal access and ensure good quality inputs, such as teacher salaries, training, infrastructure and materials. Indeed, once GDP per capita is controlled for, the strong positive relationship between access and quality nearly fades away. However, it is important that while it does become extremely weak, the trend does not reverse its sign. In other words, even if we set wealth aside, *on average* greater access *is not* associated with *lower* quality.[103]

Improvement in education and economic growth: which comes first?

While noting the effect of wealth (GDP per capita) on access and quality, it is useful to keep in mind that the causality direction is still debated by education economists. Some argue that greater economic growth prompts countries to invest in the improvement of their education systems as a political and social matter,[104] while others believe that improvements in education come first and result in faster economic growth and consequently, greater wealth.[105] Therefore, an alternative explanation might be that improving both access and quality, as shown on the graph, resulted in a group of countries accumulating greater wealth.

The risks of rapid and unplanned educational expansion.

The statistical analysis of the same data in the papers cited here showed that the speed of expansion had a negative effect on quality: countries that proceeded to expand access to education more rapidly were more likely to suffer declines in quality. This is in line with the above observations from countries that abolished school fees. As researchers argued, the speed with which the expansion of access took place is unprecedented by historical standards and could not have been achieved without detriment to quality.[106] However, SACMEQ test performance from the few of these countries that participated in both rounds (1997 and 2000) shows mixed results: Zambia's mean reading score went from 477 to 440, Zanzibar's declined from 489 to 478; while Kenya's score remained statistically unchanged at 543 vs. 546. Malawi's performance declined, but both rounds of assessments took

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102 Crouch and Fasih (2004), Crouch and Vinjevold (2006).

103 Crouch and Fasih (2004).

104 Clemens (2004).

105 E. Hanushek and L. Woessman (2007). *The role of education quality in economic growth.* World Bank Policy Research Working Paper 4122. Washington, DC: World Bank; E. Hanushek and D. Kimko (2000). Schooling, labor force quality, and the growth of nations. *The American Economic Review, 90 (5),* 1184-1208.

106 Especially Clemens (2004).

place after the abolition of fees, which suggests a presence of another factor that is also affecting quality (SACMEQ 2008).

Dealing with demographic challenges.

The demographic burden, or "youth bulge" also has a negative effect on both access and quality. An analysis of the effects of age structure on the composite learning scores, and separately on enrollment showed that countries with younger populations tend to have lower learning scores and lower enrollment rates. Because countries with younger populations also tend to be those with lower GDP per capita, controlling for one largely attenuates the other, although some negative effect still remains.[107]

Social and other non-cognitive aspects of learning and quality.

As noted above, this discussion applies mainly to generally low-resourced environments, where the issue of the tradeoff between access and quality arises most often. Learning scores capture a relatively narrow cognitive aspect of learning, with many other non-cognitive aspects left out. As emphasized above, non-cognitive aspects, such as social cohesion and conflict mitigation are equally important to the learning of the child, in every context, but particularly crucial for fragile states. However, addressing the issue of whether or not there exists a *tradeoff* between quality and access requires the presence of a general metric of both dimensions. The Crouch and Tasih composite learning scale used here provides such a metric, albeit approximate, and an illustration rather than precise calculation. A discussion of the effects of expansion of access on non-cognitive aspects of quality would require a creation of similar measurement instrument -- a task even more difficult than that of learning achievement.

Expanding Access, Improving Quality: Issues and Policy Challenges

Given that the wealth, demographic composition (age structure), and the rate of expansion of access all have substantial effects on both the enrollments and learning outcomes of students, what can be done through policy intervention in both dimensions? Gradualism in instituting the abolition of fees and other drastic access measures is an obvious recommendation, but what do we know about input factors that are most often connected with better access and quality?

Large classrooms.

One of the most immediate consequences of expansion of access were large or overcrowded classrooms. Classrooms of over 100 students are not uncommon in countries that recently abolished school fees, with schools in poorer rural areas absorbing the greatest numbers of students. In other cases, classes are broken into smaller sessions using the same facilities, working in double and triple shifts, which reduces instructional space and time on task. Even if the infrastructure is present to support smaller size classrooms, teacher shortages exacerbate the problem, pressing available teachers to work more than one shift.[108] A substantial body of literature indicates that class size is negatively correlated with learning, as it heavily reduces the teacher's ability to provide substantive instruction and assist each student in attaining his or her learning goals. However, it is not sufficient to accept that a classroom of 100 students is too large; one has to decide, how small is small enough, and how large is too large?

Thresholds for class sizes.

Large classes of 40 students or more can be found throughout the developing and the developed world, including the highest-performing education systems in East Asia. Singapore and Korea are

[107] Crouch and Fasih (2004).

[108] UNESCO (2004), cited in USAID EQUIP 1 (2007).

known for their large class sizes, and yet it does not preclude their students from achieving the highest scores in international assessments. If quality is defined as cognitive achievement, these results make it clear that small classrooms, as they are traditionally defined in the mainstream education discourse as class sizes of 15-25 students, are not always a critical ingredient for greater achievement. In other words, *if managed well*, large classrooms can outperform the traditional size classes. Teacher effectiveness and professional qualifications grow in importance as teachers have to deal with overcrowded classrooms.[109] However, as noted above, there is a shortage of qualified teachers in regions that experience the greatest enrollment increases, leaving new students in large classrooms with low quality instruction.

Learning to teach in large classrooms.

While the negative relationship between class size and learning outcomes is continuous, a USAID study suggests that class sizes above 60 students make teaching and learning particularly difficult.[110] The publication offers an overview of instructional methods that can be used for effective management of large classrooms. These methods include *whole class teaching*, *independent activity in small groups*, *shift teaching*, and *peer tutoring*, among others. The use of community volunteers from among older students, parents, and retired teachers is another method of improving the efficiency of classroom management in large classes. If incorporated in teacher training programs, such techniques can help overcrowded public school systems in the developing world to provide instruction using the existing teaching cadre. In areas with access to electricity and technology, ICT might be regarded as a useful means to support teaching in large classrooms. However, in expanding the use of technology, careful consideration must take place of its costs relative to the expected benefits for students, versus the costs of investing in the more traditional ways of instruction.

Dealing with classrooms that are too small.

On the opposite side of the access spectrum from overcrowded classrooms are *multi-grade* classes, which are less common in densely populated countries of Sub-Saharan African countries, but are nonetheless present in many education systems in both the developing and the developed world. Multi-grade classes are seen as a way of reducing costs of providing a complete primary education in remote rural schools. With per capita financing propelled throughout the developing world, small schools in remote rural areas risk being closed unless pedagogical innovations are put in place. While multi-grade teaching is not an adequate substitute for an appropriate age grouping in formal schooling, in some instances it is the only way to ensure access to some education.[111] Multi-grade teaching in primary school should be regarded as an attractive option for schools that face closure. The introduction of multi-grade teaching as part of the *Escuela Nueva* reform in Colombia, where enrollment grew by 45% in the period 1988-1995, is well documented.[112] It is estimated that one-third of all children in developing countries are currently enrolled in multi-grade classrooms and yet

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[109] The three country study by Martin Carnoy (2008) compares schools in Cuba, Brazil, and Chile, and finds that class size does not correlate with student performance. However, teacher qualification, motivation, and capacity account for student performance. M. Carnoy (2008). *Cuba's Academic Advantage. Why students in Cuba do better in school.* Stanford: Stanford University Press.

[110] EQUIP 1 (2007). *Large class sizes in the developing world: What do we know and what can we do?* Washington, DC: USAID.

[111] Brunswic, E., and Valerien, J. (2004). *Multi-grade schools: Improving access in rural Africa?* UNESCO. Paris: UNESCO International Institute for Educational Planning.

[112] For example, V. Colbert, C. Chiappe, and J. Arboleda (1993). The New School Program: More and Better Primary Education for Children in Rural Areas in Colombia. In H. M. Levin and M. E. Lockheeds, eds., *Effective Schools in Developing Countries.* London: Falmer Press. Other examples are included in Emiliana Vargas, ed. (2005). *Incentives to Improve Teaching.* Washington, DC: World Bank.

many government and parents are hesitant to embrace multi-grade schooling as a viable and pedagogically valuable form of teaching.[113]

Dealing with teaching loads that are too small.

Whereas there is a substantial body of research on the importance of introducing multi-grade teaching in remote rural areas at primary school level, there is little discussion on the problems of lower and upper secondary schools that are small and therefore face closure or alternatively have to hire non-qualified subject teachers. With the expansion of lower secondary education, the problem of non-qualified subject teachers that took, at best, a crash course on the subject matter they are teaching, is likely to exacerbate. Much greater attention needs to be paid to the teacher qualification in lower secondary schools. In many developing countries, secondary school teachers are trained at higher education level and they are considered subject specialists. In contrast, primary school teachers are prepared as pedagogical generalists at upper secondary level (vocational-technical education) or lower tertiary level. The problem with non-qualified secondary school teachers is pronounced in the post-Soviet and post-socialist region where, for example, a chemistry teacher is not prepared to teach physics or biology. As a result, either the full curriculum is not offered at the school or teachers, prepared for teaching one subject only, take on additional hours in other subjects to achieve a full teaching load. Similar problems, accounting for the low quality of teaching at secondary school level, might exist in other regions. A systematic curriculum reform at school level (grouping related subjects into subject areas) and at teacher education level (multi-subject teaching) is indispensable to resolve the problem of non-qualified secondary school teachers.[114]

Adjusting teacher pre-service training to the realities in rural schools.

Multi-subject teaching at lower secondary school and multi-grade teacher at primary school should be regarded as alternatives to the shutting down of schools in remote areas or the regionalization of schools, respectively. However, many governments in developing countries strive to implement the conventional, urban model of schooling in their countries: the egg-carton school with one teacher and a group of age-homogeneous students at primary level, and the teacher as knowledge or subject expert at secondary level. They deem multi-grade and multi-subject teaching to be “pre-modern.” In practice, however, both multi-grade and multi-subject teaching are very common both in developing and in developed countries, and it is a matter of catching up with this reality by properly upgrading these practices and by preparing teachers for teaching in rural schools with small class sizes.

Language of instruction.

Another important factor affecting both access to education and quality of learning is the language of instruction. Availability of educational opportunities is all the more scarce when it comes to small ethnic minorities in countries with a colonial past. Students are faced with a choice of either being immersed in schooling in the dominant language or remain on the outskirts of mainstream education. However, even the latter option puts them at disadvantage in the classroom, as they struggle to follow the teacher's directions, and do not have the same support structures with parents speaking a different language. Funding constraints often limit the state's ability to offer specialized instruction, or additional supports for students speaking local languages. The benefits of early education in

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[113] A. Little (2008). *Size Matters for EFA. CREATE Pathways to Access. Research Monograph No 26.* Sussex, UK: Consortium for Research on Education, Access, Transitions and Equity. See also A. Little, ed. (2006). *Education for All and Multigrade Teaching: Challenges and Opportunities.* Dordrecht: Springer.

[114] G. Steiner-Khamsi, S. Mossayeb, and N. Y. Ridge (2007). *Curriculum and Student Assessment, Pre-Service Teacher Training. An Assessment in Tajikistan and Kyrgyzstan.* Almaty: USAID Central Asia Region and Kazakhstan.

mother tongue for children's cognitive development have been amply demonstrated by research,[115] and the discourse has largely shifted in the realm of human rights,[116] but each state takes its own perspective on language policy.

Balancing education in the mother tongue with the teaching in the majority language.

Where, when, and how to offer the mother tongue or the community language as the language of instruction, and how to balance it with instruction in the dominant language are all key considerations, with substantial implications for access and quality of education. In setting language policy, the state does not act in isolation, and has to balance conflicting preferences. In some countries, parents choose not to enroll their children in schools where the language of instruction is the community language, because they see education in the mother tongue as a detriment to integration, and hence, to future social mobility. In other countries, the inverse applies: parents do not send their children to school unless primary school is taught in the community language. One of the strengths of community schools is their attention to community languages at primary school level and much can be learned from their positive experiences with local teachers and instruction in the mother tongue of the students. In multilingual contexts, a language policy needs to systematically preserve and foster multilingualism with all kinds of programs, including the popular dual language programs, and at the same time, if financially feasible, give the choice to parents to select between the various programs. A bridge program between mother tongue and the majority national language can be a useful way to meet the needs and concerns of both sides. Ultimately, equality in language touches on the political, social, and economic realms as much as education.

Difficult-to-reach and excluded children.

Enrollment numbers above 90% are generally considered high, and attention tends to switch almost entirely to quality issues. Nonetheless, even in these education systems, relatively successful in broadening access, there remain a few percentage points of youth that were not reached by mainstream schooling. In a typology of "zones of exclusion," Keith Lewin places such groups in zone 1, "denied access," and brings examples of children of nomadic groups, inhabitants of sparsely populated areas, and those living in extreme poverty.[117] Displaced children in post-conflict situations are also often hard to reach through regular school infrastructure. In addition, disabled children also fall in the difficult-to-reach category in many countries in the developing world.

*Reach*ing the last 10% is an EFA commitment.

Because of these groups' special circumstances, considerably higher levels of resources are needed to provide educational opportunity at a quality level equitable to that offered to the rest of the population: economies of scale that may have played a role in regular contexts are no longer applicable when dealing with low numbers of systematically excluded children. Efforts supported by international donors have traditionally been focused on existing enrollments, with growing attention to the integration of disabled students in mainstream schools. However, a commitment to expanding educational opportunity to *every* child in every country includes a commitment to these disenfranchised groups, and different ways must be employed where traditional methods of extending schooling have failed. Mobilizing local networks of parents and community members are

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[115] Cummins, James. (2000). *Language, power, and pedagogy. Bilingual children in the crossfire.* Clevedon, England: Multilingual Matters

[116] Skutnabb-Kangas, Tove. (2000). *Linguistic genocide in education-or worldwide diversity and human rights?* Mahwah, NJ: Lawrence Erlbaum Associates.

[117] Lewin, Keith (2007). Why some Education for All and Millennium Development Goals will not be met: difficulties with goals and targets. Southern African Review of Education. Retrieved from www.research4development.info

essential in reaching these children, and innovative methods, such as interactive radio instruction, assistance with home schooling where appropriate can be considered to ensure that their needs are met.

More Focus on Teacher Quality

As noted above, teacher quality comes to the forefront as education systems struggle with large class sizes. Further, in fragile states, rebuilding education systems begins with rebuilding a quality teaching cadre. An effective teacher will use all available means to create a meaningful learning experience for her students in the classroom, and many experts point out that education systems can only be as good as their teachers. Research has shown that high quality teaching can compensate the disparities in student backgrounds, including their socioeconomic status, language proficiency and parents' education levels – factors that generally account for a large share of variability in learning outcomes.[118]

Recruitment into teaching.

Heavy emphasis on building rigorous teacher recruitment and training systems, as well as providing adequate compensation and professional development for teachers was highlighted as one of the key characteristics of the highest performing education systems in the world in a recent study.[119] Considerable literature suggests that the professionalization of teaching with strict entry requirements and well-defined standards of quality of instruction can be an effective path to strengthening overall performance of an education system as a whole.[120] Developing professional teacher training systems is a substantial endeavor for low-income countries, but it is an indispensable ingredient for improving the quality of learning. Figure 2 contrasts the recruitment of students for pre-service teacher training and their transition into the teaching workforce in Singapore and in the Kyrgyz Republic.[121] Singapore scored top both in science and math in TIMSS 2003, and the Kyrgyz Republic scored at the very bottom (rank 57 out of 57 countries) in PISA 2008. The chart illustrates the high attrition rate during teacher education as well as the huge wastage of government resources given that 40% of all teacher education students receive government scholarships. As a result, only 15% of those enrolled in pre-service teacher training end up working as teachers. In contrast, almost all teacher education students in Singapore assume a teaching post upon completion of their teacher certification degree. Naturally, the contexts vary significantly. The teaching profession is an attractive job in Singapore, and—for a variety of reasons (low and fragmented teacher salary, difficult working environment) an unattractive one in the Kyrgyz Republic.

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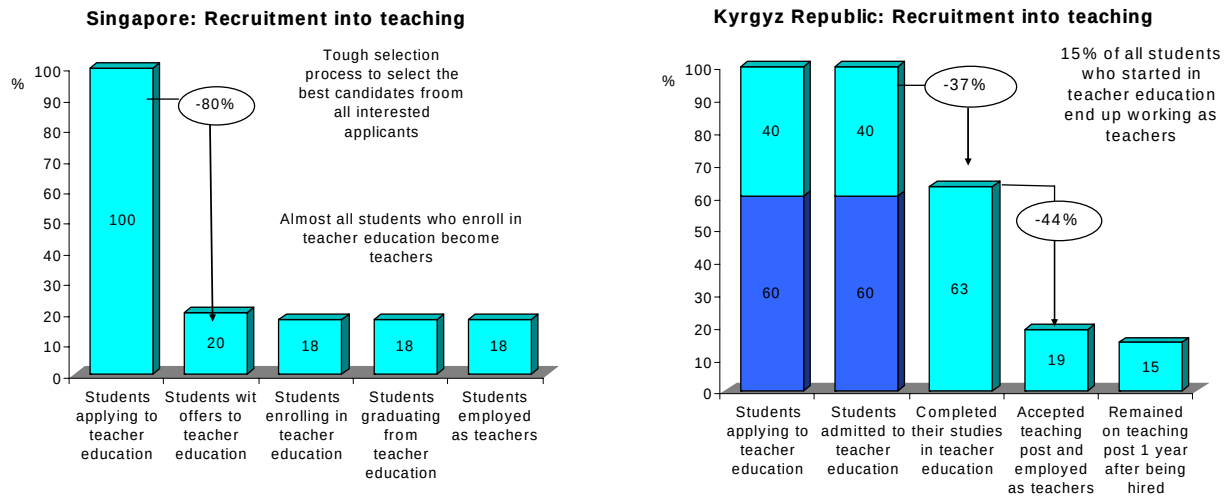
[118] Reimers, Fernando (2006). Teaching quality matters: Pedagogy and literacy instruction of poor students in Mexico. *Harvard Educational Review, 42,* 194-214.

[119] Barber, Michael and Mona Mourshed (2007). *How the world's best-performing school systems come out on top.* London: McKinsey & Company.

[120] Barber and Mourshed (2007); for a literature review on teacher professional development see E. Villegas-Reimers (2003). *Teacher Professional Development: An international review of the literature.* Paris: UNESCO IIEP.

[121] The figure for Singapore is an excerpt from Barber and Mourshed (2007, exhibition 10) and the figure for the Kyrgyz Republic is based on Gita Steiner-Khamsi, Chinara Kumenova and Nurlan Taliev (2008). *Teacher Attraction and Retention Strategy. Background paper for the Education Development Strategy of the Kyrgyz Republic 2011-2020.* Bishkek: Ministry of Education and Science, Department of Strategic and Analytic Work.

Figure 2: Recruitment into Teaching – Comparison between Singapore and the Kyrgyz Republic



Strengthening teacher education programs.

Countries that have recently expanded access to education also put more resources in strengthening the state teacher training programs. However, their efforts are often insufficient to address the daunting challenges of overcrowded classrooms. The education levels of teachers themselves in some countries are extremely limited, making it difficult for them to effectively teach more complex curricular content. According to UNESCO, teachers that completed only primary or lower secondary education constituted 97% in Tanzania and 63% in Lesotho. While in other countries in the region and elsewhere in the world, these levels are substantially lower, rural students are much more likely to have the lower educated, uncertified teachers.[122]

Management capacity.

As developing countries deal with compounded challenges of access and quality, strong capacity to manage the reform process is often lacking within government agencies, resulting in confusion, delay, and in some cases, backward movement on reform. Implementation occurs at the mid-level and local levels of government – which is where capacity is lacking the most. Personnel turnover adds to the difficulty of sustaining and advancing reform. Government education structures often lack the capacity to organize and effectively manage the teaching corps, particularly in fragile states. As state officials assume the increasing management and regulatory burden that comes with the expansion of access and pressure for higher learning outcomes, it is crucial that adequate resources are put in the strengthening of government capacity to sustain and advance reform, and uphold their commitments to giving a quality education to every child.

School-level management.

While professional development for teachers is mandated, at least on paper, headmasters are often left to themselves. Largely former teachers, these administrators lack appropriate training that builds their management skills, as well as recognizes their crucial role in promoting and implementing reform. Policy-level discussions on improving the quality of education, as well as reach to disadvantaged groups, must involve school principals alongside other key groups of stakeholders. In

[122] UNESCO UIS (2006). *Teacher and educational quality: Monitoring global needs for 2015.* Montreal: UNESCO Institute for Statistics.

addition, capacity building activities for school administrators must complement work on improvement of teacher qualifications.

Expansion of secondary education as a prerequisite to strengthen teacher qualification.

UNESCO also emphasizes the importance of ensuring that all teachers have completed at least secondary education. Similarly, researchers have argued that historically, gains in expanding access to primary education have not been sustainable without at least a 35% enrollment in secondary, which serves as the primary pool for the recruitment of teachers.[123]

Para-teachers: a ubiquitous phenomenon in the developing world.

One of the alternative routes to address teacher shortages in developing countries has been the use of para-teachers on a contract basis. Para-teachers are paid a share of the regular teacher salary, in some cases as little as 1/3 of a full teacher wage, and are used in a variety of ways to ease the enrollment burden, including temporary employment in formal schools, replacement of chronically absent regular teachers, and part-time teaching in community schools.[124] While from a practical standpoint, para-teachers help address the issue of access to education, their effectiveness in terms of the quality of learning in their classrooms, as well as their impact on the education system as a whole is a subject of debate. A number of studies indicate that in low-income settings, para-teachers can be very effective in improving learning outcomes. One study found that in the Indian state of Andhra Pradesh, para-teachers were more likely to be present in the classroom and engage in instructional activity than regular teachers.[125] This finding is very much in line with research on low-fee private schools in India where teachers—typically younger and higher qualified than teachers in public schools—are more motivated and professional.[126] A well-documented fact for community schools in rural areas, but less studied for low-free private schools, is that teachers are of the same ethnicity, grew up in the village and possibly went to school in which they, later in life, work as teachers. Teachers that are employed by their own community, as is often the case for teachers in rural community schools and possibly also for para-teachers in other types of rural schools, tend to be more engaged, motivated, and less absent. Another study on para-teachers in the African context found little difference between learning outcomes of students taught by para-teachers and regular teachers.[127]

Upgrading para-teachers and improving teacher education: not a tradeoff.

These positive findings should not be interpreted to mean that para-teachers should be institutionalized as a permanent measure. As underscored by UNESCO,[128] lowering the minimum qualifications to enter the teaching profession has a negative effect on the motivation and commitment of teachers, which in turn results in a decline in the quality of applicant pool. Para-teachers can, however, be integrated into the mainstream through training and certification to remedy teacher shortage in the short term. There exist positive examples of correspondence and distance-learning courses for contract or para-teachers. Given the global teacher shortage and the high

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123 See Clemens (2004).

124 Mehta (2000), cited in UNESCO (2006).

125 For example, K. Muralidharan and V. Sundararaman (2006). *Teacher incentives from developing countries: Experimental evidence from India.* Cambridge, MA: Harvard University.

126 Johanna Härmä (2009). Can choice promote Education for All? Evidence from growth in private primary schooling in India. Forthcoming in the journal *Compare*

127 J. Bourdon, M. Frolich, and K. Michaelowa (2007). *Teacher shortages, teacher contracts, and their impact on education in Africa.* St. Gallen, Switzerland: University of St. Gallen.

128 UNESCO (2006).

attrition rate among regular teachers, it is imperative that governments in developing countries, with the support of donors, invest more in upgrading the qualification of para-teachers who already work in schools, but lack the proper preparation and qualification. In essence, the choice between hiring more unqualified teachers (and training them so that they can become certified teachers) or increasing the qualification of certified teachers comes across as a similar tradeoff between quality and access in general education, but both need to be pursued simultaneously, especially in fragile states.

Alternative Providers of Education

While states are the primary providers of education, a number of alternative models exist across both the developing and the developed world, including private schools, religious and parochial schools, and community schools. Alternative schools can be effective mechanisms of reaching the underserved populations and expanding access to education where government systems lack the capacity to accommodate the needs of the entire school-age populations.

The praises of community-based schools.

A recent study by USAID showed that alternative, or community-based schools can be more effective than government schools in achieving quality learning outcomes, and more efficient in terms of resources per student.[129] Community schools in particular are seen as more flexible and responsive models that can provide individualized instruction, due to their generally smaller size and closer proximity to students in rural areas. By hiring teachers from within communities and promoting community participation in running the schools, these alternative models were able to substantially reduce costs, which allowed them to expand coverage.

Low-fee private schools.

In the contexts of Pakistan and India, where private schools are widespread, community-based schools are schools that receive a grant from the government. They should not be confounded with schools that exclusively depend on (low) fees from parents without government subsidies. However, low-fee private schools have also been effective in providing schooling opportunities to low-income groups. Proximity to school, their small size, and in some cases, single-gender student body make them safer environments, in the eyes of parents, than the newly expanded, less well organized public schools that are located a distance away. Prachi Srivastava found that in poor rural India, parents considered low-fee private schools as the best option for the future of their daughters.[130] However, as governments expand their reach and strive to improve the quality of learning, it is important to ensure that these private schools are not left out of the equation, and options to enroll in public schooling are made available to all.

Models of professionalizing community-based schools.

As noted above, qualified teachers are generally seen as a key ingredient for success in raising or maintaining quality in education. Community-school teachers rarely have the required credentials. Alternative models such as BRAC in Bangladesh address this issue through intensive training in effective methodologies and detailed, step-by-step teaching support materials and continuous monitoring and evaluation. Teachers are expected to closely follow the curriculum instructions and classroom management guidance received in training. As a result, BRAC schools have consistently

[129] EQUIP 2 (2006a). *Meeting EFA. Reaching the underserved through complementary models of effective schooling.* USAID EQUIP 2 Working Paper. Washington, DC: USAID.

[130] P. Sristava (2006). Private schooling and mental models about girls' schooling in India. *Compare: A Journal of Comparative and International Education*, 36 (4), pp 497-514.

showed higher performance on achievement tests than traditional government schools.[131] Their quality may still lag behind international standards, but this shows that in relative terms, these are viable schooling options. In sum, community schools can be effective mechanisms of not only expanding access, but also providing a better quality education in areas where adequate education facilities are not provided by the state.

Demand-Side Interventions

Aside from input-oriented measures of dealing with the tradeoff between quality and access in education, many countries have embarked on large-scale efforts to boost the demand for education by lowering private costs and increasing private returns to families. The argument has been made that gains in access achieved through policy interventions such as the abolition of school fees will not be sustainable unless there are sufficient pay-offs to offset the opportunity cost of attending school.[132] While policies addressing the demand-side of educational access may be of limited effectiveness in improving the overall economic climate and the relative value of schooling in the labor market, which is considered the most important factor affecting the private benefit calculations, they can be adequate mechanisms for reducing costs and helping families send more of their children to school.

Conditional Cash Transfer programs for poor children and youth.

A considerable body of literature on conditional cash transfers (CCT) for education, for example, shows that such programs have generally been effective in increasing enrollment among the poorest populations, reducing non-attendance and repetition, and raising completion rates.[133] They also had positive outcomes in reducing health-related absences, and served as safety nets for the most disadvantaged populations. Building human capital among vulnerable groups was seen by World Bank experts as the most crucial results of CCT programs.[134]

CCT programs: promising in improving access, but potential risks for quality?

Despite their successes, CCT programs have been criticized for their inefficiency and "leakage": it is argued that they have been ineffective in targeting students, such that financial assistance was provided to students that would have attended school anyway.[135] Experts argue that a CCT program for primary education in Mexico was not cost-effective as net enrollment rates were already high at 97%.[136] Other criticisms relate to their lack of a positive effect on quality of education once enrollment and attendance are achieved. From this standpoint, some experts point out that investing in quality inputs directly would have been a more efficient use of resources, and that poor quality instruction will fail to have improved the life chances of poor youth.[137]

Taking into account the diversity of CCT programs.

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131 EQUIP 2 (2006b). *Meeting EFA: Bangladesh BRAC primary schools. Case Study.* Washington, DC: USAID.

132 Clemens (2004).

133 F. Reimers, C. DeShano da Silva, and E. Trevino (2006). *Where is the "education" in conditional cash transfers in education?* Montreal: UNESCO Institute for Statistics.

134 L. Rawlings and G. Rubio (2003). *Evaluating the impact of conditional cash transfer programs: Lessons from Latin America.* World Bank Policy Research Working Paper 3119. Washington, DC: World Bank.

135 A. de Janvry and E. Sadoulet (2004). *Conditional cash transfer programs: Are they really magic bullets?* Berkeley, CA: University of California-Berkley, unpublished manuscript.

136 Janvry and Sadoulet (2004).

137 Reimers et al. (2006).

Coming back to the Crouch and Fasih quantitative analysis of the tradeoff between access and quality addressed in this issue paper, it does not appear so far that any of these measures are associated with substantively lower quality of outcomes (see Figure 1). Nonetheless, in many countries the CCT programs are primarily social safety net programs administered and funded by the Ministry of Social Welfare or Social Affairs. In countries where CCT programs are administered and funded by the Ministry of Education, the question was raised whether such programs carry the potential of shifting resource allocation away from necessary investments in improving the quality of learning outcomes. Because each CCT program is different and funded from varied sources, understanding its impact on quality requires a careful evaluation of the funding sources as well as the incentives it introduces.

Ensuring access to education for poor students.

Demand-side interventions aimed at improving access, such as the abolition of school fees or CCTs are costly and require considerable capacity within the government apparatus to effectively and efficiently manage their scarce resources. While their effect on the quality dimension of education must be evaluated within each particular context, these efforts have generally been effective in improving access to education among poor populations.

Conclusion

The rapid growth of enrollments in Sub-Saharan African countries following an abolition of school fees for primary education raised concern among educators in the region and across the development community that gains in access come at the expense of quality. The tradeoff between access and quality emerged as a theme, and measures addressing one or the other dimensions have been considered as serving different populations, with access-oriented efforts being pro-poor, whereas measures to enhance quality sometimes seen as pro-wealthy, as they address the needs of students that are already enrolled.

No noticeable setbacks in the quality of education associated with greater access

However, broad quantitative analyses of the relationship between access and quality[138] suggest that overall, countries have addressed both dimensions in a balanced way, and that countries that have done well in one aspect have generally tended to do well in the other, and vice versa. Southern African countries have been outliers in this otherwise strong relationship. The quality of inputs, such as adequate provision of teachers and infrastructure, has suffered dramatically as a result of the growth in enrollments. However, there is no conclusive evidence at this point in time whether these setbacks have resulted in lower quality of learning outcomes. Importantly, more data on learning outcomes is necessary to be able to draw valid conclusions about a particular country performance or cross-country comparisons in quality.

Importance of increasing access and quality, and caution for rapid expansion.

In general, countries that have done well in both access and quality had better starting conditions. A substantial share of the variation in both dimensions can be explained by GDP per capita: wealthier countries have resources to invest in their education systems. Demographic burden is another strong predictor of success in addressing access and quality issues in education. Current literature on human capital suggests, however, that these effects are mutually reinforcing, and gains in education can positively affect both economic growth and reduction of demographic burden. Aside from the

[138] Crouch and Fasih (2004), World Bank (2005), Crouch and Vinjevold (2006); all of these studies have been presented in abbreviated form in the earlier sections of this issue paper.

starting conditions, the rate of expansion of access was among the strongest factors negatively correlated with learning.

Teacher qualification supersedes class size.

While large classrooms are seen as the most direct negative consequence of the expansion of access, there is evidence to suggest that systems with reasonably large classrooms of 40 or more students can be extremely effective in attaining high levels of cognitive skills. However, emphasis must be put on the selection and training of effective teachers and equipping them with the right methods of managing large classrooms.

Need for a comprehensive teacher education and education management reform strategy.

Maintaining the quality of the teaching force, which may involve greater professionalization of teaching, is essential for the sustainability of access and learning outcomes. While para-teachers can be a good way of addressing shortages, lowering entry standards on a permanent basis has negative implications for the quality of applicant pool. What is needed in many developing countries is a comprehensive teacher education reform strategy that targets simultaneously an overall improvement of teacher qualification and responds to the need of multi-grade and multi-subject teachers in remote rural areas. As mentioned above, a strong cadre of education administrators is lacking in most developing countries. Therefore, efforts to strengthen the management capacity in public education systems must go in parallel to teacher education reform, so that progress can be both sustained and replicated locally and properly supported by government structures.

Teachers, teachers, teachers.

In sum, achieving greater access while maintaining or improving quality in education has been the prevalent practice across education systems. Gradualism in reform processes has generally been recommended for countries with particularly weak capacity of schools to accommodate an influx of new students. However, a substantial increase in government expenditure in education is necessary to ensure that a sufficiently trained teaching force and adequate management capacity of the state is present to offset the negative effects of larger class sizes and overage enrollment.

BE Paper #4: Accountability and Teacher Absenteeism in Basic Education[139]

The phenomenon of accountability in education.

Until a few years ago, the role of accountability in education has gone largely unexplored. Governments are experiencing increased inspection as fiscal leakage is shored up and inefficient uses of resources in strained national education budgets are minimized. The influence of donor agencies is also being explored as governments strive to meet national and international education targets while balancing public expenditure requirements. The recently increased scrutiny of teacher absenteeism can be attributed to the recognition that teacher professionalism and qualification are the single most important factors that account for the quality of education.[140] They directly impact the attendance and the achievement of students. Absenteeism is viewed as a lack of professionalism and substantial challenge in achieving education objectives. The purpose of this paper is to explore accountability in education on multiple levels and to identify strategies which might specifically help to alleviate teacher absenteeism. Teachers are a country's greatest asset in their educational system. Finding ways to better assist them in delivering high quality education is a fundamental tenet of the field and indeed a focus of this paper.

Accountability at the school, district, regional and national level.

As explored in the other issue paper on resource allocation in basic education, the use of third party tools to track leakages in public expenditures has risen in prominence. Government officials are being held responsible for the flow of scarce resources to reach the intended recipients at the local level. One form of corruption which as been brought to light is the extreme form of "ghost teachers" involving the creation of fictitious teachers (entire schools "ghost schools" and students "ghost students") as a means for misappropriating funds. Government officials in Sierra Leone estimate that corrupt officials have embezzled hundreds of thousands of dollars in the form of fictitious teacher salaries.[141] Cited as being "one of the country's worst corruption scandals," an investigation of ghost schools in Pakistan revealed over 4,500 fictitious schools in one Indian province alone.[142] In many cases the embezzled funds include the teacher salaries, student expenditures, and the cost of facilities costs and materials. The impact of these ghost schools is felt by legitimate institutions as funds are siphoned off to corrupt officials thus further reducing the limited resources available.

Accountability at the donor level.

At the donor level, increased scrutiny has shed light on the limitations of policy programs which restrict public expenditures and thus negatively impact access and quality of education offered. For example, fiscal policies which cap the hiring additional teachers to fill vacant positions reduce a governments capacity to offer quality education to its citizens. For example in 2005, Sierra Leone reduced its public wage bill from 8.4% of the GDP to 5.8% in response to donor advice. In doing so the government was short over 5,000 teachers to fill positions which were vacant due to the

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139 Authors: Gita Steiner-Khamsi, PhD, professor, and Christine Harris-Van Keuren with Carina Omoeva and Andrew Shiotani, PhD students and graduate research assistants in Comparative and International Education, Teachers College, Columbia University, New York.

140 Michael Barber and Mona Mourshed (2007). *How the world's best-performing systems come out on top*. Longon: McKinsey and Company.

141 BBC News, August 20, 2008. http://news.bbc.co.uk/2/hi/africa/7571903.stm. accessed January 14, 2009

142 International Crisis Group (2004). *Pakistan: Reforming the Educational Sector*. Asia Report No. 84. Islamabad/Brussels: International Crisis Group.

aftermath of the country's civil war.[143] Additionally, a country which is struggling to repay loans simply does not have remaining resources to invest into education. Exploring donor policies which limit a country's ability to achieve global initiatives is a vital component to accountability in education.

Teacher absenteeism: prevalence and reasons.

For reasons which will be explored in greater detail in this paper, teacher absenteeism can reach significant levels. Recent studies[144] show teacher absentee rates such as 21 percent in Indonesia, 25 percent in India, and 27 percent in Uganda. On average 19-25 percent of school staff may not come to work on any given day. In Kenya, the number was as high as 30 percent. Cross national research shows that small schools, especially those in rural settings of developing countries, are particularly at risk. Table 1 depicts this percentage range from a six-country study in Bangladesh, Ecuador, India, Indonesia, Peru, and Uganda.

Poor working conditions and dependence on teachers.

Absenteeism is more prevalent in poorer regions and in rural settings where the infrastructure at the school facility is insufficient and the dependence on teachers is very high. Teachers do not show up for work regularly, not at all ("ghost teachers"), or show up for work late.[145] One study in Ghana tracked absenteeism and tardiness and found that 20 percent of the teachers were absent and an additional 29 percent were tardy.[146] The six-country study by Chaudhury et al. (2006) explored absences of teachers and health workers in six developing countries and is briefly presented in the following. Figure 1 illustrates the relation between GDP per capita and teacher absence rate in Bangladesh (BNG), Ecuador (ECU), Indonesia (IDN), Peru (PER), Uganda (UGA), and in several states of India. Absence rates were highest in poor states of India as well as in Uganda and Bangladesh, and lowest in countries that have relatively high national per capita income (Peru and Ecuador).

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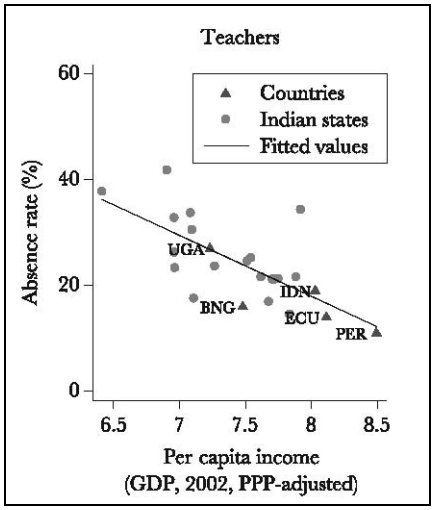
143 Campaign for Global Education (2006). *Every child needs a teacher*. Brussels: Global Campaign for Education.

144 C. Vermeersch and M. Kremer (2004). *School meals, educational achievement and school competition: Evidence from a randomized evaluation.* Policy Research Working Paper No. 3523. Washington, DC: World Bank; N. Chaudhury, J. Hammer, M. Kremer, K. Muralidharan, and H. Rogers N. (2004). *Teacher absence in India* (draft). Washington, DC: World Bank, DEC; Chaudhury, J. Hammer, M. Kremer, K. Muralidharan, and H. Rogers (2006). Missing in action: Teacher and health worker absences in developing countries. *Journal of Economic Perspectives, 20 (1),* 91-116; H. Abadzi (2007). *Absenteeism and beyond: Instructional time losses and consequences.* World Bank Policy Research Working Paper 4376. Washington, DC: World Bank.

145 Chaudhury et al. (2006).

146 ERAC (2003). *Teacher Time on Task: USAID,* Grant No. 6410G-00-03-0055 unpublished report. Educational Assessment and Research Center, Ghana. See also EQUIP 2 (2006). *Opportunities to learn: A high impact strategy for improving educational outcomes in developing countries.* Washington, DC: USAID.

Figure 1. Absence Rate versus National/State Per Capita Income in Six Countries



Source: Chaudhury et al. (2006, p. 98).

Exceptions to the rule.

There are exceptions. Mongolia, for example, does not record high levels of teacher absenteeism. This might be due in part to a reduction in teachers' salaries for unexcused absences, and tardiness is recorded and sanctioned by the deputy principals.[147] However, financial penalties are not necessarily required to motivate teachers to walk through the classroom door each morning. In Peru, 89 percent of teachers come to work each day in the absence of punitive measures or reward-based incentives. Nationwide, only 11 percent of teachers have been recorded as absent on any given day. The figures, however, are much higher reaching 16-21 percent in rural Peruvian primary schools,[148] confirming the findings, presented in Figure 1 above, that absenteeism negatively correlates with per capita GDP and poor working conditions.[149]

A phenomenon that is underreported.

It is important to note that teacher absenteeism and ghost teachers tend to be in general underreported. In countries with a teacher incentives system, attendance rates tend to be manipulated by local administration in order for teachers to receive bonuses.[150] In countries with attractive pension plans, ghost teachers are officially kept on the payroll of the school, but the salary of the ghost teacher is distributed among those teachers that fill in the teaching load. This practice enables the teacher to have uninterrupted years of public service—an eligibility requirement for the pension

147 G. Steiner-Khamsi and I. Stolpe (2008). *Educational import. Local encounter with global forces in Mongolia.* Palgrave: Macmillan. See also World Bank (2006). *Mongolia. Public financing of education. Equity and efficiency implications.* Washington, DC: World Bank, Human Development Sector Reports, East Asia and the Pacific Region.

148 L. Alcazar, F. N. Roger, N. Chaudhury, J. Hammer, M. Kremer, and K. Muralidharan (2004). *Why are teachers absent? Probing service delivery in Peruvian primary schools.* Washington, DC: World Bank, Development Economics Department.

149 Chaudhury et al. (2006).

150 Alcazar et al. (2004); M. Kremer, E. Miquel, and R. Thornton (2004). *Incentives to learn.* NBER Working Paper 10971.

plan—and, in the best-case scenario, return to the teaching profession at a later stage in life.[151] In developing countries, high levels of teacher attendance tend to be aberrations to the norm. Potential explanations for this trend are explored below.

Teacher absenteeism in fragile and conflict-affected states.

In addition to absentee problems faced by most developing countries, fragility or conflict adds another level of complexity to the task of delivering education. These conditions can halt teacher profession development, displace teachers (or entire schools) and delay or eliminate teacher pay. The phases of displacement and reconstruction, although initially temporary in nature, may evolve into more permanent solutions. In times of displacement, the normalcy of schools can deter children from joining militias and provide a stable routine in an otherwise chaotic time. Additionally in fragile states, educational settings vary greatly and depend entirely upon what is safe and available. Schooling may take place in tents, safe havens, homes or outdoors. Aside from safety, the second criterion is that the children must have teachers.

Education is a basic human right even during times of conflict.[152] The reality however is that providing education in fragile states is ripe with challenges. In conflict states, the role of education is often diminished and resources originally allocated for teachers salaries are redirected toward aspects of the conflict. For example in the 1990's, the Democratic Republic of Congo halted payments to teachers and left them dependent upon parents for their survival.[153] Furthermore due to displacement many teachers have escaped the combat zone with their families. Additionally the aftermath of conflict such as those in Rwanda, Sierra Leone, Uganda, Sudan and Angola have had a devastating affect on teachers' ability to educate children. For example in Angola, some schools have remained unusable for years because of the prohibitive cost and difficult procedure of clearing unexploded mines.[154]

Impact of teacher absenteeism.

Teacher absenteeism has a wide and influential reach on a country's educational system. High levels of absenteeism negatively impacts student achievement, school reputation, contribute to the decline of the profession and incite student absenteeism.[155]

A methodological disclaimer.

It is uncontested that teacher absenteeism has negative repercussions for student achievement. However, the question of how many days of teacher absence is tolerable, that is, does not negatively

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151 G. Steiner-Khamsi (2007). The *Stavka* System in Tajikistan: Background, challenges and recommendations for teacher salary reform. Background study for the Education Modernization Project. Washington, DC: World Bank.

152 See UN High Commissioner for Refugees, (2007). *Education Strategy 2007-2009. Policy, Challenges and Objectives*. Online. UNHCR Refworld. Available at http://www.unhcr.org/refworld/docid/469201e72.html. Accessed January 15, 2009.

153 AVSI (2003). *AVSI in the Democratic Republic of Congo*. 47023 Cesena, Viale, Carducci 85.

154 Buckland, P. (2005) *Reshaping the Future: Education and Post-Conflict Reconstruction*. Washington, DC: World Bank.

155 M. Bray and K. Percy (2003). Demand for private supplementary tutoring: Conceptual considerations, and socio-economic patterns in Hong Kong. *Economics of Education Review, 22 (6),* 611-620; H. Patrinos and R. Kagia (2007). *Maximizing the performance of education systems: The case of teacher absenteeism.* Washington: World Bank; G. Steiner-Khamsi, C. Harris-Van Keuren with I. Silova and K. Chachkhiani (2009). *Decentralization and Recentralization Reforms: Their impact on teacher salaries in the Caucasus, Central Asia and Mongolia. Background paper for the EFA Global Monitoring Report 2009.* Paris: UNESCO GMR.

affect student achievement, remains unanswerable. Yet the question of tolerable threshold would be useful to address for decision-makers. This shortcoming of research in this area is due to the method of inquiry. The studies do not measure the length of teacher absences, but rather document how many teachers of a school show up for work on a given day. Typically, enumerators for census studies or for large representative studies arrive unannounced at a school and count the number of teachers present on that very day. Most PETS studies of the World Bank (Public Expenditure Tracking Surveys), for example, include a variable that measures teacher absenteeism. The duration of absences, however, is rarely recorded. Thus, what these studies are able to present are merely the extent to which teacher absences exists at a school, in a district, a region, or a country, but not the average duration of these absences. Arguably, it makes a big difference if 10 percent of a school's teaching staff is absent for most of the time during the school year or only for very brief periods.

Implications for student learning.

Given this serious methodological shortcoming, the studies on teacher absenteeism come up with mixed findings regarding the extent to which teacher absenteeism, as compared with other teacher variables, has an impact on student achievement. For example, one study reported that higher primary teacher absenteeism was associated with only a small reduction in predicted test scores.[156] Another study found that in Bangladesh teacher absenteeism predicted lower scores in English.[157] Yet another study found that decreased teacher absenteeism in Indonesia had a statically significant positive correlation with increased student math tests.[158] Furthermore, teacher absenteeism can impact student learning from 14 to 25 percent *assuming* that there exists a linear relationship exists between instructional time and learning.[159] Finally, it is important to bear in mind that the inverse does not necessarily imply: teacher attendance alone does not translate into increased student learning. For example, in India only 55 percent of public school teachers who were physically on the school site were engaged in pedagogical activities (be it instruction or simply keeping class order) at any point in time.[160] In other words, those teachers that did show up in the classroom were not necessarily teaching or managing the class, but instead were engaged in other, non-teaching related activities.

Financial wastage and repercussions for the education budget.

Additionally, teacher absenteeism significantly affects educational expenditures. As shown in Table 2, approximately 10 (Peru) to 23 (Uganda) percent of the educational budget is lost due to teacher absenteeism. For the more heavily populated countries, in monetized terms, the percentage of loss equates to $16 million in losses (Ecuador) to $2 billion a year (India).[161,] Given the scarce resources available in educational systems, decreasing this wastage by better understanding why teachers are absent and improving attendance will go far in positively impacting a country's financial bottom line.

Teacher characteristics: who tends to be absent?

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156 M. Kremer et al. (2004).

157 Chaudhury et al. (2006).

158 D. Suryadarma, A. Suryahadi, S. Sumarto, and F. H. Rogers (2006). Improving student performance in public primary schools in developing countries: Evidence from Indonesia. *Education Economics, 14 (4),* 401-429.

159 EQUIP 2 (2006).

160 Chaudhury et al. (2006).

161 Patrinos and Kagia (2007). These figures were calculated by multiplying the absenteeism rate by the expenditure of teacher salary as a percentage of primary current education expenditures.

The rigorous six-country study,[162] reported earlier, isolated teacher characteristics to inform absenteeism trends. The researchers found that head teachers, teachers with more authority, and teachers with more education tend to be absent more often. One explanation is that teachers with these characteristics enjoy reduced monitoring than their less experienced peers. Additionally, several studies confirmed that male teachers tend to be absent more often than their female counterparts.[163] Finally, as mentioned earlier, absenteeism correlates negatively with GDP per capita, making it more likely that schools in poor and rural areas—with difficult working conditions—face teacher absenteeism. An effective policy to curb absenteeism, shortage and exodus of teachers from remote rural areas is to recruit students from rural areas to enroll in teacher education. Community schools are a good case in point, because they typically hire teachers from the community and thereby reduce the teacher absence rate.

Reasons for teacher absences.

There is a wide range of reasons why teachers are absent and not all of them are unexcused, unwarranted or even self-imposed. Many studies focus on punitive measure as a means of motivating teachers attendance rates. However, little attention is paid to the valid reasons for teacher absence. For example, teachers note short-term illness (personal or family), severe weather, work related meetings and collecting their pay from capital cities as reasonable explanations for absence. Prolonged absences can be attributed to week's worth of in-service training and required educational workshops to improve their skills in the classroom and be more effective teachers. The literature on education and fragility also highlights violence against teachers and in the school as a reason for absences.[164] In certain countries, illness due to HIV/AIDS has also been a significant factor in teacher absence rates. In Zambia, more than 60 percent of teacher absenteeism is attributed to an HIV/AIDS illness in the teachers' family or for the teacher. In South Asia, high absenteeism is due to requisite political action such as voter registration, election oversight and public health campaigns.[165] Most research concedes that it is difficult to accurately assess what portion of teacher absenteeism is regarded as unacceptable or unexcused. Illness and work related absences are the most commonly stated reasons for absence but in light of the data, is it clear that a large percentage of absenteeism is unauthorized. What factors then are drivers of teacher absenteeism?

Below-average teachers' salaries.

In many developing countries, teachers' salaries remain significantly below the average country wage. A regional study found that teacher salaries were 30 to 47 percent below the national wage average in the Caucasus, Central Asia and Mongolia.[166] Additionally, UNESCO (2006) observed that a large number of countries, developed and developing, offer teachers a starting salary well below the ratio that the EFA Fast Track Initiative Indicative Framework recommends, that is, less than 3.5 times the GDP per capita. These low salaries force teachers to seek additional income as a means of survival. Working multiple jobs leads to a further decline the profession, encourages absenteeism and reduces the quality of education delivered. Not surprisingly, those at the bottom of the teacher salary scale, contract teachers or para-teachers, represent the group with the highest absentee rates.[167]

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162 Chaudhury et al. (2006).

163 Chaudhury et al. (2006), Abadzi (2007); Patrinos and Kagia (2007).

164 B. O'Malley (2007). *Education under attack. A global study on targeted political and military violence against education staff, students, teachers, union and government officials, and institutions.* Paris: UNESCO.

165 Abadzi (2007); Chaudhury et al. (2006); Kremer et al. (2004); Das et al. (2005); UNESCO (2006). *Teacher and educational quality: Monitoring global needs for 2015.* Montreal: UNESCO Institute for Statistics.

166 Steiner-Khamsi et al. (2009); see also the UNICEF study on *Managing Teacher Costs for Access and Quality* (written by S. Mehrotra and P. Buckland) on teacher salaries in other regions.

167 Chaudhury (2006).

The wages paid to these teachers is not enough to earn a living and multiple income streams are a necessity.

The negative impact of low teacher salaries is exacerbated by government delays in payment. In several developing countries, delayed distribution of teacher paycheck is often the norm. For example, in teachers in Ghana reported two to nine month delays in receiving their pay and in Southern Sudan teachers went on a four month strike due to lack of pay.[168] These delayed payments further decrease in the status of the profession, and contribute to teacher absenteeism by forcing teachers to strike simple to receive their due pay.

Above-average teachers' salaries.

Teachers who receive salaries above the national wage average might be inclined to support measures which protect the economic rent they enjoy. Labor laws that prescribe job security in the public sector ensure on one hand the freedom of speech of public servants and protect teachers from state persecution but, on the other hand, also provide a loop hole for absences to occur due to the lack of punitive capacity.[169] In the post-socialist region, public servants are narrowly defined as representatives of the ruling administration and the educational sector greatly suffers from frequent turnover of education authorities and principals that occur after each election or change in government. These periodic changes in leadership diminish the trust in managers, let alone their punitive capacity.

Teacher unions.

Most unions strike to protest poor or unsafe working and learning conditions for themselves and the children they instruct, unfulfilled promises of wage increases, minimal raises which do not keep up with inflation rates and, as noted above, as a final means of obtaining months of back pay. In some regions, union strikes have a considerable impact on students' opportunities to learn. The impact of teacher unions on teacher attendance has been reported specifically for the Caribbean and Latin America region. For example, between 1998-2003, Argentina (556 days), Brazil (1,116 days) and Mexico (434 days) lost a considerable number of school days due to union strikes. Additionally teachers report absences due to required union meetings.[170]

Lack of prestige.

In many countries, teaching is not an individual's first or perhaps second choice. Indeed, there are those who are committed to the profession and the children they instruct. However, in some cases teaching is an option only exercised out of economic necessity. Thus some of those who accept positions do so but with little motivation to instruct. Instead, teaching serves as a placeholder until another position is found. Increased absenteeism in the classroom serves as the consequence.

Teacher shortage.

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[168] Hedges, J. (2002). *The Importance of Posting and Interaction with the Education Bureaucracy in Becoming a Teacher in Ghana*. International Journal of Educational Development 22: 353-66. See also BBC News, July 12, 2007. http://news.bbc.co.uk/2/hi/africa/6289528.stm. Accessed January 14, 2009.

[169] Chaudhury (2006).

[170] P. Gentili and D. Suarez (2004). *La Conflictividad Educativa en America Latina*. Foro Latinamericano de Politicas Educativa, Chile.

Many developing countries experience a chronic teacher shortage. In Zambia for example nearly 9,000 positions remained unfilled and some classrooms in the rural villages have gone without a teacher for an entire year. In response to the abolition of school fees in 2002 enrollment rates in Zambia skyrocketed but recruiting and hiring new teachers did not keep pace. Due to these severe shortages, classroom time in some areas has been decreased to only two hours a day with one teacher covering two or even three shifts a day.[171] Teacher shortage is a global phenomenon for the developing world. The shortage will exacerbate over the next few years, in particular for primary schools in sub-Saharan Africa as well as secondary schools throughout developing countries.[172] These shifts may take place in the same school or in different school requiring teachers to travel to their students.

Head teachers in particular are more heavily burdened due to the shortages as they are often required to travel to district headquarters to collect teachers' salaries and dedicate classroom time to administrative tasks such as collecting and submitting data. This dual role increases absenteeism in the classroom and contributes to teacher exhaustion. Additionally as previously noted in this paper, highly qualified teachers tend to be absent more often. One potential reason for this finding is that these teachers often are instructing classes at higher levels than they are officially appointed. For example, the promotion process in Nepal has not been maintained for over a decade. Teachers who hold masters level degrees teach several classes in the morning before going to their assigned school.[173] Therefore, the increased absenteeism of more qualified teachers as noted in some research might be due to the fact that these teachers are instructing higher-level classes in addition to the class in which they are officially appointed.

Governments and donors contribute to the teacher shortage in several ways. First, and most obviously, is that governments are not providing enough teachers. In some cases, the rational for this action lies in the broader public expenditure objectives of the government. In keeping with their own budget plans and in some countries with donor or other international requirements, governments are limited in their public expenditure spending. [174] In doing so, the ability to hire new teachers is capped thus further contributing to the teacher shortage and increasing teacher absenteeism.

Lack of social accountability.

Teacher absenteeism is also impacted by the level of community involvement. Community participation, in general, tends to be low and parental committees have little jurisdiction regarding which teachers are hired, retained and fired. The lack of community participation might be in part due to the pragmatic realization that the community exercises little control or power to incite school change. Therefore, their participation serves little benefit to the school or their children with regard to an increased teacher presence or education quality. In some cases where parental control was granted, it was not necessarily used. For example in one study in India, poor rural parents were informed that they had the right and the authority to influence school decision and access funds to that end. However, parents chose not to involve themselves in school decisions.[175] In contrast, the EDUCO program in El Salvador is well studied and emulated as a "best practice" in many other developing countries as a model of increasing school-based management and community participation. An increase in teacher accountability has been an acclaimed, prominent feature of

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171 Global Campaign for Education (2004). Undervaluing Teachers. IMF Policies Squeeze Zambia's Education System. Global Campaign for Education, 5 bd du Roi Albert II, B1210 Brussels, Belgium.

172 For exact numbers, see the projections by the Education Policy and Data Center (2009). *Global Educational Trends, 1970-2025. A Brief Review of Data on Ten Issues.* Washington, DC: EPDC (draft version, January 2009).

173 Online contribution by Purna Shrestha on February 4, 2009. Teachers have some good reason to be absent in schools. USAID online discussion. http://edstrategy.glp.net

174 Global Campaign for Education (2004).

175 A. Banjaree and E. Duflo (2006). Addressing absence. *Journal of Economic Perspectives, 20 (1),* 117-132.

EDUCO, and hiring and firing decisions were clearly shifted to the school and community level.[176] Additionally, strengthening parent teacher organization and school management committees serves to increase the involvement of the community into school activities. Not simply limited to the hiring and firing of teachers but also to the overall quality of the education and the maintenance of the school, community involvement improves a teacher's status and allows a teacher to focus more specifically on pedagogy and reduces non-educational activities such as weekend janitorial work.

The social protection of a profession that is short in supply.

In many developing countries teachers benefit from the social protection that is associated with the status of civil or public servants. In addition, the chronic shortage of teachers or the under-supply of teaching staff makes it difficult for education authorities to dismiss those teachers that are actually in service. These reasons explain why despite India's chronic 25 percent teacher-absence rate, only one head teacher out of a sample of nearly 3,000 was fired due to absenteeism.[177] While disciplinary measures exist rhetorically in many countries at a supervisory level, they are limitedly or rarely exercised in practice. This lack of accountability, in part due to an under-supply of teachers, also impacts teacher absence rates.

Options to increase accountability in education.

By way of drawing conclusions from the studies presented above, the following section offers a few propositions on how to curb teacher absenteeism and enhance teacher accountability.

Increase government accountability.

Increased accountability of government officials is an important component of accountability in education. As noted in the other issue paper on resource allocation in basic education, the effective monitoring of scarce resources and ensuring that these resources reach the intended recipients on the local level is a critical step in improved government accountability. The use of tools such as Public Expenditure Tracking Surveys and National Education Accounts serves to improve fiscal accountability in multiple governmental levels.

More thoughtful and systematic teacher recruitment.

The importance of diligent teacher recruitment is presented in greater detail in the issue paper on access and quality in basic education. Arguably, there are limitations to being selective in a context that severely suffers from a teacher shortage. Nevertheless, governments have put several measures in place that ensure a greater attendance rate of teachers, specifically in poor and rural regions that are disproportionately affected by teacher absenteeism. Notably, outreach attempts to recruit students from rural areas to enroll in teacher education programs deserve special mention here. A teacher that already has a social network in place in the community is less likely to be absent; either because of the perceived social control or because the teacher is more motivated to work for her/his own community. Similarly, communities that offer teacher housing and integrate the teacher in community affairs encounter less teacher absences. The closely tied social network in community schools has a positive effect on teacher attendance. Additionally, and pragmatically, the further a teacher lives from the school in which he or she is assigned the greater their absence rates. This is due to inclement weather, dangerous environments or long travel times. Decreasing the distance

[176] Y. Sawada and A. Ragatz (2005). Decentralization of education, teacher behavior, and outcomes. In E. Vegas, ed., *Incentives to improve teaching. Lessons from Latin America.* Washington, DC: World Bank, pp. 255-302.

[177] Chaudhury et al. (2006).

from a teacher's home to the school in which they work will contribute to increased teacher presence in the classroom.

Social accountability, monitoring, and punitive capacity.

As reported above, deputy principals and principals are currently not necessarily reliable sources for enforcing the monitoring of teachers. In some countries, they exhibit absence rates that are higher than those of lower ranking teachers at their school. Additional monitoring mechanisms are needed in the form of community participation and a strongly adapted version of outcomes-based work contracts. As explained in some detail in the other issue paper on the changing context for basic education, outcomes-based education and results-based management are difficult to implement in the development context. They require a great deal of monitoring and documentation (including piles of bureaucratic paper work) and encounter an unfavorable environment where informal personal networks are considered more important than formal agreements on outcomes or results.[178] Furthermore, outcomes-based education reform requires a comprehensive and coherent curriculum reform; a prerequisite that is rarely fulfilled in the case of developing countries. A more basic or strongly adapted form of outcomes-based education is, however, feasible and necessary for enhancing teacher accountability. Educational systems that document attendance of teachers on a daily basic and deduct salaries for infractions have significantly less problems with teacher attendance. These are typically educational systems that attach a high value to teacher professionalism.

The leadership vacuum or the frequent turnover of principals, respectively, in countries undergoing frequent changes in government administration is an issue that deserves greater attention. The lack of monitoring and punitive capacity of managers could be to some extent remedied if principals were transformed into education professionals rather than serve as representatives of the government administration. For this to happen, major social transformations would need to take place. However, a systematic professionalization of education managers or principals would help to offset some of the negative consequences and possibly curb the rapid administrative turnover in developing countries. It would enhance the mentoring and monitoring capacity of managers if they were regarded as professionals rather than as representatives of the government administration exerting, for a limited time period only, authority due to a political mandate.

Comprehensive teacher attraction and retention strategy.

In general, the salary (either below or above national wage average) alone does not account for attendance of teachers. Even though salaries have an impact on attracting graduates of teacher education to the profession, they have little effect on attendance and retention in the profession. The distinction between attraction and retention is key for understanding why poor working conditions have a larger negative impact on teacher absenteeism than teacher salaries. A comprehensive strategy needs to include *both* aspects: the profession needs to be sufficiently *attractive* (by raising salaries to an adequate level) to overcome shortage, to allow for selectiveness during the recruitment of students for teacher education, and to reduce dependence on teachers (with the option to fire or sanction them if they are unprofessional and/or absent) and the strategy needs to pay simultaneously attention to factors that enhance *retention* of qualified teachers and reduce their burnout and attrition. The latter is closely related with improving the infrastructure of the work environment and living arrangement of teachers, continuous professional development of teachers, and integration of teachers in the community.

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[178] K. Kuehnast and N. Dudwick (2004). *Better a hundred friends than a hundred rubles? Social networks in transition – the Kyrgyz Republic.* World Bank Working Paper No. 39. Washington, DC: World Bank.

Incentive schemes, merit pay and bonuses.

There is a tendency of the donor community to uncritically advance incentive scheme as a solution to two problems: First, in most developing countries the teacher salary is exclusively linked to qualification and years in service (seniority), and entirely unrelated to teacher performance and student learning outcomes.[179] Second, salaries in the education sector absorb, along with salaries in the health sector, a large proportion of public expenditures. A raise of teacher salaries, even though carried out periodically throughout all regions, encounters budgetary constraints. The introduction of incentive schemes has been considered a solution to both existential problems: a few, high-performing teachers are rewarded with bonuses or other incentives, and the rest of the teaching force is left with the low salary. The hope was that such incentives send out a signal to teachers, that is, make them work harder and invest more in improving the learning outcomes of students. As a result, a flurry of pilot projects have been funded over the past few years that redesigned the career ladder of teachers as well propelled incentive and promotion schemes. Overall, the pilot projects have been received with mixed results. Implementation problems persist and include, among others, a nominal value of the bonus that is too low to function as an incentive, leakages and favoritism in the distribution of bonuses, and difficulties with objectively measuring teacher performance and student learning outcomes. In the absence of reliable standardized tests, school principals in Mongolia, for example, had to rely on teachers' assessment of student outcomes. The introduction of a bonus payment system that was linked to student outcomes led to grade deflation at the beginning and grade inflation at the end of the school year. Furthermore, the funding of the bonus system—generously funded during the first year only—was entirely delegated to the school level after one year without an increase in the school budget forcing principals to either generate additional income at the school or to lower the salary of some teachers in order to award bonuses to others. Principals refused to implement this zero-sum reform and the carefully designed bonus system was eventually replaced with a general salary increase for all teachers.[180] Another rigorous study conducted in Kenya examined the impact of an incentive scheme on teacher attendance and student test scores. At the time of the randomized experiment, teacher absentee rates were at 20 percent. The study showed that teacher attendance rates did not improve. They did find that teachers held more test preparation sessions which impacted short-term student gains. In other words, the teachers worked harder but only toward the immediate outcome of increased student test scores and not long-term to improve student learning.[181] The effectiveness of incentive schemes, merit pay, and bonuses in developing countries deserve greater scrutiny.

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179 E. Hanushek and L. Woessman (2007). *The role of education quality in economic growth.* World Bank Policy Research Working paper 4122. Washington, DC: World Bank, DC; E. Hanushek and D. Kimko (2000). Schooling, labor force quality, and the growth of nations. *The American Economic Review, 90 (5),* 1184-1208.

180 Steiner-Khamsi et al. (2009); Steiner-Khamsi and Stolpe (2008).

181 P. Glewwe, I. Nauman, and M. Kremer (2003). *Teacher Incentives.* Unpublished manuscript. Boston, MA: Poverty Action Lab at the Massachusetts Institute for Technology.

Appendix

Table 1. Primary School Teachers Absence: Evidence from the Multi-country Study

	Absence rate (%)
Bangladesh	16
Ecuador	14
India	25
Indonesia	19
Peru	11
Uganda	27

Source: Chaudhury et al. (2006)

Table 2. Estimated Direct Costs of Teacher Absenteeism, Selected Countries

Country	*Direct cost of absenteeism as percent of public budget (current expenditure primary education)*[a]	*Direct cost of absenteeism in primary education as a percent of GDP*[b]	*GDP at market prices (current $, billions)*	*Direct cost of absenteeism in primary education (current $, millions)*[b,c]
Bangladesh	—	0.14	56.6	81
Ecuador	—	0.05	30.3	16
India	22.1	0.29	691.2	2,032
Indonesia	15.4	0.07	257.6	173
Peru	10.3	0.11	68.6	77
Uganda	23.6	0.86	6.8	59
Zambia	16.2	0.31	5.4	17

Source: Chaudhury and others (2006); Das and others (2005); UNESCO-UIS/OECD (2005); World Bank (2006b).
[a] Absenteeism rate multiplied by expenditure on teacher salaries as percent of primary current education expenditure.
[b] Absenteeism rate multiplied by public education expenditure as percent of GDP multiplied by share of public expenditure for primary education (assuming absenteeism rate is for primary level).
[c] For countries where teacher salaries are not available (Ecuador, India, Uganda), salaries for all education personnel were used; for Bangladesh, the teacher salary is an estimate from Chaudhury and others (2006) of 97 percent of recurrent education expenditures.
Note: — = not available.

Source: Patrinos and Kagia, 2007

BE Paper #5: Effective Aid Modalities in Basic Education[182]

The Scope of Aid Modalities.

This paper presents findings from studies that examine aid modalities in basic education. Aid organizations routinely make series of decisions that impact the effectiveness of their interventions. In this paper we use the term 'aid modalities' to refer to the criteria and parameters under which such interventions are designed, implemented, and evaluated for their effectiveness. Consideration of such modalities raises a number of issues, including the following:

Target countries

Where should aid money flow? Should aid be targeted toward a broadly representative spectrum of countries or regions – i.e., toward as wide an array of countries as possible? Or should aid interventions be implemented across a narrower range of countries, and prioritized according to some set of criteria?

Beneficiaries

Who should benefit from an aid strategy? If choices are to be made, who should be the direct beneficiaries of an intervention: teachers, students, parents, administrators, or communities?

Areas of intervention

What should be the main objectives or priorities of an aid strategy? Should the emphasis be on delivering content (curriculum, textbooks, student assessment), improving delivery systems (e.g., teachers), strengthening capacities in governance and finance, or working toward the improvement of facilities and infrastructure?

Type of interventions

How is aid delivered? What are advantages and disadvantages of different types of interventions, such as funding pilot projects, providing grants, building capacity, or offering technical assistance?

Purpose of aid

Why is aid given or what is the expected outcome of aid intervention? More specifically, and taking intergovernmental relations into account: should aid interventions support, supplement, or modify existing practices in basic education?

Relevance of Determining Aid Modalities.

Aid effectiveness has become an issue of major concern over the past few years. Whereas the twelve indicators of the Paris Declaration on Aid Effectiveness (2005) tend to focus on government–aid agency relations, there exist only a few studies produced by aid agencies themselves that evaluate the effectiveness of their aid modalities and operations. The relevance of diligently determining aid

[182] Authors: Gita Steiner-Khamsi, PhD, professor, Andrew Shiotani and Carina Omoeva with Christine Harris-Van Keuren, PhD students and graduate research assistants in Comparative and International Education, Teachers College, Columbia University, New York.

modalities should become clear when the following controversial issues, intended here as exemplary rather than exhaustive, are taken into consideration:

Target countries

To what extent should *need* be considered as a criterion for a country assistance strategy? How does needs-based selection criteria relate to two other more commonly used frameworks, e.g., the political and economic assistance frameworks? Closely related to this issue is *who* defines need: the international donor community, the recipient government, and/or civil society actors?

Beneficiaries

Is it true that multilateral and bilateral aid, despite its commitment to raise the quality of basic education, has focused too much on inputs and neglected (student) outcomes? Has aid relied too much on textbook support, teacher in-service training, and curricular reform without adequately ensuring a transfer to the classroom level that would benefit students and student learning?

Type of interventions

Each type of intervention begs the question of whether a particular intervention is likely to be effective, and (in most cases) whether it is likely to be sustained beyond the duration of the project. In particular, the preponderant use of pilot projects in aid interventions raises the decision as to how to scale-up a pilot project geographically, numerically, or socially. Beyond establishing project-specific targets and expected outcomes, the following broader issue needs to be clarified: how can one determine that a project has been successful?

Areas of intervention

Donors tend to specialize by focusing on a portfolio of their own “best practices”? For example, the GTZ (German bilateral aid agency) tends to focus on vocational-technical education, while the World Bank tends to emphasize in its broad array of interventions governance and finance reform. Should USAID diversify its areas of intervention or focus on a few areas in which it is able to draw on its specific historical and organizational experiences, capacities, and reputation?

Purpose of aid

It would be wrong to assume that recipient governments do not have their own reform initiatives. Most such government-initiated projects concentrate on capital repairs, technology integration, or resource distribution (school libraries, textbooks, school meals, etc.). However, there also exist ‘soft’ government-led projects that directly impact the quality of education by focusing on, for example, improving the qualifications of teachers, reforming student assessment systems, or providing incentives to attract professionals to the teaching profession. A noted difference between donor-led and government-led reforms is that the latter are usually under-funded, yet implemented systematically across a country. The question becomes: should aid agencies focus on supporting those existing reform initiatives that match the mission of the aid agencies; supplementing these reform initiatives with new reforms that have been neglected; or focus on modifying existing reform initiatives?

These and other questions will be addressed in this issue paper on aid modalities.

Target Countries

Aid and foreign policy of bilateral donors are inextricably linked, particularly through their political and economic interests. In their study *Who Gives Foreign Aid to Whom and Why?,* Alberto Alesina and David Dollar[183] present a multivariate analysis of donor strategy that considers trade openness, democracy, civil liberties, colonial status, direct foreign investment, initial income, and population of the target countries. They find that former colonial empires (in particular, Portugal, the United Kingdom, France, Australia, and Belgium) spend more than half of their foreign aid on their former colonies. The United Kingdom, for example, allocates 78 percent, and France 57 percent to former colonies. The variable of being a "U.N. friend" also proved important for several donors' selection of target countries. The variable measures whether the target country has voted or is likely to vote in line with the donor at U.N. conferences. This variable accounts for the Japanese funding pattern where funding was channeled into developing countries in return for a vote on admitting Japan as additional member of the U.N. Security Council. Their findings also illustrate the high funding priority the United States gives to the Middle East. All other factors kept constant, both Egypt and especially Israel received vastly disproportionately higher levels of aid.[184] The two features that were found least important for receiving aid were the criteria of "being relatively open" (toward international trade) and "being relatively democratic" (index from Freedom House on a scale of 1 to 7). Finally, initial income of the country (a proxy for poverty) and population size proved to be far less decisive as criteria for selecting target countries as compared to political and economic considerations. More recent studies[185] confirmed that the Monterrey Consensus (2002) to channel aid into countries with "good governance" in terms of democracy, property rights, and rule of law, is not necessarily followed by all bilateral aid agencies. The lack of selectivity is especially pronounced for foreign assistance flowing from France and the United States.

Since the new millennium, the Interagency Network for Education in Emergencies (INEE) has drawn attention to the unequal distribution of official development assistance (ODA) among low-income countries. Although ODA for education in developing countries has risen from $5 billion in 1999 to $8.5 billion in 2004, conflict-affected fragile states receive a much smaller proportion compared with other low-income countries. In 2004, the 30 countries classified as conflict-affected fragile states received less than one third of the education aid going to low-income countries, while two-thirds of the education aid went to the remaining 33 low-income countries. When calculated as education aid per capita, conflict-affected countries also do worse than other low-income countries, receiving an average of just $1.6 per capita per year between 1999 and 2003, compared with $3.3 per year for other low-income countries. The unequal flow of education aid money to countries categorized as low-income has several causes, ranging from a lack of political commitment to get involved in fragile states to difficulties with finding appropriate partner organizations in conflict-affected areas that help implement and monitor projects effectively. From 2002 to 2004, for example,

[183] A. Alesina and D. Dollar (2000). Who gives foreign aid to whom and why? *Journal of Economic Growth, 5 (1),* 33-63.

[184] Westad (2005, p. 156) provides a historical overview of U.S. foreign assistance: Israel received $81 billion since its creation, and Egypt has received $53 billion since the early 1970s. Another country regarded as a high priority was Vietnam. During its short existence it received $24 billion in the form of U.S. grants and loans. In contrast, all of sub-Saharan Africa received only $31 billion between 1945 and 2001. O. A. Westad (2005). *The Global Cold War: Third World Interventions and the Making of our Times.* New York: Cambridge University Press.

[185] Specifically, D. Dollar and V. Levin (2006). The increasing selectivity of foreign aid, 1084-2003. *World Development, 34 (12),* 2034-2046; see also A. Alesina and B. Weder (1999). Do corrupt governments receive less foreign aid? *American Economic Review, 2002, 92 (4),* 1126-1137, and Westad (2005).

only 56% of bilateral aid funds committed to conflict-affected fragile states actually got disbursed. In comparison, 65% of such funds are disbursed in developing countries overall.[186]

The *institutional capacity* of recipient governments to receive, manage, and disburse loans and grants effectively has dominated the literature on aid relations since the early years of the millennium. The Monterrey Consensus (2002) and, three years later, the Paris Declaration (2005) acknowledged the importance of only funding governments that have the institutional capacity and the policy framework to use foreign aid resources effectively. The Paris Declaration on Aid Effectiveness needs to be seen as an attempt to measure, monitor, and prescribe measures that enhance the institutional capacity of the recipient governments.

Pursuant to this emphasis on institutional capacity, international pressure has been placed on recipient governments to demonstrate to donors the existence of poverty alleviation plans, education sector reviews and strategies, donor coordination mechanisms, functional analyses, fiduciary assessments, mid-term budget frameworks, a monitoring and evaluation plan, and a host of other measures. These are collectively intended to reflect an institutional capacity to receive and effectively utilize external funds. In practice, however, international consultants design these plans and measures on behalf of national ministries of education. As noted by Joel Samoff, the education sector reviews and strategies for a wide range of countries are therefore "remarkably similar"[187] and "prescriptive," reflecting the funding priorities of the donor. Government ownership, or the lack thereof, over donor-initiated and donor-funded projects has remained an unresolved issue that forces reflection. .

Alternatives have been proposed. Perhaps the most radical alternative has been presented in the form of progress-based aid for education, also known as "cash on delivery."[188] It resembles conditional cash transfer programs, but targets poor governments rather than poor individuals. The donors would commit to pay a specific amount for a specific measure provided that the initial agreed-upon outcomes have been accomplished. The feasibility of "cash on delivery" needs to be tested in practice. It is possible that in developing and transforming countries, let alone rebuilding countries, such a strict accountability framework is difficult to implement. Frequent administrative and political turnover is endemic in countries that depend on external assistance, which would inhibit consistent performance and thus make "delivery" of the specified targets unlikely.

In practice, aid is given to governments that have demonstrated a *willingness* to build institutional capacity, as demonstrated in the host of plans and documents that they, with the active support of international consultants, produce. However, whether that capacity has been built over the course of a donor-funded project often becomes irrelevant once the grant or loan has been assigned. There is a need to enforce institutional capacity or at least the willingness to build institutional capacity as a selection criterion for target countries. The dependence on technical assistance and international consultants, in most cases funded by the very donors that request the existence of certain plans and measures as evidence of institutional capacity, should be addressed more explicitly and, in the long term, confronted in a systematic manner. Any support for reform in basic education should also include a project component on how to increase the institutional capacity of stakeholders in the country to adequately design, implement, and monitor a donor-funded project.

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[186] Figures are from Save the Children (2006). *Rewrite the Future. Education for Children in Conflict-Affected Countries.* London: International Save the Children Alliance.

[187] J. Samoff (1999). Education sector analysis in Africa: Limited national control and even less national ownership. *International Journal of Educational Development, 19 (4/5),* 249-272.

[188] Center for Global Development (2008). *"Cash on Delivery": Progress-Based Aid for Education.* Downloaded on December 19, from http://www.cgdev.org/section/initiatives/_active/codaid.

One of the recurrent questions for donor organizations is the question of breadth versus depth: should aid be spread across many different countries, each receiving low or minimal levels of funding, or should it be distributed to a few countries receiving much more substantial levels of aid? A comparison between the United States and the United Kingdom might be useful. As illustrated in the two figures listed in Appendix 1, both express a similar level of commitment to the category "education, health and population"[189]: US bilateral ODA assigns 22 percent of its funds to this sector, and UK bilateral ODA disbursed 19 percent in this sector. Two features of US bilateral Official Development Assistance are noticeable. The first is the relative high allocation of assistance funds to lower middle-income countries (US ODA: 39 percent; UK ODA: 7.6 percent), which in the USAID Foreign Assistance Framework overlap with the category "sustaining countries." The second is the global spread of US assistance operations. The geographic focus is much narrower for UK bilateral ODA: 49 percent of UK ODA is spent in countries of Sub-Saharan Africa; many of them members of the British Commonwealth.

A narrower focus on basic education support, provided by USAID and DFID, is presented in Tables 1 and 2. The USAID data in Table 1 lists missions with basic education priorities, and does not necessarily cover all basic education support initiatives funded by USAID. Similarly, DFID's list in Table 2 includes those countries that have received priority within the British Government's Public Service Agreement (PSA) frameworks of 2003-2006, 2005-2008, and 2008-2011. These countries do not comprehend the full range of DFID activity in education or other areas, but are those countries in which UK development assistance was regarded as likely to have the most impact in achieving the EFA Millennium Development Goals in education and other areas of poverty reduction. Tables 1 confirms the US emphasis on global spread, including in lower middle-income countries, and mirrors the larger USG foreign assistance framework, illustrated in Appendix 1.

Table 1. USAID Basic Education Support: Target Regions and Countries

Sub-Saharan Africa	South / Southeast Asia & the Near East	Europe & Central Asia	Latin America and the Caribbean
Benin DR Congo Djibouti Ethiopia Ghana Guinea Malawi Mali Namibia Senegal South Africa Sudan Uganda Zambia	Afghanistan Bangladesh Cambodia Egypt India Indonesia Iraq Jordan Morocco Nepal Pakistan Philippines Sri Lanka West Bank / Gaza Yemen	Macedonia Tajikistan Uzbekistan Kyrgyzstan Turkmenistan	Dominican Republic El Salvador Guatemala Haiti Honduras Jamaica Nicaragua Peru
Source: USAID (2005), *Progress in Education: Meeting the Global Challenge*.			

Table 2. DFID Basic Education Support: Target Regions and Countries

Sub-Saharan Africa	South/South East Asia and the Near

[189] OECD DAC (2008). *Statistical Annex of the 2008 Development Co-operation Report.* Paris: OECD DAC.

	East
DR Congo Ethiopia Ghana Kenya Lesotho Malawi Mozambique Rwanda Sierra Leone South Africa Sudan Tanzania Uganda Zambia Zimbabwe	Afghanistan Bangladesh Cambodia China India Indonesia Nepal Pakistan Vietnam Yemen
Source: UK Department for International Development (2008), *Autumn 2008 Progress Report*.	

The difference with regard to global presence is striking. USAID supports basic education in four regions and 42 countries; UK in two regions (Sub-Saharan Africa and South/Southeast Asia and the Near East) and 25 countries. The larger aid volume of the US Government is not a sufficient reason to explain the differences with regard to target regions and countries. It is more accurate to state that Table 1 and Table 2 reflect the different selection criteria used by the two agencies, as discussed in the comparative studies by Alesina and Dollar (2000) and Dollar and Levin (2006) and presented in the earlier sections of this paper. One-quarter of USAID funds, disbursed in the period 1990-2005, went to support basic education projects in Egypt ($190 million out of $733 million), with other substantial outliers to support basic education in South Africa, Namibia and Nicaragua.[190]

Political and economic considerations, mentioned above, tend to eclipse other considerations in foreign assistance. However, we propose posing the important strategic question of whether to reduce, increase, or maintain the current number of target countries in a different manner. What does the organization have to offer with respect to the kinds of basic education interventions that may be needed in a recipient country? Organizations, including aid agencies, have a history (with experiences of "best practices"), an identity, and a reputation. It is a matter of evaluating the strengths of a donor with regard to areas of intervention and types of intervention in selecting target countries. Ultimately, however, what a donor has to offer, what its specific areas of expertise are, and what its reputation among recipient countries and other donors is, are strategic decisions.

Beneficiaries.

Since Jomtien, international donors have invested considerably in improving access to education, and particularly, access to primary education. Over the past decades, the primary emphases of program interventions have almost exclusively been expanding enrollments, and more recently, on increasing completion rates. The move towards universal primary completion, however, has also motivated greater attention to quality-related issues surrounding student dropout and deficiencies in learning outcomes. In practice, however, donors struggle with selecting aid modalities that systematically and effectively target the improvement of students' learning outcomes. The recent 2006 study by the World Bank's Independent Evaluation Group,[191] for example, reports that out of

[190] EQUIP 2 (2008). *An Analysis of USAID Assistance to Basic Education in the Developing World, 1990-2005*. Washington, DC: AED.
[191] Independent Evaluation Group (2006). *From Schooling Access to Learning Outcomes: An Unfinished Agenda. An Evaluation of World Bank Support to Primary Education*. Washington, DC: World Bank, IEG.

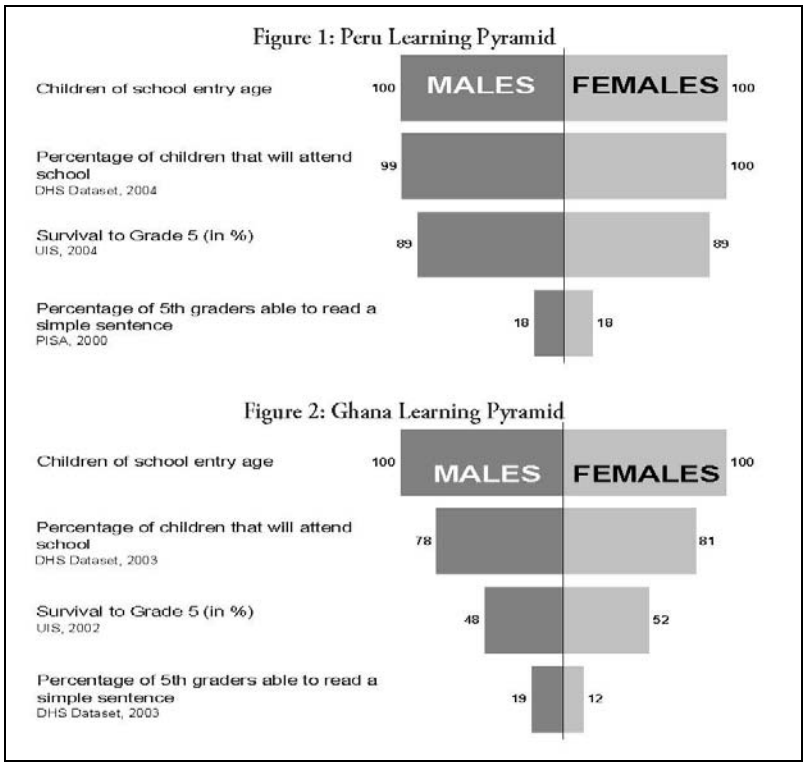
the Bank's twenty completed education sector investment projects, only six aimed to improve learning outcomes, and only four "did so satisfactorily" (32). Furthermore, among indicators measuring learning outcomes, few are specifically set to track progress among the poor populations, which leads to a lack of awareness of the differential impacts on different income groups. The same report points out that attention to addressing the gender gap in education has also been mainly defined in terms of access to educational facilities – getting girls into classrooms – which, while being an important objective in itself, should not overshadow the gender inequities in educational quality. Overlooking the quality aspect may contribute to sustaining existing inequalities rather than eliminating them, if education for the poor and girls are continuously addressed with a markedly lower standard.

The fact that international aid has not been successful in improving learning outcomes is a growing criticism, now acknowledged by a wide range of international donor agencies. As USAID's EQUIP2 case studies on aid effectiveness in education reform[192] point out, most education reform efforts, regardless of scope and budget, have not resulted in a meaningful change in the core relationship that lies at the heart of an education system: the relationship between the teacher and the student in the classroom. Reforms strategies across different contexts have issued forth elaborate plans, but seldom have these gained broad-based support throughout the different levels and structures of different educational systems. Furthermore, donor-led activities have often been based on unwarranted assumptions of subsequent scale-up and takeover by host governments, without a critical retrospective on which kind of donor-funded pilot projects succeeded to be scaled up or institutionalized, and which ones failed to do so.

The EQUIP 2 study, cited above, underscores that interventions which address the quality of learning must take place at two levels: teaching, learning, and effective management at the school level, and changes at the institutional level that put in place policies and structures to support school-level changes. However, it is not sufficient to establish structures and procedures, which indeed tend to be the focus of too many donor-led projects. What is crucial is the ability of schools to transfer the knowledge and skills to their students – an ability that is referred to as giving the *opportunity to learn* (OTL) by EQUIP2.[193] Take as an illustration the following two figures present the learning pyramids in Peru and Ghana and illustrate that enrollment in school is not a predictor for learning outcome. In Peru, only 18 percent of 5th grades are able to read a simple sentence, and in Ghana 19 percent of male students and 12 percent of female students are able to do so.

[192] EQUIP 2 (forthcoming). *The Power of Patience: Education System Reform and Aid Effectiveness. Case Studies in Education Reform* [tentative title]. Washington, DC: USAID (authors: J. Gillies et al.).
[193] See EQUIP 2 (2008). *Opportunity to Learn: A high impact strategy for improving educational outcomes in developing countries.* Washington, DC: USAID (authors: J. Gillies and J. J. Quijada).

Figure 1. Learning Pyramids: Comparison between Ghana and Peru



Source: EQUIP 2 (2008), *Opportunities to Learn,* p. 2.

The widespread critique that aid has not produced a significant improvement of student learning outcomes in the target countries needs to be taken very seriously. It raises the question whether the right people and institutions have benefited from aid. What is the most effective targeting strategy for basic education: should the providers of basic education (schools) be targeted or specific groups of children and youth that are disenfranchised or at risk? The next two points provide background information on possible targeting strategies. The first presents research on school characteristics (targeting providers) and the second addresses group characteristics (targeting groups of children and youth that are disenfranchised or at risk).

Targeting strategy that is based on school characteristics.

The Opportunities to Learn study of USAID focuses on the school level, and distills eight features that capture the effectiveness of schools and their ability to use the resources allocated to them in the most beneficial way for students. Taken together, the eight features constitute a composite OTL index. The first six relate to inputs and management, and the last two elements measure pedagogical features.

1. The school year has a minimal instructional time of 850-1,000 hours per year.
2. The school is open every hour and every day of the school year, and the school is located in the village or at least within 1 km of the student.
3. The teacher is present every day of the school year and every hour of the school day.
4. The student is present every day of the school year and every hour of the school day.
5. The student-teacher ratio is within manageable limits, assumed to be at least below 40-1.

6. Instructional materials are available for all students and used daily.
7. The school day and classroom activities are organized to maximize time-on-task—the effective use of time for educational purposes.
8. Emphasis is placed on students developing core reading skills by the second or third grade.

Arguably, as the importance of quality of learning outcomes gains greater prominence in international development, it is crucial that efforts be focused on the key elements that directly affect the students as the main beneficiaries of aid, rather than being limited to administrative reform. In other words, as we design comprehensive reform efforts in education, the opportunity to learn must be the key concern driving implementation strategies.

Which conclusions should we draw from the OTL study when it comes to determining a targeting strategy that addresses providers of basic education? Should donor-funded projects be aimed at the most effective schools in a given country (i.e., schools with an OTL index close to 1), or conversely, should the least-effective schools that score low on the OTL index be selected? Commonsense would suggest that external assistance should be channeled into the neediest schools, that is, those that are poorly performing. Actualities, however, point for a variety of reasons to quite opposite conclusions.

As will be explained later, most donor-funded projects in developing countries tend to be implemented as pilot projects. The crux with pilot projects is that they have to demonstrate great impact within a short period of time with the expectation that some agency at some point in the future – with relevant details often left less than clearly specified – will scale up the pilot project and take it nationwide. Relatedly, it is common to use a cascade model for the training of teachers whereby a core group of schools or teachers are selected as training sites or trainers, respectively, which at a next stage train other, regular schools and teachers. Finally, international involvement in donor-funded projects in which international consultants are scheduled to visit target schools for short durations often lasting no more than 1-2 days makes it nearly impossible to select schools that are in remote places and hard to reach, since such projects in such locales are extraordinarily difficult to closely or effectively monitor. Taken these three reasons together – pressures to succeed, pressures to disseminate, and the need to be within reach – donors end up selecting relatively high-performing schools in urban areas that are supposed to serve as models for the rest of the country. Needless to say, the selected project schools are as a result more often than not non-representative of a country's schools, because they are schools that already provide their students relatively good opportunities to learn.

Worse yet, because the project is designed as a pilot, the institutional partner (in most cases the national education ministry) selects schools that it considers representative of the larger sample of urban or semi-urban schools.[194] As a consequence, regions and districts inhabited by ethnic and other minorities are excluded from selection because experiences in these parts of a country are deemed non-replicable and useless for a pilot. In line with the literature on fragile states, the argument needs to be made that the pilot feature of many donor-funded projects exacerbates the risk that aid contributes to fragility when already favorably-treated schools are selected. [195]

How can donors avoid the trap of selecting the least needy providers (with the highest OTL score) as project schools? One solution would be to "localize" the definition of progress, that is, use "value added" as a criterion rather than international benchmarks for learning outcomes as reflected, for

[194] This statement obviously excluded alternative schools or community-schools that are funded in basic education support programs.

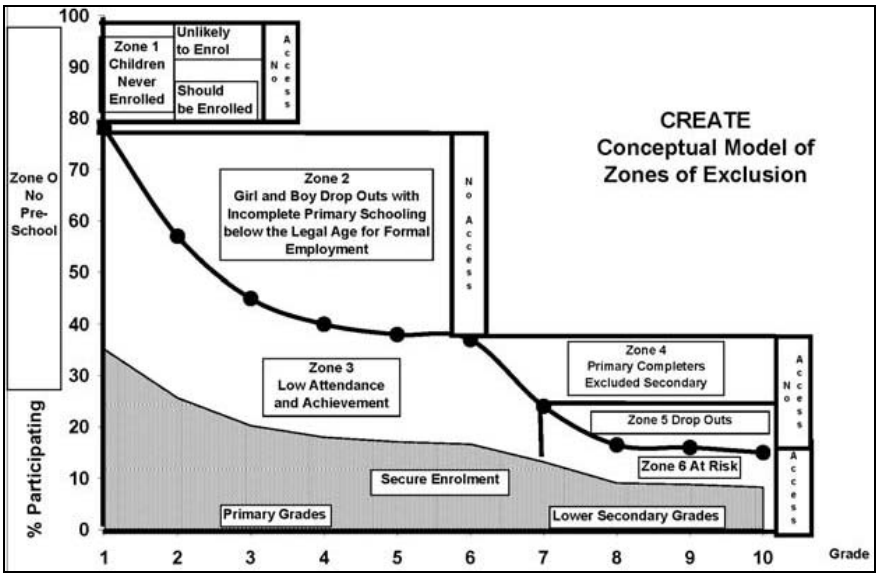
[195] See M. Sommers (2005). "It always rains in the same place first": Geographic favoritism in rural Burundi. *Africa Program. Issue Briefing, 1, July.* Princeton, NJ: Woodrow Wilson International Center for Scholars: Africa Program.

example, in PISA and TIMSS. The emphasis needs to remain on improving student learning outcomes, but the "value added" by the project needs to be assessed by comparing student outcomes in the project schools over time (before and after participation in the project) rather comparing the student outcomes in project schools across countries and regions. A scrutiny of current selection criteria for project schools is very much needed if the providers/schools are to be the intended primary beneficiaries of aid.

Targeting strategy that is based on group characteristics.

Different from the previous section that discussed school-level characteristics, this section deals with a possible strategy that targets specific groups as primary beneficiaries. With a focus on access and retention, Keith Lewin presents a useful typology that captures "zones of vulnerability" to describe the various spaces where children are included, excluded or at risk. The typology draws on empirical research carried out by the Consortium for Research on Educational Access, Transitions and Equity (CREATE) at Sussex University, UK. The typology helps to understand student characteristics (rather than school characteristics) and complements the school-level features described in Opportunities to Learn in important ways. The CREATE typology of the zones of vulnerability call for aid interventions – educational as well as non-educational (social protection, health, poverty alleviation) – that are sensitive to disadvantaged groups, such as girls, HIV/AIDS orphans, displaced people and ethnic minorities.

Figure 2. Access and Zones of Exclusion from Primary and Secondary Schooling



Source: Keith M. Lewin, 2007, p. 49.[196]

The zones of exclusion or vulnerability may be summarized as follows:[197]
Zone 1: children that are denied any access
Zone 2: the great majority of children who are excluded *after* initial entry (drop-out is greatest in the early primary grades)
Zone 3: children in school but at risk of dropping out

[196] Keith M. Lewin (2007). Why some Education for All and Millennium Development Goals will not be met: Difficulties with goals and targets. *Southern African Review of Education, 13 (2),* 44-60.
[197] Excerpts from Lewin (2007, p. 48ff.).

Zone 4: children excluded from lower secondary school as a result of "failing to be selected, being unable to afford the costs or dropping out before successful completion of primary"
Zone 5: children who entered lower secondary schools but who fail to progress to the end of secondary school
Zone 6: children in lower secondary school at risk of drop-out
Zone 0: pre-school participation

Arguably, there is a close relationship between schools with low opportunities to learn (low-quality schools) and children/youth that do not enroll or drop out during primary and lower secondary school. However, the framework of "zones of vulnerability" begs for a broader cross-sectoral approach that, beyond educational measures, also takes into consideration support structures for specific groups of children and youth. These structures cut across different sectors and include social protection, poverty alleviation, and health measures.

To summarize, the ultimate and natural beneficiaries of aid interventions in basic education should be students, with respect to their safety, wellbeing, and learning outcomes. Greater attention needs to be given to the transferability of aid interventions, whether they are in the education, health or social sector, to the school and classroom level. A specification of school characteristics that are conducive for learning (Opportunity to Learn) but also an analysis of "zones of vulnerability" (CREATE) that identify groups that are, in a given context, excluded from learning opportunities might help tailor interventions in ways that are both effective and that reach out to the underserved school-age population in a region or country. The research presented by CREATE is in line with the demand to pay greater attention to those children at basic education age who are considered "hard to reach."

Areas of Intervention.

A recent meta-evaluation based on a review or USAID projects in 33 countries, lists the following (Table 3) as the ten most widely targeted areas of intervention pursued in USAID basic education programs over the period 1990-2005.

Table 3 illustrates a clear commitment of USAID to impact the quality of basic education by targeting teachers as primary beneficiaries, and concurrently involving government structures and officials as supporters of these innovations at school level. Table 3 suggests that the input level is increased (provision of teaching and educational material), the delivery system is improved (teachers are trained in effective, often student-centered, teaching methods), and the curriculum and student assessment system (achievement testing, test development) is revised in ways that enable a greater accountability. At the same time, the capacity of officials to better plan, monitor, and evaluate is strengthened.

Table 3. Ten Most Widely Used Strategies in USAID Education Projects, 1990-2005

Focus of projects	Number of projects
Teaching materials	
• Curriculum development	21
• Instructional materials development	19
• Education materials distribution	15
Capacity development	
• Teacher training	20
• Capacity development – MOE	16
Data for decision making	
• Operation/policy research	17
• Achievement testing	16
• Test development	15
• EMIS development	15
• Monitoring and evaluation	14

Source: EQUIP 2 (2008). *An Analysis of USAID Assistance to Basic Education in the Developing World, 1990-2005.*

We propose a slightly different organization of the valuable information provided in Table 3 which would reflect the close association between teacher training and development of teaching materials (usually teachers are being trained to use the newly development material), as well as between test development and achievement testing and educational content. We also suggest that "capacity development of MoE" (now listed under "capacity development") is an entirely different enterprise than teacher training, and should be counted under "data for decision making," or more broadly defined as "policy support."

Thus, it seems that there are two areas in which USAID has the greatest impact, expertise, as well as institutional visibility in basic education: content and methods of teaching as well as policy support (including monitoring and evaluation):

Content and methods of basic education: curriculum development instructional materials development, education materials distribution, teacher training, achievement testing, test development, effective teaching methods.
Policy support (including monitoring/evaluation): capacity development of MoE, operation/policy research, EMIS development, monitoring and evaluation

Though confined to the ten most widely used areas of intervention in USAID education projects, Table 3 also enables us to identify what areas are *not* addressed with priority: infrastructure and capital repairs, educational finance and governance reforms, and reform of the delivery system (currently reduced to teacher training).

To summarize the findings presented thus far: USAID's basic education programs operate in a wide array of regions and countries, including in many low middle-income countries, but actual interventions are focused on improving the quality of basic education. The focus is very much in line with EFA and Millennium Development Goals, signed by governments and international donors.

The major areas of interventions are confined either to the content and methods of education or to policy support for ministries of education. In some countries, the two are inter-related: policy support needs to be given in order to gain access to schools and to have an impact on the content of education. The focus on content and teaching methods needs to be regarded as a prominent feature of USAID basic education. It is a focus that is diametrically opposed to intervention priorities of other donors, such as notably to Japanese development assistance. Many donors shy away from content interventions as it requires a great deal of cultural and context-specific knowledge, and risks being seen as an export of values and beliefs held by the donor.[198]

Types of Intervention.

Which type of intervention is most cost-effective and has the largest impact? These are questions that are essential for donors; yet, there exists neither a typology of aid interventions nor an evaluation of various types of intervention. As a result, this key question needs to be addressed based on anecdotal evidence. Commonly used types are funding of pilot projects, small grants for schools or other institutions, capacity-building or training, and technical assistance. In addition to concerns regarding sustainability, these interventions are faced with particular issues that are endemic to each, with a tentative list as follows:

Pilot projects: scaling-up problems
Small grants for schools: effectiveness
Capacity-building and training: transfer to the workplace/school/classroom
Technical assistance: lack of ownership and dependence on international experts

There exist different solutions to the different problems that are endemic to each particular type of intervention. Pilot projects, for example, used to be the preferred type of intervention of NGOs and small donors. It is therefore not surprising that the literature on scaling-up strategies is based on NGO research.[199] Possibly because of donor fragmentation (many large and small donors operating in the same country[200]), higher expectations and higher cost of aid interventions, and the lack of capacity of governments to simultaneously coordinate and, in rarer instances, to implement donor-funded projects, the funding of pilot projects has become a preferred type of interventions for large donors as well. With a few exceptions (e.g., in the area of textbook publishing, curriculum/student assessment reform), donor-funded projects tend today to be designed as pilot projects that are rarely scaled-up when the funding ends. They are neither scaled-up geographically (they are not disseminated to non-pilot regions, districts, or schools), numerically (the number of beneficiaries within the pilot is not increased), or socially (the experiences and insights gained in the pilot-project are not transferred to other similar contexts). A UNICEF study in the Kyrgyz Republic found that, with very few exceptions, *all* donor-funded projects, including the ones by USAID, the World Bank,

[198] The reluctance of Japan development assistance to provide support for content-related reforms is well documented. Only in the new millennium has Japan started to fund curriculum reform in the areas of math and science education. See, for example, JICA (2005). *JICA Thematic Guidelines on Basic Education.* Tokyo: Japan; M. Nagao (2004). Could Japan be a good math and science teacher in Africa? *Journal of International Cooperation in Education, 7 (1), 53-70;* N. Sawamura (2002). Local spirit, global knowledge: A Japanese approach to knowledge development in international cooperation. *Compare, 32 (3), 339-348.* See also the comparative study by Ruth A. Shapiro (1996). *Decision-making in development assistance donor agencies: The case of U.S. AID and JICA.* Stanford, CA: Stanford University School of Education, Ph.D. dissertation.

[199] P. Uvin and D. Miller (1996). Paths to scaling-up: Alternative strategies for local nongovernmental organizations. *Human Organization, 55(3),* 344-349; P. Uvin, P. S. Jain, and L. D. Brown (2000). Think large and act small: Toward a new paradigm for NGO scaling up. *World Development, 28(),* 1409-1419.

[200] The negative repercussions of donor fragmentation have been discussed by S. Knack and A. Rahman (2007). Donor fragmentation and bureaucratic quality in aid recipient countries. *Journal of Development Economics, 83 (1),* 176-197.

and the Asian Development Bank, are designed as 3 to 5-year pilot projects, implemented in a few regions, districts, or schools in the country without any attempt made by the Government, let alone by other donors, to scale up these pilot projects (of competing donors).[201] The reasons why pilot projects are rarely scaled up deserves, of course, a study of its own. As mentioned before, the selected project schools do not necessarily represent typical, low-performing schools in a country and the pilot projects tend to be very expensive in design, in order to satisfy the high quality standards and expectations held by donors. These and other reasons account for the fact that pilot projects are not replicable and transferable to schools in other districts or regions of a country.

The types of interventions in fragile states and in post-conflict states that have weak (or even no) government authority deserve a detailed analysis on their own, and this issue paper does not do justice to the complex situation in these states. In post-conflict Mozambique, for example, the education sector still suffered in 2000 from the legacy of parallel structures in teacher education that were put in place during the times of civil war. There were numerous models of teacher education, all funded by different donors (Dutch, Danish, and Irish bilateral aid) in different parts of the country.[202] Additional programs, such as 14-21 day crash courses or "emergency courses" in teacher education to overcome teacher shortages, were added to the series of established donor-funded teacher education institutions that the post-conflict government chose or could not afford to take over.[203]

As mentioned in this section, there is a huge gap that yawns between the interests of donors, in particular USAID, to learn which intervention type is most cost-effective and sustainable and actual evaluation of existing intervention strategies. The OECD DAC survey of bilateral and multilateral donors confirmed that "the pressure for disbursement, 'maximum development for the money', and 'getting things done quickly'" drive development agencies.[204] The survey also found a certain "aid effectiveness fatigue" among those multilateral and bilateral donors who commit to the Paris Declaration (2005) and have participated in the evaluation of their programs' aid effectiveness.[205] With the exceptions of a few studies,[206] most evaluations in USAID are project evaluations that compare the actual outcomes of a project with the predicted or intended outcomes. There is a lack of meta-evaluations in USAID that take into account international norms and standards of aid effectiveness,[207] or that examine and reflect, in a comparative manner, on the advantages and disadvantages of different types of interventions.

Purpose of Aid. There are many expectations of how education should raise the social, political, and economic development of a country. Frequently addressed linkages are education and improved health, reduced infant mortality, greater social cohesion, civic involvement, and political participation, and last, but not least, economic growth. Triggered by rates of return analyses, the

[201] Gita Steiner-Khamsi and Ketevan Chachkhiani (2008). *Donor Involvement Analysis in the Education Sector of the Kyrgyz Republic: Analyses and Recommendations.* Bishkek: UNICEF.

[202] OSUWELA/Dutch bilateral agency funded teacher education institutions in Nampula, DANIDA in Tete, and the Irish Cooperation Agency in Niassa.

[203] DANIDA (2000). *Study on Teacher Training and Development in Mozambique.* Copenhagen: Ministry of Foreign Affairs, DANIDA.

[204] OECD DAC (2008). Evaluation of the Implementation of the Paris Declaration. Phase One – Synthesis Report. Paris: OECD DAC.

[205] USAID has not participated in these aid evaluation evaluations.

[206] Two USAID studies represent meta-evaluations of USAID interventions and deserve special mention here: EQUIP 2 (2008). *An analysis of USAID assistance to basic education in the developing world, 1990-2005.* Washington, DC: AED; EQUIP 2 (forthcoming), *The Power of Patience: education system reform and aid effectiveness* (exact reference listed in earlier footnotes).

[207] The handbook on *Evaluating Development Co-Operation. Summary of Key Norms and Standards* (OECD DAC Network on Development Evaluation) was completed in October 2008.

question became more narrowly defined: in which levels of education should government or donor funds be invested? Which investments yield the highest personal and economic returns to education? The rates of return methodology guided a great deal of lending decisions of development banks throughout the 1990s and led, among others, to a de-investment in tertiary education in the mid 1990s.[208] The methodology encountered criticism in the past few years,[209] and economic returns of education are nowadays calculated and interpreted with greater caution. There clearly is a link between educational and economic development, but whether educational attainment affects economic growth, or vice-versa, is an issue of heated debate. Without making claims on the causality between educational attainment and economic growth, the World Bank study on secondary education illustrates poignantly that those economics that were fastest growing in the period 1980-2000 also had significant higher gross enrollment rates in primary and in secondary education than countries that had no or very small economic growth during the same period.[210]

There exists extensive literature on the role of donors, including USAID, for supporting education reform in developing countries. A remarkable summary of this literature, co-authored by Joseph De Stefano and Luis Crouch, was published in 2006.[211] The authors present three functions of donor-funded education reform support: "clearing space," "filling space," and establishing a "reform support infrastructure." Strongly embedding their arguments in an evidence-based policy support perspective, the authors define clearing space as an approach in which donors demonstrate the limitations of existing practices. In a second step, donors present alternative solutions as well as specify the components and conditions for successful implementation. Finally, the network of organizations and individuals, including donors, create a support infrastructure that enables and fosters innovation.

The analytic approach adopted by De Stefano and Crouch toward supporting education reform captures the realities faced by one particular type of recipient government: governments that are passive recipients of donor-funded projects and that do not have their own set of national or non-donor funded reform initiatives in place. The approach assumes that policy decisions are exclusively made based on hard evidence or data rather than on the formation of effective policy coalitions in a given country and, in the case of developing countries, on available opportunities for channeling funds into, and possibly improving the conditions, in the public sector.[212]

A broader approach might be useful in order to capture the realities of different types of recipient governments, including those that have an active yet under-funded reform agenda. We therefore make the proposition that the purpose of aid should be specified in relation to existing reforms and practices in a country. In principle, each and every donor-funded project should be aligned with sector strategies of a government. In reality, however, many of these sector strategies have been developed by donors themselves or, respectively, by international consultants who advise and direct

[208] As reflected, for example, in the following influential text issued by the World Bank in 1995: World Bank (1995). *Priorities and Strategies for Education: A World Bank Review.* Washington, DC: World Bank.

[209] For example, Stephen P. Heyneman (2003). The History and the Problems in the Making of Education Policy at the World Bank 1960-2000. *International Journal of Educational Development, 23,* 315-337.

[210] World Bank (2005). *Expanding Opportunities and Building Competencies for Young People. A New Agenda for Secondary Education.* Washington, DC: World Bank. Reference from p. 137ff.

[211] EQUIP 2 (2006). *Education Reform Support Today* (authors: Joseph De Stefano and Luis Crouch). Washington, DC: USAID.

[212] The excessive expectations of evidence-based policy-decisions have also been criticized in the US context; see, for example, J. R. Henig (2008). *Spin Cycle: How Research is Used in Policy Debates: The Case of Charter Schools.* New York: Russell Sage Foundation and Century Foundation. See also F. M. Hess, ed. (2008). *When Research Matters: How Scholarship Influences Education Policy.* Cambridge, MA: Harvard Education Press. F. M. Hess and J. R. Henig (2008). "Scientific research" and policy making. A tool not a crutch. *Education Week, February 7.*

government officials towards reform areas that are likely to be funded by international donors. As mentioned in the introductory section of this paper, there exist in many developing countries "national programs" that governments themselves have developed. Several of them are carried out without external financial resources and others, in turn, have been put on paper in order to attract external funding. Despite the current rhetoric on ownership, there is surprisingly little attention given to reforms that governments have developed without any external technical assistance.

The question on how aid interventions relate to existing reforms and practices enables us to highlight at least three different purposes of aid interventions: Aid interventions *support*, *supplement*, or *modify* existing reforms or practices in basic education. Supplementary interventions (for example, adding civic education as a subject matter onto the curriculum) are the most difficult to sustain beyond the project duration. Coming full circle back to the earlier concerns regarding donor-funded pilot projects that neither entail a clear scaling-up nor a sustainability strategy, one might assert that pilot projects lend themselves as incubator projects for testing and evaluating how an ongoing reform could be *modified*. But many more arguments would be needed to justify the proliferation of donor-funded pilot projects in aid interventions that serve to *support* ongoing reform initiatives.

A Tentative Framework for Reflecting on Aid Modalities.

Granted that bilateral and multilateral aid is embedded in a larger political and economic framework, there is nevertheless room for maneuver within that framework. Strategic decisions can and should be made with regard to the most effective and sustainable aid modalities. One issue of vital importance that has not been addressed in this sub-sector paper concerns finance modalities, including the effectiveness of SWAp (sector-wide approaches) or multi-donor funding as well as the different mechanisms of allocating aid, ranging from parallel project financing (preferred arrangement of USAID) to budget-support. Eventually, a set of criteria for effective aid—which incorporates principles of the Paris Declaration and, in addition, examines aid modalities at operational level—need to be development. The development of metrics for assessing the effectiveness of interventions is a task that requires a close collaborative effort between researchers and practitioners.

By way of recapitulating the main points made in this paper, the following list invites to reflect on various strategic options. The list applies both to formal and non-formal basic education.

Table 4. Summary Table of Aid Modalities (for discussion)

Strategic Decisions on Aid Modalities
1. Target Countries
Global presence versus geographic focus
Recipient government's institutional capacity
Match between government's needs and donor's strengths
2. Beneficiaries
Government or Civil Society
Providers/schools/institutions
Special groups (children, youth, parents, communities)
3. Areas of Interventions
Contents and methods (including student assessment system)
Delivery system
Education finance and governance

Infrastructure
Policy support (including planning, monitoring, evaluation)
4. Types of Interventions
Pilot projects
Small grants for schools
Capacity-building, training
Technical assistance for government/civil society
Other: please specify
5. Purpose of Aid
Support components of education sector strategy
Supplement the education sector strategy
Modify/improve components of the education sector strategy

A Shift in Aid Paradigm: Listening to Needs and Drawing on the Comparative Advantage of USAID Basic Education.

Provided that USAID fully embraces the paradigm shift in aid, as reflected in the Paris Declaration on Aid Effectiveness, the question of what interventions are *needed* in developing countries becomes a mute point. With the recipient governments assuming leadership and ownership, the needs will be formulated in education sector plans and the expected outcomes of the government's reform will be clearly laid out in terms of benchmarks. As a consequence, the donor is put in a position to decide on whether it wants to support components of a government's education sector plan in accordance with what it is able to offer. We propose to use the term "comparative advantage of USAID" to capture what USAID has to offer. Clearly, in this new aid paradigm it is not the role of the donor to define the educational needs in a country and subsequently finance projects that are based on the donor's self-initiated needs assessment and reform priorities. Thus, the question at stake is: what is USAID's comparative advantage? Or, what is USAID willing and able to offer? Given that USAID is in the process of developing a new strategy that possibly reflects new directions and priorities, the question should be reformulated as follows: *What is the current USAID comparative advantage and what should it be in the future?* Different from a wish-list, a strategy should be used as a planning instrument and clearly lay out the priorities that an agency attempts to pursue over the next few years; ideally, defined in terms of expected outcomes, benchmarks, a budget, and a time-line.

Towards Formulating the Comparative Advantage of USAID in Basic Education.

The moderated on-line discussions in which an earlier version of this paper was discussed, confirmed more or less the findings from the two meta-evaluations (conducted by EQUIP 2) in which the *current areas of intervention* of USAID Basic Education have been identified:[213]

- Quality measurements (EGRA, Opportunity to Learn, school assessments, etc.)
- Community schools and alternative schools
- Teacher in-service training
- Textbook development, teaching material

[213] EQUIP 2 (2008). *An Analysis of USAID Assistance to Basic Education in the Developing World, 1990-2005.* Washington, DC: AED. EQUIP 2 (forthcoming). *The Power of Patience: Education system reform and aid effectiveness.* Washington, DC: AED.

- Community participation, decentralized and school-based governance (including EMIS)
- Technology and education (with and without private sector involvement): ICT, interactive radio, DVD

The participants of the moderated on-line discussions also identified the following *underserved areas of intervention* of USAID Basic Education that, in the future, deserve to be treated with greater priority:

- Greater emphasis on difficult to reach and excluded groups (defined differently for each country context)
- More support for bilingual and multilingual education at primary school level
- More allocation of aid for education in fragile states
- A more systematic approach to remedy teacher shortage, improve teachers' working conditions, and enhance teacher qualification and professionalism
- A more holistic approach to technology integration in instruction (with private sector support)
- Systematic policy support (moving beyond merely soliciting support for USAID funded projects)

In developing a new strategy, the current areas of intervention and USAID BE expertise should be taken into account and built upon. We suggest that they are complemented with areas that are deemed important, but are currently underserved. In the following, we have combined the first list (current areas) and the second list (currently underserved areas) and grouped the points in seven bigger categories that could guide the development of the new strategy:

- Quality measurement and assurance (would also apply to Workforce Development and Higher Education)
- Teacher qualification and professionalism (in- and pre-service training, salary reform)
- Technology integration in education (with private sector support)
- Difficult to reach and excluded groups (including OVC, street children, drop out, never enrolled children/youth, second chance education)
- Community initiatives in education (including bilingual/multilingual education)
- Education in fragile states
- Systematic policy support

Instead of spreading itself thin with regard to target countries *and* areas of intervention, we recommend that USAID focuses on the seven areas, summarized above, and phases out other areas of intervention that are executed in a few countries only. Besides providing greater visibility to USAID, a focus on a few target areas would help (a) prevent aid fragmentation, (2) make USAID a reliable partner for governments in developing countries and predictable partner for other donors, and (3) strengthen the capacity within the USAID network of partners.

a. Prevent aid fragmentation. That is, ensure that there is no or little overlap with other major donors. Examples of current overlap [with development banks] include M&E, EMIS, or educational finance reform that USAID is pursuing in some countries/regions.

b. Make USAID a reliable partner for governments in developing countries and a predictable part for other donors. Allow recipients governments and institutional partners to rely on USAID for specific reforms outlined in their education sector plans, such as, for example, quality measurement and assurance, commitment to difficult to reach and excluded groups, community initiatives, etc.

c. Build capacity within the USAID network of partners. Enable USAID to strengthen its own capacity in these seven or so target areas. Examples include the continuous meta-evaluation of areas of aid effectiveness in the targeted areas, formulation of a portfolio of good practices in these areas, exchange of experts and developed material, strengthening of South-South cooperation between USAID-funded program implementation partners, etc.

The last section of this paper has exclusively drawn on the recommendations put forward in the moderated on-line discussions. Even though he participation in the Basic Education sub-sector was remarkably high as well as diverse (participation by both USAID and non-USAID staff), the recommendations do not necessarily represent the views of all segments within USAID, let alone other aid agencies. Nevertheless, they may serve as a foundation for further reflection and discussion.

Appendix 1

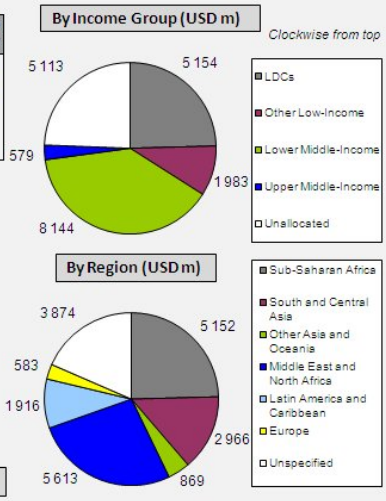
Comparison between Official Development Assistance of the United States and the United Kingdom

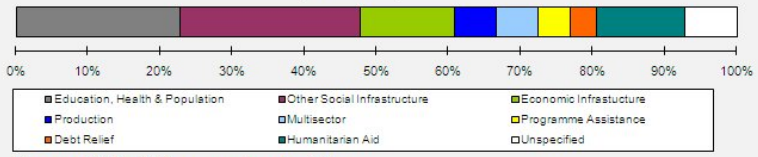
UNITED STATES

Gross Bilateral ODA, 2006-07 average, unless otherwise shown

Net ODA	2006	2007	Change 2006/07
Current (USD m)	23 532	21 787	-7.4%
Constant (2006 USD m)	23 532	21 231	-9.8%
ODA/GNI	0.18%	0.16%	
Bilateral share	90%	87%	

Top Ten Recipients of Gross ODA (USD million)	
1 Iraq	4 266
2 Afghanistan	1 459
3 Sudan	725
4 Colombia	562
5 Egypt	541
6 Nigeria	514
7 Congo, Dem. Rep.	486
8 Pakistan	465
9 Ethiopia	344
10 Kenya	304





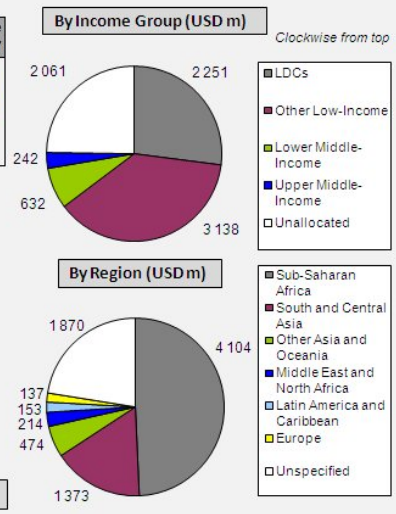
Source: OECD - DAC ; www.oecd.org/dac/stats

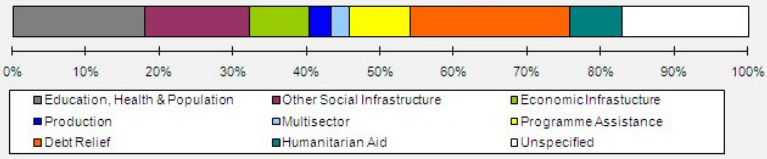
UNITED KINGDOM

Gross Bilateral ODA, 2006-07 average, unless otherwise shown

Net ODA	2006	2007	Change 2006/07
Current (USD m)	12 459	9 849	-21.0%
Constant (2006 USD m)	12 459	8 774	-29.6%
In Pounds Sterling (million)	6 770	4 921	-27.3%
ODA/GNI	0.51%	0.36%	
Bilateral share	70%	57%	

Top Ten Recipients of Gross ODA (USD million)	
1 Nigeria	1 773
2 India	538
3 Afghanistan	258
4 Ethiopia	228
5 Tanzania	225
6 Pakistan	214
7 Bangladesh	213
8 Sudan	211
9 Uganda	191
10 Ghana	161





Source: OECD - DAC ; www.oecd.org/dac/stats

BE Paper #6: Lessons Learned in Basic Education[214]

This paper provides a synopsis of findings presented in the five issue papers.

The changing context.

Globally, enrollments in basic education (primary and lower secondary school) have increased significantly and gender parity has improved over the past decade. The expansion has created a shortage of teachers and, with the shift in emphasis from universal access to universal access *and* completion, aid policy is now increasingly directed toward improving the quality of education. In addition, the entry stages (pre-primary) and exist stages (lower secondary) have proved to be essential for ensuring both enrollment and completion of primary education. Although primary education has remained the priority of external assistance, a growing number of donors has started to allocate aid to pre-primary and lower secondary education as a result. In comparison to levels of education, basic education stands out as the one sub-sector in education that is able to attract substantial funds from the private sector and from private foundations.

External factors and key trends.

Especially over the past decade, governments have given high priority to enhancing information and communications technology (ICT) in schools, including increasing the number and availability of classroom computers and promoting access to the internet. The past decade witnessed a range of technological innovations, including, for example, the proliferation of cell phones as well as alternative energy sources enabling the use of radio and other electronic devices for the use of distance learning and alternative forms of teaching. With regard to ICT, many developing and transforming countries find themselves today at a second stage of the ICT revolution: the challenge of integrating ICT into learning and teaching. There has also been a high commitment of governments to measuring the quality of their educational systems. It is noticeable, however, that there exists more funding for participation in regional and/or international student achievement studies than for development of national standardized tests that would allow policy-makers to make informed policy decisions on how to improve the quality and equity of learning outcomes across schools, districts, and regions within their own countries. The last ten years also saw a greater attention to life-long learning and second chance education for youth that either never enrolled or dropped out from basic education. These formal and non-formal, remedial education initiatives have gained prominence in fragile states as well as in countries that are currently exposed to a socio-demographic youth bulge.

Internal factors and key trends.

The new millennium experienced a professionalization of the education for fragile states: standards, indicators, strategies, and a host of studies have been emerged in this new sub-field of educational development. As with all professionalization processes, new paradigms and perspectives have come to the fore. While it has always been acknowledged that conflict has significant repercussions on national capacities for social and educational provision, relatively new is the focus on the role of education, and of aid, in mitigating conflict and fragility. The inverse also applies: both education and aid are also being examined as possible tools in perpetuating discrimination, exclusion, and favoritism towards specific groups, and thereby as potential contributors to fragility.

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[214] Authors: Gita Steiner-Khamsi, PhD, professor, with Carina Omoeva, Andrew Shiotani and Christine Harris-Van Keuren, PhD students and graduate research assistants in Comparative and International Education, Teachers College, Columbia University, New York.

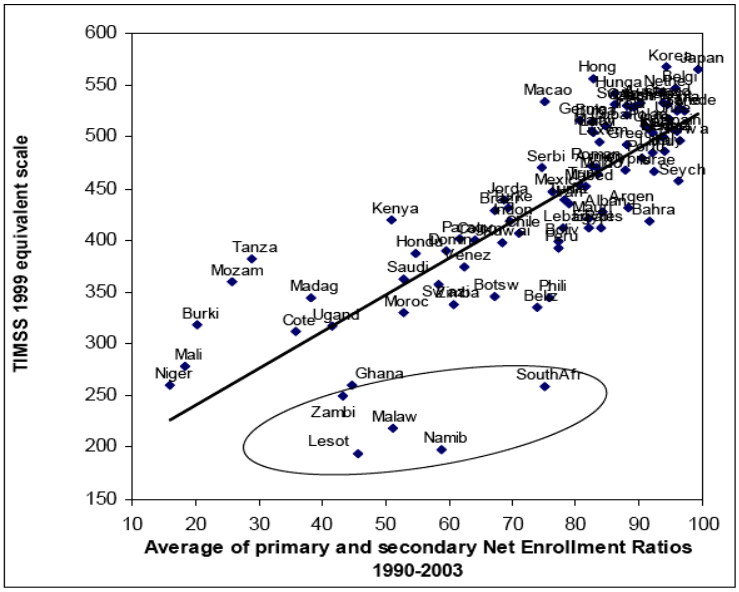
Another well-explored phenomenon within the education sector is the rising private cost of basic education. Household cost for education include both official costs (textbooks, supplies, uniforms, school meals, fees for special classes or services such as private tutoring) and unofficial cost (gifts, bribes, extortion). The dramatic increase in private tutoring, in particular – observed in both the developed and in the developing world – has been interpreted as a sign that parents are dissatisfied with the quality of public education and are willing to finance supplementary education at their own expense. In developing countries, moreover, the lack of teacher professionalism and low teacher salaries contribute to the widespread practice of private tutoring.

The chief focus of external assistance on basic education, outlined above, does not come without challenges. This sub-sector has been marked by a flurry of donor-funded reforms that in many instances have done little to systematically replace, modify, or adjust existing practices or structures. Most reforms have aimed at improving the quality of education at the school level and at strengthening the institutional capacity in government offices. In many countries, however, these reforms have been implemented in an uncoordinated and incoherent manner. Concurrently, the past decade also saw a greater sensitivity towards children and youth that are vulnerable or poor. Conditional cash transfer programs or other programs that target groups that are at risk of not enrolling or dropping out have become popular among donors. The proliferation of such programs have sparked a debate on the value of increasing the demand for education without adequately investing in the supply-side improvements and raising the quality of education. Finally, the 1990s saw the global spread of English, taught both as a foreign language and as language of instruction. In 1990, English was taught in seventy percent of all countries as the first foreign language. There was a sudden surge in this trend in the mid and late 1990s when many countries of the former Soviet Union or former socialist countries replaced Russian with English as the first foreign language. The advance of English as a global language is, however, not without its threats to indigenous or minority languages.

Access and quality.

The research literature acknowledges the adverse effects that the rapid expansion of primary education has had on the quality of education: large class sizes, a shortfall of qualified teachers, lack of textbooks and learning materials, and inadequate infrastructure. This has raised the vastly important question as to whether there is a necessary trade-off between access and quality of education. The general trend is that countries that have high access also tend to show higher learning scores, as illustrated by Figure 1.

Figure 1. Simple Correlation between Access and Quality in Basic Education



Source: Crouch and Vinjevold (2006).[215]

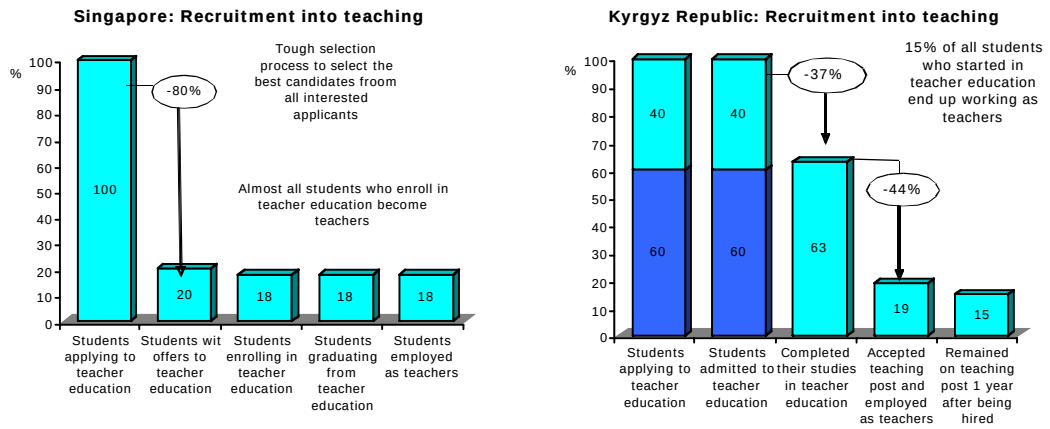
But there does not appear to be sufficient empirical evidence that increased access *entails* diminished quality. Figure 1 indicates that there is a group of six countries (Ghana, Zambia, Malawi, Lesotho, Namibia, South Africa) that substantially under-perform in terms of quality,
and a group of five sub-Saharan countries (Niger, Mali, Burkina Faso, Mozambique, Tanzania) that perform better than one would expect based on their low enrollment rates. This indicates that the trade-off between access and quality only applies for a very specific group of countries, and is perhaps associated with rapid changes in education structures.

Once the widespread belief of the trade-off between access and quality is dismissed, the question becomes: why do some countries do better than others in widening access and ensuring quality in learning outcomes? From all possible explanations, two stand out as key. First, GDP per capita matters. Wealthier countries have more resources to provide, at the same time, universal access and ensure good quality inputs, such as teacher salaries, training, infrastructure and materials. Second, teacher quality is a reliable predictor for both enrollments and quality of education. The provision of teachers is unarguably a crucial part of expanding access to and ensuring quality of education. However, a closer look at high-performing countries also found that a mere availability of teachers is not enough. Educational systems with high teacher quality are characterized by a selective and diligent recruitment into teacher education studies with great emphasis placed on the quality of pre-service teacher education. Figure 2 contrasts the recruitment of students for pre-service teacher education and their transition into the teaching workforce in Singapore and in the Kyrgyz Republic.[216]

[215] L. Crouch and P. Vinjevold (2006). South Africa: Access before quality, and what to do now? *Profesorado, 10 (1),* 1-16.

[216] The figure for Singapore is an excerpt from Barber and Mourshed (2007, exhibition 10): M. Barber and M. Mourshed (2007). *How the World's Best-Performing School Systems Come out on Top*. London: McKinsey & Company. The figure for the Kyrgyz Republic is based on findings by G. Steiner-Khamsi and C. Kumenova (2008). *Teacher Attraction and Retention Strategy. Background paper for the Education Development Strategy of the Kyrgyz Republic 2011-2020.* Bishkek: Ministry of Education and Science, Department of Strategic and Analytic Work.

Figure 2: Recruitment into Teaching Š Comparison between Singapore and the Kyrgyz Republic



Arguably, there exist vast differences between the educational systems in Singapore and the Kyrgyz Republic. The teaching profession is an attractive job in Singapore enabling universities to select only twenty percent of those that applied for admission into teacher education programs. In contrast, the teaching profession is unattractive in the Kyrgyz Republic because of the low and fragmented teacher salary, as well as the difficult working environment. Other developing countries are in a much more precarious situation than the Kyrgyz Republic: teacher shortage in the Kyrgyz Republic is an issue of great concern, but it is small as compared to other developing countries where neither the secondary school nor the lower tertiary education system provides a sufficient pool of graduates that could be recruited as future teachers. These countries remain dependent in the short term on qualifying para-teachers and using alternative models of instruction.

Accountability and teacher absenteeism.

Recent studies[217] show high teacher absence rates such as 21 percent in Indonesia, 25 percent in India, and 27 percent in Uganda. Cross-national research in six developing countries[218] shows that small schools, especially those in rural settings with poor infrastructure, are particularly at risk. The reasons for teacher absenteeism range from salary-related issues (either too low or too high), teacher unions (especially in the Caribbean and Latin America region), to the social protection of a profession that is short in supply. Several reforms have been tried to tackle teacher absenteeism: recruiting students from rural areas that return as teachers to their community (integration of teachers in the community reduces absence rates), enhancing social accountability (exerted by the community), strengthening the punitive capacity of school administrators, or putting incentive schemes (including merit pay and bonuses) in place. In our issue paper on teacher absenteeism and teacher accountability we also distinguish between measures that help to attract more individuals to the teaching profession – a prerequisite for being selective in the recruitment process and for

[217] C. Vermeersch and M. Kremer (2004). *School meals, educational achievement and school competition: Evidence from a randomized evaluation.* Policy Research Working Paper No. 3523. Washington, DC: World Bank; N. Chaudhury, J. Hammer, M. Kremer, K. Muralidharan, and H. Rogers N. (2004). *Teacher absence in India* (draft). Washington, DC: World Bank, DEC; Chaudhury, J. Hammer, M. Kremer, K. Muralidharan, and H. Rogers (2006). Missing in action: Teacher and health worker absences in developing countries. *Journal of Economic Perspectives, 20 (1),* 91-116; H. Abadzi (2007). *Absenteeism and beyond: Instructional time losses and consequences.* World Bank Policy Research Working Paper 4376. Washington, DC: World Bank.

[218] Chaudhury et al. (2006).

sanctioning absences – and measures that help to retain qualified teachers and reduce attrition rates in the profession. Attraction strategies tend to focus on improving the salary system, and retention strategies on improving the work environment and living arrangements of teachers.

Efficient and effective resource allocation.

Research on resource allocation tends to focus today on how allocated resources are or can be used more efficiently and equitably. The earlier emphasis on examining how many and what type of resources are, or should be, allocated for human resources (salaries), infrastructure (building, maintenance, utilities), and learning materials yielded few insights, and even less room for maneuver. Human resources absorb over seventy percent of national education budgets, and at the school level the spending on salaries accounts for up to ninety percent or more of the school budget. Against this backdrop, investigations on *where* to effectively allocate resources risk turning into a futile exercise. The main problems in developing countries pertain to resource levels, but equally important is the lack of incentives to use them efficiently. There are too little funds to significantly enhance the quantity and quality of inputs, and there are even fewer incentives to direct these funds to improve student outcomes.[219] The scarce input level is further diminished by pecuniary wastage, leakage, and corruption. Over the past decade, there has been a proliferation of studies that investigate the extent and the drivers of these debilitating factors. For example, the Public Expenditure Tracking Surveys (PETS) bring into focus *inefficient intersections* in the education sector. In 1996, Uganda was the first country to undertake PETS. The survey collected five years of data on government spending for 250 primary schools in Uganda, and the aggregate budget allocations were then compared to the actual spending at the local level. The study found that most of the schools were only receiving a fraction of the money allocated to them and, in fact, many schools received none of their centrally assigned grant at all. In addition to Uganda, PETS found that between 60 percent (Zambia) and 30 percent (Peru) of the funds allocated toward non-wage inputs, such as books and instructional materials, do not reach their intended destination.

The following five policy options for improving the efficient and equitable use of resources have been pursued, some with mixed outcomes: (i) enhance inputs at the school level by means of financial decentralization (including more efficient school-based management) and income generation at the school or local level and by encouraging the opening of private and/or partially subsidized community schools; (ii) create incentives to use resources efficiently (performance pay, bonus systems, or results-based management); (iii) enforce the accountability triangle (explained below); (iv) introduce professional accountability for school administrators and government officials, and (v) design per capita financing schemes in more equity-driven ways that also reflect student characteristics and thereby cater to difficult to reach and excluded groups of students.

From the five policy options mentioned above, the most tested policy option is the introduction of a more stringent accountability system. It is commonly acknowledged that there are three groups involved in education accountability[220]: policy makers (allocation), service providers (schools, teachers), and "clients" (parents, students). The accountability triangle is reduced to a dyad in fragile states,[221] and, to some extent, in private education where the accountability relationship only applies between providers and clients. Figure 3 presents the accountability triangle that is frequently used in educational policy research.

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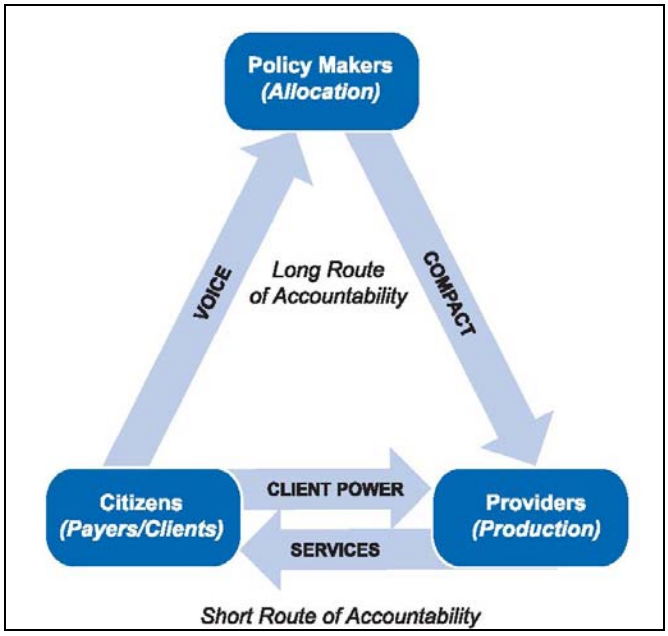
[219] Hanushek (2003) underscores the latter point of this statement (the lack of incentives). E. A. Hanushek (2003). The failure of input-based schooling policies. *Economic Journal, 113 (485)*, 64-98.

[220] EQUIP 2 (2004). *Strengthening Accountability in Public Education. Policy Brief.* Washington, DC: USAID. See also OECD (2008). *Service Delivery in Fragile Situations: Key Concepts, Findings and Lessons.* Paris: OECD. World Bank (2003). *Making Services Work for Poor People*. Washington, DC: World Bank.

[221] OECD (2008, p. 18ff.) and EQUIP 2 (2004, p. 3), see previous footnote for references.

Figure 3. The Accountability Triangle



Source: World Bank (2003), cited in OECD (2008, p. 17).

The leakage and wastage of funds in developing countries has triggered a host of recommendations on how to "fix" the accountability problem. These recommendations can be grouped into two types of interventions: (a) enhance the demand-side of accountability, that is, strengthen the social accountability exerted by the clients (parents), and/or (b) enhance the supply-side of accountability, that is, strengthen regulation and monitoring capacity of policy makers. The latter is frequently referred to as "top-down" accountability. Both interventions tend to exclusively exert pressure on the providers/schools and hold them accountable for their services.

Effective aid modalities and points for further discussion.

Donors make a series of decisions that impact the effectiveness of their interventions. They encompass decisions with regard to the following questions:

- Target countries

Where should aid money flow? Should aid be targeted toward a broadly representative spectrum of countries or regions – i.e., toward as wide an array of countries as possible? Or should aid interventions be implemented across a narrower range of countries, and prioritized according to some set of criteria?

- Beneficiaries

Who should benefit from an aid strategy? If choices are to be made, who should be the direct beneficiaries of an intervention: teachers, students, parents, administrators, or communities?

- Areas of intervention

What should be the main objectives or priorities of an aid strategy? Should the emphasis be on delivering content (curriculum, textbooks, student assessment), improving delivery systems (e.g.,

teachers), strengthening capacities in governance and finance, or working toward the improvement of facilities and infrastructure?

- Type of interventions

How is aid delivered? What are advantages and disadvantages of different types of interventions, such as funding pilot projects, providing grants, building capacity, or offering technical assistance?

- Purpose of aid

Why is aid given or what is the expected outcome of aid intervention? More specifically, and taking intergovernmental relations into account: should aid interventions support, supplement, or modify existing practices in basic education?

The issue paper on aid modalities discusses and critically reflects on currently used aid modalities and makes a series of recommendations on how to pursue more effective ones that are in line with international agreements, in particular, with the Paris Declaration on Aid Effectiveness.

WORKFORCE DEVELOPMENT RESEARCH PAPERS

WfD Paper #1: The Context for Workforce Development Programs[222]

Introduction

Globalization has ushered in a new era of demand for workforce education and development. In the developing world, there is a high demand for skills in every productive sector of the economy. ICT, basic education, communication skills and problem-solving are all necessary skills in this new global workforce puzzle. Alongside the global transformation are the growing pressures to give access to education and workforce training to large concentrations of youth, many of them without basic education or any workplace skills. USAID and other donors are now confronting this dual demand: the global demand for higher skills, and second, the demand by youth and young workers for greater access to continuous education and training. This context paper examines the external and internal factors that shape this environment, with specific reference to globalization and access to the workforce development system.

Definitions

There are two equally useful and mutually consistent definitions of Workforce Development (WfD), one more detailed than the other. The 2005 Education Strategy described WfD as "program and policy efforts to help ensure that young people and adults gain the specific skills and attitudes they need to be productively employed" (USAID, 2005). More specifically, the current USAID Foreign Assistance framework refers to the following processes as part of WfD program:

> "Youth and adults in acquiring knowledge and developing skills, attitudes, and behaviors to find legitimate jobs, establish viable self-employment ventures, and stay employed and productive in a changing economy."

There are four sub-elements in this framework:

- *Systemic reform* promotes "policies and strengthen(s) systemic capacity to provide quality, demand-driven formal and non-formal workforce development opportunities, with special consideration to gender issues and access to workforce education programs for male and female youth."
- *Partnership development* increases "participation and establish[es] networks among public and private civil society stakeholders to identify workforce needs and coordinate efforts to create and sustain equitable, effective workforce development programs, especially for youth."
- *Workforce readiness* creates and sustains "pre-employment and employability programs for male and female youth and men and women in formal and non-formal settings."

[222] This paper has been prepared by Malcolm F. McPherson and Caroline Fawcett. The paper was reviewed as part of the Education Strategy Virtual Discussion. Comments from Clare Ignawtowski, Kelly Cornier, Catherine Brilas, Monica Ering, and Arne Packer were incorporated into the revised paper.

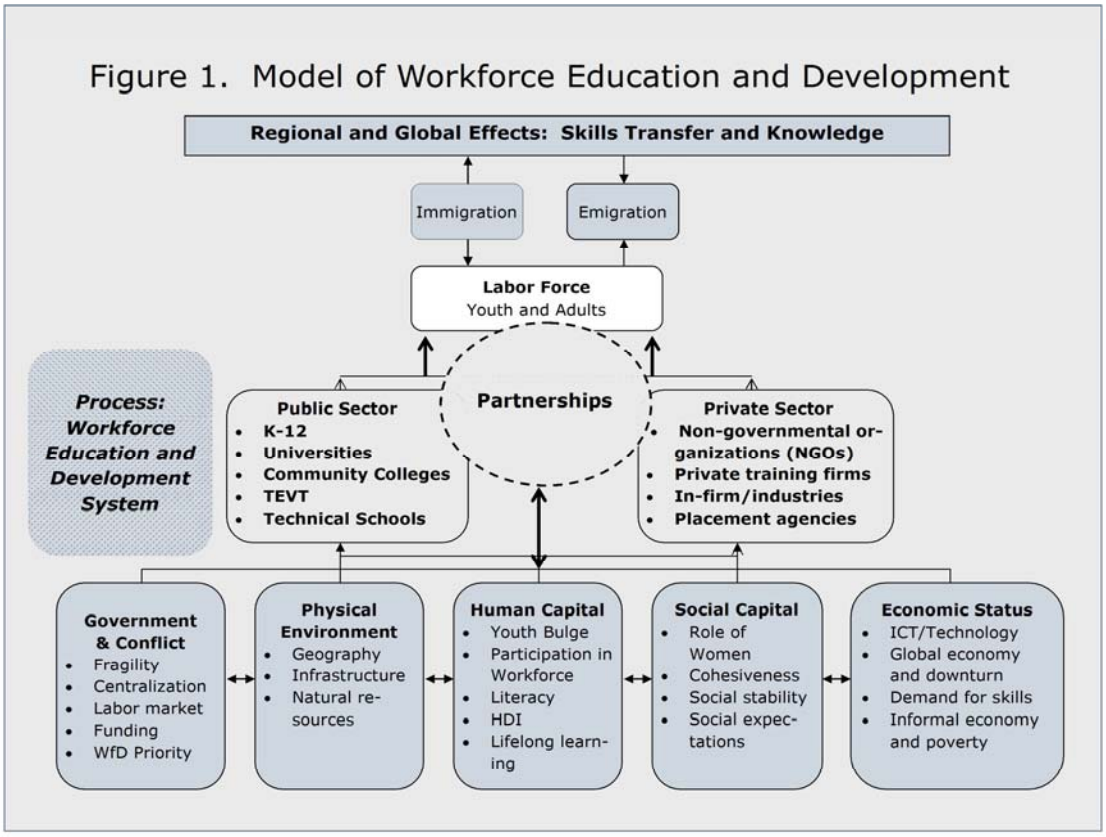
- *Technical/vocational training for employment* creates and sustains "career-enhancing education and training programs that are responsive to the current and future labor needs of local, regional, and international employers, both formal and non-formal."

With its emphasis on helping youth and adults gain general and specific skills, WfD focuses on both education and training. Education is defined as a broad process of learning, where a wide array of general, foundational, and technical skills are learned both in and out of the classroom setting. Training facilitates the learning and development of new and existing skills, and to improve the performance of specific tasks or roles. Training can take place in the classroom, the workplace or the home. In practice, whether someone is being trained or educated is often hard to distinguish, and often beside the point. The basic question is how to combine these various parts of workforce development to determine who will be educated or trained, how, where, and when. The following discussion examines these questions within the developing country context of USAID educational policy.

The Contextual Model of Workforce Development

Workforce education and development is a broad topic with a myriad of public and private institutions and programs linked to a central principle, that of providing education, training, and information to promote skills for the future and current workforce. A wide array of

factors influence the workforce development system, as presented in Figure 1.



Source: Modified graph using the base model of Gray and Paryono (2004)

Kenneth Gray and Paryono Paryono developed this model, consulting with workforce practitioners worldwide, and then applying the model to several country case studies. Their earlier model has been revised to be more consistent with key development areas of USAID and other donors. The model has three tiers:

- External factors are outside of the education system and have substantial influence on the workings and impact of the system. Five clusters are presented: governance and conflict, physical environment, human capital, social capital, and economic environment.

- Process refers to the workforce education and training system, and offers a wide range of institutions and types of workforce education, training, and information. Partnerships link the policies and program activities of the educational and training providers and regulators. The partnerships promote the inclusion of the stakeholders in the design, implementation and evaluation of the learning process.

- Output determines the skills quantity and quality of the future and existing labor force. This labor supply can be analyzed by age (e.g., youth ages 15-24), gender, or skills proficiency level.

The model provides an over-arching structure for this paper.[223] Globalization is a reflection of the international influences on the country-specific external factors. Global factors include international communication and technology, the global economy and its recent downturn, global migration and human capital movement. The model allows for a detailed discussion of the factors, process, and outputs of workforce development. It illustrates the fundamental social, political, and economic relationships that mold workforce development systems in countries.

The Macro Context of Workforce Development

The drivers of the macro context are six global-national trends: information and computer technologies (ICT) and other technologies; the global economy and competitiveness strategies; the rising and shifting demand for a high skills workforce; the global economic downturn; the increasing global migration; and role of lifelong learning and its role in highly skilled workforces. Other external factors include population demographics, poverty, and the informal sector. These factors present large national challenges in terms of a demand driven workforce system. Governance is fundamental to the process. Conflict and fragility of the state determine the effectiveness and credibility of national workforce and labor systems. Other governance factors include labor market and education policies, funding and national priority for workforce development.

The ICT revolution has triggered new workforce development initiatives yet more work is needed to maximize its productivity. People in the 21st century live in a technology and media-suffused environment, marked by access to an abundance of information and rapid changes in technology tools. To be effective in the 21st century, citizens and workers must be able to show a wider range of skills. In that role, ICT has emerged has an important learning tool, as well as a critical content area of instruction.

There are important lessons for workforce development programming. The productive and efficient use of ICT (and other technology) involves two changes: 1) retraining of workers and teachers so that the technology can be efficiently used, maintained, and serviced; and 2) reorganizing workflows and upgrading infrastructure. In many evaluations, the productivity of ICT requires the use of complementary input, such as supporting skills and infrastructure (Trehan, 1997; FRBD, 2004). Yet for developed countries, there is clear evidence of ICT promoting productivity. Recent global data in developed countries published by the Conference Board report significant productivity contributions of ICT. Similar findings have been corroborated in a six Gulf State study. These trends point to the power of technology specifically when it is accompanied by a skilled workforce and maintenance of their systems. (Conference Board, 2008)

[223] Earlier benchmarks of best practice in USAID workforce projects include: 1) Leadership and accountability; 2) Overarching values; 3) Standards and transparency; 4) Demand-driven design; 5) Open access; 6) Portable skills; 7) Continuous improvement in system; 8) Public private partnership; and 10) Sustainable financing. See USAID GWIT 1998.

Alongside productivity gains, ICT provides a powerful tool for learning and workforce development in and out of the classroom. There are many applications of ICT as tool in workforce development programs. Best known, is the use of s: ICT training in the instruction and accreditation of specialized skills, such as English and technical skills. ICT organizes information and access to employment and jobs openings. ICT distance education supports non-formal and informal training programs; and cell phones and other new communication technologies that require sequential application of information to access their system. In short, ICT and the other new technologies promote learning new skills; this e-learning has grown exponentially in the last decade

The global economy requires long-term economic reforms and supporting workforce strategies. The introduction of new technologies has transformed economic production processes worldwide. Global supply chains and inventory control, global quality standards and credentialing are the main global workforce trends. Economic growth relies on new technological processes, and requires a greater skilled workforce. Essential to achieve these goals are long-term economic reforms and supporting workforce development strategies. Systematic policy reforms in education and training are the main stepping-stones to a quality workforce. Formal education through the Ministry of Education is one component of the broader economic growth and competitiveness strategy. In-firm and workforce training and other lifelong training programs play critical roles to train the workforce in the workforce skills as well as a mindset for work. The long-term perspective and planning is the foundation for an effective workforce development system. (World Bank, 1997)

Within the broader agenda, a strategic principle is "demand-driven" training whereby private sector and the workers (or future workers) are the main drivers of workforce development. The new institutional and stakeholder relationships are referred to as "private sector partnerships". Here private sector industry and business organizations articulate their demands for general and specialized skills (and quality standards) as well as the attitudinal and other behavioral requirements for the workforce. (See below). The second driver is the current and future workforce, the owners of the workforce skills "Demand -driven" programs must incorporate the preferences, participation and decision-making of youth and adults. Based on two decades of labor market research, a youth-centered approach has proven most effective in achieving results of workforce development programs. For gender inclusion, specific targeting and program activities have proven to be instrumental to promoting women's participation in programs. (See below).

Globally economy has shifted the skill-mix and increased the demand for higher quality skills and management. Globalization poses special challenges for workforce development, as there has been a massive shift of the skill-mix worldwide. The opening of China in the 1980s and India in the 1990s effectively has doubled the supply of unskilled labor directly linked to world trade and exchange. The increase in skilled workers has been significantly less (World Bank, 2005). With the overall quality of training and education significantly higher in the middle- and high-income countries, the imbalance in skills will persist (UNESCO, 2005). The shift in the global skill-mix and the increased need for additional managerial and organizational skills in poor countries has several outcomes for workforce development. The absolute and relative increase in unskilled workers has put downward pressure on wages. This has been particularly hard on women, who comprise

most of the unskilled in the poorest countries, and youth who, even if they have some skills, have little experience.

To respond effectively, workforce education and development programs will need to stress accelerated training in skills that are relevant to local and regional employers (Stanley, 2008). Throughout the research, there is an urgent demand for the "soft skills" such as teamwork, communication, business fundamentals, problem solving, and applied technology. Personal effectiveness skills, such as dependability and reliability, and motivation are also skills that create a "mind-set" for work. Applied learning through apprenticeships, internships, role-modeling and mentoring is main avenues for gaining these "soft" skills. Such an approach entails significant collaboration and partnerships with local businesses and stakeholders.

Managing global competitiveness calls for a new group of business managers and entrepreneurs. Business education comes in many guises in developing countries. The management skills include communication, organization, marketing and planning skills that enables firms and industries to grow. Learning to be an effective manager combines experience with education; executive education programs supported by the private sector industry associations or universities have been the most effective avenues to create the new leadership in business and industry in countries. (Chemonics International, Inc., 2006).

The global economic downturn ushers in short-term countercyclical workforce programs. The recent economic downturn will have profound effects on the economic production and employment in developing countries. It is estimated that global economic gross domestic product (GDP) will decline for the first time since World War II. Sharp declines in global investment and trade are predicted for 2009. Eastern Europe, Central Asia and Eastern Asia have already been hard hit by the crisis. (World Bank, 2008). The economic crisis is expected to increase the number of unemployed women by up to 22 million in 2009. (ILO 2009) Economists predict a global jobs crisis with the deepening of the recession in 2009. The economic decline places a heavy burden on the most vulnerable: the poor, low-income women, the workers in the informal sector, and unskilled labor. Of particular concern are low-wage jobs associated with specific industry sectors, such as the textile and light manufacturing sector. These tradable employment sectors have suffered substantial declines in employment. As the main entry point of employment for young women in the economy, this loss of income represent critical hardship for these groups, alongside the rural household that have received remittance income.

Counter-cyclical social safety net programs, including workforce development, address the jobs crisis by supporting incomes during the short-term period. To resume jobs creation and economic growth, small enterprise programs are recommended. Additionally, sustaining budget expenditures for human development and social safety net is imperative so that the progress of the past decade will not be eroded. (Stiglitz, 2009) New emergency programs should take heed of the lessons learned from past countercyclical programs in workforce development. Specific lessons include the significant returns of youth workforce programs, compared to re-training programs or public infrastructure development programs. The experience of the 1990s provides ample evidence of the need to incorporate workforce skills development linked to jobs creation and assistance programs. (Benus and Fretwall, 1998). Not repeating the mistakes from past programs is an immediate challenge for workforce

programming to developing countries, where there are few resources and many urgent needs.

Global migration has expanded rapidly over recent decades, yet its impacts are mixed. In some countries, emigration represents a loss of skilled workers who might have added to growth and development had they remained. For others, it eases pressure on the local unemployment rate. Most countries, however, gain significantly from the remittances of these workers to their families. Evidence assembled by the World Bank shows that in 2006 the "migrant stock" (i.e., those who were born in a country other than where they live) was 189.7 million (World Bank, 2008). The estimated amount of remittances and compensation paid to migrant workers was $207 billion. The estimate of the amount received was $297 billion. Most of the payments ($163 billion) came from high-income countries; low- and middle-income countries received the largest part of the payments ($222 billion).

These data show the total effect of worker migration. A less noted impact is that many workers gain access to additional professional and technical training. Others gain experience in key areas such as organization, management, communication, and work habits that represent significant benefits to them and others when they return home. Research supported by the International Labor Organization has demonstrated the social and economic contributions of migrant workers (Mutume, 2005). The contribution has been highlighted recently as the migrant workers and the communities they traditionally support adjust to the disruptions created by the current global financial crisis (BBC, 2008).

The global increase in the informal economy has changed the nature of poverty and livelihood activities. By some estimates more than 30 percent of the developing world's GDP and 70 percent of its workers are outside the formal economy. The implications: most small firms are trapped in low productivity. These informal firms have little access to credit, services or formal markets. Workers lack safety and social protection. As documented by the World Bank, there has been a significant increase in the informal sector worldwide. In the Russian Federation and countries of Sub-Saharan Africa, Latin America, and Central Asia, informal sector is 50 percent or greater of its national GDP. Informality is growing fast in South Asia and the Middle East and Northern Africa, though from lower levels (World Bank, 2006).

Accompanying this shift to informality is the changing nature of poverty within countries, particularly in China, India, Bangladesh, and Nigeria. The inequitable growth between urban and rural areas has led to greater income disparities within specific regions of countries. Thus, the decline in global poverty, a significant achievement since the mid 1990s, finds the poverty gap is increasing within many countries (World Bank, 2008). With the 2009 global economic downturn, protecting this progress, and not to have the countries slide backwards is a main challenge.

For large percentages of population, livelihood development remains the only alternative. For the rural poor of the world, they depend directly on natural resources, through cultivation, herding, collecting, or hunting for their rural livelihoods. Livelihood activities in the urban sector are on the increase, reflecting the stagnant jobs creation in the formal sector of many poor countries. Livelihood activities continue to be the entry point for youth and women into labor markets (USAID/EDC, 2007). The increase in economic informality,

the widening poverty gap within a country, and the dependency on livelihood is a central theme for large concentrations of population throughout Asia and Africa. The global economic downturn only acerbates these trends.

Large "youth bulge" populations persist in the Middle East and Africa. With only slight exaggeration, the populations in most developing countries fit two categories – those with a "youth bulge" and those without (World Bank, 2007; ILO, 2008). Both have distinct employment and workforce development problems. Countries with a youth bulge suffer similar challenges. They have low income, slow economic growth, inefficient and inequitable provision of social services, chronic underinvestment in infrastructure, and low quality education. Because of the bulge, large numbers of youth and young adults have ended their formal education knowing little, understanding less, and with few life-skills. None is "work ready."

Also, these youth and young adults are trying to find jobs (or gain income through self-employment) in an unreceptive and often unyielding setting. Low rates of economic growth and policy distortions undermine job creation; these groups have few opportunities to boost their skills by learning-on-the-job (World Bank, 2007). These limited employment opportunities translates into some of the highest rates of youth unemployment in the world. (ILO, 2009). The social and economic frustrations of youth act as a political destablizer, increasing the risk of conflict and political instability. Within this political-economic context, workforce development programming provides youth and young adults acquire life skills so that their capacity to adapt is enhanced.

Workforce development as an element in life-long learning. In principle, workforce development is critical to lifelong learning. Its activities focus on the knowledge, skills, attitudes, and behaviors that expand workers' productive capacities. These attributes, in turn, are seen as reinforcing the habit of lifelong learning (or, at least, intermittent inquiry). In practice, some will find that workforce education and development has transformed their lives; others will see it as part of the expanding set of credentials they require to get or keep a job (World Bank, 2007). The overall contribution of workforce development to the habit of lifelong learning will depend on the content and scope of the training, and the setting in which it is provided. There are many avenues for workforce development within this spectrum of educational opportunities. Much attention has been given to formal education. For example, between 2004 and 2006 more than 100,000 ex-combatants in Liberia were provided with special assistance under the United Nations Disarmament, Demobilization, Resettlement, and Rehabilitation (DDRR) program. With the Liberian economy depressed, many of the newly-trained former soldiers could not find productive work. When interviewed, one ex-combatant responded that he had been "reintegrated back into basic poverty" (Harsch, 2005).

Fragile and post-conflict states pose special challenges in terms of workforce development programs. USAID uses the term of fragile states to refer to failing, failed, and recovering states. Post-conflict countries are the recovering states under the F Policy Framework. Workforce development programs are an integral part of the recovery programs, and introduce emergency employment and skills development for at-risk populations within these post-conflict and fragile communities. The broad objectives of the programs are stabilization and community reactivation. Integrating workforce education and training into these broader governance programs requires careful attention to the sequencing,

the targeting, and the overall impact in terms of expectations and outcomes. In the past fifteen years, USAID has funded many workforce development programs in post-conflict and fragile states. Currently, the programs embrace a community-based reintegration model that strengthens community institutions, and delivers skills training to at-risk youth and other marginal groups linked to local labor markets and jobs. See "Workforce Development in Post-Conflict Countries", an issues paper that examines this issue more fully in light of the substantial experience of USAID.

Fundamental reforms in governance must be a priority to arrive at an equitable and effective workforce education and development system. Good governance, access to services and efficient administration provide an appropriate foundation for workforce education and development. There are several main tenets of good governance and workforce development. First, the workforce education and development system is comprised of governance policies from several ministries of government: the Ministry of Labor, the Ministry of Education, and in some cases, the Ministry of Youth. To a considerable extent, the multiple and overlapping ministerial authorization makes for confusion and lack of coordination on roles and responsibilities. In short, there is not a single champion for workforce development in the government, and it often falls through the bureaucratic cracks of the system. A strong and integrated governance structure that combines the relevant government agencies into a single ministry has proven to be more coherent policy-making and allocation of public funds (Gil, Indermit, Fluitman, Fred and Dar, Amit, 2000).

Access and quality largely determine the equity of the workforce development system. Many of the incentives and opportunities of workforce development programs are skewed against unskilled workers. As noted earlier, workers with higher skill categories have higher expected returns, greater opportunities, and the personal skills to enroll in these programs. That is not the case at the other end of the skill spectrum. It is expensive to transform an unskilled worker into a skilled worker. Because unskilled workers are poor, private firms have no incentive to train them. Furthermore, even when an unskilled worker receives some training he/she still faces intense competition for the available opportunities. These are the circumstances in which public support for workforce education and development will be needed. When faced with excess demand (or heightened "need"), however, these programs will be over-extended, and underfinanced. Government education and labor market policies must balance these competing needs and establish a fair playing field to ensure access to workforce education and development (ILO, 2004).

Improving the effectiveness of the workforce development system depends on the introduction of local participation and partnerships, accountability, and decentralization of the system. Global experience shows a wide range of decentralization and privatization efforts in the workforce development system. Most specifically, the Latin American experience of partially privatizing the provision of short-term training services has been herald a success in that region (CINTERFOR, 2004). The Asian experience embraces a formal vocational education model with an emphasis on decentralization, local, regional and national partnerships, and cost-share with the private sector (USAID/ANE/EDC, 2007).

The reform of labor regulation is essential to increasing employment and productivity. Labor market reform is a controversial area, yet these reforms have yielded significant results in increasing employment and jobs creation in some countries. Algeria is one of the

few countries in the developing world that has conducted extensive revision of their labor codes. Unemployment rates have fallen from 30 percent in 2000 to 15 percent in 2006. While much of the job growth has been in the informal economy, these reforms show that labor market regulations are a fundamental aspect of increasing employment in countries (World Bank, 2007). However, the labor reforms offer a double-edged sword. World Bank research shows that a more flexible labor code is associated with a smaller investment in job training by firms. The more flexible and short-term labor contracts do not provide enough of incentive for human capital investment. (Almeida, Rita and Aterido, Reyes, 2008) The mixed evidence of the benefits of labor market reform in terms of workforce skills and investment demands particular caution when reforming labor market systems.

The Internal Factors Shaping Workforce Development

Internal factors shaping workforce development relate to the equity, efficiency, effectiveness, and relevancy of the system. This sub-section examines the main trends that relate to the negative perceptions of workforce education and development. Access and equity of the workforce development system are limited, and largely explained by rising costs and insufficient resources. Improving the quality and "demand-driven" relevance of training requires systematic reforms through skills standards, high quality providers and public and private sector partnerships. Similar to other educational sectors, reforms in the management, administration and faculty development play instrumental roles in improving workforce education and development programs.

Negative perceptions of the workforce education and development system. Worldwide, workforce education and development suffers from a reputation problem. There are many systemic reasons for the poor standing of workforce education and development. Society in the developing world attaches more importance to academic-based education than to vocational education, technical knowledge or business skills. The general public shuns vocational secondary education as a second class education. Little funding for vocational secondary education has led to obsolescence and low quality of the system. Under these traditional systems, there have been few links with the private sector, and little emphasis on "demand-driven" skills. Except for secondary vocational education, there are few entry points for workforce education and training. Few training opportunities exist for at-risk youth and marginalized groups, such as women, ethnic groups, and rural migrants. The workforce development system is either "broke" or non-existent in many developing countries. The result is the rise of unregulated private sector training which is expensive and of questionable quality.

Access and equity of the system is limited due to rising costs, inadequate funding and inappropriate models of workforce development. A main challenge is for lower income and marginalized groups to have access to workforce education or training. At-risk youth, women, ethnic groups, rural poor and migrants have almost no access to any workforce practical skills training in many countries. These groups--school youth and young adults--have few resources to pay for private sector skills training. The poor who dropped out of school or those who never attended school face a double bind. They do not have the income to pay for additional training and, even if they can muster the resources, their limited formal schooling prevents them from taking advantage of existing skill development opportunities. USAID has dealt with this problem in several cases by directly

targeting the poorest of the poor, the hard-to-reach, and marginalized, as well as using cost-effective models of workforce development.[224]

To increase access and equity of the system, cost-effective models for workforce education and training are needed. There are a wide range of costs associated with workforce education and training programs. Best documented are the high costs of technical and vocational training, where specialized equipment and substantial instructional time makes for costly secondary and tertiary education. These costs are rapidly rising, largely reflecting the costs of equipment and ICT technology. High-level skills do not come cheap, and limited vocational technical and training budgets are not sufficient for these costly ticket items. The inadequate financial and physical resources of technical and vocational education and training (TVET) are well-substantiated (4 Jay, 2007). New cost-effective models stress alternative skills and applied learning techniques. For example, teaching "soft" skills needs little specialized technology. Also, applied learning for these skills can tap into the private sector through internships, apprenticeships, service learning and mentoring programs. These alternative approaches demonstrate how communities can create cost-effective applied learning systems for youth and marginalized groups.

Improving the quality entails systematic reforms and "demand-driven" relevance of workforce development system. There are a host of initiatives to improve the quality of workforce education and training programs: developing new curriculum, training of faculty and administrators, and establishing skills standards and competency-based teaching. The skills standards act as a benchmark in the system. The curriculum integrates these new skill (or competence levels) into the learning, and teachers are trained on how to teach and assess these skills. Unfortunately, these activities are often financed as stand-alone projects, and not part of a larger reform program. Experience shows that such stand-alone initiatives rarely achieve their objectives, and that comprehensive reform is required to transform of the system (ETF/World Bank, 2007).

To achieve quality and relevance, the main challenge is to teach the skills aligned to the needs of the workplace and society. Private sector industry traditionally has stressed a narrow range of technical or occupational-specific skills. Societal pressure stresses education in academic theoretical skills and not in practical skill, but in academic theoretical skills. With the arrival of large private sector labor markets, there has become an urgent need to articulate the core skills needed for private sector employment, and to have families and society support these skills. Unfortunately, this is easier to say than do. Most developing countries are developing a comprehensive skills standards system, yet have limited institutional capacity at the private sector level to absorb complicated assessment systems. Learning from developed countries, two main mantras can be noted: think simple, think core skills. The most recent initiatives by developing countries are to develop simple tools for identification of the core skills for entry into the labor market. (ACT 2008). The "demand-driven" skill competencies act as a foundation for the system, and establish a basic standard for pre-employment education and training.

[224] Access and equity objectives support two broad goals: that of poverty alleviation and economic growth. In terms of poverty alleviation, youth workforce programs have compared favorably to other social mechanisms in specific country research. Impact evaluations of youth workforce programs have shown robust and significant returns, particularly for women participants in specific countries; however these results are mixed worldwide.

South Africa's approach to raising the quality of education and training offers valuable insights for other developing countries. The restoration of democracy exposed the inadequacies and distortions across the whole education system and especially in higher education and post-secondary training. Racial divisions in education and the growth in the number of training institutes under the Bantustans had fragmented the higher education (HE) system and eroded its quality. Guided by the Council on Higher Education, South Africa began the process of transforming HE which entailed the rationalizing of the organization and the raising the standards of technikons (i.e., technical institutes), universities, and other training organizations. This main purpose of the reforms was to create a quality assurance system that had been derived from detailed review of international "better" practice (CHE, 2000).

More than a decade later, the HEIs are generating the types of skills relevant to the country's development and that are aligned with the workforce requirements of South African business, commerce and civil society. South Africa's experience provides useful lessons for the reform at the national level.

Developing the providers and partnerships in workforce education and development. There are a large number of providers and institutions that are involved in workforce education and training programs: 1) formal vocational training and technical schools and community colleges, public and private; 2) non-formal institutions include private firms and non-governmental organizations; and 3) informal education through on-the-job training and firm-based training. To a large extent, most formal education programs are of long duration (2-4 years) and issue certification. In the last decade, the private sector and non-governmental organizations (NGOs) have become the main providers of short-term training. Alongside the provider institutions, there are a host of local, regional national and international partners and stakeholders that have become part of the workforce development network. Building linkages between these various stakeholders is fundamental in providing "demand-driven" training which reflects the skill needs of the private sector.

In the international donor community, there has been considerable support for formal vocational education and training. The International Labor Organization, the World Bank, the Asian Development Bank, and German bi-lateral agency GTZ have extensive programs in the reform of the TEVT (Technical Education and Vocational Training) system. The main challenges relate to long term support for projects. For example, the recent reform of the TEVT system in Cambodia has been plagued with underutilization, given there is not recurrent funding to support the system. Only 25 percent of the current TEVT system is being used in the country given the lack of governmental fiscal resources. The common problem of inadequate funding shows the need for sustainable financing solutions (USAID/ANE/EDC, 2006).

New private sector partnerships have become an important part of the reformed workforce development systems. In most countries, private providers including firms and non-governmental organizations that specialize in specific types of training services: outreach campaigns to participants, specialized skills training, life skills education, and monitoring and evaluation services. In addition, firms and industry associations provide both training as well as cost-share for the project. As proven in Latin America, the private sector provision of training needs oversight and regulation by government to ensure compliance with skills standards and certification.

NGO partnerships offer cost-effective programs and target to special needs audiences. The population includes the hard-to-reach, the deprived, the marginalized, out-of-school youth, ex-combatants, internally displaced persons, the excluded, refugees, the very poor, and others (primarily females) who, through circumstance, have few prospects for productive employment. These programs provide basic workforce skills, and have proven to be effective at working with at-risk populations. Often these programs have been titled as "gap fillers," providing remedial education to those that have dropped out of formal education. Yet non-formal education is more than a "gap-filler", as these programs offer work readiness and life skills to youth. A recent study of private versus public providers of short-term training shows that private sector providers are more effective. (Chong, Alberto and Galdo, Jose, 2006).

Improving the management, administration and faculty of workforce education and development programs. Effective management and administration of training activities is essential for two reasons. Effective administration avoids waste, thus allowing for greater amount of resources to go to the intended program activity. This enables the activity to achieve its desired (or targeted) outcomes (e.g., workplace readiness, at the lowest cost). Some improvements of vocational training institutes or community colleges can be achieved through improvements in activity planning, personnel management, accounting, payroll, teacher training, curriculum reform, and new equipment. Faculty education and re-training has become an important activity supported by workforce education reforms.

Concluding Observations

The factors discussed in this paper provide an overview of the broader workforce system. Which of these are the most significant to USAID's programming in workforce development? To evaluate this question, the following examines the main implications of these factors under the F framework of workforce development.

Policy reforms are a priority to address the equity, effectiveness, and economic impact of the workforce development system. Both external and internal factors support the fundamental reform of many workforce development systems in developing countries. Piecemeal efforts and stand alone projects will not achieve this reform, and policy dialogue and support is fundamental for change in the sector. In so doing, the policy reform agenda should create a champion for workforce development within the government, and streamline ministerial authorization and funding for these programs.

A policy agenda for workforce development requires intensive donor coordination and allocation of resources. There are many large international agencies already conducting reforms, such as the Asian Development Bank, the European Union, and the World Bank. In Eastern Europe, GTZ largely finances TEVT reforms and policies. A coordinated and integrated donor policy agenda is recommended at the country level.

Building public and private partnerships is a critical step in decentralization and private sector "demand-driven" programs. USAID has a proven track record working on partnerships at the local, regional, national, industry and non-governmental levels; it has financed a wide variety of partnerships: firms, industries, non-governmental, private

providers, and advocacy groups. Building local, regional, and national partnerships has proven to be a critical step in decentralization. USAID has financed many projects of partnerships with workforce development, an area of expertise that is needed in the reform agenda.

Working with non-governmental organizations to increase equity and access. Evaluations are clear: non-governmental institutions have proven to be adept and flexible at programming resources to at-risk audiences. The greater the risk, the more important it is to conduct non-formal flexible programs deep in the heart of the local community. Short-term training in workforce readiness skills and vocational education prepares the working poor for livelihoods and micro enterprise. The issue of equity has long been missing from the workforce development agenda in the countries. USAID has a unique relationship with many of the NGOs and can provide advocacy and support for workforce development for at-risk youth and women. In Africa and select countries of the Middle East (e.g., Iraq) where youth bulge will continue through 2050, at-risk youth projects are a necessity for both social cohesion and national security.

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WfD Paper #2: Workforce Development Programming along the Educational Spectrum[225]

Introduction

This background paper introduces a typology for workforce development, highlighting the main types of learning, the institutions that support this learning, and the main relationship between the learner and the institutions. A conventional paradigm of workforce development assumes a sequential learning process in which students remain in school learning in classroom settings, and then after graduation, they transition to work. This approach is challenged by research that shows the potential high cost of sequential learning. Alternatively, the lifelong learning approach emphasizes continuous learning and education that enables learners to balance earning and learning needs, as well as to incorporate more informal learning through new technologies. This paper presents key learning concepts and approaches for workforce development.

Workforce Development and the Language of Skill Competencies

A characterization of workforce development programming divides programming into three categories: formal, non-formal, or informal. (See Table 1 below) *Formal workforce education* entails long-term academic programs. These in-school programs offer sequential vocational training and career services; the programs offer accreditation through the national education system. Vocational secondary education is a good example of formal workforce education. *Non-formal workforce education and training* provides workforce skills, literacy and numeracy, and career services through a flexible and modular course curriculum, allowing open entry and exit. Accreditation or certification may be offered, by the state's board of education or by industry associations. Community education is an important example of the non-formal workforce programs in developing countries. *Informal education and training* offers experiential learning of workforce skills at the job site, through peer-group learning, or as part of household production. On-the-job training provides essential skills development in the workplace; this workforce training is often certified and licensed, such as apprenticeship training and certification. With the arrival of new technologies, there is a boom in the ways individuals are learning through informal learning. Peer-group learning through cell and internet technologies teaches a wide range of technical skills; home production offers learning about business and basic technology.

[225] Contributors to this paper include: Clare Ignatowski, Caroline Fawcett, Stephanie Tubbs, and Kelley Cormier.

Table 1: Typology of Workforce Development Programming

Formal	Non-formal*	Informal
▪ In-school school-to-work programs /K-12 ▪ Secondary technical schools ▪ Technical colleges ▪ Professional colleges ▪ Community colleges ▪ Vocational training schools ▪ Secondary professional schools ▪ Post-secondary non-degree colleges and institutions ▪ Enterprise-based training and apprenticeships (certified)	▪ Out-of-school youth programs ▪ Drop out programs/NGOs ▪ Vocational training centers ▪ Job placement/ career development /employment service centers ▪ Centers for regular education, providing short vocational training courses ▪ Poly-technical education/ career orientation centers ▪ General technical training and employment consultation centers	▪ In-plant technical vocational training schools ▪ In-plant technical training by companies, organizations, or individuals and traditional craft villages ▪ Enterprise-based training (uncertified) ▪ Cooperatives offering craft training ▪ Apprenticeship training (uncertified) ▪ Peer learning/societal learning that teaches skills needed for the workforce (e.g. ICT/ communications)

* The adult and continuing education TEVT efforts that take place at non-formal institutions most often take the form of short-term training. Typology adapted from Lamoureaux, Kennedy and Nguyen (2004)

There is a large and comprehensive literature on the types of skills necessary for the workplace. Appendix 1 provides a schema of the nested structure of skills required for the workplace. Areas of skills competencies are identified in this Skills Pyramid and are grouped as follows

- *Foundational Skills*: Personal Effective Competencies, Academic Competencies, and Workplace Competencies,
- *Industry Skills:* Industry-Wide Technical Competencies, Industry-Sector Technical Competencies,
- *Occupational Skills*: Occupation-specific Knowledge Areas, Occupational Specific Technical Competencies, and Occupation-specific Requirements, and Management Competencies

This list of skills competencies reflects the generic as well as occupational-specific skills needed for the workplace. The formal and non-formal education system is oriented to the foundational skills; non-formal and informal short-term training largely relate to the industry and occupational and skills competencies. The exception to this is the tertiary level of formal education, which supports learning at the highest level of technical, management, and occupational –specific education.

Alongside this learning system is the credentialing system of a country, whereby specific institutions in the country award recognition to the learner for achieving skills. The credential system involves a wide array of actors within a country: the education system,

the national skills training board, the national labor ministry, national labor board, the private sector industry associations, the national chamber of commerce, labor unions, or non-governmental non-formal certification in skills. Credentials include accreditation, assessment, certification, and licensing by skills or by occupation. Accreditation is offered through the formal education system. Skills assessment is a credential most linked with the national training boards as part of short-term training. Certification is a type of credential used by private sector industry associations and non-governmental organizations. Licensing awards issued by the state or industry associations provide credentials to work in specific occupations, such as accountants and health workers. In short, there are a myriad of credentialing, and institutional arrangements that make up the workforce development system in a country.

Diversity of Workforce Development Programs

There is a large diversity of workforce development programs; each reflects a distinct pathway to learning. As presented in Table 1 the main types of programming are formal, non-formal, or informal. The three types of learning reflect a continuum of learning opportunities, from childhood through adulthood. Formal education offers learning opportunities to in-school children and youth. Non-formal education offers a flexible curriculum and open entry/exit to students, allowing for out-of-school youth and adults to continue working. And informal learning, particularly in the form of on-the-job learning, takes place once the youth is formally or informally employed in the economy.

Formal education in grades K-12 provides basic foundation skills development, including literacy, numeracy, critical thinking, problem-solving and basic employability skills (sometimes called "soft skills"). Vocational education and training are traditionally offered in separate tracks from general education and are typically of lower quality and are under-funded. There have been efforts to integrate practical skills development within academic programs. School-to-work programs provide pathways to help connect students to the world of work. Career development programs and centers provide career and employment information, as well as employability training and credentials to job seekers. Higher education and other tertiary institutions form the basis of specialized knowledge and skills in the system. Formal certification also takes place for apprenticeships and enterprise-based training, whereby it reflects a sequence of skills acquired. This formal system often assumes a linear sequence of skills preparation which may not be practical for students in the developing world who are under pressure to help provide for their families.

Non-formal education and training, and informal training on-the-job offer additional entry points for learning in society. Non-formal education includes a wide range of programs targeted to specific groups, usually those at-risk or marginalized in society such as drop-outs, rural women and men, the disabled, etc. [226] In the last decade, there has been an

[226] In many USAID eligible countries, less than 60 percent of young people go onto secondary education, and around 10 percent are enrolled in tertiary education.

important shift of non-formal programs from "gap-fillers" to "workforce skills". Traditionally, non-formal education largely provided basic education, such as reading and mathematics, and has been referred to as "gap-fillers". This contrasts with the alternative movement to provide integrated learning, which combines life skills education, remediation, and workforce skills. In so doing, the objective is to integrate learning into an applied workplace setting, giving workforce and life relevance to the learning. Additionally, non-formal workforce education programs provide important extracurricular classes that promote entrepreneurship and business education, provided by non-governmental or private training providers.

Informal training incorporates a wide range of skills learning opportunities: on the-job learning, learning from use of new technologies (e.g. ICT and television), and learning from one's peer group. Under traditional workforce development theory, the main source of informal training was the workplace through on-the-job training. This "learning by doing" has shown to be a key component of firm growth and productivity, and associated with a country's economic growth. Yet learning and skills development can take part in a much wider spectrum of educational opportunities. Particularly for youth, social and economic networks create vast new arrays of opportunities that at this point have not been maximized. There is tremendous potential in tapping technologies and the workplace to promote all types of learning within a society. At the same time, the scattered nature of the learning and institutions poses challenges in policy and programs to promote informal learning and skills development.

School and Work Model for Workforce Development

The above typology reflects an institutional viewpoint—that of existing education, economic and societal institutions that teach general and specific skills related to workforce development. The typology as noted above has been transforming, largely in response to the new technologies and learning innovations. The emerging typology embraces flexible and integrated learning opportunities that respond to the needs of poor youth and adults. In many developing countries it is difficult for young people to stay in school which would mean forgoing income-generating opportunities that contribute to a family's livelihood. Adults face a similar dilemma when confronted with job training opportunities. The opportunity cost of choosing school over work or work over school is high. Figure 1 illustrates the sequential school-to-work paradigm and characterizes this process.

Figure 1: School TO Work Paradigm

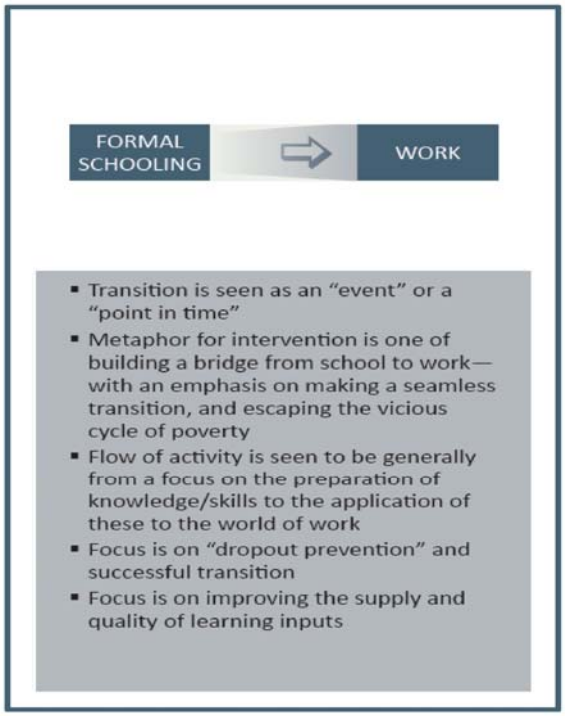
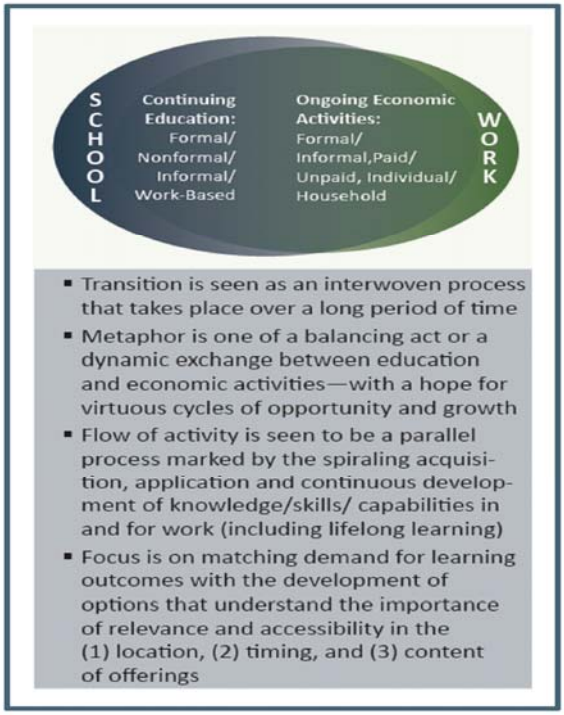


Figure 2: School AND Work Paradigm



Source: USAID/EQUIP3. 2008. "Youth Livelihoods Development Program Guide," Washington, D.C.

Recent workforce development programs are placing greater emphasis on combining school and work through a spectrum of life-long learning processes. This learning model returns us to the educational concepts put forth in cooperative education and action learning. Research shows that the needs of learners in poor countries are best met when they gain the equivalent of a secondary school education and acquire specific technical and employability skills, while working at least part time (Save the Children 2006; UNESCO 2001). This "learning while earning"[227] process gives learners who cannot afford to make the choice between school and work, the opportunity to balance the two important endeavors. "Learning while earning" programs give learners the chance to meet immediate family needs while securing the skills needed to improve their livelihoods (USAID/EQUIP3 2008). Youth also gain skills through household and unpaid work, as well as social interaction with peers and institutions. In so doing, youth create their own skills and knowledge pathways, through the workplace and society as well as formal education and training. Empowering youth to understand the value of their skills and knowledge and the need to make careful decisions for their career pathways. As noted by Mohammad Zubair, USAID is now at a "crossroads where countries and communities recognize the need to develop and expand the integrated model of school and work".

[227] This phrase was coined in the USAID/Equip3 "Youth Livelihoods Development Program Guide."

Figures 1 and 2 show the lifelong learning model oriented to the individual learner who must balance education needs and work. Under this model, there is an emphasis on promoting all types of learning at every stage of life. The learning facilitates a young person's entry into the labor market, be it in the formal, informal or family production sectors. The learning continues throughout the individual's life, forming a spectrum of educational opportunities for the young person. Global technologies and social networks are rapidly widening the type of learning and skills required in the 21st Century. Keeping pace with these new learning transformations is a critical need for developing countries with limited resources to understand this critical juncture of technology, livelihood and development.

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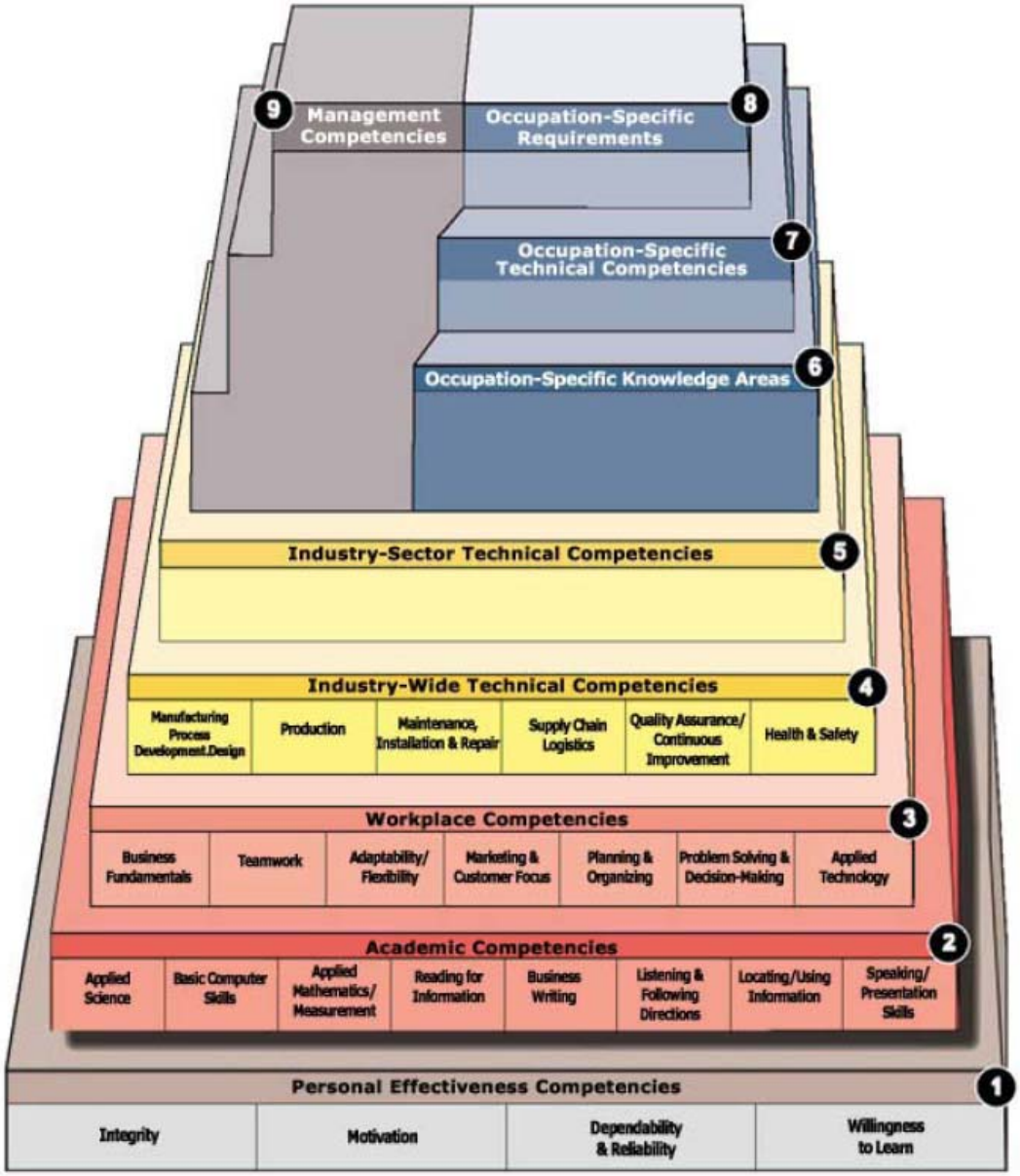
Appendix 1: Pyramid of Skills Competencies

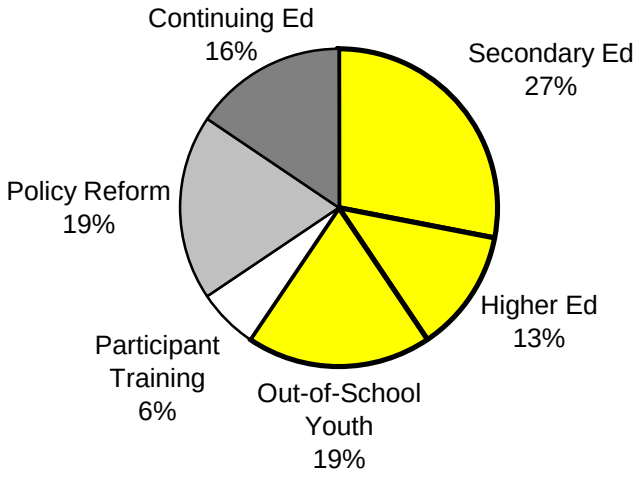


Source: State of Minnesota (2009) "Competency Model Clearinghouse".

Appendix 2: Workforce Development Programming at USAID

Almost one-third of all Missions programmed for workforce development in FY 07, up from 17 Missions in FY 06. USAID workforce development programming focus on the following types of programs: out-of-school youth, higher education, secondary education, participant training, adult and continuing education, and policy reform. Figure 3 disaggregates USAID workforce development programming by type of program.

USAID Workforce Development Initiatives by Type of Program (FY06-08)



WfD Paper #3: Workforce Development and Private Sector Competitiveness[228]

Introduction

USAID identifies an educated, trained and healthy workforce as one of three key "enablers" of economic growth along with the availability of infrastructure and financial resources (USAID 2008: 26). USAID has sought to embed workforce development within competitiveness projects—that is, projects support the strategic skills development within a local industry sector to enhance the productivity so it can compete internationally. This approach makes sense theoretically for a number of reasons—close alignment with the labor market needs of the private sector and recognition of the centrality of human capital as a key input for productivity. Yet there are challenges in the design and implementation of such programs. In addition, these initiatives do not yield mass or broad-based skills training needed for large segments of the future workforce, especially in countries where a youth bulge is putting considerable pressure on the existing job market. This paper reviews recent USAID experience with workforce development within its private sector programs. While it is too early to draw robust lessons learned, it is possible to sketch out future directions, including both challenges and opportunities

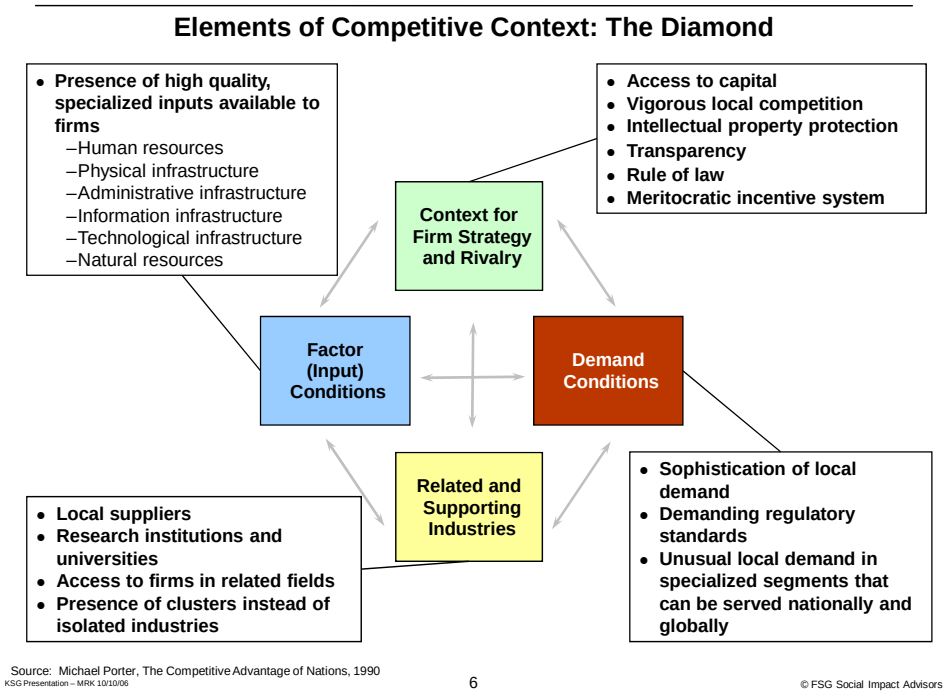
Porter Model of Competitiveness and Human Capital

Workforce development and economic growth are intricately linked and inter-dependent. Economic growth only occurs if enterprises are growing; this growth and competitiveness cannot be sustained without a workforce that has the mix of skills required to organize, manage, and competitively produce the goods and services. . Similarly, robust economic growth will improve human welfare only if wage earnings and income are increasing, whereby workers are contributing to the productive and competitive enterprises. Increased incomes and earnings also serve to motivate workers to upgrade their skills. Therefore, at the heart of competitiveness is the need of constant human capital development. At the broadest level, relevant skills-mix and its contribution to production are mutually determined.

Michael Porter's "competitive diamond" (1990) captures the linkages between skills, productivity and country competitiveness. (See below.) Under Porter's model, competitive advantage is created and sustained through a localized process. With fewer trade barriers to shelter uncompetitive domestic firms and industries, the local enterprises must be more competitive, not less. Skills and technology underpin this competitive advantage. Porter points to the example of Japan and Italy, where through human capital investment; skills are acquired, not endowed. At the heart of Porter's analysis is that firms, industry networks and national/regional policies determine the overall competitiveness of nations.[229]

[228] Paper prepared by Clare Ignatowski and revised by Caroline Fawcett. Much appreciation for the comments made by Monica Ering, Don Stiller, Tessie Martin, Arne Packer, Don Stiller , Karen Towers in their review of the paper.

[229] Taken from Kramer (2006) based on Porter (1990, 1998).



The above framework identifies the four elements of the diamond: factor inputs used in the production (including human resources); the industry and cluster networks (including research universities); the demand conditions, both local and national regulatory environment; and the context for firm strategy and rivalry. In the above schema of Factor Conditions, "human resources" are not simply endowed, but are acquired through "learning by doing" in the workplace. Here firms support human capital development through training and human capital investment, creating a more skilled workforce. A second example is in the industry networks and clusters, where research institutions and universities promote research and skills for the entire industry/cluster. Education and training infrastructures—including basic education—are part of this supply and demand dynamic with ramifications for student retention, graduation and continuation rates, and the proliferation of private post-secondary training seeking to meet learners' demand for qualifications upgrading.

The Porter model has influenced over a decade of international economic development policies and programs. First stage projects of USAID economic growth activities (as well as those outside of USAID) promote workforce training for strategic industry clusters in many developing countries, particularly sectors with global competitiveness and trade implications. These projects provide workforce and management skills training in specific technological processes, especially related to global compliance with product standards. To date, there has not been an objective assessment of economic growth sector-led workforce development activities within USAID.

The Challenges for Private Sector Investment in Workforce Development

Employers around the world complain of critical skills shortages. (TCB 2009). Global skills shortages in engineering, nursing, and information technologies have been well documented by national and worldwide industry associations. At the same time, the "soft" skills and problem solving skills continue to be lacking in much of the global workforce. These global skills shortages stem from weakness and externalities in the human capital system, both public and private sectors. What are the main reasons for these skills gaps, particularly as it relates to the private sector? There are many reasons for these skills shortages; the following explains the three main reasons (e.g. externalities) for underinvestment in skills development.[230]

Transferable training and poaching externalities. Under the market-based theory of human capital (see Becker (1964)) general skills refers to basic education, and specialized skills referred to workplace skills. The individuals (or the public sector) finance their basic education; the firm is responsible for the costs of "specialized skills". Yet education and training cannot be easily divided between the two types of skills. Second, most training is useful to firms within an industry sector, and not specifically to one firm. Best known is the "poaching problem", a second firm offers a higher wage, "poaching" the trained worker from the first firm, thus "poaching" the benefits of the skilled worker.. This scenario creates a disincentive for skills investment, both at the individual and firm levels. Policies and programs to create industry standards, skill credentials for specialized and general skills, and fair wages across all firms are avenues to address the "poaching" issue.

Credit constraints, investment externalities and growth. Human capital investment requires access to capital or credit. Here individuals must borrow for today, to acquire the skills for their future. When a worker does not have access to credit, she or he is not able to borrow it in the credit market. This equity issue is particularly relevant in developing countries, where there is extremely limited credit for lower income groups. Here access issues continue to plague the system. If there are borrowing constraints, the workers will not invest enough in skills or education, particularly in labor markets where workers do not receive their full wage. As shown by Acemoglu (1996), in such labor markets, there becomes a disincentive for both skills acquisition (due to the low returns to training given the lower wages) as well as the acquisition of technology/investment. The economy can get stuck in a low-skill/low-investment trap. Policies and programs should encourage international benchmarks for technology transfer and innovation, development of skills standards in these critical investment areas, and skills development programs related to innovation and technology transfer. Also, policies and programs to increase access to education and training to lower income groups, those where credit and capital markets are severely constrained.

[230] This discussion is largely condensed from the text by Alison Booth and Dennis Snower (1996) *Acquiring Skills: Market Failures, Their Symptoms and Policy Responses* Centre for Economic Policy Research. See also Gary Becker (1962) "Investment in Human Capital: A Theoreticl Analysis" Journal of Political Economy 70 (5 part 2), 9-49. and Daron Acemoglu (1996) "Credit constraints, investment externalities and growth" in the above cited Booth and Snower (1996).

Education and matching externalities. Uncertainty, risk and incomplete information are inherent in the workings of the labor market. People who pay for training are not certain that they will get jobs offers. Firms with vacancies are not certain of getting trained job applicants. Under this uncertainty, there is the possibility that a trained individual will not receive their full benefit, or that a firm will pay an individual who has not had adequate training. These externalities can lead to under-investment in skills. This is particularly acute where labor market structure is heavily informal in nature, and there are low real returns to training and education. To address these uncertainties, policies and programs to increase labor market information, skills certification and credentials tied to fair wages, and encourage labor market reform and career development to promote labor market mobility.

These reasons point to the need for coordinated action in the public and private sectors to promote workforce development. The policies and programs largely supported through partnership have created new synergies in addressing workforce development. For large and/or multinational corporations, there has been substantial interest and efforts. Globally competitive businesses routinely train their own workers according to their specific skills needs. For example, Intel, Cisco and other high-end skills-intensive industries have their own "universities." Global franchises require less by way of high-end skills but demand strict adherence to basic quality standards. For example, McDonald's with its well-known Hamburger University also invests heavily in workforce development. The same is true with high-end hotel chains, with brands such as Marriott, Four Seasons, and Hilton investing significantly in training their local staff to meet customers' expectations of service standards. In a recent literature review for USAID, Holm (2008:11) also finds that larger, export-oriented firms appear to provide the most training hours, while smaller, domestic firms in the infomal sector provide less. Also, firms tend to invest in more educated workers while vocational education and training partnerships with the private sector tend to be disconnected from public workforce systems (to the extent that these exist in developing countries).

Yet these efforts in export-oriented and large companies do not often reach the neediest workers or large numbers of the future workforce in developing countries. There are few sources of financing of worker education and training for the neediest in a society. Small enterprises with limited working capital have limited resources to train employees. Youth from lower income groups have little access to training. For most the workforce, there is limited access to the skills for development, that will be the foundation for the future competitiveness of the country.

USAID's Experience with Workforce Development Projects

Competitiveness as a comprehensive model for developing sustainable economic growth came onto the scene at USAID in the late 1990s with assessment and programs in Uganda and Sri Lanka.[231] The first generation of programs, mostly in Eastern Europe and Eurasia Region, and focused on industry clusters through participatory processes. Workforce development was conceptually understood as a critical ingredient of competitiveness but it was rarely an area of focus of activity or investment activity. As a result, from the late 1990s to early 2000s, USAID staff from Education and Economic Growth sought to correct

[231] Personal communication with Ken Lanza, Jan. 16, 2009.

the absence of workforce development programming by creating a new initiative using a cross-sectoral approach. Workforce competitiveness assessments (EDC 1998 and 1996) conducted inter alia in the Philippines was the first pilot efforts to understand workforce dynamics in a holistic fashion inspired by Porter's work. As a result, the Global Workforce in Transition (GWIT) Indefinite Quantity Contract was created for Mission buy-in.

The GWIT IQC s was sponsored by USAID's Office of Education from 2002-07 and was framed around competitiveness principles with technical input from the Office of Economic Growth. It aimed "to prepare the workforce for economic growth, trade and competitiveness." Over the course of the project, almost two dozen strategic workforce assessments[232] were conducted, mainly in Eastern Europe and Asia. However, surprisingly, USAID contracted only two *implementation* projects under GWIT (Bahrain and Cyprus). Two stand-alone workforce development projects were funded in Egypt and South Africa.[233] During this period of the first generation of competitiveness projects, there was discussion of the importance of considering labor quality but little investment in actual activities.

Since 2006, there has been a significant increase in USAID workforce development investment more broadly (from approximately $27 million in 2006 to approximately $67 million in 2008 globally).[234] In workforce development within competitiveness projects per se, there has been a marked increase in the number of projects (including Pakistan, Albania, Kosovo, Macedonia, Montenegro, Jordan, Ukraine, and others). Within second- and third-generation competitiveness projects, workforce development has emerged as a key component, along with other more complex program areas, such as improving the business regulatory environment. It is still too early to know the results of this work but several lessons are emerging (see next section). The main program components of these workforce development activities are detailed in Annex 1.

The USAID financed Kosovo Private Sector Enterprise Project is a prototype model of the private sector competitiveness project with workforce development activities. This $16 million project: supports the private sector in targeted sectors, improves the enabling environment, strengthens business support service organization and provides strategic workforce development activities. Approximately $1 million of workforce activities is supported annually, and these activities encourage entrepreneurship and innovation through education at secondary schools, internships and apprenticeship programs for students, and linking the business community with universities.

Beyond such cluster models, there are also some demand-driven methods of labor market assessment. The needs assessment examines the skills needs and requirements of the entire labor market before designing workforce development activities. USAID under the GWIT and EQUIP3 mechanisms continue to support a wide variety of labor market assessments. As part of this initiative, EQUIP3 has developed various toolkits. In the USAID Haiti

[232] Those assessments and their respective analytical tools specifically focused on the competitiveness of the workforce in conjunction with economic growth were conducted in 2004 in Djibouti, Bulgaria, Macedonia, Kosovo, Morocco, Serbia/Montenegro, Tajikistan and Djibouti. In 2006-007 five larger-scale assessments were conducted under the Asia and Near East Bureau's 21st Century Jobs Project (the Philippines, Indonesia, Sri Lanka, Cambodia, and India). Assessments are available under "Products" on www.gwit.us.
[233] Personal communication with Tessie San Martin, Jan. 16, 2009.
[234] This does *not* include funding in Iraq and Afghanistan.

IDEJAN project, a local labor market assessment tool is now being developed, with the expressed purpose of creating a supply chain of local small enterprises.[235]

Additionally, there are many innovations from developed countries that could be useful to private sector workforce projects. Recent suggestions offered online during the USAID education sector virtual discussion include:

- Digital credentialing and verified resumes whereby firms provide confirmation, credentialing and validation certifications to ensure that workers have basic skills, such as literacy, as well as occupational-specific skills.
- Competency networks create clusters of education and training institutions that have been certified to teach general and/or specific skills competencies, and ensure specific standards and quality of programs.
- IT across Careers are programs that develop resources that promote broader learning and implementation of IT knowledge and skills, with particular attention to career pathways for young people.

Workforce Development and Economic Policy Priorities

As USAID private sector competitiveness projects mature, the private sector (particularly emerging countries) will begin to speak with a more unified voice for accountability of the national education and training system. Many emerging and developing countries already have established skills development strategies supported by private sector leadership, such as Singapore, Malaysia and China Leveraging the private sector to play a broader role in workforce development is a critical ingredient to linking skills development to economic growth. Linking technology, foreign direct investment and skills development are key components of economic policy in these countries.

Private sector leadership in workforce development is an essential element of the policy process. Leadership goes well beyond specific industries, or single Ministries. Galvanizing private sector interest and leadership around broad educational and economic goals has proven to be the main mechanism to achieving substantial workforce development reforms. To do so, public sector must see themselves as advocates for human resource development, and learn about the policies and realistic expectations of the system. Creating policy partnerships between government and private sector has proven to be the main stepping stone for serious reform of the workforce development system in countries. One of the most oft-cited examples of such industry-prodded reform is the case of Intel in Costa Rica. Under the prospect of a computer chip manufacturing plant and its high-wage, white-collar jobs, Costa Rican public and private sector leadership motivated Costa Rican universities to improve educational quality to produce the high-level engineers needed by Intel.

Early Observations

Comprehensive competitiveness projects cannot be conducted piecemeal or hastily, as they depend on the development over time of trust and understanding among local stakeholder

[235] One example is the Market Assessment Toolkit. See Bidwell, Kelly; Galbraith, Colleen; et al (2008) *Market Assessment Toolkit* School of International and Public Affairs, Columbia University.

groups for sustainability. Focus on workforce development has typically been a second-stage area of focus, needing a sophisticated understanding of how skills development relates to increased productivity.

Once firms begin to organize around the need for increased investment in workforce training, it is more desirable to build sustainability by linking firms with local education and training institutions or building their own training capacity. This second stage requires partnership strategies. Yet the partnership development takes time and effort. Usually the local education and training institutions are weak, and require capacity-building to strengthen their ability to respond appropriately to the market demand. At the same time, firms may not have the incentive to invest heavily in unskilled or mobile workers. Some have noted that intense pressure from donors for quick results and large numbers of trainees. These immediate expectations may not be consistent with the developmental process needed to build strong capacity and partnerships over time. Private sector-led workforce training may not in itself reach a broad base of potential workers who need employability training; however, it can provide critical training to enhance the skills mix in a country that is necessary for competitiveness.

Annex 1. Main workforce development activities within USAID competitiveness programs

USAID workforce development activities within competitiveness projects typically focus on industry associations which are organized around clusters (e.g. tourism, ITC, garment manufacturing, gem and jewelry design, etc.) The particular industries are chosen as part of a broader economic growth targeting strategy. Programmatic areas include:

a) Promoting awareness in industry clusters of the **importance investing in skills development** for the incumbent and emergent workforce.

b) Conducting **skills gaps analyses**: to learn which skills businesses will need in the short and medium term to increase their productivity, which skills workers currently have, and where the gaps are. This may also include assessing the capacity of existing training institutions to meet private sector demand.

c) Developing **shared training platforms** or modalities for in-house or industry-wide training in needed skills. This usually involves creating partnerships with local private or public education and training institutions. Often existing workers are targeted for upgrades to managerial positions.

d) Developing shared **standards and certification** for skills training quality.

e) Improving **human resources management processes** in firms to ensure equity and transparency.

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WfD Paper #4: The roles of public and private sectors in workforce development: New trends and innovations[236]

Introduction

A critical area of debate today in workforce development concerns the relative roles of the public and private sectors in workforce development. Several new trends and innovations have emerged to have shifted how the public and private sectors work together to provide high-quality workforce education and training. These initiatives have responded to the critical needs for quality skills for the global economy. A comprehensive study conducted by Gill, Fluitman and Dar (2000) reviewed 18 countries and their respective vocational education and training systems.[237] A similar study conducted by Richard Johanson and Arvil Van Adams examined the experience of Sub-Saharan Africa (2004).[238]

Alongside this country research, there has been policy research on the justification for public sector intervention in the workforce sector. Three main reasons explain the need for public sector policy oversight, funding and programming. First, there are the external benefits of a single firm doing training. Often referred to as the "poaching problem", workers can leave firms and take their skills with them, being "poached" or stolen by the new employer. The outcome of the poaching is an underinvestment in training. A second reason is the imperfect credit and capital market and its impact on low income groups. Limited lending is available in developing countries for education and training in the private sector, which in turn leads to limited access of the poor and low income groups to basic training or skills education. A third reason for underinvestment in skills is the uncertainty for firms and workers in making their investment. There are many explanations for this uncertainty: uncertainty on the quality of training, uncertainty on the job attachment, and the uncertainty on the returns from training. Each of these explanations leads to underinvestment in skills development in the private sector. Past research on developing and developed countries confirms these findings; where market externalities and uncertainty leads to underinvestment of workforce skills. (See Booth and Snower (1996))

In response, governments have developed a wide range of public policies and programming to promote human capital and workforce investment. Workforce development policies and programs include formal, non-formal and informal education and training; active labor market programs and labor market regulation. From formal vocational education to on-the-job training, skills development for the private sector has become an important aspect of labor and education policies and programs in developing countries. Most recently, workforce development have incorporated livelihood skills training and entrepreneurship education into their programs.[239] This paper highlights some of these new trends and innovations in public and private sector roles in workforce

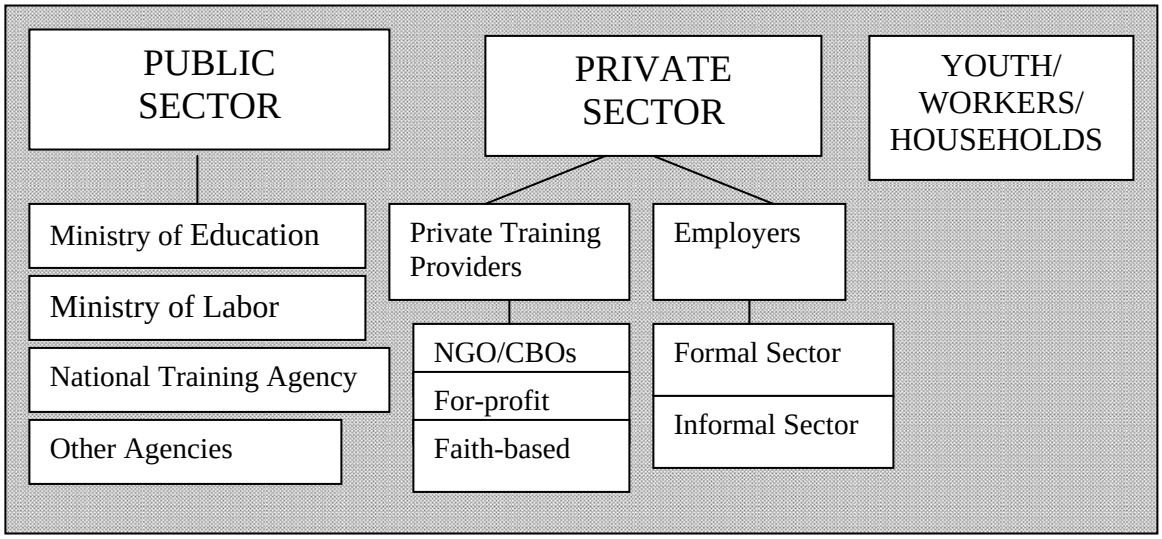
[236] Prepared by Caroline Fawcett and Clare Ignatowski. The main trends cited are from Richard Johanson "TVET strategies in the Asian Region" to the ADB (2004).
[237] Gill, Indermit and Fluitman, Fred and Dar, Amit (2000) *Vocational Education and Training Reform: Matching Skills to Markets and Budgets* World Bank.
[238] Johanson, Richard and Van Adams, Arvil (2004) *Skills Development in Sub-Saharan Africa* World Bank.
[239] Wim Hoppers (2006) "Non Formal education and Basic Education Reform: A Conceptual Review" IIEP.

development. To prevent cherry-picking of "best practice" the paper emphasizes systemic policies or scaled programs and practices, and not small stand-alone initiatives.

Public-private landscape of workforce education and development

The workforce development system includes a myriad of institutions. Within the public sector, these institutions include the Ministry of Labor, Ministry of Education, the Ministry of Youth, the Office of the Presidency, and often the semi-autonomous Skills Development Agency or National Training Center. These public institutions provide administrative oversight, management and often direct service provision. Within the private sector, there is a wide range of workforce institutions: non-governmental organizations, private sector providers, industry associations and national chamber of commerce. Most importantly, workers and youth, their families and households are the main participants in programs. Figure 1 presents the main actors in this complex landscape of workforce development.

Figure 1. Public-private actors in workforce education and development



Source: Modified version from Johanson, Richard (2004) "TVET strategies in the Asian Region." ADB.

The above schema distinguishes the main public and private sectors institutions at the national, regional, and local levels of decision-making and service provision. Local community decision-making and service provision has been the major thrust of many reform efforts of workforce development programs, be it TEVT (technical education and vocational training) or non-formal education (NFE) programs. There are substantial differences in the size and coverage of vocational education and technical training, and non-formal education in countries. Let us look at secondary vocational education in countries. (See Table 1 in the Annex,). In an 18-country study, Hungary, Poland, Czech Republic, Russia, China, Tanzania and Egypt have secondary vocational education enrollments over 50 percent of all secondary education populations. Also, these are countries, with high levels of secondary enrollments. The reform of this secondary vocational education would have a large impact on the overall educational system, given the high percentage of enrollments. Under such a scenario, reforms of vocational education are critical to overall education sector efficiency and effectiveness.

Main trends and innovations

From manpower planning to labor market assessment and information. Largely in response to "demand-driven" development, there has been increased attention on labor market information systems. The labor market information systems supported by the Ministry of Labor and Census Departments have established an information platform on the demand for skills by national, regional and local labor markets. Rural income surveys provide greater information on informal economies and household production. Also, unemployment data is now available at the district level (as well as national, state or provincial levels. This disaggregated information is useful for the design of programs to targeted beneficiaries. Most at-risk youth workforce programs now incorporate the key characteristics of the beneficiaries in designing a service program to ensure their active participation. Matching the training program to the target beneficiary has proven to lead to the most successful programs (Gill, Indermit and Fluitman, Fred and Dar, Amit 2000).

From single ministerial control to national-local partnerships. Reform programs have moved away from a single public provider of training to a decentralized training provision at the local level. Decentralization has been the cornerstone in building national-local partnerships between the public and private sectors. The Latin American model of vocational education and training, first started in Chile in the 1980s, introduced decentralization. Included in these reforms was the decentralization of management, the removal of barriers to entry of new providers, and changed rules for allocating public funds based on efficiency and impact of the individual training center. These incentive-based systems incorporated the principles of performance management into the budget and financing of the projects.

Other workforce development programs have promoted similar types of objectives worldwide. USAID has supported various industry partnership programs in light manufacturing, tourism and information sectors. In Moldova, Indonesia and Cambodia, competitiveness programs have aided private industries to identify their skills needs. Firms contribute equipment and other resources, and in turn, ensure employment for these workers for at least a year. The local training center aligns their curriculum to these identified skills needs. Local NGOs provide life and employability skills to the future workforce. The Indonesia reform of the TEVT system has placed priority on local private partnerships. There are a wide range of institutional relationships with the TEVT system: scholarships, recruitment coordination, dual apprenticeship, flexible study-work schedules, filling the "skills gap" for informal sector workers, stakeholder advisory councils, production training simulation centers, career development, outplacement, mentoring and leadership exchange programs, and wide variety of formal and informal skills certification.[240]

Non-governmental organizations have similar types of experience: galvanizing private sector contributions as well as working with local industry and small enterprise associations to promote linkages. For example, the CAP Project in India "Linking and Learning Livelihoods" is a large scaled-up private sector initiative designed to reach out to adolescents at risk through an integrated education program. It focuses on the most vulnerable and difficult to reach youth and women in the hardest to reach populations of the community. In its six-year history, the CAP Project has worked in 115 communities, helping 100,000 youth in urban, rural and tribal settings across India. It has grown beyond India, with livelihood reconstruction projects in Tamil Nadu, Sri Lanka, and Indonesia. CAP also has had success working with trafficking victims in Mumbai and Nepal, street children in Vietnam and refugees and migrant workers in Bangladesh and Sri Lanka.[241]

[240] USAID/ANE/EDC (2006) *"Jobs for the 21st Century: Indonesia"* and USAID/ANE/EDC (2005) *"Jobs for the 21st Century: Cambodia"*.
[241] USAID/ANE/EDC (2005) *"Jobs for the 21st Century: India"*.

From central control to local autonomy and national oversight on skills and teaching standards. The second generation policy reforms promote autonomy of decision-making at local vocational education centers and institutes. No longer is the central government the main provider of skills training. Local centers provide training services, reform their curriculum to meet local labor market needs, form local partnerships, and build trust with the youth and workers in the programs. This move from central to local control has not been easy, and the second generation of voc-tech reforms remains a challenge in large parts of the development world, particularly in the Middle East and Africa.

Alongside these management reforms, the national government plays a new oversight role in skills and teaching standards. Under these reforms, the national government supports demand-driven standards, working with industry leaders and national organizations, and encouraging community and local businesses to incorporate the identified skills and attitudes. Most reform movements have embraced the design and development of new skills standards largely to ensure accountability and transparency within the industry and occupational certification, accreditation, credentialing and licensing processes. Examples of these distinct types of credentials are the following:

- An industry certification program, e.g., Certified Nursing Assistant (CNA).
- A pathway examination that leads to a completed industry certification, e.g., automotive technician examinations from National Skills Board.
- A state-issued professional license, e.g., Occupational Therapist.
- An occupational competency assessment, e.g., technical skill assessments from the National Skills Development Council in many countries.

  All of these various credentials are now integrated, with common skills standards, thus creating an integrated a skills system for private sector recruitment, promotion and training purposes. It allows transparency in the skills credential process, whereby national, state, and local governments as well as industry associations are using consistent norms and standards. Such efforts have opened the access for students and workers to state accreditation, licensing and credentialing.

Most of the developing countries use the occupational model of skills standards, as it is recommended by the International Labor Organization. Modifying these standards to the local context (often referred to as contextualizing) is a first step in making these skills standards relevant to the production of goods and services in the local setting. The Turkish experience shows of the possibilities and pitfalls of such an approach.[242] Developing "demand driven" standards is a much more difficult and time-consuming task, and requires large scale private sector commitment and leadership. Here private industry organizations articulate their skill needs, and derive competency assessments and standards based on these needs. To simplify this process, many firms and industry organizations worldwide have been concentrating on core skills and standards for new entrants into the labor market. Most developed countries have moved in this direction, such as the recent Work Keys program in the United States. This innovative program working in public-private partnership developed a core group of skills and certificate for entry level workers into the labor market.[243]

From long pre-employment courses to short-term courses and flexible schedules. Under the principle of "lifelong learning", the curriculum reform of vocational education and training has oriented to "just-in-time" training models. Such an approach avoids fixed 2-3 year pre-employment

[242] Simsek Hasan and Yildirim Ali (2000) *Vocational Schools in Turkey: An Administrative and Organizational Analysis In International Review of Education* Volume 46, Numbers 3-4 / July, 2000 Springer Publishing

[243] See ACT (2009) *Work Keys: A Jobs Assessment Program.*

training programs, which are costly and inflexible. Rather it offers a sequential program of skills development and working on the job. Here the mantra is "school and work," encouraging flexible times and short-term courses to allow for students to return to school. One of the most important lessons from the Eastern European experience has been: "Do not try to re-create the old model. If it is broke', fix it." For that reason, simply equipping or training teachers without fundamental reform of the education system will not adequately address the systemic problem.[244]

The non-formal education programs under basic education have long practiced the principles of flexibility and open access of continuous education. There are excellent examples of these programs, such as the SERVOL Youth Training program in Trinidad and Tobago and the IDEJEN/Haiti program the USAID EQUIP3 project. These programs offer a graduated curriculum of short courses and practical training with intensive personal counseling, career planning and follow-up support. Evaluations have shown that it is the follow-up and support during the on-the-job training or internship phase of the program that is most important for the trainee, allowing the young person to have his and her first job experience. Similarly, programs targeting women and youth in both developed and developing countries have used the principles of non-formal education programs, providing short courses, flexible schedules, robust outreach to communities, rigorous follow-up support, and on-the-job training. For that reason, NFE provide an important basis for local programs that offer continuous learning for vocational education and training.

From formal economy to informal economy and local private provision of training. Traditionally the national training system in a country has placed priority on the formal economy. Under the tripartite structure recommended by the ILO, the national training board represents the largest producers and union memberships. The increase in the informal economies around the world present new challenges for skills investment. The informal economy of local labor markets, are the main entry points for youth seeking employment. Most youth in developing countries start their career in the informal sector. Building pathways of skills development that include the informal economy is a pressing issue for human capital development in developing countries.

In addition, there is one consistent recommendation worldwide: encourage the growth of private sector training providers. Studies supported by the EU, The World Bank, and the IADB, all note the flexibility of private sector providers of trainer, both for-profit and non-profit providers. Two main trends are noted in private sector provision of training. For-profit providers are proven to be most flexible and effective at offering specialized training services to small enterprise and micro-enterprises. Medium and large firms often use for-profit providers for specialized training; yet given scale and size, these larger firms can offer in-firm training as well as recruitment training in-house. On the other hand, NGOs effectively target and provide training to at-risk populations, such as at-risk youth and women. The government must provide oversight and support to these providers, as well as enforce skills standard to ensure quality and transparency.

From full state financing to diversification of financial sources and cost-sharing. Cost-share and diversification of financing are important parts of partnership programs in workforce development. There are a host of new financing mechanisms, such as trainee fees for partial cost recovery, grant funds from donors and private sector foundations, enterprise-based training, and volunteer contribution of private sector employees to teach and mentor trainees and students. In so doing, financing workforce development has moved away from full state financing through direct budget shares or payroll tax levies.

[244] Canning, Godfrey, Holzer-Zelazewska (2009) "Vocational Education in the New EU Member States: Enhancing Labor Market Outcomes and Fiscal Eficiency" The World Bank.

The reform of the levy financial system has been an important step in building voluntary partnership with the private sector. There are two types of levy systems used to finance training in many developing countries. The first type is the revenue raising tax whereby firms are taxed to generate revenue for training. The revenue raising tax provides consistent funding for skills training; the disadvantage is the cost imposed on workers, where higher taxes translate to less employment. Also, revenue generation may lead to supply-led solutions in training which can be divorced from the needs of the private sector. The second type is the levy-grant (levy-rebate) whereby firms receive some financial incentive to conduct in-firm training. The levy-grant policy promotes a high degree of self-financed employer-based training. Such is the case in Singapore with its Skills Development Fund, which has witnessed a tripling of individuals trained, and doubling of firms training. There is evidence that the firms do not need this incentive-- that firms would have trained without the tax incentive. The scattered evidence from these schemes shows that several benefits: that training does increase with these tax levy policies, and that these schemes are more effective under conditions of economic growth. Potential negative outcome is that small firms do not benefit from these levy policies.[245]

From limited access to active participation of youth and women through local partnerships. Alongside these financing reforms there is the increased awareness of the challenge of access and active participation by youth and women to the workforce development training system in many countries. Other than non-formal education, the poor and female students have limited access to skills training. Non-governmental organizations provide a large percentage of these services. For example in Tanzania, NGOs provide around 31 percent of all skills training. Yet these programs have largely been excluded from government financing. Community partnerships that promote active youth involvement and neighborhood involvement are first steps in building such a local workforce network. Greater social inclusion of at-risk youth and women has been achieved through a myriad of new innovations: revising the standards to ensure minimum quality of training, providing incentives to strengthen community institutions, outreach and active campaigns for youth and gender inclusion; financing part of the costs of the training, through partial subsidies, tax credits or scholarships.

From central delivery of training to new institutional mechanisms and incentives to increase efficiency and effectiveness of private sector training. The second stage reforms of the TVET systems separate the financing of training from the provision of training. No longer are governments the primary service providers, but rather are the overseers of the policies and standards (see above). Specific institutional mechanisms and incentives are established to separate the service delivery, the management and performance evaluation, and policy related to quality standards, oversight and accreditation. These incentives assign funds based on the efficiency, performance and impact of the training provider. The training provider is responsible to establish private sector partnerships and incorporate youth into the participation and decision-making of the program. The training providers must report to the coordinating entities that oversee project management. The government allocates monies based on the performance benchmarks, as well as demographic and income needs of the population. The open competition and the performance management structure ensure efficiency and impact of these programs. The well-known Chile Joven (Youth) program trained over 200,000 youth under these incentive principles. Many countries worldwide have adopted this incentive-based program.

Experience shows that incentives work well in urban areas and with working class youth. For example, in the Argentina Youth training program, the urban-based program had a healthy response from private sector providers under the open bidding of training services. However, rural parts of

[245] Dar, Amit, Canagarajah, Sudharshan, and Murphy, Paud (2003) "Training Levies: Rationale and Evidence From Evalutions" World Bank.

the country had few providers and of low quality. Also, at-risk "poorest of the poor" youth largely stay in their neighborhood community. Thus, incentives only go so far in making for an effective program. Targeting and strengthening of institutional capacity remain key elements of effective youth and workforce development.[246]

Conclusion

In the last two decades, public and private sectors have witnessed a marked transition in their roles and responsibilities in workforce development programs. Under the ideals of "demand driven" training, the private sector must move from a passive to active player, voicing their skill needs, conducting enterprise-based training, and conducting transparent recruitment. Small enterprises, largely working within an association, have focuses on entrepreneurship and basic skills to promote their business. Countries experience shows both the success and some pitfalls of private sector partnerships in workforce development. In countries (and economic sectors) with rapid economic growth and global trade, there is an immediate return to such investment because of quality and productivity. Under this scenario, we see strategic and active private sector leadership. For the smaller firms, such benefits are not always forthcoming, leading to more prodding than participation.

Two trends show positive results. Private sector training providers, for-profit and non-profit, have risen to the occasion, and are now providing most training to firms and to individuals. For-profit training providers have proven themselves to be adaptable in offering specialized technical education. The NGO providers are instrumental at working with special target populations, such as at-risk youth and women's projects. The NGOs offer community and neighborhood solutions well-attuned to local labor market needs.

Be aware that this private sector transition needs a public sector to guide them on their way. Widening the role of the private sector has required substantial policy reforms and new management and oversight in the public sector. The new roles for the public sector require and active public sector, one where regulation, performance and skills standards and incentives are needed to manage and oversee this service delivery. While there is considerable variation between countries in these reforms, experience shows that decentralization and public-private partnership have led to success stories, both in the TEVT and NFE systems.

[246] See http://www.adb.org/Documents/Events/2002/SocialProtection/aedo_presentation.pdf

Annex A.

Table 1. Size of vocational-technical secondary education track

Country	Secondary Enrollment Ratio	Number of Students ('000)	Vocational-Technical Share
Hungary	81	135	73
Poland	84	2,206	67
Czech Republic	86		84
Russia	88	6,277	60
Kazakstan	90	1,750	33
China	52	15,300	55
Indonesia	43	4,109	33
Malaysia	59	533	11
Korea	93	2,060	39
Chile	70	652	40
Mexico	58		12
South Africa	77		1
United Republic of Tanzania	5	23	65
Zambia	20		2
Jordan	53		
Egypt	76	2,788	68
West Bank & Gaza		53	4

Source: Gill, Indermit, and Fluitman; Fred and Dar, Amit (2000) *Vocational Education and Training Reform: Matching Skills to Markets and Budgets.* World Bank.

WfD Paper #5: Workforce Development in Post-Conflict Countries

Introduction

Developing countries are now undergoing rapid population growth and demographic transition. With the emergence of high youth age population, developing countries now face its largest group of youth in history-- 1.3 billion people between the ages of 12 and 24. New research reveals that countries with particularly young age structures may be more prone to conflict. To a large extent, these youth populations are both a "blessing and a curse".[247] A large youth population provides a demographic dividend of human capital for economic growth. But weak economies and governance mixed with youth bulge may lead to violence.[248] In 2006, youth made up 35 percent or more of the adult population in 44 countries, including many in sub-Saharan Africa, the Middle East, and South Asia.[249]

Accompanying the youth bulge trend is the high rate of youth unemployment and underemployment, particularly in countries with post-conflict regions.[250] The Middle East and North Africa region has the highest rates of youth unemployment, estimated at around 34 and 31 percent, respectively in 2006. Post-conflict regions have some of the highest rates of youth unemployment and inactivity in the world. For example, Kosovo and Macedonia report youth unemployment well over 50 percent. The Mindanao region of the Philippines has the highest rates of youth unemployment (42 percent) in the country and in the whole of Asia.[251]

Generating employment and promoting skills development are important policy and program responses to these post-conflict countries, both in the short-term and long-term. There has been a long-standing debate on the effectiveness and expected outcomes of workforce development programs in post-conflict countries. Government and aid officials view these programs as essential to rebuilding and stabilization in post-conflict countries where there are a large number of idle and armed ex-combatants. Countering this argument, economists and evaluators often question the success of these programs in terms employment impact and income generation. This paper explores the main issues framing workforce development programs in post-conflict countries.

[247] Bannon, Ian, 2004 "Foreward" in The Devil in the Demographics: The Effect of Youth Bulges on Domestic Armed Conflict, 1950-2000, Henrik Urdal. Social Development Papers: Conflict Prevention & Reconstruction Paper No. 14 (July). Washington, DC: World Bank.
[248] Urdal, Henrik, 2006. 'A Clash of Generations? Youth Bulges and Political Violence', *International Studies Quarterly* 50(3): 607–630.
[249] Population Action International, 2006, "The Shape of Things to Come". Washington D.C. PAI.
[250] International Labor Organization (2007) *Key Labor Market Indicators*, Geneva: ILO.
[251] This data is collected and organized by the ILO through its Key Indicators Program. See International Labor Organization, "Key Labor Market Indicators", (2006) Geneva: ILO. Other country assessments provide in-depth sub-national youth unemployment data. See USAID/EDC. "Jobs for the 21st Century: The Philippines", (2006), Washington, D.C.: USAID/EDC and USAID/EDC, "Jobs for the 21st Century: Sri Lanka" , (2006) Washington, D.C.: USAID/EDC

Transitions of Workforce Development (WfD) Programs

Since the early 1990s, there has been an expansion of the use of youth as combatants in warfare especially in sub-Saharan Africa. In response, USAID has financed a wide range of vocational and skills training to ex-combatants, refugees, and the broader population of at-risk youth. Two decades have witnessed a marked transition in the types, targeting, time frame and program services. In the review of 17 transition projects, three main categories of workforce projects emerge. (See listing of projects under USAID/OIT)

Rehabilitation and Reintegration of Ex-combatants: The initial workforce projects were designed as parallel projects coordinated with the stabilization programs in countries, best known as DDRR (Disarmament, Demobilization, Rehabilitation and Reintegration). These projects were known for their short-term timeframe and quick disbursement of funds. They promoted the broad goals of conflict mitigation, political stability and humanitarian assistance. USAID/OTI initially designed a number of ex-combatant programs in Angola, East Timor, Guatemala, Liberia, and the Philippines (USAID/OTI 2006).

The initial projects targeted services exclusively to ex-combatants. In several countries, the targeting approach undermined the implementation of the project and heightened tensions in the local community. Over-targeting of ex-combatants for benefits tended to create a perverse incentive for arms and seed resentment among non-combatants. Furthermore, effectiveness of projects was largely measured by input-based measures, reflecting a project management evaluation framework. The evaluation of one project in Mindanao, the Philippines found that 4,000 ex-combatants were assisted and that modest income gains were generated for these adults (USAID/OTI 2000).

Community-focused Reintegration: In early 2005, USAID reformulated their post-conflict programming and widened the projects to include non-combatants and refugees. At-risk youth more broadly were now eligible for the projects. Geographical targeting enabled identification of the needs of specific populations by province or region. Countries quickly moved to adopt this new framework, and a new round of projects was born. Burundi, the Democratic Republic of the Congo (DRC), Liberia, West Bank and Haiti are examples of these programs. (See Annex, Boxes 1-4). It was assumed that the governments in these countries were no longer transitional and had already achieved a reasonable level of stability.

Often referred to as “second chance” programs, the workforce programs give trainees a second chance at acquiring some basic occupational skills, as well as skills for life. Remedial basic education, psychosocial support, community-based leader training, vocational skills training and a small community grants fund were also included in the package of services. Based on feedback from youth ex-combatants, a vocational skills training program was developed in several countries, such as Haiti, the West Bank and Timor Leste. These programs financed a wide range of support activities, such as life skills, psychosocial support, and short-term vocational training in specific occupations, such as bee-keeping, auto mechanics, and cell phone repair. To a large extent, the local labor market, and particularly the livelihood service sector, were and continue to be the main entry points for youth in post-conflict regions.

Workforce programs for development and conflict mitigation: Many post-conflict countries are now in the process of graduating to "developing" country status (to use terminology in the US Government foreign assistance country typology framework). There are a large number of countries that are "developing" that continue to experience violence and social strife. Angola, Burundi, Haiti, Guatemala, Indonesia, Liberia, Nigeria, Republic of the Congo, and Tajikistan were once post-conflict, and now are classified as "developing" countries. These programs begin to more address the longer-term factors the influence levels of conflict as well as sustainable economic development.

Gender considerations must address the "invisible" female populations. While the workforce and livelihood development needs of young and adult women are—or should be mainstreamed in any post-conflict program, programming for reproductive health is an important area that specifically targets female youth. That female youth are so often underrepresented in youth programming, and given the inherent need for reproductive health education and services, makes this small field particularly significant. One excellent example is the Reproductive Health Project led and administered by the Women's Commission for Refugee Women and Children. This project supports small grants to NGOs in 8 countries with refugee populations. Most of the projects are located in Africa and Asia (USAID/EQUIP3 2006).

A Broader Framework: Integrating WfD into Stabilization and Growth

Youth workforce development comes at the crossroads of economic growth, education and stabilization in post-conflict communities. Its programs activate the economy and promote greater access to skills linked to employment and productivity. Youth workforce development reflects the distinct needs of the post-conflict communities, particularly as it relates to the timing and sequencing of economic re-activation and the return of social service delivery. Two main phases can be distinguished: the short-term immediate assistance for returning ex-combatants and refugees; and the long-term assistance to promote economic growth and skills development for productivity and income generation.[252] To a large extent, recognizing the distinct needs, sequencing and trade-offs of these distinct periods provide guidance for successful programs.

Short-term programs: Jobs creation and youth development. Immediate stimulus programs create short-term employment in infrastructure, construction and service sector. The "cash-for-work" employment programs provide an income support through the short-term fixed, low wage jobs generated in the construction and infrastructure sector. These jobs attract unskilled, uneducated labor, many of whom are youth. The construction projects largely reflect community priorities to rebuild institutions, such as school, hospitals, and cooperatives. A second area of jobs creation is in the non-governmental sectors, particularly as it relates to the re-activation of community social and community services. Accompanying this jobs creation are youth development programs. These youth programs provide a wide range of social, skill, counseling, apprenticeship, and recreation activities to youth. During this first period of post-conflict, the main objective is to re-activate the local economy and community activities, and to incorporate youth as part of this process. The

[252] This framework is consistent with the USAID Economic Growth (EG) framework as referenced in USAID. "A Guide to Economic Growth in Post-Conflict Countries". 2007. Washington D.C.: USAID

emphasis is on short-term activities that are effective in youth inclusion and participation as well as providing wage income to assist in this emergency period.

Ultimately, these programs support broader community goals, particularly that of stabilization and economic development. For example, there is the expectation that workforce development will automatically address youth unemployment. Expectations are high, particularly given the extremely high rates of youth unemployment in post-conflict zones and countries. Yet experience has shown several pitfalls in focusing exclusively on short-term jobs generation impact, as there is little sustainability nor security in these programs. In fact, a narrow approach to workforce development is near-sided, and can actually lead to destabilizing pressures in the community. To counter this tendency, a broader more holistic community approach is needed. Youth development programs tied to local community development offer a wider basket of services and skills, that focuses not simply on jobs generation, but on the skills that a youth will need in the future. This youth development programming mitigates the political risks associated with over-expectations of short-term jobs creation programs.

Long-term programs: Institutional capacity and sustainability. A second phase of youth workforce development—institutional capacity building and sustainability--comes once basic services and stabilization has been achieved. For youth workforce development programs, long-term sustainability requires policy reforms in workforce development systems, increasing equitable access to skills development, particularly for those that have been excluded from the system, building effective public-private partnerships, and encouraging linkages between skills development and the private sector. The following highlights three dimensions for enhancing projects for economic impact.

Make sure that target beneficiaries participate. Often referred to as the participation decision, the choice of the participant to take part in the program is critical to the success of a project. Yet many projects have failed due to the simple fact that the target population did not choose to participate. One example are ex-combatant programs evaluated by USAID/OTI in 2006. These projects narrowly defined the beneficiary audience to include only ex-combatants. Such an approach encountered several challenges. First, ex-combatants are an eclectic group; they are comprised of a wide range of women and men, ages, educational profiles and urban/rural groups. To effectively program to this group, one must take into considerations the specific needs and expectations of these sub-groups. The rapid response and short timeframe of the initial projects did not allow this important planning step: the consultation with the beneficiary group through a needs assessment, and this led to difficulties. In most cases, older ex-combatants were not interested in skills training, and would not participate in the program. Failure to consult with the specific cohort group, in this case the older ex-combatants, made for costly errors in terms of project implementation. The general “one size fits all” does not work in workforce programs. Impact evaluations of workforce development projects in other countries substantiate this lesson. (See Annex, Box 3)

Build partnerships between the public and private sector. There is a large body of youth development research that supports the use of local community partners. Private training firms and non-governmental organizations have proven more effective in training programs than governmental providers in Latin America and Eastern Europe (Chong, Alberto and

Galdo, Jose 2007). Yet both private and public training institutions face a major hurdle: that of becoming youth-focused. Youth participation in all aspects of the project is an essential component to ensure success. In the last five years, there has been wider recognition of youth-centered development, where youth are active partners in the development planning and implementation process. NGOs have proven to be most flexible in responding to this challenge. Gender is a second area where local NGOs partnerships have proven to be effective (Fawcett and Howden, 1998). Research has shown that NGOs led by women are instrumental in promoting projects of gender, particularly when partnering with other training providers. Most of the USAID Community Reintegration projects have been committed to growing the capacity of local institutions and partnerships with particular attention to youth-centered development and community inclusion. Examples of projects involving local partnerships are the EQUIP3 activities in Haiti and the West Bank (www.equip123.net).

Link to the private sector to promote economic outcomes. "Demand-driven" workforce development links the training providers to the private sector, be it firms, industry, small enterprise, microenterprise or microfinance institutions. The demand for workers is derived from the expansion of economic opportunities which itself is determined by income growth. In post-conflict countries, economic opportunities are few and economic growth is often weak. Conflict has usually destroyed the physical infrastructure, chased away many former leaders of commerce and industry, managers and entrepreneurs, and created uncertainty that investment has collapsed. For those reasons, linkages are weak in the economic environment, and partnerships between firms and industry associations and training providers are many time non-existent. Yet building partnerships between the economic sector and workforce institutions is vital as it allows for firms and industries to articulate their skills demand and address human resource management issues. There are various ways to establish such private sector linkages, such as job placement, livelihood skills training, microfinance, and mentorship and apprenticeship programs. In a post-conflict environment, this process of developing linkages is especially challenging.

International research on workforce development has shown that these linkages are critical to achieving economic results. Yet a caveat must be noted. Such workforce partnerships are necessary, but not sufficient to generate economic results. There are many factors that influence the returns to training, such as labor market conditions, economic cycle, and level of organization of private sector associations. Also, there are important distinctions by gender. (See Annex, Box 5)

Evidence from post-conflict countries has shown modest results in terms of economic outcomes. In the evaluation of the USAID sponsored Alternatives to Conflict in Tajikistan (ACT) project implemented during 2004-2006, less 20 percent of the apprenticeship trainees were placed in jobs. Other benefits of the project were engagement with local community stakeholders and growing awareness of government officials to the role of professional development and training in local development (Cooperative Housing Foundation 2006).

Reasonable Expectations of Workforce Development

In social stabilization projects, USAID is fundamentally concerned with restoring peace and stability to post-conflict countries, so that projects tend to be multi-dimensional. Outcomes

will depend on wide-ranging collaboration not only within the Agency but often across several donors and government ministries. Workforce development training in post-conflict situations is not just (or primarily) about job placement and productive self-employment. It also involves social re-engagement for many youth into their communities, and processes that support long-term community development and sustainability. Timely and immediate youth development programs, skills and jobs programs, community partnerships, and linkages to the private sector are all elements of successful youth development programs. Moving from short-term assistance to long-term sustainability, knowing the trade-offs, and being successful in each phase, allows the youth and their communities to build confidence, creating reasonable expectations of development.

Annex: Project Examples

Box 1: Learning from USAID Liberia Workforce Programs

USAID has been supporting several workforce activities in Liberia. RWAC (Revitalization of War Affected Communities and Reintegration of Women and Children Associated with the Fighting Forces), now completed, was designed to assist with the reintegration of the women and associated with Liberian fighting forces. It provided psycho-social assistance, strengthened social support networks, and took steps to raise the awareness of cross-cutting issues. Other initiatives include the Liberia Community Infrastructure Program (LICP II) and the Youth Education for Life Skills (YES) program; these two programs have supported youth training to at-risk and war-affected youth. YES offered life skills and leadership training to 15000 Liberian war-affected youth. The goal was to empower them to make informed life decisions. The LICP program targets 10,000 individuals, including women, and to enable better employment for 3,750 people by the end of FY 08. The evaluation measures for these projects largely are related to project inputs and participation of youth. The FY 2008 results for LICP slightly fell shy of the performance target for the number of participants in workforce development programs due to the late start of the program and the shortfall in women's participation. *Source: USAID/OTI-Liberia (2006).*

Box 2: IDEJEN/Haiti: The Out-of-School Youth Livelihood Initiative (IDEJEN)

The IDEJEN project targets at-risk youth in some of the most violent areas of Haiti. IDEJEN project has been funded in two phases: 1) the Haiti Transition Initiative (2004-2005) provided funding for community project grants, infrastructure investment, and vocational skills training; and 2) the scale up (second phase) of the project plans which plans to reach 13,000 youth and women by 2010. A main feature of the continued programs is to create direct linkages with the private sector, a strategy to incorporate "demand driven" training for the promotion of employment and income generation projects. Eight Youth Career Centers will be opened to provide graduates with internships and job placement, as well as the training and capital to launch small enterprises. The evaluation for the project is outcomes-based measures, including youth participation, and completion in the program, the institutional capacity, and the employment and income generation impact. *Source: USAID/EQUIP3/EDC (2008).*

Box 3: The Ruwwad Project—Innovations in Service Learning in the West Bank

The Ruwwad project offers youth development activities in the post-conflict area of the West Bank. As of 2008, this service learning project has trained 1,500 volunteers and leaders engaged in community service. Over 21,000 youth have participated in civic education activities, and 8,000 community members have received humanitarian assistance in 13 Palestinian governorates. Working with a consortium of local community NGOs, the project offers training, internships, sub-grants to partners and media centers. Outcomes evaluation includes measures related to participation, attitudinal change and institutional capacity building. *Source: Youth Development EOC presentation, October 2008.*

Box 4: Timor Leste: "Preparing Youth for Work" ("Prepara Ami ba Servisu" or PAS) Project

This three year workforce development program aims to provide 2,500 rural men and women aged 18-30 whose formal education has been limited, with a twelve-month workforce preparation program. It combines off-the-job instruction with on-the-job training. Literacy and language training, employability and life-skills, entrepreneurship training and vocational skill building are key components. The program is based on an integrated work and learning program, alternating hands-on work in project activities with class instruction. The service work projects are demand-driven and locally chosen with community input, such as improvement of secondary roads, environmental protection, and upgrading of communities' productive infrastructure *(USAID/EQUIP3 (2008).*

Box 5: Economic Impact and Workforce Development Gender Considerations

Since the mid-1990s, Latin America and the Caribbean have conducted a large number of youth employment programs, and studied their impact in terms of jobs and earnings. These studies show mixed evidence in terms of the overall impact. But when one distinguishes by gender, there are significant differences in the findings. In the case of the Pro Joven project in Peru, females employment rates improved by about 15 percent while male employment decreased by 11 percent. Gender occupational segregation was reduced by 30 percent and female labor income improved by 93 percent, compared to male income increasing by 11 percent. Such findings point to the need to clearly distinguish by gender in reporting outcomes and impact. *(See Nopo, Robles, and Saavedra [2007]).*

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WfD Paper #6: Multilateral and Bilateral Donor Investments in Workforce Development[253]

This paper provides some foundational information about other multilateral and bilateral donors' programs in workforce development. The main donor institutions are distinguished by program areas, policy reforms, and funding. The second part of the paper presents the main funding trends of the various donors. One main challenge exists in conducting the analysis: there is no central framework for tracking the kinds of skills development, partnership development and policy reform that fall under the umbrella of workforce development. There has been much less systematic coordination of donor programs in workforce development in comparison to basic education. Nonetheless an analysis of UNESCO data is provided for discussion in Part B of this paper, as well as suggestions as to how skills development broadly could be more effectively benchmarked and monitored by the international community.

Part A: Donor strategies in workforce development

Ten donor institutions are reviewed by their programs, policies and funding to support workforce development. Table 1 on the following page presents the main findings of the institutional research. A detail presentation of these donor strategies is presented in Annex 1 of this paper.

At the multi-lateral level, the World Bank and Asian Development Bank provide large loans and technical assistance to developing countries for the reform and decentralization of system-wide vocational training programs. These operations are comprehensive, lumpy in investment and long in duration. The average lending contribution of the World Bank is around $100 million since 2000. There continues to be controversy on the high costs per student of vocational education compared to integrated secondary education. To address these issues, youth skill training has incorporated innovations, such as second-stage conditional cash transfer programs which link workforce readiness to secondary education reforms and healthy behaviors of youth and their families. Most importantly, the multilateral donors have taken the lead in the reform of workforce development systems, especially as it relates to vocational education and secondary education systems.

Also, the Inter-American Development Bank has returned to its leadership role in skills development, approving around $50 million in loans in workforce development since 2005. The IADB through its Youth Training programs has financed a series of at-risk youth training projects for the last decade, and encouraged incentives and institutional mechanisms to link the private sector to applied training and apprenticeships. Many of the countries decentralized or privatized their short-term training systems as part of these loan operations. The IADB also has financed industry-driven skills standards in Brazil, Mexico and the Caribbean during the 1990s.

[253]Paper prepared by Ginny Lambert. Comments and revisions conducted by Clare Ignatowski, Kelley Cormier, and Caroline Fawcett.

Table 1. Main multi-lateral and bi-lateral donors in workforce development

Donor	Main Program Areas	Policy Reform	Funding
Agency of French Development (AFD)	Technical and vocational education reform Emerging and developing countries	National policy reforms in curriculum, decentralization, and private sector partnership	Around 60 million Euros of funding 2002-2005.
Asian Development Bank (ADB)	TEVT national policy programs Specific industry partnership programs	Comprehensive TEVT policy programs	Since 2000, loans of $60 million. Around 19 technical cooperation
Canadian International Development Agency (CIDA)	Vocational community college Skills training to at-risk youth and disadvantaged women	N/A	Approximately $12 million from 2001-2011 in select countries
Department for International Development (DFID)	Post-conflict and impoverished country settings New emphasis on secondary education and links to jobs and skills	Country adviser role to promote policy dialogue	N/A
European Training Foundation (ETF)	Adult learning, Employability skills and Measures lifelong learning. (discontinuing its sole emphasis on vocational education)	Regional policy dialogue National reforms of vocational education and lifelong learning	N/A
GTZ (German Development Cooperation/Technical Assistance)	Comprehensive program in technical and vocational education and training (TVET) Lifelong learning, Upgrading training and personnel Accreditation and standards	Policy dialogue and reform of TEVT systems Research on TVET and labor market Transitions between training and work	N/A
Inter-American Development Bank (IADB)	Training to at-risk youth Industry skills standards project	Policy dialogue on decentralization and incentives in training systems	From 2005-2008, $50 million to skills training and standards development
Japanese International Cooperation Agency (JICA)	Higher education and technical education program stream Priority on knowledge intensive economic activity	N/A	N/A
International Labor Organization (ILO)	Training to at-risk and disadvantaged groups New innovations for learning in the workplace	National training policies Key indicators of the labor market Regional policy dialogue	Annually $10-$13 million in technical assistance on labor and training systems in countries
US Agency for International Development	Community workforce programs in post-conflict and developing countries Industry competitiveness training	National policy dialogue in specific countries	In 2008 $68 million for workforce development.
UNESCO	Skills training to at-risk youth and disadvantaged women, including micro-credit and entrepreneurial skills	N/A	$2 million from 2007-2010 worldwide
World Bank	Vocational Education and Training (VET); In-firm training; Skills training targeted to at-risk youth and disadvantaged	Curriculum reform, Decentralization, Incentives to link to private sector	$828 million from 2000-2007 worldwide

Source: Donor reported information as cited in Annex 1.

The bi-lateral donors have played an important role in programs related to at-risk populations, and in post-conflict and impoverished countries. USAID has made large investments in workforce development. In 2008, around $64 million was obligated for workforce development programs, making it a lead donor for the bi-lateral agencies. The special niche of USAID is in local community workforce development programs in post-conflict countries. In addition, USAID and GTZ have developed workforce development activities within the industry and competitiveness framework of countries. Smaller bi-lateral donors are the French Agency of Development (AFD), the Canadian International Development Agency (CIDA), and the Japanese International Cooperation Agency (JICA). Yet, many of these groups have leading reputations in specific types of skills-training. For example, JICA and its counterpart JAICA, specializes in enterprise-based training. The French Agency for Development has developed reform programs adapted to French-speaking Northern Africa. CIDA is best known for its strategies in post-conflict areas of Africa, where most of their programs have been funded, and tied to basic education goals.

Part B: Data Challenges and Workforce Development Funding

Tracking the donor contributions of workforce development proves to be a complicated exercise. The most complete data set on who among the donors funds workforce development and workforce development-type activities is assembled by the UNESCO Institute of Statistics (UIS). Its data come from reports submitted by the donors to the Development Assistance Committee (DAC) of the OECD. Since 2006, these data have been reported in the annual EFA Global Monitoring Report.[254] There are two problems with the data. The first is that the donors have different conceptions of what is included under workforce development. (Indeed, some donors do not use the term.) [255] The second is that the International Standard Classification of Education (ISCED) codes[256] under which donors report their assistance for education jumbles categories of workforce development expenditure.

In principle, most workforce development activities should be easy to track through ISCED levels 4 and 5B (post secondary non-tertiary and programs which are "more practical, technical and /or occupationally specific").[257] This task is complicated by the DAC definition of "basic education" as early childhood, primary education, and "basic life skills for youth and adults."[258] The first two are ISCED levels 0 and 1. The third is often treated as part of workforce development.

Annex 2 presents the funding DAC data as reported in the Global Monitoring Report 2008. Direct aid to education in 2005 was $5.84 billion from bilateral donors and $1.77 billion from multilateral agencies. The total, of $7.61 billion, represented $2.47 billion to basic education, $0.83 billion to secondary education, $2.62 billion to post-secondary education, and $1.7 billion to a category

[254] Searching for the relevant data on the websites of each agency – www.gtz.org, www.worldbank.org, www.usaid.gov, and others did not reveal any more detail.
[255] UNESCO does not include the term in its Global Monitoring Report. Its focus is TVET through UNEVOC (International Center for Technical and Vocational Education and Training).
[256] UNESCO (2006)
[257] UNESCO (2007, pp.390-395)
[258] The definition of 'basic education' used by the DAC differs from that in the ISCED (UNESCO 2006). The DAC definition is in the text. The ISCED definition, which UNESCO follows, "…comprises primary education (first stage of basic education) and lower secondary education (second stage)" (UNESCO 2007, pp.373, 390). The USAID interpretation of basic education differs further. For a start, it includes upper secondary (ISCED level 3).

"education, level unspecified." Roughly 15 percent the education aid goes to "unspecified aid"; of this, 40 percent goes to "post-secondary" education and 40 percent goes to basic education which includes life-skills for youth and adults (but not secondary education). *Yet there is no consistent way of determining for each donor how much of basic education and post-secondary education (or secondary education in the case of work-readiness programs) support workforce development activities.*[259]

Implications for Further Research

From the above discussion there are no detailed data which allow the contributions of different donors to workforce development activities to be compared. The difficulties result from the way the data are assembled and grouped, and differences conceptions across donors of what workforce development involves. This is not a new problem. One reason, it seems, why UNESCO has not produced an annual report on EFA 3[260] is that it there are *no benchmarks against which progress in "the learning needs of all young people and adults" can be assessed.*[261] With no benchmarks being set in Dakar, it is not clear how general agreement on performance indicators would be achieved.

Further research is warranted. One approach may be to create another ISCED level that includes all formal post-secondary professional and technical training. Formal vocational training at secondary school could be distinguished from other streams in level 3. Workforce development could then be all non-formal training activities that supplement or complement formal training at the various ISCED levels. The implication is that workforce development would be viewed as extra-curricula instruction designed to promote work readiness or employability and expand life-skills among the various target groups (the poor, the marginalized, adults, the displaced). This would highlight the role of workforce development in providing "second" or subsequent chances to those who have dropped out of or fallen off the formal system.

Such as approach would raise public discussion concerns about the notion of workforce development itself. Several experts encourage the EFA to incorporate "workforce readiness" as a key skill under EFA 3. A more attractive option would be for donors and other interested parties to support a UNESCO-led effort to produce a GMR that focuses on EFA 3. Doing so would raise enable the international community to grapple with the issues of data, definition, and the relative contributions of formal and non-formal education to life-skills, employability, workforce readiness, and lifelong learning.

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[259] This is a structural problem that cannot be remedied by additional attempts to unravel the available data as it is now reported. A search of some of the main donor websites (Japan, Germany, UK, World Bank) does not reveal the breakdown of education expenditure into components that help identify contributions to Workforce development. Much the same result applies for any one referring to the USAID website.

[260] To remind: EFA Goal 3" Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programs" (UNESCO 2007, p.59)

[261] Under a heading "EFA goal 3: the hardest to define and monitor" the GMR notes that "monitoring the third EFA goal continues to be a major challenge." There are three reasons: "It gives no quantitative target for what should be achieved; there is a lack of understanding of which learning activities are included; and very few comparable and international indicators are available to indicate the extent to which young people's and adults' learning needs are being met" (UNESCO 2007, Box 2.5, p.60).

Annex 1: Donor Strategies

World Bank[262]

There are a number of sectors within the World Bank that are active in "workforce development" programs and projects. The Bank has invested substantially in skills development since 2000, following a decade of minimal investment. Between FY2000 and FY2007, an estimated US$828 million of World Bank investment and development policy lending targeted vocational training, of which US$565 million was International Development Association (IDA) lending.

Beyond formal basic education, there are three areas for skills development:

- *Pre-employment skills development.* This area is comprised of vocational education and training (VET) primarily targeting the secondary level. The number of VET projects increased from five to eleven between FY2000 and FY2007. The Bank has emphasized public-private partnerships for curriculum development and training delivery, as well as capacity building of the public sector for management, planning, monitoring and evaluation, and finance. Examples of these projects include the China Vocational Education Reform Project and the Republic of Cape Verde Education and Training consolidation and Modernization Project, as well as the upcoming India Vocational Training Improvement Project. The Bank funds projects at all levels of the formal education system as well as life-long learning projects. The type of service delivery mechanisms varies with the needs and resources of the country.
- *Continuous skills development.* This area is largely composed of in-service training, primarily within firms. Instruments have been implemented such as training levies, training subsidies, and tax incentives. However, in the absence of evidence that they are effective, the Bank has been largely silent on firm support programs, advising instead that governments focus on improving the investment climate for all enterprises.
- *Skills development for the unemployed and disadvantaged.* An active labor market program focused on training. Between 2002 and 2006, 5.3 million people were trained and about 11 million participated in Bank-supported employment and placement programs. The Bank invests in programs that: (1) are targeted; (2) provide a comprehensive package including employment and social services as well as training; and (3) respond to local demand and promote competition among providers. These included the Jua Kali project in Kenya: a voucher program that allowed workers to purchase training from any registered training provider.

Most of the recent and planned projects for workforce development for youth are targeted to poor, out-of-school youth, with the most recent focused only to girls. These projects tend to offer skills development and internships, and are publicly funded and privately operated.

United Nations Educational, Scientific and Cultural Organization (UNESCO)[263]

Among its other activities, UNESCO funds projects that provide vocational skills to marginal populations. The nature of the skills training depends on the needs of the local market. All projects are implemented by NGOs; several emphasize training in entrepreneurial skills and micro-credit. Examples of these projects include:

[262] Information drawn from response by Human Development Network, Education Sector to email inquiry, 1/29/09.

[263] Information drawn from response to email inquiry, 1/29/09

- Uganda Youth Development Link provides apprenticeships to homeless and socially-excluded youth in a range of locally marketable skills (hairdressing, tailoring, auto mechanics, carpentry, and electronics).
- TT Ranganathan Clinical Research Foundation in India is a micro-credit program that provides loans for the establishment of small businesses to rural youth and women with limited access to education and low levels of literacy. Participants learn technical skills and acquire basic education.
- Niño de Camino in the Dominican Republic provides access to vocational training and basic education to street children who have been exposed to violence, sex trafficking and exploitation. Creative art workshops help these children develop functional skills and confidence to sell their products and develop a legitimate source of income.
- In Jamaica, the Richmond Fellowship provides basic education and skills training in an Information and Communication Technology (ICT) training program enabling learners to obtain a certificate from the national vocational skills training agency.

The target groups for UNESCO workforce development programs are: out-of-school youth from poor communities; illiterate populations who have dropped out before completing basic education; and those confronting drug abuse, crime, or discrimination. UNESCO also targets single mothers and illiterate women. Approximately US$2 million has been allocated directly to NGOs from 2007 through 2010.

European Training Foundation (ETF)[264]

The European Training Foundation (ETF), founded in 1990, is a specialized agency of the European Union based in Turin, Italy. ETF provides advice and assistance to the European Commission and 29 partner countries for the reform of human capital development policies, and helps transition and developing countries to harness the potential of their human capital through the reform of education, training and labor market systems. In 2007, ETF shifted its emphasis from vocational education to human capital development with an increased emphasis on activities directed to adult learning, employability and measures that promote lifelong learning.

ETF supports partner countries by:

- Facilitating adaptation to industrial changes, particularly through vocational training and retraining;
- Improving initial and continuing vocational training in order to facilitate vocational integration and re-integration into the labor market;
- Facilitating access to vocational training and encouraging the mobility of instructors and trainees and young people in particular;
- Stimulating cooperation between education establishments and companies;
- Developing exchanges of information and experience on issues common to EU Member State training systems;
- Increasing the adaptability of workers, particularly through increased participation in education and training from a lifelong learning perspective;
- Designing, introducing and implementing reforms in education and training systems to develop employability and labor market experience.

ETF works with and through government ministries and national vocational training centers. One specific activity highlighted on the website is the development of the European Qualifications

[264] Extracted from website http://www.etf.europa.eu and Work Programme for 2009

Framework, which was designed to promote mobility within Europe as a single market by measuring qualification based on learning outcomes. A second activity highlighted on the ETF website, the Education and Training for Competitiveness Project, explores how countries can increase their economic competitiveness by improving their education and training systems. The objective of the project is to determine how education affects the economic competitiveness of companies and countries. It also examines how education reform can help individuals to acquire the knowledge and skills they need in a complex world. As a result, policy makers will have increased knowledge for making informed decisions, schools will be able to incorporate innovation into their curricula, and the public will have a more complete understanding of what schools could be doing to prepare young people for the knowledge society.

In addition to the country programs, several regional activities are anticipated for 2009, such as policy discussions and peer learning to help overcome challenges relating to the social inclusion of ethnic groups in education and training. Additionally, this will help to broaden the outlook of national stakeholders and to build instruments and tools that are able to identify the needs of the various groups, including performance indicators for monitoring outcomes. During the period 2009-10, ETF will establish a regional policy group as a forum for cooperative exchange and mutual learning between the Western Balkan countries and selected EU Member States. A set of policy learning tools will be developed to enable targeted stakeholders to learn from each other and EU experiences.

International Labor Organizations (ILO)[265]

The Skills and Employability Department of ILO promotes the improvement of training policies and programs worldwide, with special emphasis on training strategies that support the integration of disadvantaged groups into the labor market. The SED Department also works with Member States to reform and strengthen their national training policy frameworks, and improve training systems; including the design and delivery of skills development programs. Particular emphasis is placed on promoting innovative learning and training strategies in the workplace. Training for the working poor is also a high priority. The Equity Issues Group focuses on knowledge-building, advocacy and technical cooperation activities to improve employment and training services for people with disabilities, youth, and older workers. These include appropriate labor market services and skills development programs for disadvantaged young people; especially in the transition from school to work.

Illustrative technical cooperation projects include:

- **Ethiopia** – Operationalizing pro-poor growth;
- **Angola** – Assessment of the vocational training sector;
- **Kosovo** – Skills development for reconstruction and recovery, Phase II, Youth Employment;
- **Pakistan and Philippines** – Expanding economic opportunity and income security through workforce education, skills training, employment creation and local development.

The department also supports research and discussion papers on key topics and sponsors topical workshops worldwide. Examples include:

- International Workshop on Development of Private Employment Agencies;
- Workshop report on apprenticeship in the Informal Economy in Africa;
- Skills development for industrial clusters;
- Introductory Guide to National Qualifications Standards.

[265] Extracted from the website for the ILO Skills and Employability Department http://www.ilo.org/public/english/employment/skills/index.htm

Canadian International Development Agency (CIDA)[266]

Basic education is the programming priority in CIDA, with a particular emphasis on gender equality and educating girls. In addition, CIDA sponsors several projects for vocational community colleges in collaboration with the Canadian Association of Community Colleges.

- In Vietnam, from 2001-2007, the association worked with the Tri Vinh Community College in the Mekong Delta Region for the delivery of two- and three-year technical and vocational programs at the post-secondary diploma level, to support the local workforce market and increase the enrollment of women and minorities. ($4,814,863)
- A current project (2007-2011) promotes social and economic inclusion of disadvantaged women. It works with 13 federal technical education centers to develop tools, techniques, and curricula. In addition to training, the program also seeks to connect these disadvantaged women to employers. ($2,145,707)
- Through a Canadian university partnership, CIDA works with the Polytechnic University of Regina in Malawi to update curriculum and skills training programs. ($2.4 million)
- Between 2003 and 2009, CIDA has provided $3 million of support to a local school of technology and communications in Cameroon to generate a well-qualified ICT workforce among youth.

Department for International Development (DFID)[267]

DFID is a decentralized organization; thus, the center is responsible for policy and research, [268]while program development and implementation is managed locally in each of the 22 countries where DFID works. These countries tend to be impoverished and/or post-conflict settings. The preferred program approach is to work with and through governments; especially in sub-Saharan Africa where a majority of the education and skills programs are found. DFID provides budget support rather than limited project funds with the objective of developing a long-term education plan with funding attached for as long as possible. Accordingly, the primary role of DFID advisors in country is policy and program dialogue. In countries where this approach is not possible, DFID may work through traditional projects and provide support for technical assistance. In all cases, DFID programs are developed in response to the government.

The activities undertaken in skills development vary by country. In most cases, the focus is on formal rather than non-formal provision of services in education and skills, because formal provision takes priority with impoverished governments. In some cases, DFID works with NGOs and the private sector for skills training and technical assistance. For example, in Rwanda, DFID has a program with CISCO Systems, RAND Corporation, and the World Economic Forum (WEF) for ICT capacity building. For the past 15 years DFID has directed its attention to primary education; however, this emphasis is now shifting toward secondary education and the link between skills and jobs. This shift involves greater attention to economic growth strategies and skills requirements as well as links to private sector development rather than the supply-led approach of vocational education in the past.

Japanese International Cooperation Agency (JICA)[269]

[266] Information from the CIDA website http://www.acdi-cida.gc.ca]
[267] Based on telephone conversation (2/2/09) with representative of the Education and Skills division of the Policy and Research Department, in response to email request for information.
[268] See for example, "Technical and Vocational Skills Development," a DFID Practice Paper. April 2007.
[269] Extracted from the JICA website http://www.jica.go.jp/english/operations/thematic_issues/education/overview.html

JICA education programming includes Basic Education (pre-school, elementary and secondary schooling, and literacy education), and Higher Education and Technical Education (education, training, and research guidance provided at universities, junior colleges, technical training schools, and other institutions beyond the secondary school level). Workforce development activities are directed at this level, with an emphasis on preparation for "knowledge-intensive economic activity and advances in information and communications technology."

One example of a JICA-supported project in this arena is the Project for Strengthening Training Capacity for Technical Workers in the Hanoi Industrial College (2002-2005). The project involved a two-year training course for machinery technicians with an emphasis on practical skills and a parallel short-term training program for workers in local factories. Other activities included the contract production of prototypes and other items for private sector companies, resulting in the development of a good relationship with industry and the establishment of a training cycle based on close monitoring of industry needs.

Agence Francaise de Developpement (AFD)[270]

AFD's intervention strategy in the education sector has two priorities: basic education and vocational training. The vocational training projects initially focused on emerging countries (Tunisia, Vietnam, Morocco) but have now been extended to Least Developed Countries (LDCs) (Senegal, Mauritania and others). Vocational training is important for improving the link between training and employment, as well as for upgrading the economy and integrating young people, both socially and professionally. Projects require an active partnership between state and economic operators gathered and structured by sector. They involve initial and adult training including apprenticeship and work-based training. AFD pays close attention to the need to strengthen national capacity in the areas of oversight, resource management, and the training of trainers. Additionally AFD recognizes the necessity of increasing community participation in the management of training programs.

Funding for education projects increased from 136 million Euros in 2002 to 291 million Euros in 2005, covering 47 projects, 12 of which were in vocational training. Funding for vocational training continued to increase through 2007 with the approval of major new projects in Morocco and Congo.[271]

Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)[272]

"In order for the new education and labour strategies to be successful, they must meet an economy's demand for skilled labour, support technological development and structural change through selective further training, and promote the integration of job-seekers into the formal and informal labour markets." GTZ's approach to Technical and Vocational Education and Training (TVET) is directed to the objective of securing and increasing productive employment by creating labor market-oriented technical and vocational education and training systems and functioning labor markets. GTZ works through existing structures in the country, and promotes cooperation between the public and private sectors and civil society. Initial training is seen as a public good, while lifelong learning is viewed as the responsibility of companies, associations, communities and learners. They seek a holistic approach that connects public and private actors at all levels, utilizing the following instruments as needed:

[270] Extracted by the AFD website http://www.afd.fr/jahia/Jahia/site/afd/lang/ed/pid/1471
[271] Note the website includes a project database in French with information on duration and funding.
[272] Extracted from the GTZ website http://www.gtz.de/en/themen/wirtschaft-beschaeftigung/berufsbildung/2456.htm

- Establishing the roles of the state, the private sector and civil society in TVET so that it is financially feasible in the long-term;
- Integrating learners and learning processes into company practice for lifelong learning in the work place;
- Upgrading the training, advisory and management personnel in the TVET and labor market systems;
- Introducing accredited standards for employment and education systems into national and regional qualification frameworks;
- Setting up TVET and labor market research as an independent academic discipline as a matter of course;
- Designing efficient transitions between training and productive work.

Examples of projects include:

- **Ethiopia:** The Engineering Capacity Development Program (ECBP) helps the private sector assume its role as the driving force behind Ethiopia's development. Technical and vocational education and training is responsible for increasing the number of well-trained candidates for employment. To achieve this, the whole range of technical and vocational education and training, all the way up to university level, will be reformed.
- **Botswana:** To reduce dependency on mining, a strategy of economic diversification was pursued; the TVET system was also fundamentally redesigned. The project, which ended in 2007, helped to prepare the necessary legal groundwork and to rebuild the coordinating authority, the Botswana Training Authority (BOTA).
- **China:** For a long time, women benefited the least from economic reform and privatization in China. By expanding labor market policy and establishing target group-oriented advisory methods, the project, completed in 2006, contributed to a substantial increase in the number of women placed in employment.
- **Indonesia:** A network of public and private institutes is learning to view their work more in terms of serving the economy, thus orienting it to economic needs and successfully marketing the various advisory and training services.
- **Kosovo:** GTZ provides advice to the Kosovo government in creating a needs-oriented technical and vocational education and training system in conformity with European standards. GTZ's work focuses on promoting the reform process for technical and vocational education and training in Kosovo. In addition, GTZ provides the support necessary to reestablish viable governmental and social structures after the end of hostilities.
- **Uzbekistan:** Technical and vocational education and training cooperation in Uzbekistan is an indication of information and communication technology (ICT). The introduction of more needs-driven and practice-oriented initial and further training supports modernization and growth in the service-providing sector.

GTZ (like DFID) emphasizes the importance of cooperation with development banks, the EU, and multilateral and bilateral donors in these programs and in specific countries. They refer specifically to the Group d'Experts de la Formation Professionelle (GEFOP) http://www.defop.org and the Working Group for International Cooperation in Skills Development http://www.norrag.org.

Annex 2: DAC Funding of Education Sub-sectors by Donor Countries

	Total aid to education			Total aid to basic education			Direct aid to education			Direct aid to basic education			Secondary education		
	Constant 2005 US$ millions			Constant 2005 US$ millions			Constant 2005 US$ millions			Constant 2005 US$ millions			Constant 2005 US$ millions		
	1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005
Australia	239	116	138	63	77	37	239	116	137	40	51	21	21	9	15
Austria	122	84	95	5	4	4	122	83	95	3	3	2	40	6	1
Belgium	89	164	146	15	34	36	87	157	143	5	21	23	10	5	17
Canada	95	200	246	48	158	189	93	179	232	27	136	146	16	3	3
Denmark	69	145	129	42	94	71	63	117	125	34	54	33	19	2	20
Finland	26	79	52	12	52	28	26	71	50	3	33	10	1	2	1
France	1548	1578	1496	354	321	236	1515	1547	1461	91	273	196	284	149	149
Germany	829	1103	416	119	130	161	826	1091	405	96	107	115	97	93	83
Greece	0	23	38	0	3	6	0	22	38	0	0	0	0	0	0
Ireland	17	59	62	9	38	38	17	53	58	4	28	22	1	4	3
Italy	53	86	···	15	39	···	50	85	···	1	21	···	11	13	···
Japan	517	1238	855	213	298	264	330	1237	841	46	209	155	36	71	49
Luxembourg	0	23	29	0	11	13	0	23	29	0	11	3	0	11	6
Netherlands	272	419	721	176	274	476	235	392	618	127	254	361	10	4	11
New Zealand	0	50	67	0	14	48	0	46	62	0	11	44	0	4	3
Norway	137	165	207	85	117	116	134	140	185	72	85	78	8	6	6
Portugal	36	56	65	9	6	10	35	55	64	4	3	4	4	2	6
Spain	225	126	184	68	45	73	225	123	183	21	30	48	31	24	34
Sweden	68	85	173	44	68	63	44	71	144	24	59	1	1	1	5
Switzerland	45	46	24	19	26	5	45	36	24	14	18	3	20	7	7
United Kingdom	435	956	336	320	830	249	316	794	257	233	737	164	15	1	1
United States	355	600	744	194	530	596	331	598	694	174	510	509	43	15	39
TOTAL DAC bilateral	**5180**	**7401**	**6222**	**1811**	**3170**	**2719**	**4732**	**7037**	**5844**	**1019**	**2654**	**1937**	**670**	**435**	**458**
African Development Fund	74	158	123	46	49	62	68	129	66	18	2	0	0	61	0
Asian Development Fund	125	305	311	9	123	33	125	304	282	0	123	18	104	181	264
European Commission	709	576	949	451	227	474	503	429	720	332	102	310	60	61	61
Fast Track Initiative	0	38	50	0	38	50	0	38	50	0	38	50	0	0	0
International Development Association	787	2126	584	406	1377	268	609	1624	559	143	1032	84	53	316	19
Inter-American Development Bank Special Fund	5	48	22	3	29	0	5	42	22	0	10	0	0	0	22
UNICEF	28	60	68	28	59	67	28	60	68	28	59	67	0	0	1
TOTAL multilaterals	**1734**	**3311**	**2106**	**945**	**1903**	**954**	**1343**	**2625**	**1768**	**522**	**1366**	**529**	**217**	**619**	**368**
TOTAL all donors	**6914**	**10712**	**8328**	**2756**	**5074**	**3672**	**6076**	**9662**	**7612**	**1541**	**4020**	**2466**	**887**	**1054**	**826**

Notes:
(···) indicates that data are not available.
Data for sector-allocable aid include general budget support.
All data represent commitments unless otherwise specified.
Sources: CRS online database (OECD-DAC, 2007*c*); DAC online database, Table 1 (OECD-DAC, 2007*c*).

Post-secondary education			Education, level unspecified			Share of education in total ODA			Share of education in total sector-allocable ODA			Share of basic education in total aid to education			
Constant 2005 US$ millions			Constant 2005 US$ millions			(%)			(%)			(%)			
1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005	1999–2000 annual average	2004	2005	
132	5	71	45	50	31	17	9	10	21	11	13	26	66	26	Australia
75	72	89	4	3	2	18	21	8	34	41	39	4	5	4	Austria
53	111	80	19	21	24	13	12	9	20	21	18	17	21	25	Belgium
10	18	12	40	22	72	6	8	10	12	12	17	51	79	77	Canada
0	10	1	10	51	71	6	9	8	7	11	9	61	65	55	Denmark
4	5	4	17	30	35	9	18	8	15	23	11	44	66	54	Finland
647	1 059	1 070	493	66	45	29	21	16	41	41	39	23	20	16	France
591	856	127	42	35	80	18	19	4	23	26	9	14	12	39	Germany
0	18	26	0	4	11	...	13	18	...	17	26	...	11	15	Greece
2	9	4	11	12	29	16	14	13	27	18	19	51	63	62	Ireland
13	14	...	24	37	...	5	9	...	12	20	...	29	46	...	Italy
99	782	433	149	176	204	4	10	5	5	15	9	41	24	31	Japan
0	0	0	0	1	20	...	14	13	...	23	23	...	49	44	Luxembourg
37	122	119	61	12	127	8	15	17	18	19	21	65	65	66	Netherlands
0	29	11	0	2	3	...	26	22	...	38	33	...	28	73	New Zealand
32	10	47	22	38	54	9	11	11	14	14	14	62	71	56	Norway
18	44	43	8	6	11	9	5	24	16	31	28	26	11	16	Portugal
79	42	53	94	27	48	15	8	11	21	13	26	30	36	39	Spain
2	6	43	17	5	95	5	4	6	8	8	9	65	81	37	Sweden
1	4	9	10	7	5	4	4	2	7	6	4	43	57	21	Switzerland
13	32	0	54	25	92	9	18	3	11	25	8	74	87	74	United Kingdom
98	34	22	16	38	125	3	2	3	5	3	5	55	88	80	United States
1 907	**3 280**	**2 264**	**1 137**	**668**	**1 184**	**10**	**10**	**6**	**14**	**14**	**12**	**35**	**43**	**44**	**TOTAL DAC**
0	0	0	49	66	66	9	11	8	11	11	8	62	31	50	African Development Fund
4	0	0	17	0	0	10	19	22	11	20	23	7	40	10	Asian Development Fund
79	163	248	32	104	100	8	6	8	11	8	11	64	39	50	European Commission
0	0	0	0	0	0	...	100	100	...	100	100	...	100	100	Fast Track Initiative
65	88	112	348	188	344	12	17	7	13	18	9	52	65	46	International Development Association
0	0	0	5	31	0	2	14	4	2	14	5	50	61	0	Inter-American Development Bank Special Fund
0	0	0	0	0	0	14	9	9	16	15	14	100	99	99	UNICEF
148	**251**	**361**	**456**	**389**	**511**	**9**	**12**	**8**	**11**	**14**	**10**	**55**	**57**	**45**	**TOTAL multilaterals**
2 056	**3 531**	**2 624**	**1 592**	**1 058**	**1 695**	**10**	**11**	**7**	**13**	**14**	**11**	**40**	**47**	**44**	**TOTAL all donors**

HIGHER EDUCATION RESEARCH PAPERS

HE Paper #1: The Worldwide Context for Higher Education: Demands, Constraints and Trends

Definition.

As used here, "higher education" means education, training, research and community outreach services provided at the post-secondary level (USAID ADS Chapter 216). Because the term has traditionally been applied only to university education, the OECD (1998) and the World Bank (2002) have adopted the term "tertiary education" to emphasize the inclusion of non-university post-secondary institutions (e.g., teacher training colleges, community colleges, technical institutes, polytechnics, academically linked research institutes, open and distance learning programs) within a diversified post-secondary education system.

Introduction.

The current worldwide context for higher education is shaped by five somewhat related factors external to the education system that are remaking its characteristics and boosting the demand for higher education, and by five constraints internal to the system that limit the capacity of the system (or individual institutions) to adjust to these trends and respond to changing demands.

External Factors

A Globally Competitive, Knowledge-driven Economy. With the fall of the Berlin Wall, the end of the Cold War, and the discrediting of economic socialism, the mutually reinforcing combination of free-trade market capitalism and representative democracy has become (at least until the current global economic crisis) the dominant political/economic ideology in the world. When linked with the ICT revolution, these factors have meshed to produce an integrated, highly competitive, knowledge-driven economic system often referred to as 'globalization.' On this playing field, national and corporate capacity for knowledge-based innovation that increases productivity and thereby enhances economic competitiveness becomes the 'grail' that all governments pursue. These dynamics have steadily ratcheted up the premium paid to highly skilled labor and created a new market for 'knowledge applications' (Kapur and Crowley 2008: 11). As the demand for skilled human resources and new knowledge accelerates, higher education institutions rapidly take on an expanded importance as strategic instruments for national development that extends beyond the education sector.[273]

This importance is underscored by rising rates of economic return to investments in tertiary education and to research capacity within a number of developing nations (World Bank 2008b: 6-8).[274] To maximize their contributions to growth, higher education systems are being encouraged not only to produce market-relevant graduates, but also to place greater emphasis on their capacities for R&D in the quest for innovation. Heightened policy attention to the quality and relevance of science, technology and business education is one way that governments have sought to achieve this. Another is to stimulate a rapid expansion of higher education enrollments and the differentiation of tertiary institutions so that each of them might develop comparative advantages (i.e., competitive

[273] One by-product of this outcome is growing public interest in the quality rankings of universities worldwide.

[274] This trend is discussed in greater detail in Higher Education Issue Paper No. 1 – "Why Invest in the Development of Higher Education?"

niches) in meeting the diversified demands for higher education (Task Force 2000; Van Vught 2007). These dynamics generate challenges in balancing expansion with quality preservation, in maintaining congruence between graduate output and labor market requirements, and in helping both employers and the general public to understand the strengths and weaknesses of increasingly diverse educational offerings.

These outcomes in turn prompt governments to view the education system as a critical variable that conditions their potential for economic progress. These heightened expectations are causing policymakers to recognize the necessity of treating education as a holistic system rather than a set of sub-systems singled out for preferential attention by competing advocates. At the same time, expanding recognition of higher education as a global public good that shapes national capacities for economic, social and political development underscores its potential for advancing many of the Millennium Development Goals and for improving the performance of basic, secondary, and workforce education (World Bank 2002: 5, 79). As a result, a demand for higher education is now being expressed by governments in addition to potential students. One consequence is growing attention to fostering the capacities necessary for higher education policy analysis.

The implications of these demand dynamics for higher education institutions are multiple. Universities are pressured to relinquish some of their traditional autonomy in order to play their part as team members within the networks of knowledge producers and users known as a 'national innovation system' (Nelson 1993; Lundvall 2007). In tandem, academic staff and student mobility programs are increasing. A worldwide labor market for university graduates facilitates brain drain and heats up academic recruiting. Similarly, competition among countries and institutions to attract fee-paying students has created an active international market for the 'sale' of higher education. Prior to graduation, students may attend two or more universities in different countries and joint award of degrees is a growing practice. Concern to regulate quality in this global higher education marketplace sparks national mechanisms for accreditation and quality assurance as well as regional initiatives to harmonize academic awards and standards, e.g., the Bologna Process in Europe, the Arab Network for Quality Assurance in Higher Education (ANQAHE), SICA/CAT (Sistema de Créditos Académicos/ Complemento al Titulo) in Latin America, the Southern and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ).

Heightened economic competitiveness is also causing a redefinition of the university's traditional mandate for community service into a new 'third mission' that calls them to be more directly supportive of national economic strategies through applied research, technical consultancies, academic-corporate partnerships, and customized support services for the private sector (Laredo 2007). In the process, some universities take on a new role as 'knowledge conglomerate' (Mohrman and others 2008).

The ICT Revolution. The explosion of the Internet following its introduction in 1989 has irrevocably changed our world (Table 1). Access to information has become global and has triggered subsequent innovations that generate new technologies, increase transparency in all types of decision-making, enable almost instant social mobilization, and place information/knowledge at the center of economic competitiveness and social development (World Bank 1999). In the process, an enhanced appreciation for higher education and its outputs has developed.

The ICT revolution is fueling a growing demand for higher education. Labor market requirements for highly skilled workers, including computer literacy, are rising around the world (Autor, Levey and Murnane 2003).[275] In fact, a global labor market for university graduates has formed as nations

[275] The need for workers with skills in 'expert thinking' and 'complex communication' has risen, while the need for routine thinking and manual skills has declined.

compete for intellectually talented individuals. This, in turn, provides additional incentives for university study in the form of possibilities for worldwide social mobility. The importance of higher education's research function has likewise received a boost as knowledge generation and application have become an important source of national competitive advantage in the knowledge economy. But perhaps the greatest impact of ICT on higher education has been the way it has helped to manage rising student demand by offering cost-effective alternatives to traditional campus-based study.

Higher education has used ICT capabilities to meet student demand for access by infusing distance education with new forms of delivery, greater cost-efficiency, and increased flexibility. It has raised educational quality through open source software and curricula, on-line learning, greater availability of instructional materials, the use of virtual laboratories, and improved communications between students, teachers, employers and policymakers. In the process, university libraries have seen their role transformed from an ancillary book service to a campus digital and media information hub. The ability of ICT-enabled universities (e.g., University of Phoenix) to reach out to underserved populations—whether rural folk, working students, prison populations, or citizens of other countries—through online instruction is prompting a re-thinking of traditional delivery systems for education. A recent worldwide survey found that two-thirds of higher education institutions now offer online courses (EIU 2008). In the USA, online enrollments surged by 13 percent during 2007 alone (Allen and Seaman 2008).[276]

Riding their ICT capacities, some countries extend 'borderless higher education' to students in foreign markets (Kapur and Crowley 2008: 21-26). The result is a rise in franchised universities, international satellite campuses, virtual universities, corporate universities, and educational brokers (World Bank 2002: 33-34). These new structures are just one response to the growing international trade in higher education that now generates estimated annual revenues of $28 billion for the five major exporter countries – which include the United States (Bashir 2007: 19). Reflecting this development, trade in educational services, together with intellectual property rights, figure as contentious agenda items in discussions of a General Agreement on Trade in Services (GATS). In short, the market for higher education has gone global.

The ICT revolution also has a downside for higher education. Its substantial capital costs, need for continuous upgrading as technologies evolve, and requirements for specialized technicians vulnerable to 'poaching' by employers at home and abroad combine to create an international 'digital divide' between ICT have and have-not countries.[277] Within nations, similar technological chasms open between have and have-not tertiary institutions. In addition, the new pedagogical approaches and technology skills required for ICT-based teaching can be disruptive for academic staff trained in traditional ways of teaching. Fresh possibilities for student plagiarism and cheating also accompany ICT advances.

In the future, we can expect ICT innovations to have a greater impact on the teaching-learning process at the post-secondary level (EIU 2008). Technological capabilities are likely to constitute a primary differentiator among institutions seeking to attract students and develop corporate partnerships. Global online learning will become a widespread phenomenon and a lucrative

[276] The estimated number of U. S. students taking online higher education courses in 2007 was 3.9 million. In mid-2008, it was estimated that there were a total of 1.5 billion Internet users worldwide (22% of the global population). See: www.internetworldstats.com/stats.htm . Estimates of global student enrollments in online higher education courses do not appear to be available.

[277] Digital divide is a term used to describe large disparities in opportunity to access the Internet—and the information and educational/business opportunities tied to this access—between developed and developing countries (Lu 2001).

business, further expanding access and boosting quality even as it runs the risk of becoming a 21st century mechanism for cultural and educational 'imperialism.' Corporate-academic partnerships are projected to play an expanding role in university teaching and research as both public funding and student tuition fees reach the limits of what they can reasonably contribute. Operationally, traditional criteria for tenure, promotion and performance incentives may need to be adjusted to reflect the heightened role of ICT in teaching methods. Globally, establishing a foreign presence through franchising or satellite campuses seems likely to become the norm by 2015 for most major universities. In sum, the ICT revolution fuels the demand for higher education by enabling an international market for higher education to take shape, even as it transforms the way in which higher education is provided. This demand seems likely to express a growing preference for 'cyber universities' that offer online courses and degrees to students anywhere in the world.

Economic and Political Ideology. As a global economy fosters a worldwide labor market for skilled human resources and the expansion of representative democracy generates rising expectations for equitable access to public services, the demand for access to education, especially higher education, has intensified around the world (Table 2). Individuals view educational credentials as the key to gainful employment, social mobility and increased life opportunities, and politicians (particularly in representative democracies) have been quick to respond. As a result, worldwide growth in tertiary enrollments has averaged 5 percent a year since 1990. From a regional perspective, this translates into a 6.8 percent annual growth rate for Sub-Saharan Africa, 7.1 percent for North Africa and the Middle East, 11.1 percent for East Asia, 6.5 percent for South Asia, 4.9 percent for Eastern Europe and Central Asia, and 5.1 percent for Latin America and the Caribbean (Task Force 2000; UNESCO 2007).

The intensity of this demand generates strong political pressures in support of expansion and impedes the reforms necessary to maintain quality and competitiveness. And as a result of successes in recent efforts to boost primary and secondary enrollments, as well as an impending demographic 'youth bulge' in Africa and the Middle East, the number of secondary graduates clamoring for admission to higher education is expected to swell in coming years. Among the educational consequences of this rapid growth are overcrowded classes, falling teacher/student rations, declining expenditure per student, disproportionate increases of enrollments in the less expensive 'soft sciences', and heightened competition for university entry that creates incentives for corruption in admission procedures. In addition, unmanaged growth can also generate problems of a more political nature, such as high graduate unemployment, increasing politicization of education and employment policies, and growing possibilities of political unrest and instability (World Bank 2008a: 110; Task Force 2000: 63). To mitigate these risks, governments are giving attention to broadening the options for post-secondary education, e.g., short cycle courses, community colleges, distance education, and lifelong learning.

New Approaches to Governance and Management. Worldwide trends in favor of free-market capitalism, representative democracy, and a global knowledge economy also exert pressures for change in higher education governance and management. The outcome has been a rise in 'corporativism' and 'managerialism' within higher education regardless of its geographical location (Bleiklie and Kogan 2007). The principal characteristics of resultant changes are more representative governance structures, management decentralization initiatives, the adoption of 'businesslike' practices, and expanded institutional autonomy in exchange for greater institutional accountability for performance. More representative governance reflects broader shifts towards representative democracy within national political systems as well as the recognition of wasteful 'disconnects' between graduate output and labor market needs. Decentralization of management seeks to place decision-making in the hands of those who best understand the issues under review and who will most directly be affected by the outcome, thus freeing higher levels of management to concentrate on larger issues of institutional strategy, policy and performance. Management practices that have

proven their worth in the corporate world are increasingly adopted within tertiary institutions, notably strategic planning, market research, research management, financial development planning, and performance management (Salmi 2007; Bleiklie, Laredo and Sorlin 2007). Expanded institutional autonomy reflects government recognition that not all public institutions can be centrally managed and that the accelerating pace of change places a premium on flexibility and responsiveness in order to adapt to shifting conditions. Since the main government (and public) concern is institutional performance, stronger accountability mechanisms are being introduced to ensure that the gains in autonomy do not lead to 'mission drift' or other institutional inefficiencies. Among the more commonly employed mechanisms of accountability are strategic plans, performance-based funding, performance contracts, external representation on governing boards, licensing requirements, academic audits, accreditation, and professional qualification examinations (Fielden 2008). Because many of these changes require different organizational structures or reallocations of legal responsibilities, the need for new higher education legislation is often a consequence (Tomusk 2001; Thomas 2001).

As burgeoning demand pushes tertiary systems to become larger and more complex, it becomes more difficult to manage them directly from a Ministry of Education. This challenge is often addressed by Government through the creation of one or more 'system support bodies' with mandates to guide key aspects of the system's development. These bodies regularly include oversight agencies (e.g., a National Commission for Higher Education), quality assurance units, student loan organizations, and national research foundations. Less common are ICT development coordination committees and inter-library loan boards. All of these are usually set up as parastatal entities with small but well qualified technical staff who are guided by a representative governance structure (i.e., a Board or Council) which brings together institutional representatives, pertinent government officials, stakeholders such as employers, and other relevant technical expertise. In various ways, these bodies shape strategy, foster competition, and coordinate problem-solving within their mandated areas.

Life-long Learning. As one outcome of the change dynamics outlined above, education is increasingly viewed as a process of lifelong learning rather than a period of formal schooling that occurs between the ages of 6 and 24 (Kapur and Crowley 2008: 7). A lifelong learning framework embraces learning from early childhood through retirement, making every person a potential student. It encompasses formal learning (schools, training institutions, universities); non-formal learning (structured on-the job training); and informal learning (skills learned from family members or people in the community). It allows people to update their expertise as the knowledge frontier expands, and to access learning opportunities as they need them rather than because they have reached a certain age (World Bank 2003). The basic requirements for a lifelong learning system are comprehensiveness, multiple pathways to learning and problem solving, and multiple education providers (World Bank 2007: 117).

More than a decade ago, the concept of 'lifelong learning for all' was adopted by the OECD Ministers of Education (World Bank 2002: 27) and other nations have been following their lead. This shift in perspective is driven by multiple factors: (i) the inadequacy of education in many developing countries – coverage is insufficient, access is inequitable (especially in tertiary education and in employee and adult training), and educational quality is poor; (ii) growing acceptance of the 'right to education' (including a second chance for those who missed out) arising from the success of the recent Education for All efforts; (iii) the increasingly short 'use life' and rapid obsolescence of present knowledge; and, most importantly, (iv) the accelerating pace of change in technologies and market advantages which combine to require national capacities for periodic worker upgrading and retraining in order to maintain a competitive work force.

The lifelong learning perspective is redefining what constitutes a student, a teacher, learning, and an educational institution. The average age of students has been rising in a number of countries as more 'mature students' enroll the higher education system. This generates a demand for more flexible class schedules, different styles of teaching, and more applied learning outcomes. Because they can enhance worker productivity, academic-corporate partnerships are likely to play a growing role in higher education, and the private sector is adding its voice to the demand for new forms of higher education.

Because the needs for lifelong learning are worldwide, higher education is increasingly an international enterprise. Half of academic respondents to the abovementioned survey indicated that their institutions already operate in foreign locations or plan to do so within the next three years (EIU 2008). New policies in support of lifelong learning will be necessary to break traditional boundaries between sector and sub-sector policy portfolios, to respond more quickly to demand, to stimulate creative supply initiatives, and to leverage private investment and initiative (World Bank 2004).

Internal Constraints

Rising costs. As populations grow and educational enrollments expand at all levels, government costs in providing publicly funded aspects of education rise correspondingly and governmental revenues are hard pressed to keep up. Consequently, education expenditures have accounted for rising portions of government budgets. Average public expenditure on education as a percent of government spending increased from 15.1 percent to 19.5 percent within the Middle East and North Africa between 1990 and 2003 (World Bank 2008a: 313), from 15 to 18 percent in East Asia over 1990-2000 (EdStats), and from 8 to 13 percent in South Asia during the same period (EdStats).

This trend has been particularly true in higher education because it is the most expensive to supply. Financial constraints in all countries, rich and poor, have prompted a wide-ranging quest for solutions. Among the more notable outcomes have been a rapid spread of private higher education—called "the fastest growing segment of higher education worldwide" (Altbach 2005), contentious discussions of appropriate levels for student fees (and associated safety nets for disadvantaged students), public debates regarding the best use of higher education revenues, explorations of lower cost modalities of higher education provision (e.g., distance education, short cycle programs, online learning), university efforts at income generation, increasing interest in public-private partnerships, and growing emphasis on efficiency in resource use.

As capacities for knowledge generation have become prominent as a source of economic competitiveness, nations have also given renewed attention to investments in research and development (R&D). In 2003 Finland boosted its R&D spending to 3.5 percent of GDP (Mohrman and others 2008). Denmark has promised to double R&D spending to 3 percent of GDP by 2015. Malaysia expects to triple R&D spending between 2004 and 2010. Korea raised R&D expenditures from 1.8 percent in 1990 to 3 percent in 2002 (Sonu 2007). These initiatives are not surprising in view of the finding that the rate of return on research investments averaged 78 percent across a number of countries (Lederman and Maloney 2003). In many developing countries, however, such initiatives also seek to reinvigorate local research capacities that have stagnated as research funding was siphoned off during the past decade to support the costs of rapid enrollment growth.

Questionable quality and relevance of learning outcomes. As growth in tertiary enrollments has outstripped budgetary resources, expenditure per student – a crude proxy for educational quality –

has steadily fallen.[278] In Sub-Saharan Africa, for example, this amount has dropped from USD 6,800 in 1980 to just USD 981 for 33 low income countries (Materu 2007; Mingat and Majgaard 2008). Another proxy indicator is the staff/student ratio. With surging enrollments over-crowding classrooms and over-running libraries, average university staff/student ratios in African universities have deteriorated from 1 : 14.7 in 1990 to 1 : 20.6 in 2002 (World Bank 2008a: 89). A similar trend is observed in the Middle East and North Africa, where ratios eroded from 1 : 15.9 to 1 : 20.9 over the same time period (World Bank 2008a: 310). Concern with declining educational quality has prompted governments to establish quality assurance and accreditation agencies. For example, the number of such agencies in Sub-Saharan Africa increased from 7 in the year 2000 to 16 in 2006 (Materu 2007). Similarly, quality assurance agencies in the Middle East grew from 1 to 10 between 2000 and 2006 (Kapur and Crowley 2008: 62). Increasing international mobility of students (Table 3), the appearance of numerous private universities and satellite campuses from other countries, and pressures for standardization of academic awards prompted by the European Union's 'Bologna Process' also reinforce national efforts to manage quality across an array of educational providers.

Global competitiveness places a premium on the relevance of higher education outputs to the needs of a country and its employers. The key role of productivity boosting technologies is focusing policy attention on graduate output in academic disciplines considered essential to technological innovation, particularly science, engineering, math, and business. Countries emphasizing science and technology in their higher education policies include Chile, India, Malaysia, Mexico, Rwanda, and Vietnam (SciDev 2008), and Indonesia has just joined this group (Jardine 2008). Global guidelines (apart from benchmarking of current practice) do not exist to guide policy in this area, because priority should be accorded to developing quality and relevance in those disciplines most strategic for supplying the skilled human resources needed to carry out national economic development plans (World Bank 2008b: 93).

When curriculum relevance is neglected, mismatches between graduate output and labor market needs are common.[279] In Sub-Saharan Africa, graduate unemployment exceeds 20 percent in nine (mainly francophone) countries for which data are available (Mingat and Majgaard 2008). In Egypt, Bahrain, Jordan, and Tunisia, post-secondary graduates comprise 40 percent or more of the total unemployed (World Bank 2008a: 214). Needless to say, unemployment represents a waste of investment made in education and may contribute to the 'fragility' of government in some nations.

Another way that higher education policy seeks to improve relevance is by promoting greater institutional differentiation within the tertiary system. Differentiation is the process of increasing institutional specialization with the goal of improving the effectiveness of the entire system. It can also be viewed as institutional adaptation to market forces. Justifications for differentiation policies include the need to serve students of diverse abilities and backgrounds, greater responsiveness to employer needs through a wider mix of graduate qualifications, and enhanced social mobility by offering multiple entry points to higher education and multiple pathways to the attainment of professional qualifications. Singapore, for example, illustrates how it is possible to progressively

[278] Unit cost is an inadequate and sometimes contested indicator of higher education quality. This is because it focuses on inputs rather than learning outcomes, and may also mask management inefficiencies or corrupt practices. Widely accepted indicators of higher education quality have yet to be crafted and those that are most easily measured target the realm of research (e.g., publications, citations, patents) rather than the teaching and learning process. Other commonly used quality indicators include teaching staff qualifications and staff/student ratios.

[279] Efforts to improve the relevance of higher education are frequently constrained by (i) a tradition of 'seeking truth' rather than relevance; (ii) a culture of academic freedom in which professors are permitted to teach what and how they wish; (iii) governance structures that favor staff interests in decision-making; and (iv) limited mechanisms of institutional accountability to society.

construct a differentiated and articulated tertiary education system through a sequence of policy initiatives (Goh and Gopinathan 2008). In the United States, system diversity is regarded as a guarantee of excellence and a precondition for higher education to respond flexibly to the needs of society (Huisman and Kaiser 2001). However, differentiation frequently proves a challenge in developing countries where new institutions tend to be patterned after the oldest one, where public funding often encourages homogeneity rather than competition, and where policy debate concerning the appropriate size and shape of the national higher education system is frequently lacking (Ng'ethe and others 2008: 35).

Academic staff development, recruitment, and retention. Burgeoning higher education enrollments have often outpaced the capacity of local post-graduate programs to produce the academic staff necessary to teach them. The result is a shortage of university professors in a number of countries that calls attention to the need to develop post-graduate education. An extreme case is Ethiopia where just 28 PhD students were enrolled in 2004, and only a single PhD degree was awarded within this nation of 71 million inhabitants (Ministry of Education of Ethiopia 2005). However, post-graduate enrollments also constituted 1 percent or less of tertiary enrollments in Bangladesh, Colombia, Ghana, India, Jordan, Nigeria, Philippines, and Thailand – potentially putting at risk the capacity of these countries to provide good quality tertiary education, including teacher training for secondary education (UNESCO/UIS).

Where non-competitive salaries,[280] heavy teaching workloads, deficient personnel management, and a lack of research opportunities are present, staff recruitment and retention proves difficult. Brain drain among university graduates is estimated at 41 percent in the Caribbean region, 16 percent in Central America, and 10 percent in Southeast Asia (Docquier and Marfouk 2005). The situation is especially grave in Sub-Saharan Africa where 30 percent of university graduates have emigrated, an aging professoriate is approaching retirement, and AIDS depletes the teaching pool. In consequence, vacancy rates in staffing positions within African universities often range between 25 and 50 percent. Unfortunately, these vacancies tend to be most common in the disciplines of engineering, science, and business administration – the disciplines most frequently associated with innovation and economic growth (World Bank 2008b: 53). With the emergence of a global market for skilled human resources in which developed countries compete to attract the world's best-trained minds, academic mobility is likely to become a growing phenomenon which may also generate benefits for 'home' countries in the form of remittances, technology transfers, foreign investment, and professional networking.

Limited external linkages. As technology and knowledge applications increasingly underpin the economic competitiveness of nations, improving the cooperative links between the university and business sectors becomes a major focus of economic and education policies. These links may be expressed in the form of university spin-off firms, tripartite collaboration in knowledge based development, and strategic alliances among firms, government research institutes, and academic research groups (Etzkowitz and Leydesdorff 2000: 112). Such university-industry collaboration has been explicitly fostered by government policies in China, India, Japan, Korea, and Singapore. The mix of pertinent policies generally includes how higher education funding is carried out, what disciplines are prioritized, the degree of competition that is encouraged, tax incentives for private funding of research, intellectual property rights protection for researchers, the establishment of

[280] Low academic salaries often contribute to an erosion of educational quality. When salaries do not enable staff to meet family lifestyle expectations, they commonly seek supplemental employment that conflicts with their university obligations to prepare adequately for class lectures, be available to advise students, serve on committees, and carry out research. Where this practice becomes widespread, institutional performance and reputation can falter. If university authorities seek to hold staff accountable for their university obligations, they may force staff resignations and exacerbate the staffing shortages caused by uncompetitive wages.

science parks near universities, and venture capital regulations, among other policies (Yusuf and Nabeshima 2007). In some cases (e.g., Japan), firms prefer informal working relationships with universities. But in others (e.g., United States) formal contracts are the rule. Where academic salaries are low, consulting by university staff becomes an essential aspect of their economic survival strategy (e.g., Vietnam, Tanzania).

Apart from direct collaboration in joint projects, linkages between academic institutions and private firms are also being fostered in other ways that can collectively improve the relevance of university preparation for employment. Increasingly, private sector representatives are being offered seats on university governing boards (Eurydice 2008; Saint, forthcoming). Practical student attachments with firms are becoming more common within university study programs. Academic departments are increasingly likely to invite employers to constitute informal advisory committees on needed graduate competencies and associated curriculum content. In some cases, private sector professionals serve as guest lecturers and academic staff provides technical advice to specific firms. Better resourced businesses are even contributing financial support for training programs that meet their strategic needs.

Deficient management and governance. In many countries, the combination of financial stress, enrollment expansion, questionable educational quality, and new pressures for academic-corporate alliances have strained existing capacities for higher education management and governance. Traditionally, institutional leadership has rested in the hands of an esteemed scholar who has earned, through his scientific contributions, the privilege of leading the institution. Academic decision-making has historically taken place in the context of collegial committees who tend to operate on the basis of consensus.

Today these practices have proved inadequate as institutions of higher learning become complex multi-million dollar enterprises operating through thousands of staff in a competitive market to provide a wide range of educational services to tens of thousands of students. Professional leaders, steeped in academic culture and able practitioners of businesslike management practices, are in great demand. But the local pool of capable candidates is often thin. In response, pre-service and in-service training in strategic planning, financial development, personnel management, and other essential skills are increasingly sought out at regional and international levels. Institutional management is becoming somewhat ‘flatter’ and more likely to be delegated to small management teams. Financial administration is often decentralized to faculty and department levels. Committees are becoming fewer and smaller in the effort to expedite decision-making. Staff appointments are increasingly based on merit rather than length of service, and performance incentives are finding their way into longstanding salary structures (Eurydice 2008).

Similar trends characterize institutional governance structures. Membership on institutional governing boards is likely to be leaner but more diverse in its representation (Fielden 2008). Individuals with business skills such as financial planning and personnel management are often incorporated, as well as representatives of sister institutions at the international level who can help the institution to keep its finger on the global pulse of change in higher education. Importantly, key positions such as board chairperson and university president are now less likely to be filled through direct political appointment by the minister or head of state, and are instead recruited through a transparent and competitive international search process or else elected by stakeholders.

Higher Education Context within USAID Assistance Categories

In an effort to contextualize the above trends, higher education characteristics were assessed for countries grouped within the four development assistance categories (i.e., Rebuilding, Developing, Transforming, Sustaining) employed by USAID. This proved to be difficult because the country categories do not easily lend themselves to use in the education sector. The categories are based largely on political, economic and ideological distinctions in which educational variables play little or no role. Various differences were noted and are summarized below.

Rebuilding – These are relatively poor and highly indebted economies experiencing moderate growth although they are heavily dependent on agricultural production of a subsistence nature. Access to public services is not widespread, and roughly one in every three citizens lives in extreme poverty. These countries face a significant challenge in rebuilding functional institutions, establishing effective governance and business environments, and educating and creating jobs for a coming 'youth bulge.' Consequently, they may not have sufficient financial resources to tackle their various economic and social challenges in the years ahead. Thus, the potential for new instability and conflict remains a risk. As a possible resource for engaging these challenges, the higher education system is relatively small, its output is rather limited, its management appears inefficient, and its graduate output may not be well aligned with the current skill requirements of the country. Higher education quality may not be good as expenditure per student is low. Yet higher education expenditures may be absorbing a disproportionate share of the education budget, thus providing little financial scope for improvements at other educational levels.

Developing – Gradually diversifying economies with a record of recent growth combined with rather high levels of debt is a descriptor for these countries. To some extent, they appear to constitute the remnants of the Non-Aligned Movement of the 1980s (e.g., Indonesia, Nigeria, Pakistan, etc.). Earlier experiments with nationalistic socialism have left some lingering influences on their political structures and economies, such as suspicions of free-market capitalism and tendencies towards centralized authority in government. As a result, they do not meet the MCC and political rights criteria. These countries still host a majority rural population and the coming "youth bulge" will be a serious problem for some countries. Their expanding economies may be lowering the levels of extreme poverty, although perhaps at the cost of rising inequality. Their higher education enrollments have been growing rapidly, and their tertiary systems have entered the phase of 'massification' (i.e., enrollments above 15 percent of the 18-24 year age group). Staff/student ratios indicate either overcrowded classrooms, a shortage of academic staff, or both. Private provision is established and doing its part, although there would seem to be room for further expansion. Sufficient output of secondary and tertiary teachers may be a problem. From a financial perspective, education budget shares could be coming into balance, expenditure per student is at a minimally acceptable level, the system has some apparent capacity to attract fee-paying foreign students, and student distribution between the 'hard' and 'soft' sciences is about right. The higher education challenge for these countries may be to set up the system support bodies needed to oversee future development of their expanding tertiary systems.

Transforming – These countries appear to have largely embraced free-trade economics and/or representative democracy. They have been rewarded by donor governments for these ideological choices with higher levels of development assistance (and lower levels of debt), justified in part by sizable impoverished populations within these countries. Basic education has been a major government priority and object of donor support, thus explaining the higher portions development assistance and of students studying education. Because differences with the "Developing Countries" are more ideological than performance-based, levels of per capita income, demographic factors, enrollment ratios, and budget shares are quite similar. Half of the population is rural, and lower population density suggests that urbanization may still be manageable. But a 'youth bulge' looms on

the near horizon. In higher education, the threshold of 'massification' has been reached. Free-market economic policies have enabled private higher education to establish a strong presence. A somewhat low staff/student ratio hints at either rapid enrollment expansion or 'brain drain' among teaching staff. From a financing perspective, budget shares suggest a barely adequate commitment to education at all levels. Science and technology enrollments are relatively low, and when combined with the unimpressive levels of expenditure per student, suggest that recent enrollment growth may have been concentrated in the less expensive 'soft' sciences. Other possible implications are that graduate output may not be well aligned with labor market demand, and teacher shortages may be a concern in secondary and tertiary education. How to increase educational investments at all levels would seem to be a main challenge.

Sustaining - Countries in this category appear to be relatively developed. They enjoy comparatively high levels of per capita income, low debt levels, and generally well diversified economies that depend little on agriculture. As a result, they receive comparatively little development assistance from the international community. Populations in these countries are highly literate, urbanized, and little impoverished. Demographic growth is largely under control and the 'youth bulge' is not a challenge. Higher education systems are large and access is widespread. Staff/student ratios appear efficient, private provision plays a balanced role, and graduate output could well be in sync with labor markets. Budget shares for education and higher education appear generally appropriate, expenditure per student is at a level that should ensure adequate quality, and a reasonable share of students are being trained in science and technology disciplines. Here a main challenge for the higher education may be achieving and maintaining international standards in teaching and research.

Revised FINAL dated: 17 February 2009

Table 1. World Internet Usage in 2008

	Population (2008 est.)	Internet Usage Penetration (% population)	Usage Growth (2000-2008)
Africa	955,206,348	5%	1,031%
Asia	3,776,181,949	15%	406%
Europe	800,401,065	48%	266%
Middle East	197,090,443	21%	1,177%
North America	337,167,248	74%	130%
Latin America/ Caribbean	576,091,673	24%	669%
Oceania/Australia	33,981,562	59%	165%
World Total	*6,676,120,288*	*22%*	*306%*

Source: www.internetworldstats.com (November 17, 2008)

Table 2. Gross Enrollment Ratio (%), Tertiary Education

	1980	1997	2004
High Income countries	36.2	51.6	66.7
Least Developed Countries	1.8	3.2	8.7
Sub-Saharan Africa	1.7	3.9	5.0
Arab States	9.6	14.9	22.6
Latin America and the Caribbean	13.7	19.4	28.6
East Asia and Oceania	3.8	10.8	19.6
South Asia	4.3	7.2	9.7

Source: Kapur and Crowley (2008: 6); calculated from World Bank EdStats.

Table 3. International Student Enrollment in the Top Six Host Countries: 1999 and 2004 ('000s)

	1999	2004	% Change from 1999 to 2004
World total	*1,680*	*2,453*	*46.0*
United States	491	573	16.6
United Kingdom	233	300	29.0
Germany	178	241	46.1
France	131	238	81.4
Australia	117	167	42.1
Japan	57	118	108.5

Source: Kapur and Crowley (2008: 21)

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HE Paper #2: Why Invest in the Development of Higher Education?

Introduction

Higher education has become more important today for developing nations than it was a decade ago. Various empirical cross-country studies show strong relationships between educational achievement and economic growth (Barro 1991; Hanushek and Kimko 2000; Cohen and Soto 2001; Bloom and others 2006). These and similar findings have led the World Bank to state, "Almost no one now doubts that modern economic growth anywhere in the world is becoming more, rather than less, skill intensive, and is requiring increasingly higher levels of education, technical competence, and computer literacy" (World Bank 2008a: 6).

Much of the reason for this trend is intertwined with the emergence of the knowledge economy, which has generated a skills premium in the wages of well educated workers as the demand increases for people able to manage complex technologies (Kapur and Crowley, 2008: 50). As the earnings of the more educated rise, the rates of return to investments in higher education also go up, making a more compelling case for higher education investments than has existed previously.

But the value of higher education extends well beyond the knowledge economy to its role in building local capabilities, for which technical assistance is at best a costly and imperfect substitute. Two particular capacities have been accorded greater importance in recent years, thus strengthening the justification for investing in higher education. They are: reducing poverty and attaining the Millennium Development Goals (MDGs), and the complex process of nation building, democracy, and social cohesion, particularly in fragile states. The benefits of higher education to both individuals and society are summarized in Annex 1.

Economic Rates of Return

The social rate of return (RoR) measures the net benefits to society of a government investment in education. This methodology is often employed by economists to determine whether or not a case can be made for the investment of public funds in a particular educational activity. Because of the near impossibility of measuring and valuing the various benefits that education may generate for society at large (often called 'externalities'), the traditional social RoR methodology has used the earnings of individuals and the tax revenues contributed by individuals as a result of increased earnings as the main measure of social benefits. Studies conducted during the 1980s and 1990s concluded that the social rate of return to education investments was higher for primary education than for secondary or higher education (Psacharopoulos, Tan and Jimenez 1986; Psacharopoulos 1990). On this basis the World Bank and other international donors launched the Education for All initiative in Jomtien, Thailand in 1990, subsequently concentrating their resources largely on basic education and urging governments to do the same.[281]

In recent years, the social RoR methodology has been increasingly questioned. Social RoR studies recognize in their calculations only the formal earnings (private RoR) and tax revenues (social RoR) associated with increasing years of schooling. Other important contributions of higher education are

[281] Even where primary education has the higher return, this does not mean that higher education returns are not significant. A return of 10 to 12 percent is usually the cut-off point for investment decisions. As shown in Annex 2, the social RoR figures for higher education are generally above this level and would seem to justify some degree of public investment (Azcona and others 2008: 7).

not considered. Prominent among these is research – the worldwide rate of return for investments in research is calculated at a very high 78 percent (Lederman and Maloney 2003). Also excluded from the social RoR analysis are far more difficult to measure contributions, such as entrepreneurship, good governance, job creation, social mobility, social cohesion, more efficient political participation, good citizenship, lower levels of crime, nation-building, and improved institutional capacities (Task Force 2000: 39; Eicher and Chevaillier 2002: 74; Bloom and others 2006: 17; Kapur and Crowley 2008: 11).[282]

In spite of the methodological challenges, a number of attempts have been made to quantify the "spill-over benefits" of higher education (Haveman and Wolf 1984; McMahon 1999; OECD 2001; Bynner and Egerton 2001; Bynner and others 2003).[283] This accumulating work, together with the present day belief that "as knowledge becomes more important, so does higher education" (Task Force 2000:9; World Bank 2002: 23), explain a growing tendency to accept the argument that higher education generates important social benefits, even if these cannot be empirically verified.

The private rate of return measures the net benefits of education to the individual receiving the education. It is frequently employed as a tool for determining whether or not the individual might be able (and motivated) to pay for all or part of the education he/she receives. Psacharopoulos and his collaborators also found the private rate of return to higher education to be lower than that for primary education in the closing decades of the 20th century. Consequently, they argued convincingly that students at the higher levels of education could appropriately be asked to share in the costs of its provision. But in recent years, the private returns to higher education have been increasing. Psacharopoulos (2006) found that the private RoR for higher education increased by 1.7 percent over the last 15 years even as that for primary education declined by 2.0 percent. Other research concludes that the private rate of return to higher education can be greater than that for primary or secondary education (World Bank 2008a:7). On balance, a rising private RoR to higher education in a country indicates that its labor market demand for highly skilled workers is rising. A natural consequence of this is to generate social and political pressures on governments to expand access to higher education. The private RoR of selected countries are shown in Annex 2.

The rising private RoR for higher education is a broad-based phenomenon. Its ascent has perhaps been the most rapid in Latin America, where trade reforms and technology transfers have stoked competitive pressures (de Ferranti and others, 2003). For example, in Argentina, Brazil, and Mexico the private RoR for higher education grew significantly during the 1990s, reversing the trends of the 1970s and 1980s. Strong demand for skilled workers in Brazil produced a 24 percent increase in the private rate of return to higher education between 1982 and 1998, which was accompanied by a 30 percent decline in the RoR for primary education (Blom, Holm-Nielsen, and Verner 2001). Increasing private RoR for higher education has also been reported for India (Dutta 2006), for E&E countries (Cain and others 2006: 9), and for several African countries (Schultz 2004; World Bank 2003). Even among the OECD countries a slight upward trend in the private RoR for higher education has been observed (Boarini and Strauss 2007). In his analysis of higher education and development, Carnoy (2006) concludes, "The general tendency has been for rates of return to investment in higher education to rise relative to rates of return to lower levels of schooling." This is the dynamic, along with population growth, that has been fueling the recent worldwide surge in higher education enrollments.

[282] Friedman notes that the discussion of externalities almost always focuses on positive contributions, and that possible negative external effects are rarely mentioned (Friedman 1968: 110).

[283] McMahon (1999) concludes that the social benefits of education are likely to raise social rates of return by several percentage points.

Within the context of education strategies for development assistance, it is not clear how pertinent the RoR methodology is as a tool for informing the education assistance strategies of donor agencies such as USAID. On the one hand, RoR analysis is normally applied to public investment in the recurrent – not the capital – costs of education. Student tuition and other forms of cost sharing are not intended to subsidize the construction of educational facilities, only their staffing and running costs. Governments everywhere play a major role in the financing of capital projects for higher education. Likewise, much of donor assistance targets needs in the development budget (e.g., laboratories, libraries, classrooms, staff development) rather than those in the recurrent budget.

On the other hand, there is growing appreciation of basic, secondary, and workforce education as equally essential and mutually reinforcing components of the education system (World Bank 2008b: 75; Ramcharan 2004; Dessus 2001; Lopez and others 1998). From this perspective, the right distribution of student numbers across the different levels of education is important. Here the argument is that workers with a basic education become more productive in the national economy when they can work with, or be supervised by, more highly skilled workers trained at higher education levels. Likewise, highly trained workers become more productive when they are complemented by workers with a sound basic education. From this perspective, the ideal goal for investments is to foster an integrated education system with a balanced distribution that offers multiple options for lifelong learning (World Bank 1999; World Bank 2007: 117).

In practice, however, the conclusions of economic analyses may have relatively little influence on education policy decisions by governments. More often than not, political considerations are likely to override the results of economic analysis (Woodhall 2007: 9). A similar conclusion is reached by Eicher and Chevaillier (2002: 75), who state that "the choice of the precise mix [between public and private funding] depends more on the practical and social constraints of a given society and on the political process than on the rational views of researchers and evaluators." In short, when it comes to policy-making, the recommendations may be technical, but the decisions are frequently political. And in many developing countries, the political equation is calculated in favor of higher education.

Poverty Reduction and MDG Attainment

Higher education is unique in its "capacity to build capacity" and plays an important conditioning role in poverty reduction. It does this in four ways. First, higher education alleviates poverty through its direct contributions to economic growth through its influence on a nation's productivity and international competitiveness (Bloom and others 2006; World Bank 2008a: 37). It does this by training a qualified and adaptable labor force, by assisting the nation to access and generate new knowledge, and by adapting global knowledge for local use (World Bank 2002: 4). And, through its contributions to productivity, competitiveness, and growth, higher education helps to determine living standards.

Second, higher education reduces poverty through redistribution and empowerment. Specifically, it generates empowerment through the building of social capital and fosters redistribution by expanding opportunities for employability, income, and social mobility among low income students (World Bank 2002: 5).

Third, higher education strengthens the entire education sector. Higher education institutions train (and re-train) teachers, school principals, and system managers. Their academic staff plays a major role in curriculum development, educational research, in-service training, the design of examinations, and evaluation for primary and secondary education (Kinyanjui and Afeti 2008). Their researchers analyze education performance, identify problems, and provide policy advice. In some countries, universities are involved in the management of primary and secondary schools. The

relationships between higher education and other levels of education have the potential to promote a virtuous circle of educational capacity building because higher education quality influences the quality of primary and secondary education, and is in turn shaped by the quality of secondary school graduates (World Bank 2002: 79).

Fourth, higher education contributes importantly towards the attainment of the Millennium Development Goals. Its agricultural research, technology adaptation, extension education, and community outreach engender improved food supply and rural incomes. Tertiary institutions train the professionals – doctors, nurses, teachers and public administrators – who will oversee and implement public education and health services necessary to reach various MDG goals. In addition, they foster complementary capacities in science, applied technology, and community service.

A nation's Poverty Reduction Strategy – through the combination of sector strategies it proposes – also provides guidance concerning the areas of tertiary curricula that will need to be developed in order to produce the skilled human resources necessary to achieve its goals. While the main emphasis of many Poverty Reduction Strategies is on the agricultural disciplines of agricultural engineering, crop production, animal production, and agricultural extension, a number of other disciplinary areas are also regularly indicated for attention. Principal among them are economics, business administration, education, electrical engineering, and health sciences.

Nation-building, Democracy, and Social Cohesion

Higher education fulfills other purposes beyond the acquisition of skills for the world of work. Through the transmission of democratic values and cultural norms, higher education contributes to the promotion of civic behaviors, social cohesion, and nation-building (Azcona and others 2008: 10). It equips students to live and work together as responsible citizens in complex democratic societies. It does this by developing a person's ability to reason systematically about critical questions, to place facts in a broader context, to consider the moral implications of choices, to communicate effectively, and to be tolerant of opposing viewpoints.[284] These are the skills of formulation, analysis, argumentation, and synthesis. This process is often referred to as a "liberal education."

Advocates of liberal education have long asserted its value to individuals and societies, arguing that it produces students who are more open to diversity, hold stronger humanitarian values, and display more flexibility, critical thinking, and communication skills. It is estimated that 30 percent of current college students in the United States will eventually work in a job that does not yet exist (Fong 2004). This uncertainty will progressively hold true for other countries as well. Rather than training for today's transient labor market needs, educators increasingly stress developing student capabilities for creativity, adaptability, critical thinking, teamwork, and communication—the skills necessary to adapt to changing labor market requirements (Muir-Leresche 2006; Bereiter 2002). To a significant extent, this is what a liberal education seeks to achieve.

Liberal education is also allegedly critical in shaping the morals and values of the students (five citations in Kapur and Crowley 2008: 68-69). Various studies in the United States indicate – but do not actually prove – that experiences in liberal arts colleges can increase interest in social issues and political involvement; shape aspirations, beliefs and cultural awareness; and foster inquisitiveness,

[284] Some American observers note that many of the more democratic and innovative officials in developing countries seem to have been educated in the United States. However, no systematic analysis of this relationship appears to have been undertaken to date. Although not entirely to this point, Bloom and others (2006) found no significant association between the educational levels of Heads of State and the economic growth rates of their countries.

mental discipline, self-awareness, altruism, and understanding of people from diverse backgrounds (citations in Kapur and Crowley, *ibid*.).

But the transmission of social values does not happen only in the classroom. If these values are not modeled for students on a daily basis by teaching staff and institutional managers, they will remain only theoretical possibilities. A higher education institution plagued by authoritarianism, corruption, nepotism, and sexual exploitation will produce graduates who carry these attitudes with them into the world of public service and private enterprise. But an institution characterized by mutual respect, pluralism, merit-based rewards, integrity, and adherence to the rule of law will generate civic and business leaders who have internalized these values. Such institutions of higher learning can serve as inspirational models for what their societies would like to become (Task Force 2000: 44).

Higher education can also foster social cohesion.[285] At their best, universities offer a common life experience to students of diverse social, ethnic, cultural, and regional backgrounds. This egalitarianism can serve as a critical stepping stone to social mobility through the erosion of distinctions based on class, religion, or ethnicity. Higher education institutions, particularly in smaller nations, are often crossroads for social cooperation, voluntary activity, extracurricular learning, and innovation among their graduates. The social relationships and networks forged among students during their university years influence the quality of society's interactions and perhaps even its stability. In practice, however, universities may fall short of attaining this goal. In some societies, institutions of higher learning are expected to cater for the privileged classes. In others, their differentiation may reflect the class structure itself, with some institutions serving as platforms for social protest by the disadvantaged. On balance, it often takes an enlightened institutional leader to enable a university to play a positive role in citizen socialization.

A growing body of research supports the notion that the quality of social infrastructure is a critical factor in the effectiveness of governments, institutions, and firms, helping to facilitate the sharing of knowledge that not only produces goods and services but also serves as the basis for a just society (Ritzen 2000; Solow 2000; Cain and others 2006). Trust, information sharing, and sound governance are now understood to be important economic assets that support development by enabling effective business interactions. For this reason, countries are now ranked on the extent to which these and other indicators may signal a favorable business environment (Doing Business 2008; Freedom House 2008). Friendships begun in tertiary institutions often continue after graduation, linking individuals across economic sectors and connecting them to other social networks. These cooperative relationships can improve government performance, foster civic engagement, and lower the incidence of inequality, social exclusion, and corruption. In post-conflict countries especially, citizens enhanced by such experiences are essential for helping their societies to reinvent themselves with a sound moral compass (World Bank 2002: 32).

Together with other cultural institutions, universities and colleges ensure that a society has a shared memory. This is important even when the memory is painful, as it is for societies in 'fragile states' trying to escape a racially or ethnically intolerant past, or a totalitarian and fear-filled past. Milestone national memories, as much as moments of achievement and celebration, constitute elements of the culture from which the future will be built. Higher education is the natural home for the investigation, preservation, and teaching of history, which in turn informs the history and civics curriculum in primary and secondary education. (Task Force 2000: 44).

[285] The research effort associated with this paper found considerable rhetoric, but little evidence, in support of this role.

Issues

- Relative emphasis on liberal education vs. science & technology education.
- Short-term vs. long-term strategies for higher education sector development.
- Economic vs. political development as a key concern in higher education assistance strategies
- Universities as foundational or strategic instruments for national development.
- How do benefits for women justify investments in higher education?
- What role for higher education in fragile states?
- What role for university partnerships in nation-building, democracy and social cohesion?

Revised FINAL dated: March 3, 2009

Annex 1

Potential Benefits from Tertiary Education

Benefits	*Private*	*Public*
Economic	Higher salaries	Greater productivity, innovation, and entrepreneurship
	Increased employability	National and regional development
	Higher savings rates	Reduced reliance on government funded social safety nets
	Improved working conditions	Increased consumption (demand)
	Personal and professional mobility	Increased potential for transformation from lower skill industrial to higher skill knowledge-based economy
Social	Improved quality of life for self and family	Nation-building and leadership development; institutional capacity-building
	Better decision-making	Democratic participation; increased consensus; perception that society is based on fairness and equal opportunity for all citizens
	Improved personal status	Social mobility and reduced social inequities
	Increased education and training opportunities	Greater social cohesion and reduced crime rates
	Healthier lifestyle and lower health costs	Improved public health
	Longer life expectancy	Improved basic and secondary education
	Increased independence and initiative	Enhanced cultural life; national identity

Source: Adapted from World Bank (2002: 81), Task Force (2000: 37)

Annex 2

Private Rates of Return: Primary versus Tertiary Education

Country/Region	PRIVATE Returns to Primary Education	PRIVATE Returns to Tertiary Education	Source
Chile	10%	21%	Carnoy 2006
Egypt	5%	8%	Carnoy 2006
Ethiopia	25.0%	27.0%	World Bank 2003
India	2.4%	10.3%	Dutta 2006
Jordan	2.0%	9.0%	Carnoy 2006
Kenya	7.7%	25.1%	Kimenyi, Mwabu, and Manda 2006
Morocco	5%	9%	Carnoy 2006
Nigeria	2 – 3%	10 – 15%	Aromolaran 2006
Papua New Guinea	6.0%	9.2%	Gibson and Fatai 2006
Philippines	9 – 10%	17.0%	Schady 2003
World	27%	19%	Psacharopoulos and Patrinos 2004

Source: World Bank (2008a: 7); Carnoy 2006

Social Rates of Return: Primary versus Tertiary Education

Country/Region	SOCIAL Returns to Primary Education	SOCIAL Returns to Tertiary Education
Argentina 1989	8%	8%
Chile 1989	8%	14%
Colombia 1989	20%	14%
Philippines 1988	13%	10%

Source: World Bank (2008b: 63)

Social and Private Rates of Return by Region

Region	Social	Private
Asia	11.0	18.2
Europe/Middle East/North Africa	9.9	18.8
Latin America/Caribbean	12.3	19.5
OECD	8.5	11.6
Sub-Saharan Africa	11.3	27.8
World average	10.3	19.0

Source: Psacharopoulos and Patrinos, 2002.

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HE Paper #3: What do higher education access, quality and relevance mean under 21st century circumstances?

Definitions: *Access* usually refers to the quantitative expansion of enrollments. However, it may also be used qualitatively in reference to equity issues such as "equal access" and "equitable access" by women, ethnic minorities, regional populations, and disadvantaged groups as expressed by their proportional shares in the composition of overall enrollments. *Quality* normally means the standard of excellence attained in the higher education provided. It is commonly cast in terms of student academic performance in relation to the rigor of the learning and examination process. *Relevance* means 'fitness for purpose," in which the higher education purpose is the exercise of a profession, productive employment, and responsible citizenship. In the 20th century, education quality and relevance were often viewed as one and the same. In the 21st century, relevance has been increasingly distinguished from quality as an educational attribute necessary to foster medium term advantages in national economic competitiveness.

Context. Access to higher education is of great importance to people around the world. They believe it improves the likelihood that they will obtain gainful employment, increased life opportunities, improved social status, and upward social mobility. As a result, access to education is a sensitive and potentially volatile political issue, especially in countries where only a small minority of the population can expect to gain admission to higher education. In many cases, this tension derives from underlying concerns with equity in the access possibilities among various social groups competing for the limited admission places available. Overall (or gross) access is easily and un-controversially measured by the number of students enrolled, the percent of the relevant age cohort that is enrolled, and the percentage of applicants who obtain admission. Equitable access is also simple to measure in some cases (e.g., gender, race, geographical region), but more difficult to gauge in others (e.g., ethnicity, religion, class).[286] Possibilities for the latter often depend on the quality and availability of census data, university admissions intake information, and other relevant records.

Quality is extremely difficult to gauge in such a straightforward manner. No universal standard for assessing higher education quality yet exists. Lacking clear indicators, quality issues are much less likely to become the focus of political attention or social controversy.[287] Commonly used indicators – expenditure per student, percent of teaching staff with doctoral degrees, published research output, accreditation reviews, competitive rankings, and various forms of performance benchmarking – are either inferential, subjective, or only partially relevant. Additionally, many feel that they are inappropriate because they measure educational inputs instead of learning outcomes. In higher education, learning outcomes may best be appraised through some kind of national university graduate examination such as used in Brazil. However, establishing these mechanisms is not easy given that the technical and organizational capacities necessary to conduct nationwide examinations are often lacking in developing countries.[288]

As instructional *relevance* has taken on heightened importance in a competitive economic environment, efforts to assess it have increased. They include graduate tracer studies, employer

[286] In all cases, the indicator is essentially the proportion of a particular group within the university student population compared to the proportion of the same group within the overall national population.

[287] Consequently, one useful role for donor agencies could be to serve as a champion for quality.

[288] The quality of primary and secondary education has been measured for the past decade by two standardized tests, the Trends in International Math and Sciences Study (TIMSS) and the Program in International Student Assessment (PISA), that enable international comparisons of student learning achievements. Cost and capacity constraints have prevented most developing countries from participating in these periodic exercises, although this situation is slowly improving.

surveys, graduate unemployment statistics, and labor market trend analysis. Increasingly, governments are taking pro-active steps to align human resource development efforts with national economic growth and competitiveness strategies. In the process, employers and employees (as well as employer associations and labor unions) find that they have a common interest in promoting the relevance of higher level skills training in both pre-employment and post-employment phases.

Similar concerns are on the rise with regard to the relevance of university research. The days when universities were the home of 'pure' or basic research, while applied research was left to the industrial sector, are rapidly fading. The current trend is for politicians and policymakers to seek greater university accountability for generating problem-oriented research findings that are of near-term use to society.

For all but those few of the world's countries that enjoy high levels of income and low rates of population growth, fairly direct trade-offs between higher education access and quality/relevance make it exceedingly difficult for governments to pursue both goals simultaneously. Expanding enrollments require student loan and grant programs for those unable to afford the costs of study, together with capital investments in new campuses, more classrooms and laboratories, and bigger libraries. Boosting quality and relevance generally involves upgrading library holdings, laboratory equipment, academic staff qualifications, ICT infrastructure, accreditation, and student practical experience—but also attitudinal shifts among staff and students. Both pursuits are expensive, but the investments required are respectively different. The first needs a sizeable mobilization of public and private funds, whereas the second depends on skills development and technical assistance in addition to funding. Public and political support for rapid expansion is usually widespread, whereas champions for quality and relevance are few and speak with weaker voices. Thus, only through disciplined management and measured efforts can both goals be advanced in tandem—and this approach may run counter to prevailing values in support of the right to education, equal opportunity, market-driven economies, and university autonomy. These are some of the trade-offs surrounding access vs. quality. Let us now look at access, quality and relevance in greater depth.

Access. During the past two decades, higher education enrollments have risen rapidly in almost all countries of the world (see Table 1 attached). This phenomenon has led observers to note that higher education 'massification', i.e., gross enrollment ratios of 15 percent or more (Trow 1974), has become a dominant characteristic of the 21st century (Altbach 2005:3; Kearney and Huisman 2007, Salmi 2007). Yet rapid expansion has fallen short of meeting surging demand in many cases. In Nigeria, for example, only one out of ten qualified university candidates actually gains admission (UWN 2008).[289]

Although it is a positive social good, massification contains the seeds of financial austerity for higher education systems. This austerity is generated by four dynamics. First, educational costs per student rise faster than prices in the general economy due to traditional university resistance to measures that would increase productivity by substituting capital (i.e., technology) for labor, or by eliminating low-demand academic programs. Second, as the pool of students expands, it eventually bumps up against those who are less and less able to pay for the costs of their education, creating a demand for less costly alternatives. Third, expanding student numbers ultimately trigger higher public expenditures, whether directly or indirectly. Fourth, available public revenues from taxpayers decline due to competing public needs and the elimination of trade tariffs due to globalization (Johnstone 2006: 5). The combined effect often erodes quality and reduces opportunities to experiment with innovation.

[289] The intensity of the competition for access generated by sharp mismatches between the number of places available and the number of students seeking them creates fertile conditions for the sale of university admission places and other forms of corruption.

Financial austerity affects the quality of higher education in several ways. Stagnant salaries and rising workloads undermine staff morale and prompt them to look for other employment, or to reduce their academic commitments in favor of income-supplementing consultancies. Physical facilities, equipment, laboratories, and libraries deteriorate due to deferred maintenance and postponed investments. Research wanes. As a result, institutions lose their capacity to respond to change through innovation.

As the financial limitations to further enrollment expansion and quality preservation become apparent, numerous governments have sought to generate new revenue flows for higher education through the introduction (or increase) of student fees. Such actions have prompted political backlash and legal challenges, especially where access to free higher education is guaranteed by the national constitution. Perhaps counter-intuitively, however, student fees actually improve 'equitable access' of higher education because the richest (and most able to pay) segments of the population are the largest beneficiaries of free higher education (see Table 2 attached).

Equitable Access. Student fees are only part of the solution to the equitable access problem. To truly expand access to underserved populations, fee policies must be accompanied by a program of student loans and grants that enables less wealthy students to afford the cost of higher education. To be fair and efficient, these assistance programs must 'means-test' the applicants for eligibility and provide moderate interest rates on repayment (Johnstone 2006: 213). In many countries, these policies have proven to be financially, politically, technically, and culturally challenging. For example, 'financial need' is difficult to determine, especially in non-Western countries, where private incomes may not be reported and tax evasion may be widespread. Likewise, financial responsibilities for education may spread across extended families, or portions of the population may get by on non-monetary incomes. In consequence, national student loan programs in developing countries have led to more failures than successes (Johnstone 2006: 77), although exceptions can be found, e.g., Colombia's ACCES [290] (Cerdán-Infantes and Blom 2007).

Various government policies have sought to mitigate the challenges of equitable access. They include: (a) less costly short-cycle academic programs; (b) open-admission two-year colleges located within population centers; (c) less costly non-residential universities; (d) the 'modular' academic system based on the accumulation and transfer of academic credits; (e) distance education; (f) continuing or extension education; (g) on-line learning; (h) admission criteria that take account of a student's socio-economic background; and (i) private provision of higher education. Improving equitable access in higher education may be an appropriate topic for USAID assistance, as it combines American values of egalitarianism and human rights with considerable accumulated experience in the above policy areas. Intriguingly, progress towards lifelong learning is seen by some as leading to a reduction in the inequality of learning opportunities (Lundvall 2007).

Access through Private Higher Education. Private higher education has proved attractive to governments because it enables access to expand at little or no cost to the public purse. As a result, private enrollments have burgeoned worldwide, with the fastest growth rates occurring in previously socialist countries of Russia, Eastern, and Central Europe (Altbach 2005: 17). This boom has occurred in spite of frequent regulatory barriers to private higher education initiative, some of which may be instigated by entrenched interests linked to publicly funded universities. Among these are lengthy accreditation processes, cumbersome registration procedures, inappropriate criteria, limits on private institutions' ability to set fee levels, and excessive requirements for financial, land, and infrastructure resources (Fielden and LaRocque 2008: 5). This suggests that plenty of scope remains in many countries for sharing of experience and policy development with respect to the promotion and strengthening of private higher education.

[290] *Acceso con Calidad a la Educación Superior* (Quality Access to Higher Education).

Private higher education displays similar characteristics across regions: its expansion is driven by demand dynamics (i.e., massification); its academic programs commonly focus on the 'softer' disciplines of social sciences, business, law, and computer science because of their lower start-up costs; it is usually located close to its market in major urban areas; it frequently enrolls higher portions of women students than public higher education (because its urban, non-residential character allows women students to live at home); its institutional enrollments are commonly 1000 students or less; it is often linked to a religious organization; it generally employs 'moonlighting' academic staff from public universities; and it produces little research. Our review of higher education statistics associated with the USAID country assistance categories found the highest levels of private provision within the 'rebuilding states,' possibly because private – especially religious – initiative tends to respond to the dire social circumstances caused by a breakdown in public services.

Quality Assurance. With its rapid expansion, private higher education has often brought abuses as well. Nearly every country can point to a privately sponsored 'diploma mill' designed to exploit the poorer and less well educated students unable to gain admission to public or high-quality private institutions. This fact, together with rising attention to educational relevance in support of national economic strategies and the increasing importance of academic reputation as universities become much more market-oriented in the sale of their services, has triggered a parallel expansion of worldwide interest in quality assurance and accreditation mechanisms. It should be noted here that not all higher education institutions need to meet the same quality standards as they may purpose different purposes and serve distinctive clientele. Society benefits not from trying to keep quality uniformly high, but from arrangements that help ensure that students can identify which institution offers them the combination of quality and price that best matches their needs.

But accreditation is not only for consumer protection; it is also one of the few tools that governments have to leverage quality changes in higher education (Eaton 2007). This occurs when government makes accreditation a criterion of eligibility for an institution to receive public funds or participate in a governmental program. However, accreditation can also work against needed change when it requires compliance with outdated organizational or instructional approaches. Thus, the challenge is how to guarantee fairness in the field of competition while providing sufficient reassurances to the public. One way of doing so may be through voluntary accreditation as employed in Chile. Coordinated regional approaches to quality assurance are underway in many places, notably the European Union (the 'Bologna Process'), South America (Knight 2006), the Arab states, Southeast Asia (Maslen 2008), and Southern Africa (Materu 2007).[291] But the quality assurance movement is not only a response to the problems that accompany expanding educational access, it also addresses growing public concerns with safeguarding educational quality and relevance per se.

Quality. Educational quality has a stronger influence on economic growth than the volume of skills produced by an education system, especially after countries have reached a certain threshold level of basic literacy (Hanushek and Woessmann 2007: 76). This suggests that there may be a 'tipping point' at which public policy might consciously transition from expanding basic education access and literacy (i.e., Education For All) to fostering quality at all educational levels. In this context, performance bench-marking to monitor quality has grown from a national to a global exercise as institutions (and nations) compete for the laurels of 'best of show' in worldwide university rankings. The two most comprehensive international rankings are those prepared by the London Times Higher Education Supplement (THES) and Shanghai's Jiao Tong University (SJTU). How USAID partner countries fare in the THES ranking of the world's top 400 universities is shown in Table 3

[291] Six Middle East nations have established quality assurance programs since the year 2000. During the same period, 11 African countries set up quality assurance agencies.

(Attachment 1). [292] Among *developing* countries, Indonesia is the only nation to make the THES list. *Transitioning* countries do better, placing 3 countries led by Brazil with two of its universities ranked in the second quartile. *Sustaining* countries record the best showing in placing 17 countries (42 universities), headed by tiny Singapore with two mentions in the top 100 universities. Not surprisingly, *rebuilding* countries fall far short of making this list.

These rankings have sparked analysis of how world class universities come into being.[293] Contributing factors are: (a) high concentration of talented staff and students; (b) abundant resources for a rich learning environment and advanced research; (c) favorable governance that features strategic vision, innovation, and flexibility; and (d) an environment of competition (Salmi 2008). Although developing countries may be severely challenged on the first two factors, they are often able to achieve quite a bit by improving governance and competition.[294] In addition, these countries are advised "to have at least one university connected to international discussions of science and scholarship, undertaking research in one or more fields of relevance to national development" (Mohrman and others 2008). These latter three goals would seem realistic aspirations for many developing countries.

Relevance. The competitiveness factor lies at the heart of relevance discussions in higher education. Within the increasingly accepted framework of a national innovation system (Lundvall 1988; Nelson 1988; Gibbons 1998), [295] universities play an instrumental role as the producers of both skilled human resources and knowledge applications. As a result, government policies for higher education, traditionally guided by notions of institutional egalitarianism, are now moving in the direction of fostering competition (Bleiklie and others 2007). Such policies seek to create markets in higher education, to strengthen ties with industry, and to stimulate higher levels of external interaction (Van Vught 2007). [296] In Brazil, China, and Malaysia, policy instruments are being used to build complex innovation centers. While most partnerships with industry focus on research or innovation, they can be extended to include industry representation on management boards or an advisory role by industry in curriculum design (OECD 2008: 10). As a result, the field of public-private partnerships in higher education has become increasingly active (Patrinos 2006).

The price of weakly relevant higher education can be considerable. The financial cost is the sum total of public and private investments made in educating each unproductive university graduate, which can easily surpass $10,000, even in the poorest countries. The social costs include graduates without viable work skills, high levels of graduate unemployment, politicization of education policies, political unrest linked to youth idleness, and eventual possibilities of political instability (World Bank 2008a: 110).

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[292] Rankings are computed on the basis of peer reviews, recruiter reviews, number of international faculty, number of international students, faculty/student ratios, and average number of scientific publication citations per faculty member. The THES Rankings have been criticized for placing too much emphasis on peer review, which contributes 40 percent of the overall score.

[293] For example, the entire March 2008 issue of the journal, *Higher Education Policy*, was dedicated to the topic of world-class universities.

[294] For example, the University of Hong Kong is ranked by THES as 26th in the world, and the National University of Singapore is ranked 30th.

[295] The national innovation system has become a key concept in the study of how societies generate, exchange, and use knowledge and information.

[296] For example, competitive funds provide incentives for universities to seek partnerships with productive enterprises in which the latter also contribute financially.

Achieving educational relevance in today's world is not a simple matter. It requires a re-conceptualization of the roles of teacher and student, and of the learning process itself. The teaching methods employed by many academic lecturers are badly in need of re-tooling.[297] Modern pedagogy emphasizes that the professor is no longer the 'font of all wisdom,' but is rather a facilitator providing students with the inspiration to explore for themselves the ever-expanding oceans of knowledge. The educator's role is to promote analytical skills, self-esteem, a sense of personal competence, and the capacity to participate in community and national affairs. The teaching-learning process may also require reorientation in order to impart the skills and values associated with a 'knowledge worker' in the knowledge economy: interdisciplinary rather than disciplinary perspectives, group work instead of lectures, problem-solving instead of memorization of facts, practical learning (e.g., field trips, attachments) as a complement to theory, learning assessment through project work (i.e., demonstrated competence) instead of multiple choice examinations, verbal and written communication skills, and computer literacy (Hagmann and Almekinders 2003; Savery and Duffy 2001; World Bank Institute 2007).

Relevance in an economy that places a premium on innovation also prompts a reassessment of the 'output mix' of higher education. Countries like Brazil, China, and Indonesia have announced efforts to boost their numbers of science, engineering and technology (S&T) graduates.[298] Spain recently publicized the creation of a Ministry of Science and Innovation, which will also house higher education (UWN 2008b). Among the countries of the world with higher shares of S&T graduates (30 to 40 percent) in their total graduate output are Ireland, Korea, Japan, and Sweden – but also Ghana, Iran, Mozambique, and Malaysia (UNESCO 2007). Unfortunately, no empirically grounded guideline yet exists in this area.

Country Categories. Because the USAID country categories are defined on the basis of variables other than education development, they do not easily lend themselves to guidance in the application of interventions to expand access, improve equity, strengthen quality, or enhance relevance in higher education. Nevertheless, a speculative attempt at this exercise is offered in Attachment 2 for those who may be interested.

Issues.

- What might be the best balance among educational quality, relevance, and access in USAID's future higher education assistance? What should USAID champion in this regard?
- Under what conditions might USAID assistance favor 'hard' versus 'soft' investments (e.g., campus infrastructure vs. staff development)?
- What balance, if any, might USAID's future higher education strategy pursue in extending assistance to universities and non-university tertiary institutions (e.g., teacher training colleges, technical institutes, polytechnics)?
- Should private institutions be eligible for participation in USAID assistance programs?
- What comparative advantages do USAID partner institutions possess with regard to access, quality and relevance issues?

Revised FINAL: February 2009

[297] Improving pedagogy, particularly through curriculum reform and the development of teaching skills, has been given considerable emphasis in recent USAID higher education activities.

[298] The research outputs of higher education have come under similar scrutiny, raising the level of emphasis on applied research and prompting the introduction of financial incentives to stimulate output in this area.

Attachment 1

Table 1. Gross Enrollment Ratio Trends in Tertiary Education

	1980	1997	2004
High Income countries	*36%*	*52%*	*67%*
Least Developed Countries	*2%*	*3%*	*9%*
Sub-Saharan Africa	2%	4%	5%
South Asia	4%	7%	10%
East Asia and Oceania	4%	11%	20%
Arab States	10%	15%	23%
Latin America and the Caribbean	14%	19%	29%
Europe and Eurasia	18%*	19%	29%

* As of 1989, the collapse of communist rule in Eastern Europe.

Source: UNESCO Institute of Statistics.

Table 2. Benefit Incidence of Public Spending on Education by Level in the 1990s

	Primary		Secondary		Tertiary	
Region	**Poorest**	**Richest**	**Poorest**	**Richest**	**Poorest**	**Richest**
Sub-Saharan Africa	18%	18%	7%	39%	5%	54%
Asia and Pacific	20%	17%	8%	37%	3%	69%
Western Hemisphere	30%	9%	15%	18%	5%	42%
Middle East and North Africa	25%	12%	11%	24%	4%	47%
Transition Economies*	19%	20%	13%	25%	9%	33%
World	*23%*	*15%*	*11%*	*28%*	*5%*	*46%*

"Poorest" = bottom quintile; "Richest" = top quintile.

*Albania, Armenia, Bulgaria, Kazakhstan, Kyrgyz Republic, Macedonia, Romania.

Source: H. Davoodi, E. Tiongson, and S. Asawanuchit. 2003. "How Useful are Benefit Incidence Analysis of Public Education and Health Spending?" IMF Working Paper 227. November.

Attachment 1
continued

Table 3. USAID Partner Countries by Number of Mentions in Quartiles of the THES International Ranking of the 400 Best Universities in the World , 2008

Category	Top 100	101-200	201-300	301-400
Rebuilding	0	0	0	0
Developing	0	0	0	Indonesia (3)
Transforming		Brazil (2)	India (2) Thailand (2)	Brazil (1) India (1)
Sustaining	Ireland (1) Singapore (2) South Korea (1)	Ireland (1) Israel (2) Mexico (1) South Africa (1) South Korea (1) Taiwan (1)	Argentina (1) Chile (1) Czech Rep. (1) Greece (1) Ireland (2) Israel (2) Malaysia (1) Russia (2) South Africa (1) South Korea (3)	Chile (1) Greece (1) Ireland (1) Malaysia (3) Poland (3) Portugal (2) South Korea (2) Taiwan (3) Turkey (1)

Source: Times Higher Education - QS World University Rankings 2007

Attachment 2

Brainstorming Access and Quality/Relevance Interventions by Country Categories

Rebuilding. Access interventions might seek to quickly expand enrollments in post-secondary education through the provision of short cycle courses and the promotion of private higher education. *Equity access* could be addressed through a scholarship program earmarked for various regional and ethnic groups for use in pursuing university study at either public or private institutions. *Quality* enhancing actions might include renovation of damaged campus infrastructure, academic staff development and retention programs, involvement of the country's 'brain drain diaspora' in revitalizing higher education, the licensing and monitoring (but not accreditation) of private colleges and universities, and capacity building partnerships between local and overseas institutions.

Comment on Fragile States. Emphasis might usefully be on expanding access (equitably) to higher education to avoid obvious exclusions, on introducing elements of civic values and national identity into the curriculum, and on establishing university-led short courses in public administration for civil servants at the provincial/state and local levels in the effort to expand and improve service delivery.

Developing. Strategic planning for the higher education system, as well as for individual institutions, could be encouraged. Consideration should be given to developing one local university with some capacity for graduate training and research in a few key disciplinary areas likely to be critical for future economic and social development. Investments in improved knowledge access through ICT infrastructure and library development would be a valuable complement. Sector policies might usefully seek to promote competition among higher education institutions, and to foster initial university-industry linkages. University partnerships might beneficially concentrate on curriculum improvement and training in new teaching methods.

Transforming. Many of the interventions noted immediately above would also be relevant here, including strategic planning, graduate program development, establishing a 'flagship' university, ICT and library investments, and partnerships oriented towards teaching and curriculum. In addition, sector policies might encourage the expansion of private higher education along with basic instruments for quality assurance. Care should be taken to ensure that market-led enrollment expansion does not cause a shortage of S&T graduates. The greater income inequality within this group suggests some attention to equity oriented scholarship programs (and perhaps student loans if sufficient local capacity exists).

Sustaining. Quality interventions might seek greater professionalization in higher education support services through (a) targeted technical assistance partnerships, (b) setting up systems to monitor and evaluate policy performance, and (c) specialized partnerships (e.g., libraries, quality assurance agencies, research foundations). Equity access issues are likely to center on improved efficacy within student loan programs. University partnerships might concentrate on developing research capacities in strategic areas and establishing the groundwork for a national innovation system.

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HE Paper #4: What are the most effective assistance modalities for developing higher education?

Definition. As used in this discussion, 'assistance modality' means the manner in which development assistance is provided to a recipient nation or institution. This includes the type of content, the structure of the relationship, the organizational vehicle, and the orienting values that characterize the way assistance is made available and implemented.

Introduction. In an ideal world, the modality selected to deliver higher education development assistance would depend on the specific objectives being pursued (see Attachment 1). In most trades, part of the craft is "using the right tool for the job." So it is here. A range of modalities have been perfected over the years, each with its advantages and shortcomings. Some are more appropriately employed to accomplish certain ends rather than others. The implication is that the definition of an education strategy will, to some degree, determine the modalities adopted to implement the strategy. In the effort to illuminate some of the trade-offs associated with these choices, the following discussion seeks to briefly evaluate eight main modalities utilized by donor agencies to assist higher education. These are: institutional partnerships, competitive funds, graduate scholarship programs, cluster partnerships, professional networks, sector-wide programs, mentored capacity building, and public-private partnerships.[299] In practice, donor strategies are increasingly comprised of a 'suite of modalities' (Whyte 2004: 27).

Institutional Partnerships. This is by far the most common modality employed by OECD bilateral assistance programs, yet it is rarely studied.[300] It involves the 'linking' of a university from the North with a sister institution from the South in the effort to transfer useful knowledge, skills, and capabilities—a process often referred to as 'capacity-building.' McGinn (2000: 441) finds three types of partnerships in the education sector. *Remedial* partnerships attempt to fix something that is not working well for one of the partners. They are typically limited in time and impact least on the values of the partners. Capacity building partnerships are often of this type. *Product* partnerships involve two or more parties in efforts to produce something. This may be a curriculum, textbook, research, a new academic unit, etc. One partner may put up the funds, while another provides the technical expertise or labor.[301] The outcome modifies organizations, but does not fundamentally change them. It may have some impact on values and objectives. *Institutional transformation* partnerships are intended to produce a new kind of organization with new objectives as well as structures and processes. This type is noteworthy for the frequent failed efforts associated with it. [302]

Partnerships make sense under certain conditions.[303] For example, two relatively weak organizations facing a threat by another may opt to combine their resources in order to prevent losing their autonomy. Similarly, two or more organizations with limited but complementary resources may decide to combine their efforts in order to increase their joint viability and competitiveness.

[299] Space limitations preclude discussion of other modalities, such as technical assistance, study tours, and 'centers of excellence,' which were judged less salient at this point in time.

[300] One of the very few attempts to evaluate university partnerships notes, "…careful and documented analyses of academic partnerships are nearly non-existent' (Samoff and Carroll 2004).

[301] An example of a product partnership is the consortium that developed the West African Examinations Council.

[302] For example, when five countries of Central America tried to come together in the 1960s to jointly plan higher education.

[303] An overview of experience gained in carrying out university partnerships was provided in an earlier paper entitled "Lessons Learned in Developing Higher Education."

Organizations of unequal size, resource endowments, or levels of development may find it practical to work together when each will benefit from collaboration—or lose if they fail to do so (MGinn 2000: 442). Given that university partnerships are financed by many OECD countries, it may be prudent to ask what comparative advantage USAID possesses over other donor agencies in this area.

The benefits of university partnerships to recipient countries or institutions are multiple. Staff development, in the form of MA and PhD training, seems to be the most pervasive (Eldridge and others, 2000; Boeren and Epskamp, 1998). For tenured faculty members, faculty exchanges and post-doctoral research opportunities have helped to maintain the currency of their 'intellectual capital' and avoid academic obsolescence (Micou 1995). In some cases, laboratory technicians have profited from specialized short-term training. A second major advantage has been the development of better teaching capacities through help with course design, curriculum updating, and new pedagogical techniques. Third, research capacity-building has been another common focus of university partnerships. This frequently comprises joint research projects, training in research methods, donations of books and equipment, and instruction in the use of internet data resources. A fourth contribution has been institutional 'strengthening' through assistance with strategic planning, management systems, student services, library administration, and fund-raising strategies (Michigan State University 1998).

The attractiveness of university partnership programs to donor governments lies in their ability to 'kill two birds with one stone.' In the United States, for example, they support American higher education constituencies while benefiting its international development assistance program. They advance foreign policy goals while strengthening national security capabilities. They promote American perspectives internationally while bringing many of the world's best scholars and students into the U.S. higher education system. Furthermore, partnerships often leverage considerable amounts of additional resources in the form of institutional contributions and complementary funding from other sources (Morfit and others 2008). They also offer flexibility in responding quickly to problems, and can often help USAID to deal more effectively with complex issues that cut across sectoral domains (USAID 2001: 11).

But the shortcomings of partnerships must also be taken into account. Because of their demand-driven nature, they do not readily lend themselves to integrated national strategies. Likewise, they rarely impact national policies. The partner relationship is potentially problematic in several ways. Partnerships may reinforce inherent inequalities between North and South institutions, enable well-supported institutional units to resist reform, and undermine institutional governance (Samoff and Carroll 2004). Sustainability of the partnership is often challenged by funding dependence and tensions stemming from unstated university agendas, lack of transparency, unequal power relations, and cultural differences in communications and values (Tedrow and Mabokela 2007). Also, partnerships may fail to develop awareness of mutual interdependence. Without this, inevitable disagreements between partners tend to be resolved by the use of economic, political or expert power. This erodes trust and restricts the growth of the relationship (McGinn 2000: 445). A domestic equity issue pertains as well. Within the U.S., a small number of state-supported research universities are the major beneficiaries to the extent they account for almost 60 percent of international linkages but constitute only about 5 percent of U.S. institutions (Samoff and Carroll 2004).

Competitive Funds. Competitive funds may be organized at the national, sub-regional, or regional levels. They are publicly announced funding competitions in which proposals are evaluated by respected peers through a transparent process and both the assessment methodology and decision criteria are explicitly stated. In higher education, competitive funds have long been used to foster quality and innovation in research. Recently, they have been employed for other institutional development purposes as well (e.g., improved teaching quality, capacity building partnerships, well grounded ICT development strategies).

Competitive funds offer several advantages. Most importantly, they respect university autonomy by allowing institutions to choose whether or not to participate, and if so, by letting them determine the content of their funding proposals. They are attractive to institutions because they represent extra-budgetary resources that can be used for experimentation and learning. They often foster rapid changes in professional attitudes and institutional culture as a by-product of the funding application process, and have proven particularly effective in improving educational quality and relevance. The mechanism is also flexible in responding to changing circumstances, and has shown itself to be more efficient in aligning funding with implementation capacity than the more traditional annual budget planning process (Saint 2006).

Competitive funds also possess inherent shortcomings. First, they are generally more effective at stimulating intra-institutional change than system-wide reform. Second, large differences in institutional capacity among competing institutions are not easily managed, although ways of handling this imbalance have been developed. Third, they are relatively slow mechanisms for building management capacity given the 'learning by doing' associated with the management of funding awards, and the limited ability of narrowly focused funds to stimulate integrated upgrading of an overall management system. Finally, the management of a competitive fund tends to be labor intensive, require good organizational and communication skills, and institutional proficiency in the procurement of goods and services – abilities often found in short supply within developing country universities (Saint 2006).

Graduate Scholarship Programs. Donor-funded graduate scholarship programs have often complemented institutional strengthening or university partnership programs. Frequently targeting talented junior staff in universities (or government, or society at large), they seek to address critical human resource needs within beneficiary institutions. In many cases, these programs are *quality* oriented, seeking to provide a country's 'best and brightest' with the professional skills and credentials that will enable a progressive raising of performance standards in particular institutions or fields (e.g., agriculture, health). In some cases, they have a *strategic* orientation, striving to create needed national capacities in areas for which local training options do not exist (e.g., biotechnology, environmental management). *Equity* objectives may also be pursued through scholarship programs earmarked for women, minorities, or the economically disadvantaged.

Through scholarship programs such as *African Training for Leadership and Advanced Skills* (ATLAS),[304] which was terminated in 2003, USAID not only helped to multiply future leadership in Africa, but also to provide it with a favorable impression of American culture, values, and technology.[305] The Fulbright Fellowship Program pursued similar ends worldwide within a more academic orientation. Recently, USAID training programs have been largely short-term (technical training, study visits, leadership development), and graduate training has been sparse.[306] In 1990 USAID funded nearly 10,000 students from developing countries to train in the United States, but by 2000 the number had dropped to 1,200 (Whyte 2004: 47). Overall, a widespread perception exists –

[304] Its predecessor, the African Graduate Fellowship Program (AFGRAD) which ran from 1963 to 1990, promoted cooperation among U.S. universities and African countries to provide advanced academic and professional training for African students. The ATLAS and AFGRAD programs sponsored over 3,200 African professionals to obtain bachelor's, master's, and Ph.D. degrees at over 200 U.S. universities. Some 85 percent of all ATLAS and AFGRAD fellows successfully completed their degree programs and returned to their countries of origin.

[305] An earlier program, the African Scholarship Program of American Universities (ASPAU), was explicitly understood as an effort to inform and shape the thinking of Africans likely to assume leadership positions at home. It provided scholarships to more than 1,500 students between 1961 to 1970, of whom 64 percent returned to Africa and became employed in positions of leadership (Samoff and Carroll 2004).

[306] USAID does not provide scholarships directly to individuals.

although aggregated data to substantiate the claim appear non-existent – that many donor agencies reduced or eliminated their scholarship programs during the 1990s as a result of rising costs in higher education, risk of brain drain among awardees, and redirection of funding in support of basic education.[307] Some have recently reconsidered this position.[308]

Graduate scholarship programs offer the benefits of merit-based awards that generally support persons of outstanding ability, links with international knowledge and technologies, opportunities to target human resource development investments in urgently needed professional areas or slant them towards socially disadvantaged groups, chances to build long-term alumni networks that may be harnessed for future collaborative activities, possibilities of recruiting the world's best talent to support the American economy, and means of creating over time leadership cadres in partner countries who may be favorably disposed towards U.S. culture and political values. One major evaluation concludes that overseas study results in a "net gain for the countries whose citizens go abroad for advanced training and education" (Pires, Kassimir, and Brhane 1999: 38). However, shortcomings include the risk that brain drain may seriously erode such investments; the high cost per individual of graduate scholarships; the relatively high management costs of selecting, placing, and supporting the group of individual awardees; and the difficulty of using such broadly cast programs to build capacity in specific institutions.

Future scholarship programs might usefully consider some of the following possible modifications: shorter term generic public management/leadership training in lieu of longer term graduate study in a specific discipline; emphasizing human resource development in the applied teaching skills of technical institutes and polytechnics instead of universities; 'sabbatical' awards that enable senior education professionals to study new modes of educational provision such as community colleges, open and distance learning,[309] and work/study models; or national scholarship programs that support graduate study in local or regional graduate programs. In *rebuilding* or *fragile* countries, local scholarship programs might be used to expand access to undergraduate study (including at local private colleges), by marginalized groups.

Cluster Partnerships. This form of institutional capacity building tends to have a narrower technical focus than individual institutional partnerships, but broader institutional participation. For example, all the university libraries within a single country, or perhaps within several adjoining countries, might be twinned with a couple of first-rate American university libraries to transfer skills and technology related to information access and management in a digital age, digital archives, training programs for staff and students, etc. Similar technical transfer clusters might also be organized around the design and management of distance education programs, institutional fund-raising, student loan programs, quality assurance, or staff retention incentives. Cluster partnerships have so far resulted more from serendipity than design, although the upside potential for systematically testing this modality remains. As a result, little experience is available to guide such initiatives, and their costs and benefits are not yet well understood. Thus, this might be a fruitful area for exploration and experimentation.

[307] One response to this problem has been the modality of 'sandwich' graduate training.

[308] For example, the U.K. Commonwealth Fellowship and Scholarship Plan is in the process of increasing its annual awards from 400 in the year 2000 to 2,000 in 2009 (www.acu.ac.uk). Likewise, the Ford Foundation expects to provide 3,000 graduate fellowships during the current decade. China is also becoming a major player in the scholarship field.

[309] The Commonwealth Fellowship and Scholarship Plan now offers about one-third of its awards by distance learning.

Scientific Networks. Networks link persons with common professional interests, enabling a more rapid diffusion of new knowledge and innovative ideas. This, in turn, generates an acceleration of learning that can push development forward.[310] With the advent of the Internet, networks are now able to function across space and time at relatively little cost. As a modality, networks excel at building professional communities of scholarship, forging professional identifies, and advancing the knowledge frontier in their area of expertise.[311] They have also proven less vulnerable to the vagaries of national political instability, played a useful role in mitigating brain drain, and offered a cost-effective approach to dispersed capacity building. The downside to networks is their weak contribution to institutional development, their dependence upon effective coordination capabilities, and their heavy reliance on external financing. A recent focus of networking efforts has been the mobilization of 'diaspora' scholars of a given nationality to address local university needs for the teaching of specialized courses, modernizing curriculum, upgrading library holdings, and identifying funding opportunities. Because a large portion of developing country émigrés are currently employed in American universities, incentives for the formation of supportive diaspora networks might be an area of comparative advantage for U.S. assistance programs in higher education.

Sector-wide programs in (higher) education. Over the past decade, donor agencies have explored the utility of providing their assistance through the modality of sector-wide programs. In essence, the sector-wide approach provides an untied or loosely tied contribution, normally in the form of pooled donor funding, to the operating budget of a time-bound ministry work program derived from a national sector strategy. It is intended to reduce the transaction costs of aid, to emphasize the importance of strategy development, to affirm the government's role as manager of the sector's public activities, and to build local technical and managerial capabilities.[312] In education, sector-wide approaches have tended to highlight primary and secondary education, and to exclude higher education. This omission was caused in part by recent emphasis on access to basic education, but also by the fact that most universities operate as highly autonomous institutions with weak links to sector ministries of education. Nevertheless, the inclusion of higher education within sector-wide education assistance, or experimentation with a sub-sector-wide approach in support of the entire higher education system, might merit some consideration.

In the sector-wide approach, donors and beneficiary governments have distinct responsibilities. Donors are supposed to monitor and supervise the aid flow process. The governments handle decision-making with regard to program development, the hiring and supervision technical advisers, and management of implementation in the field. Monitoring and evaluation is a joint responsibility. Each of these tasks requires institutional capabilities. Donors and governments must co-ordinate their objectives and activities much more closely than in traditional aid and technical assistance. Government personnel must be able and willing to argue as equals with donors about how projects will be carried out. In especially poor countries where development assistance is critical to budgets, it may be difficult for government representatives to speak their minds. In turn, it may also be difficult for expatriate technical advisers to accept questioning of their recommendations from those requiring assistance. For these reasons, use of the sector-wide modality may be most appropriate in *sustaining* countries.

Mentored Capacity Building. During the 1990s, USAID and the American Council on Education supported a capacity building program for the leaders and managers of Historically Disadvantaged

[310] One classic example of a successful network is the African Economic Research Consortium (AERC).

[311] A recent phenomenon is the development of international or global consortia of universities. One example is *Universitas 21*, a formal network of 25 comprehensive universities from around the world with a collective research budget of over $3 billion and a focus on research with global ramifications.

[312] Experience in these areas prompted the Paris Declaration of 2005 on aid harmonization.

(traditionally black) South African universities.[313] Evaluated as a success, this initiative emphasized strategic planning and management skills within higher education for coping with change during and after the transition from apartheid to democracy (DevTech 1995). Among its innovations were the use of retired American university presidents as mentors for South African university presidents (i.e., vice-chancellors), intensive professional attachments whereby South African university officials 'shadowed' counterparts in similar positions within American universities, a program exclusively for women higher education leaders,[314] a competitive fund for innovative pilot programs in higher education, and the use of local non-governmental agencies to provide practical training to university officers in planning, management, and finance. Striking here is the range of mentoring mechanisms used to provide non-formal training. Later, the Association of African Universities sought funding unsuccessfully to replicate this approach in other African countries. It is not clear whether variations of this reportedly successful modality have been employed in other regions.

The advantages of mentored capacity building include customized on-the-job training, just-in-time technical assistance, a demand-driven approach, the creation of informal assistance networks, and good possibilities for local ownership of the project. Shortcomings comprise the limited number of beneficiaries, possible perceptions of project 'elitism,' and the labor intensive nature of pairing mentors with university leaders, coordinating schedules, and ensuring that learning takes place.

Public-Private Partnerships. The dynamics of globalization, pressures on higher education financing, national competitiveness, and market-oriented ideologies have combined to foster a relatively new assistance modality – the public-private partnership. As the 'triple helix' of government-university-industry collaboration (Etzkowitz and Leydesdorff 1998) is pursued in the quest to accelerate the process of innovation and manage the threat of rising costs, both governments and donors have been promoting this modality. The possibilities for public-private partnerships are only limited by the imagination. Examples include local firm sponsorship of student scholarships, particular courses of study, or fields of research that are of potential benefit to them; contributions to a general higher education development fund as in Tanzania (World Bank 2008: 107); business incubators; commercialization of research; producer services; and technology parks (Yusuf and Nabeshima 2007: 17). Some USAID supported partnerships are already based on the triangular interaction of an American university with a local university and a local business.[315] At present, considerable scope would seem to exist for experimenting with public-private partnerships in higher education, e.g., business incubators, quality assurance.

Revised FINAL: March 1, 2009

[313] This was the Tertiary Education Linkages Project (TELP) that provided $3.7 million between 1995 and 2000 for a range of institutional development activities with South African universities. Its purpose was to prepare black South Africans and selected institutions for positions of leadership and importance in order to promote change and a peaceful transition to democracy. Funding included 600 graduate scholarships.

[314] Women in Higher Education Executive Leadership (WHEEL).

[315] For example, universities and private sector firms from Kosovo and U.S. are establishing a Center for Energy and Natural Resource Development.

Attachment 1

Modalities Used by Donors to Build Professional Competencies in Higher Education

Modality	Variants
Technical assistance	International, regional, national, same institution Long term, short term Face to face, on-line, video conference, telephone Mentoring, on-the-job 'apprenticeship'
Training	Sandwich programs Degree, certificate, non-certificate Long term, short term International, regional, national location, sandwich model Competitive access, restricted target group, open market In classroom, on the job, distance learning Disciplinary, interdisciplinary Management, administration Leadership, entrepreneurship Training of trainers
Workshops/seminars/conferences/ summer schools	Training workshops Conferences for presenting results Meetings for networking; collaborative research Peer review of theses Leadership for a Policy dialogues
Study tours	International, regional, national Individual, group
Twinning Arrangements	International, regional, national scope Universities, NGOs, private sector, public sector Units within organization, whole organizations Relationship to donor: one university contracted to provide services, university supported to buy services, third party arrangements
Centers of excellence	International, regional, national Hub & spoke or networked model Virtual universities
Networks	International, regional, national Disciplinary, multidisciplinary Universities, NGOs, private sector, public sector Central secretariat, hosted within a member organization Separate legal status, program status under host organization Governance: member organization, donor board, steering committee of experts, mixed models
Research	Collaborative research Research assistantships Post-doctoral awards Sabbatical awards Competitive funds
Scholarships/Fellowships	Young scientist programs Graduate training (MA, PhD) Small grants programs for thesis, fieldwork, internships
Equipment/Infrastructure	Physical facilities, buildings Software, training materials Internet connectivity, broadband purchase

	Library acquisitions, on-line journals Equipment repair and calibration

Source: Whyte (2004), Table 4, as adapted by author.

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HE Paper #5: Strategizing Higher Education Development: Institutional and System-wide Interventions

Definitions. A higher education system comprises all tertiary level educational institutions within a country, including the public agencies that supervise or serve them. A higher education institution provides government licensed and/or accredited education leading to the award of a post-secondary certificate, diploma, degree or graduate degree, and may also engage in research and/or community service. The objective specified for development assistance in higher education often determines whether interventions are targeted at the overall system or at individual institutions.

Institutional Interventions

Institutional interventions generally aim at changing some aspect of institutional performance. They normally focus on the development strategy and mandated activities of a specific institution, including the professional capacities needed for their implementation. The areas of performance most frequently addressed include (a) teaching (e.g., learning achievement, graduation rates, relevance for employment,); (b) research (e.g., quality, quantity, relevance); (c) management (e.g., strategic vision, professional standards, incentive structures, resource use efficiency); and (d) institutional relations (e.g., partnerships, networks, resource sharing, problem-solving assistance).

Institutional interventions may be indicated under any of the following country conditions:

- when a country has only one or two universities
- when one among several institutions has been selected for upgrading to become a national research university with some activities carried out at an international level of quality.
- when the role and capabilities of a particular institution need to be re-oriented to serve the development needs of a local geographical area.
- when a school, faculty, or department within a particular university has been chosen as the basis for developing a regional center of excellence.
- When in-depth research capacity to analyze a topic of national importance is required (e.g., arid land agriculture; international coffee, cocoa or other commodity markets; fishing resources management, alternative energy sources).

Experience suggests that several pre-existing conditions may increase the possibilities of success in working with individual institutions. Primary among these are: (i) strong and credible institutional leadership; (ii) an approved strategic development plan for the institution; and (iii) the existence of some discretionary funds in the institutional budget. If any of these are lacking, the impact of development assistance may be diluted. Thus, initial assistance efforts might usefully concentrate on fostering these conditions if they are found to be lacking.

System-wide Interventions

System-wide interventions usually address the strategic orientation, size and shape, organizational structure, and relationships that characterize the whole scheme of higher education. They most commonly occur in the realm of public policy. Among the more common areas of policy intervention are (a) system differentiation (e.g., public/private, university/non-university, teaching/research); (b) system access (e.g., admissions, enrollments, student loans, earmarked scholarships); (c) quality assurance (e.g., teacher qualifications, licensing, accreditation, graduation requirements); (d) system governance (e.g.,

autonomy, accountability, oversight body, role and selection of governing boards and chief executives); and (e) system efficiency (e.g., funding formulae, expenditure per graduate).

System-wide interventions can obviously be used only when a country has progressed to the point where it hosts several universities and other tertiary level institutions; in short, when it possesses a higher education system. As noted above, system-wide interventions are used primarily to address generic issues of performance or reform that apply to the entirety of a nation's institutions of higher education. The most common system-wide issues addressed by such interventions are efforts to:

- raise overall educational quality (e.g., quality assurance, curriculum reform, staff training)
- improve the general relevance of the education provided (e.g., governance reforms, public-private partnerships).
- introduce financial sustainability (e.g., tuition fees, cost-recovery policies, income generation activities)
- differentiate/diversify the characteristics of higher education institutions in the country.
- plan for, monitor and steer the entire system (e.g., system oversight bodies, management information systems)
- stimulate greater competition among the existing institutions (e.g., funding formula, competitive fund, performance rankings)
- enhance the efficiency of the system's use of resources (e.g., funding formula, accountability mechanisms)
- establish specialized service agencies that provide support to all institutions in the system (e.g., accreditation, student loans, research funding)
- carry out initiatives that require coordinated action by all institutions in order to be successful (e.g., information technology infrastructure development, inter-library loans).

Two lessons learned are worth noting with regard to system-wide interventions in higher education. First, the existence of sufficient government capacity to lead and coordinate reform actions greatly increases the chances of success. In many cases, this may reside in a system-wide oversight body established to coordinate higher education development. But where higher education responsibilities are spread across two or more ministries, where a ministry's department of higher education is staffed by civil servants rather than credible ex-university officers, or where the minister does not periodically reinforce the reform agenda through public appearances and statements, individual institutional interests may stall the initiative to introduce needed changes. Second, the existence of a generally accepted and publicly understood national strategy for higher education will save time and reduce friction during the implementation process. Such a document provides an overall vision of where the reform effort is headed and a roadmap of how it expects to get there. It therefore constitutes a common reference point for all participants. If either of these two elements is lacking, then initial development assistance might best concentrate on creating these conditions so that government ownership of the reform agenda is clear, government (not a donor) is seen to be in the driver's seat, and all parties know who is managing the process on a day to day basis.

Complements and Interactions

In the 21st century, many countries are choosing to reform higher education by guiding and encouraging higher education institutions, whether public or private, in a more flexible and less controlling manner

through system-wide approaches characterized by three complementary elements (World Bank 2002: 83). Each of these seeks to shape interactions between individual universities, or between universities and the government, and steer them in the direction of desirable change.

A coherent policy framework. Policymakers, ideally in consultation with other higher education interest groups, develop a vision for the higher education sub-sector as a whole and outline the role of each type of institution within that whole, including private institutions. How the various institutional components of the higher education sub-sector, both public and private, relate to each other and to the higher education system as a whole will affect their performance. For example, high-quality instruction in engineering, medicine, agriculture, and the applied social sciences requires sound training in the natural sciences, mathematics, and even the humanities. Likewise, centers of excellence cannot be developed if they must at the same time bear the burden of accommodating an increasing social demand for higher education. A good policy framework defines the strategic goals to be pursued over time, outlines the principal tasks necessary to achieve them, and provides a frame of reference for the development of individual institutions.

An enabling regulatory environment. The regulatory environment defines the 'rules of play' for higher education institutions. Enabling regulations steer rather than control (Van Vught 1994), and motivate rather than restrict. For example, they should encourage rather than inhibit innovations in public universities and initiatives by the private sector to expand access to good-quality higher education. Rules for the establishment of new institutions should ideally be restricted to outlining minimum quality requirements and should not constitute barriers to entry. Other regulatory considerations include the development of quality assurance mechanisms (evaluation, accreditation, national examinations, academic award equivalencies,[316] rankings, and publication of information), financial controls to which public institutions are required to conform, and—wherever a capacity for original research exists—intellectual property rights legislation. In most cases, new legislation will be required to affirm the changed regulatory framework (e.g., new governance structures, new accountability mechanisms, new public agencies). Some countries have found it useful to pass a new higher education law as the initial step in a reform process (e.g., Latvia, South Africa). Others have preferred to shape their reform step by step on the basis of experimentation and consultation, introducing a new higher education law only at the conclusion of this learning process (e.g., Vietnam, Tanzania). In the latter case, a change-minded individual institution can often lead the way through the example of its own innovations. Either approach to updating higher education law is feasible, but the choice will depend on specific country circumstances.

A*ppropriate financial incentives*. The extent to which reform relies on positive incentives, rather than mandatory edicts or sanctions, to promote change has a great influence on outcomes. This is because institutions (and their leaders) tend to respond more readily to constructive encouragement. Competitive funds, performance-based funding formulae, and accreditation are examples of positive incentives. Less obvious incentives can be provided in the form of government regulations (e.g., licensing, civil service rules, budget rules, recognition of degrees); partnerships with industry, civil society, and professional associations; and competition among higher education institutions, including private providers. On the other hand, line-item budgeting and limited university control over revenues and savings provide few incentives for change.

Each of the above elements will require a specialized institutional capacity to develop and watch over it. Sometimes this may be achieved by enhancing the technical capabilities within an existing institution,

[316] As increasing numbers of students seek all or part of their higher education outside of their home countries, each nation will need to consider developing the information and capacities necessary to determine the quality and local equivalence of academic awards earned beyond their borders.

such as a Ministry. Often, however, it may be preferable to establish a new organization. For example, a policy framework might best be formulated by knowledgeable higher education specialists working within a system-wide semi-autonomous oversight agency such as a National Council for Higher Education. The regulatory environment may also fall within the purview of such an agency, or certain functions may be delegated to another specialized agency (e.g., quality assurance, student admissions). Financial incentives are probably best managed by a system-wide oversight body rather than a sector ministry or the ministry of finance.[317] This is because they normally require a data base of performance statistics for individual universities upon which to base funding decisions together with the specialized knowledge necessary to interpret this information. Thus, specific institutions may need to be established in order to enhance system-wide performance.

Bearing these distinctions in mind, an attempt is made in Annex 1 to combine the above content into possible elements of a higher education assistance strategy for each of USAID's four country categories. As noted in other discussion papers, these categories do not easily lend themselves to use in education strategizing. Until they are modified or replaced, however, they constitute the typology that USAID has been given to work with.

ISSUES

- Under what circumstances might system-wide reform is triggered by an example of positive change in a single institution?
- Is it possible to improve one university without altering the system-wide conditions in which it operates (i.e., policy framework, regulatory environment, financial incentives)?
- How might USAID development assistance to a country's higher education sub-sector strengthen system-wide integration and coordination while at the same time improve the performance of individual institutions?
- Which is the best starting point for higher education reform: the system level or the institutional level?

Revised FINAL dated: March 2, 2009

[317] A common exception is student loan programs, because of their needs for narrowly specialized skills, unique management information systems, extensive document storage and retrieval, and convenient public access.

Annex 1

Combining Institutional and System-wide Approaches within USAID Country Categories

Rebuilding Countries. Institutional interventions could well comprise the primary mode of assistance in many Rebuilding Countries. These might usefully target the restoration of basic university infrastructure, especially university libraries; the progressive upgrading of academic staff, including an appreciation of the role of civics education; and the strengthening of institutional management capacities. University-led short courses in public administration for civil servants at the provincial/state and local levels might help to re-establish service provision. System-wide interventions may be of limited utility due to the stunted development of the higher education system. Where the necessary organizational infrastructure exists, system-wide interventions might helpfully concentrate on short-term needs such as expanding student access through short-cycle offerings and regional campuses, ensuring equity of access through earmarked scholarship programs, boosting capacities for teacher training, and restoring essential management information systems (e.g., payroll, student records, budget administration).

Developing Countries. Within higher education, university autonomy and democratic governance might be considered as a useful pre-condition for assistance in Developing Countries, and a mix of system-wide and institutional interventions may be most effective. System-wide interventions might seek to manage enrollment growth through admissions policies while giving greater attention to buttressing educational quality and relevance.[318] Quality-oriented assistance could emphasize establishing educational standards and a data base of indicators to monitor them, setting up a national quality assurance agency, aligning curriculum with national economic development priorities (perhaps through the use of a competitive funding mechanism), and ensuring the relevance of graduate output to labor market needs through employer surveys, graduate tracer studies, and private sector participation in higher education governance. Emerging research capacity in these countries could be nurtured through system-wide assistance in defining a national research policy and creating a national research funding agency to implement it. Institutional interventions could usefully reinforce system-wide interventions by strengthening university capabilities to conduct internal quality monitoring, to set up local graduate training programs, to pilot and evaluate distance education programs, and to initiate local public-private partnerships. Where local conditions may indicate, individual university roles in supporting basic education could be boosted through teacher training, curriculum improvement, and the development of initial capabilities for student learning assessment.

Transforming Countries. Transforming Countries face the difficult balancing act of managing the market pressures of enrollment growth while addressing social inequalities in access and preserving educational quality. Thus, system-wide interventions might seek to ensure that system coordination bodies and support service agencies (e.g., quality assurance, student financial assistance) are in place and that their staff is appropriately trained for these tasks. Care should be taken that market-led enrollment expansion does not cause a shortage of science and technology graduates. To this end, priority might be given to the expansion of local graduate training programs and applied research skills, particularly in sciences, technology, and other disciplinary areas most closely linked to national economic development strategies. Efforts to expand university connectivity would seem warranted in light of limited ICT usage within many of these countries. In some cases, the creation of an association of private colleges and universities

[318] In some cases, attention to transferring the skills needed to launch cost-effective distance education programs may be a prudent investment for handling the expected rise in demand linked to the coming youth bulge.

might provide a needed forum for the coordinated expansion of private higher education and advocacy of enabling regulations. Institutional interventions might further the emergence of a single national research university that could link local interests with international knowledge, and ensure that institutional development strategies are in place at all universities to mediate between pressures of enrollment expansion and the country's needs for skilled human resources in key areas of economic potential. Explicit attention to fostering some institutional capacity for policy analysis would seem indicated in light of needs to monitor the government's performance in managing the balancing act mentioned above. Conscious efforts to build working relationships with industry and establish public-private partnerships would likely prove beneficial.

Sustaining Countries. System-wide interventions are likely to be more important than institutional interventions in Sustaining Countries, where presumably a higher education system is in place and would benefit from further development. Needs for increased professional specialization in policy formulation and the management of specific support services may well predominate.[319] Support for improved knowledge management capabilities – through participation in international scientific and higher education networks, innovation oriented study tours, specialized short courses, and seed money for institutional experiments such as business incubators – may pay dividends because institutional capacities to manage these activities appear to be stronger among these countries. Conscious attention to fostering a national innovation system may also be appropriate and competitive funding mechanisms can be creatively employed for this purpose. Access issues are likely to be limited to improving the efficacy of equity oriented mechanisms within student loan programs, rather than sharply expanding enrollments. Institutional interventions might usefully follow similar lines. Targeted institutional assistance could help raise selected graduate training programs to an international level, establish close-to-leading-edge expertise in certain research areas, consciously plan for lifelong learning, and expand institutional differentiation within the system by helping to set up community colleges, specialized institutes, or open universities.

[319] For example, ICT systems, library systems, distance education programs, monitoring of institutional performance, or formula approaches to funding.

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HE Paper #6: Lessons Learned in Developing Higher Education

Because higher education institutions and systems are highly specialized, lessons learned in higher education development cover a range of experiences. To build up the entire institution requires strengthening all of its constituent activities. These include curriculum design, teaching methods, academic support services, research, graduate programs, library/information services, community outreach, student financial assistance, institutional management, staff development, and more. Complementary activities may also be necessary, e.g., partnerships with the private sector, building institutional capacity within pertinent ministries, policy reform for the system, and development/rehabilitation of infrastructure. The methods commonly employed to accomplish these ends, however, are more limited in number. Most of them can be classified either as multilateral assistance for government implemented programs, bilateral grants for government implemented programs, philanthropic grants to individual institutions, or institutional partnerships. Ultimately, the interventions supported by these various assistance programs are targeted at either the system level or institutional level of higher education.

The following brief overview of lessons learned will focus initially on the system level of higher education and subsequently turn to the institutional level. Because USAID has a long history of accumulated experience with institutional partnerships, this modality will be given separate attention. Finally, a few suggestions will be pulled from this discussion as possible recommendations for future programming.

Lessons at System Level

Understand the political risks. The political risks of project interventions within higher education systems must be identified at the outset and addressed through risk mitigation actions. A technically sound project is often not sufficient when issues of academic staff interests and student privileges are in play. In most countries these groups are capable of mobilizing considerable political opposition to interventions that are perceived to threaten their interests. Conscious social communication strategies and consensus-building processes undertaken prior to project initiation can increase the possibilities of success (World Bank 2002: 103,176).

Safeguard institutional autonomy. A long tradition of autonomy and independent governance is associated with the best higher education systems. In some countries, this tradition has been eroded by politically motivated government interference in university affairs or attempts (through the legislation that stipulates institutional governance structures) to control its decision-making. USAID interventions in this area might usefully seek to affirm (and possibly expand) the legal limits of institutional autonomy and ensure that membership on institutional governing boards is broadly representative and not dominated by any one interest group (Fielden 2007).

Make a long-term commitment. A combination of sustained capacity building and carefully sequenced reforms are normally required in order to foster a solid higher education system.[320] This is most likely to

[320] In recent years, the term 'capacity building' has become almost synonymous with 'development.' For purposes of this discussion, capacity building is defined as the process of developing and strengthening the skills, organization, competence, processes, and resources that organizations need to adapt and thrive in the a changing world. The term derives from 'institution building' which was employed by the development community in the 1970s and 1980s. In 1991 the UNDP defined capacity building as "*the long-term process of creating an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development, and strengthening of managerial systems*."

occur when governments and donors are able to make and maintain long-term commitments to these efforts. Often this may require a multi-generational effort (Eicher 2006). For example, the World Bank considers its most successful higher education investments to have been a sequenced series of projects extending over more than a decade in China, Indonesia, Korea, and Tunisia (World Bank 2002: 102).

Manage enrollment expansion. The uncontrolled expansion of higher education enrollments generated by strong social demand can undermine policy efforts to strengthen capacities and boost quality (World Bank 2008: 43). Consequently, it is essential for a donor agency to understand recent enrollment growth trends and the politics that surround them before institution level capacity-building partnerships are initiated. The key question is whether government has the political will to pursue orderly development of its higher education system in spite of political pressures for rapid expansion. Absent government determination on this front, university to university partnerships may yield little fruit.[321]

Start with a strategy. For maximum benefit to the beneficiary country, government and donor investments in higher education should be guided by a national strategic plan for human resource development.[322] Where enrollment expansion outstrips the revenues available to support this growth, it may be necessary for governments to focus their efforts on a limited number of strategic areas at the expense of less important academic disciplines. The choice of these priorities should be guided by the country's economic growth plans and associated areas of potential high return investment. Such a strategy has been pursued with considerable success in Brazil, Chile, Korea, and elsewhere (World Bank 2002: 85, 115; 2008: 105).

Reform before investing. Some believe that it is necessary to invest in a tertiary system in order to have the leverage necessary to reform it. Others see the necessity of undertaking reform before investing in order to avoid 'throwing good money after bad.' Available experience suggests that the latter approach is more likely to produce a greater impact as pre-reform investments may only solidify a dysfunctional system, e.g., the case of inefficient management (World Bank Institute 2007).

Use positive incentives. Institutions and individuals tend to respond more favorably to positive incentives than to negative ones. Thus, efforts to change institutional culture or behavior are more likely to be effective if tied to tangible rewards rather than negative consequences. Among the mechanisms often used to introduce positive incentives into higher education systems are formula-based funding, performance contracts, competitive funds, accreditation reviews, and institutional rankings (World Bank 2002: 104-106).

For an organization, capacity building may relate to almost any aspect of its work: improved governance, leadership, mission and strategy, administration (including human resources, financial management, and legal matters), program development and implementation, fundraising and income generation, diversity, partnerships and collaboration, evaluation, advocacy and policy change, marketing, planning, etc.

[321] Rapid growth in student numbers can over-crowd classrooms; occupy lecturers full time in grading quizzes, papers, and examinations; multiply the time required to comply with student records requirements; and make student advisory meetings impossible. From an institutional perspective, it can absorb a lion's share of the budget in staff salaries and benefits. Under such circumstances, university partnerships with capacity building goals are likely to be hard pressed to make lasting contributions.

[322] The Paris Declaration of 2005 committed 120 governments and 26 multilateral development organizations to align development assistance with national strategies, harmonize monitoring and reporting requirements, manage assistance in ways that build local capacities, and promote increased accountability for results. These are important principles because USAID staff, like those of other OECD countries, may be involved in generating analysis and recommendations that contribute to such national strategies. In such cases, a fine line may exist between country-driven and donor-driven program definition and content.

Differentiate the system. The demand for higher education often takes two contradictory forms of expression in which the state must become the mediator. Specifically, most students desire admission to a prestigious traditional university whereas employers seek graduates with a wide range of professional and technical competencies. One way the state can resolve this dilemma is through the conscious differentiation of the higher education system by establishing a variety of institutional types that generate diverse outputs for the labor market (World Bank 1994: 28-39; 2002: 86). For example, a well-differentiated system might contain some or all of the following: teaching university, research university, specialized university (e.g., agriculture, education), a non-university institution emphasizing applied technology (e.g., polytechnic), short cycle programs such as community colleges or technical institutes, and an open or distance-learning university.[323]

Create specialized support capacities as the system grows. As tertiary systems expand and differentiate, they exceed the capacity of a central ministry to manage and guide their development. As a result, the state must shift its role from direct supervision to indirect steering (Neave and Van Vught 1994). One way this shift can occur is through government initiative to create specialized support agencies to buttress the system. The most common of these are a national commission or council to monitor the system's performance and assess its compliance with government policy objectives, a quality assurance or accreditation body to maintain academic standards and safeguard the public interest, and a student loan program to mitigate inequities associated student access to the system. Such support agencies function best when they are staffed with competent professionals who have some understanding of how universities operate, when they are overseen by governing boards that include university and other stakeholder representation, and when their mandates are clearly defined.[324]

Encourage competition. As in other spheres of activity, competition among tertiary institutions tends to hone their skills and encourage innovation while reducing inefficiencies. A long academic experience with competitive funding for research illustrates this point. Numerous governments have employed competitively accessed funding for capacity building with good results, e.g., Argentina, Chile, Egypt, and Indonesia among others (World Bank 2002: 93-94). Experience suggests that competitive funds work best when they promote institutional quality, capacity building, or experimentation rather than system-wide reform; when both public and private tertiary institutions are included in order to enhance competition; when their evaluation procedures are based on publicly announced criteria and transparent procedures; and when funding decisions are made by an independent body of experts (Saint 2006; Thorn and others, 2004).

Institutional Level

Ensure and respect an institutional strategy. To be effective and credible, institutional support should also be provided within the framework of a strategic development plan. If an institution does not have one, this should be the first order of business. A strategic plan developed through a participatory and consultative process provides clearly defined and agreed upon priorities for institutional investments that focus resources on key needs. It also provides a framework for coordinating donor financing and preventing donor projects from working at cross purposes (Berry 1995; World Bank 2008: 81).

[323] Differentiation among program offerings within institutions is may also be desirable because it broadens the range of student choice (e.g., certificate, diploma, Bachelor's degree, Masters degree, Doctoral degree) and enables greater specialization in the development of professional skills (e.g., electrical engineering, mechanical engineering, civil engineering).

[324] The contributions of system support bodies can be compromised where political interference in technical responsibilities is permitted, where staff appointments are based on political loyalties rather than demonstrated competence, and where institutional statistics are unreliable or unavailable.

Analyze staffing. It is an old adage that 'program follows staffing.' In other words, the quality of staff and their mix of skills is a primary determining factor for the quality of teaching and research programs, as well as institutional capacity generally. As a result, any plans for a donor investment in a tertiary institution should be preceded by a staffing needs assessment in order to ascertain the respective strengths and weaknesses of the institution. Such an assessment will usefully center on staff qualifications, experience, performance, and commitment. In some cases, this assessment will identify particular types of staff development needs that might be addressed through development assistance. In other cases, it might show that the institution is not likely to have the human capacities necessary to implement the proposed project activities.

Invest in staff development. Staff development lies at the heart of any institutional capacity building endeavor. But these investments are expensive and can be vulnerable to 'brain drain.' Lessons from experience suggest that the risks of high costs and staff losses can be mitigated by (a) 'sandwich' graduate programs comprised of coursework and degree award at a local university combined with literature review, laboratory use, and mentoring at an overseas university (Eicher 2006: 36); (b) follow up 're-entry' support to returnees in the form of scientific journal subscriptions, laptop provision, research funding, professional networking, short sabbaticals, and attendance at scientific conferences (InterAcademy Council 2004: 177; Angel-Urdinola and otheres 2004; World Bank 2002: 17); (c) the development of clear career paths within the institution (World Bank 2007: 52), and (d) retention incentives in the form of business sector linkages, scientific networks, local consulting opportunities, collaborative research, and similar 'affirming' relationships (Lindsay 2004: 41; Tettey 2006; Mkude and others 2003; Degefe 1994: 115).

Ensure management information. Strategic plans, institutional accountability for performance, and daily management all require basic financial and output statistics in order to be relevant and realistic. Institutions that have not yet developed the capacity to generate and analyze basic performance statistics should be assisted to do so as an early order of business. Efficient management information systems become increasingly necessary as institutions grow in size and complexity (World Bank 2002: 62).

Promote connectivity. The time-honored mission of universities has been to preserve, transmit, and generate knowledge. To play that role within the context of a globally competitive knowledge-driven economy, they must be able to access, evaluate, adapt and use information from any worldwide source and monitor new scientific developments in rapidly evolving fields of inquiry. One lesson learned from recent international rankings of universities is that information and communications technologies, including internet connectivity, play a key role in determining perceptions of educational quality in today's world by both students and the private sector (EIU 2008).

Grow centers of excellence. Centers of excellence cannot be developed when they are also required to absorb increasing enrollments which dilute institutional resources and distract management from quality concerns. Experience shows that centers of excellence are best developed organically by building up existing institutional strengths to the point where they begin to attract students from beyond the national border (InterAcademy Council 2004). Creating an entirely new center of excellence is likely to be expensive, time-consuming, politically driven, and vulnerable to political interference because of its high public profile.

Institutional Partnerships [325]

[325] Partnerships are just one of a number of modalities that can be employed by development assistance programs for higher education. An assessment of eight commonly used modalities is presented in Higher Education Issue Paper No. 3.

In recent years, most major bilateral assistance programs for higher education in developing countries (including USAID) have taken the form of institutional partnerships and linkages between donor country universities and beneficiary country universities (see Annex 1). Preference for this modality has been based on the dual objectives of furthering donor country interests (e.g., strategic understanding of the world, providing future opinion leaders with favorable impressions of the donor country, supporting domestic universities as important national resources and political constituencies) while providing desired assistance to the beneficiary country. Given their prominence to date, and the possibility that institutional partnerships in some form or other may continue to be a key mechanism for implementing USAID's future foreign assistance in the sphere of education, an in-depth effort was made to collect lessons learned concerning this modality.[326] The main findings are summarized below.

- Institutional partnerships are a cost-effective way to build capacities in higher education (Eldridge and others, 2000; Morfit and others 2008).[327]
- Effective capacity-building through partnerships is usually the result of a sustained long-term working relationship (Eldridge and others 2000; Boeren and Epskamp 1998; Morfit and others 2008; MSU 1998; SIDA 2007: 30).
- Partnerships work best when benefits are mutual, power relations are balanced, both institutions have a capacity to manage the relationship efficiently, the link is between similar departments or institutions, and there is a possibility of a longer term capacity building commitment (Berry 1995; Boeren and Epskamp 1998; Micou 1995; MSU 1998; SIDA 2007: 25).
- Interest and support by university leaders is essential for a successful partnership (Morfit and others 2008; MSU 1998; Boeren and Epskamp 1998; Busch 1988).
- Partnerships are a useful mechanism for orchestrating a timely response by technical expertise to critical development issues such as energy, food security, ethnic conflict, and health-related research – see Annex 2 (Morfit and others 2008).
- The most important contributions of partnerships have been in (a) staff development at the PhD, MA, and technician levels; (b) improved teaching capabilities through course design, new courses, establishment of MA programs; and (c) strengthening of research capacity through collaboration in research methods, scientific research, books and equipment (Eldridge and others 2000; Micou 1995).[328]
- Younger, weaker institutions tend to be the neediest in terms of capacity building, but older, stronger institutions tend to attract more institutional partnerships because they are better able to project themselves internationally and manage subsequent partnerships (Boeren and Epskamp 1998).

Future Possibilities Based on Past Experiences

[326] Unfortunately, institutional partnerships have rarely been evaluated as a generic mechanism for developing higher education. Even less often have partnerships been the subject of academic research. As a result, the few available assessments have been carried out by the same organizations charged with implementing these partnership programs, an arrangement that some would view as a conflict of interest.

[327] 'Cost effective' means obtaining an acceptable quality output at reasonable cost. In the case of institutional partnerships, only the amount of the partnership award is considered as the cost. Other expenditures on the partnership project made by participating universities, governments, and/or other donors are viewed as benefits leveraged by the partnership award. From a full cost-benefit perspective, this would be inaccurate.

[328] In recent years, important contributions have been made to local development (see Annex 2).

Launch a major worldwide Masters/Doctorate fellowship program to (a) address the academic staffing crisis in many countries, (b) favorably dispose future developing country leaders to the United States and its culture, (c) recruit the world's best minds to support U.S. development, and (d) expand the international student market for U.S. higher education.

Establish regionally oriented, competitively accessed capacity-building funds in Central Asia, South Asia, Middle East, Africa and Latin America to update university curricula, teaching methods, information resources, and teaching/laboratory equipment.

Redefine the current USAID university partnership program to (a) broaden institutional eligibility to include professional associations, research policy think tanks, accreditation agencies, national science foundations, and regional university consortia; (b) provide funding awards up to $500,000; and (c) extend the project time period to five years.

Set up a worldwide competitively accessed research fund to finance scientific investigation on pressing human problems (e.g., energy sources for the poor; improved water conservation techniques, cost-efficient urban waste disposal and recycling) undertaken by multi-country research partnerships.

Establish competitively accessed regional innovation funds to underwrite national pilot experiences with the creation of university-linked business incubators, producer services organizations, technology parks, and technology transfer centers.

Revised FINAL: 12 February 2009

Annex 1

Other Bilateral Higher Education Partnership Programs

AUSTRALIA

Australian Education International (AEI) is the international education arm of the Australian Government Department of Education, Employment and Workplace Relations (DEEWR). AEI collaborates with governments to develop education partnerships of mutual benefit; inform the international education community of Australia's strengths in education, training, research and innovation; and advance Australia's reputation as a provider of high quality international education services.

CANADA

Canadian University Partnerships in Cooperation and Development Program. Administered by the Association of Universities and Colleges of Canada, this Canadian International Development Agency program funds knowledge partnerships between Canadian universities and higher education organizations in Africa, the Middle East, Eastern Europe, Asia, and Latin America. These projects typically include curriculum development, strengthening academic departments, and training and further education for professors. Activities involve teams at each of the partner organizations, making them institutional linkages.

FRANCE

Agence Universitaire de la Francophonie. Its program 'Strengthening University Excellence through partnerships and private sector relationships" supports two types of activities: (1) experimental partnerships among universities, foundations, international organizations, regional bodies, and economic actors; and (2) innovative approaches to university cooperation projects that contribute to development carried out in partnership with universities from countries in the South and the East, with the following objectives: (a) to monitor and learn from institutional reforms undertaken by universities from the South and East designed to create an enabling environment for their capacity building and equip them to become major actors in support of development within their countries and regions; (b) to strengthen professional exchanges among academic staff and institutional networks among universities; and (c) to promote scientific excellence among universities and their researchers in the South.

GERMANY

German Academic Exchange Service (DAAD). The DAAD promotes the creation of high-quality and permanently self-sufficient higher education structures in developing and transitional countries. The programmes for those countries – offered by the Development Co-operation Division of the DAAD – are focused on human and institutional capacity building. University management bodies in developing countries are supported within the framework of DIES (South-North Dialogue on Innovative Higher Education Strategies), a joint initiative by the DAAD and the German Rectors' Conference (HRK). Conferences, workshops and seminars with relevant organizations from developing countries serve as a forum for the exchange of experience on matters of innovative Higher Education policies and efficient management.

JAPAN

Japanese International Cooperation Agency (JICA) has been promoting the development of higher education with particular attention to the role of higher education institutions in human resource development in developing countries. Projects with Jomo Kenyatta Agricultural Engineering University in Kenya and with King Mongkhut University of Technology in Thailand are two successful examples of JICA's support to higher education development. Today, about 20 percent of JICA's total budget to education cooperation is allocated to higher education.

THE NETHERLANDS

The Netherlands Partnership Program (NPT) supports South-North cooperation which helps developing countries to strengthen their institutional capacity for providing post-secondary education and training. It does this by mobilizing the expertise of Dutch organizations, who may call on organizations in other countries to help them meet the specific needs of Southern partners. The education and training capacity which the NPT addresses must be relevant to the sectors and themes targeted for the Dutch bilateral support given to the countries in question. More general support for the higher education sector is also a possibility, as is support for projects which cut across the chosen sectors and themes. Support can be given to organizations in the South that play an important role in the development of post-secondary education and training capacity. These include institutions for post-secondary education, government ministries, national commissions, and non governmental organizations (NGOs). The NPT is demand-driven and flexible, and it addresses local priorities. 'Ownership' on the part of stakeholders in the South is an important feature of the program. The grants by which Dutch organizations provide the necessary services are awarded on a competitive basis. The program emphasizes the achievement of results; in other words, it is output-oriented. A decision was made to gradually phase out the current NPT and NFP international education programs between 2008 and 2012, and a new generation of partnership activities will soon be announced.

NORWAY

The Norwegian Programme for Development, Research and Education (NUFU).

NUFU supports institutional cooperation and projects between Norwegian universities/specialised universities/university colleges and their partner institutions in the South, directed towards building sustainable capacity and competence in research and research-based education in universities in the South. Project activities include joint research projects, education of Master's and Ph.D.-candidates, development of Masters or Ph.D.-programmes in the South, training of technical and administrative staff and publication and dissemination of research results.

SWEDEN

The Swedish Research Links program aims to stimulate research cooperation between researchers in Sweden and researchers in Asia, the Middle East and North Africa, and South Africa. An impact evaluation report covering 2002-2006 concludes that the Links program has clearly succeeded in stimulating research cooperation between researchers in Sweden and researchers in the partner countries. The research partnerships established within the grant program are characterized by a high degree of equality and mutual benefit. In 2007, the Swedish Government introduced a policy of partner-driven cooperation and instructed the Swedish International Development Authority (SIDA) to implement it initially in the following seven countries: China, India, Indonesia, Vietnam, South Africa, Namibia and

Botswana. The aim is to maintain and develop the working relations that Sweden has built up with important countries over many years. The new approach means that SIDA will work with partner-driven cooperation on a bigger scale, with more partner circles and using new methods. One idea is to encourage partner circles to cooperate thematically, for example, on traffic safety in Botswana where cooperation between authorities can stimulate cooperation within research, organizations and businesses.

UNITED KINGDOM

The Higher Education Links (*HE Links*) program celebrated in 2006 some 25 years of successful collaborations between higher education institutions in the UK and those throughout the developing world. Since 1981 this Department for International Development-funded program has supported over 3,200 links with higher education institutions in 48 countries. A *HE Link* is a partnership between at least two higher education institutions (one in the UK – one overseas). Funding enables the exchange of staff to undertake collaborative work, to increase practical skills, and to support professional development within an academic department, as well as to improve curriculum, the transfer of technology and promote pro-poor relevant research. The *HE Links* program is currently being phased out and is being replaced by a new Development Partnerships in Higher Education program (*DelPHE*), which will run for a seven year period, from June 2006 to March 2013. The UK Government's Department for International Development (DfID) is investing up to £3 million a year in this program to support partnerships between Higher Education Institutions (HEIs) working on collaborative activity linked directly to achievement of the UN Millennium Development Goals (MDGs).

Annex 2

Examples of USAID Funded Higher Education Partnerships That Address Local Development Needs

Africa

- The Partnership for Enhancing Agriculture in Rwanda through Linkages (PEARL) project in Rwanda.
- Improved business and management education in Nigeria.
- Regional university consortium training public health leaders.

Asia

- In India, a dozen U.S. and Indian universities are working with private sector partners to develop new agricultural practices, products and businesses.

Eurasia

- Establishment of South East European University in Macedonia to reduce ethnic conflict and provide economically relevant education.
- In Afghanistan, helping universities to provide technical training for reconstruction and growth.
- In Kosovo, universities and private sector firms from Kosovo and U.S. are establishing a Center for Energy and Natural Resource Development.

Latin America

- Training, Internships, Exchanges, and Scholarships (TIES) program in Mexico (60 partnerships) has tackled various local development problems.

Middle East

- In Egypt, helping universities align their teaching, training and research with the needs of Egyptian economic and student employment aspirations.

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EDUCATIONAL LINKAGES RESEARCH PAPERS

Linkages Paper #1: Linkages Between Basic Education, Higher Education, and Workforce Development

As a foundation to the discussion of linkages between basic education, higher education, and workforce development, it is important to review USAID's definition of each area:

Basic Education

Includes all program efforts aimed at improving early childhood development, primary education, and secondary education (delivered in formal or informal settings), as well as training for teachers working in any of these levels. In its definition, USAID also includes training in literacy, numeracy, and other basic skills for adults and out-of-school youth. The common thread among these elements is that they help learners gain the basic skills and basic knowledge needed to function effectively in all aspects of life.

Higher Education

Includes teaching, training, research and outreach (i.e. community service, technical assistance) conducted by host-country post-secondary education institutions to increase human and institutional capacity. Post-secondary education institutions include but are not limited to universities, teacher-training colleges and institutes, community colleges, vocational and technical training colleges.

Workforce Development

Assists youth and adults in acquiring knowledge and developing skills, attitudes, and behaviors to find legitimate jobs, establish viable self-employment ventures, and stay employed and productive in a changing economy. It creates policies, programs, and systems that respond to labor market's demands in the formal and informal sectors.

These areas are linked in multiple and varied ways. Basic education is the building block on which workforce development and higher education efforts rest. In many countries, children leave primary school and go into the workforce, so primary schooling itself may be a form of workforce development. And certainly secondary education and higher education are very much involved in workforce development. Post-secondary education institutions are involved in teacher training for basic education. Colleges and universities are where the curriculum for basic education is often developed, in cooperation with Ministries of Education. More generally, the fundamentals of knowledge, of what knowledge should count as part of the curriculum of basic education, are developed in universities.

These areas are also linked by structures of governance and financing. The development and interaction of the public and private sectors, nationally and internationally, condition choices across these three areas. Resource allocation decisions are linked, sometimes in complementary fashion, as when primary school expansion requires the expansion of teacher training and sometimes there are tradeoffs, as when higher education expansion has been curtailed in favor of primary education. In addition, these three areas are linked by the interactive effects they have on development goals such as the reduction of poverty and inequality, improved health, economic growth, environmental sustainability, democratic governance, and reduced fragility.

This list is meant to be suggestive, not exhaustive. But it does raise a fundamental question of how best to support USAID's efforts when such strong linkages exist yet when the organizational structure tends to treat each area separately. There is no optimal solution to this dilemma – as can be seen by the myriad of organizational structures different aid agencies choose and how they vary over time. Nonetheless, the question is can these efforts be improved? We conclude below by raising some of the relevant issues.

There are obvious problems with the tripartite division into basic education, higher education, and workforce development. Given this division, certain aspects of education may be underemphasized or ignored. For example, although early childhood education, secondary education, and some types of nonformal education are included in the definition of basic education, in practice, primary education has been emphasized. Another example is the omission of very important educational activities, such as preparing citizens for the 21st century, not only preparing workers. There is also the problem with competing jurisdictions, so that teacher training could belong to higher education as easily as to basic education.

This is not to imply that this tripartite division needs to be revised. Perhaps it should be, but any division of an intricately linked whole system into a particular schema of component parts will underemphasize or ignore some dimensions and not capture well the linkages among the parts. These are not problems particular to USAID. Other development agencies struggle with them as well. Similar concerns about linkages prompted the World Bank, in its 2006 Education Sector Strategy Update, to emphasize two "strategic themes:"

- "Broadening the strategic agenda through a systemwide approach;" and
- "Integrating education into a countrywide perspective."

[World Bank, 2006, pp. 8-11]

The first theme reflects an effort to treat the education sector as a whole. It has been embodied in the international donor assistance agenda through the now familiar attempts at sector-wide approaches in education or SWAps. While SWAps do not necessarily circumvent the fact that most aid agency programming is organized around and targets particular education sub-sectors, they can provide review processes that consider the sector as a whole. Nonetheless, given the territoriality of organizational divisions, such coordination is not easy to accomplish within countries or aid agencies. It should also be noted that SWAps may not be an unalloyed good. Critics have pointed out that SWAps, combined with donor harmonization, can become a monolithic force that countries have difficulty challenging, raising questions about country ownership of education and development initiatives.

The second theme recognizes the many linkages that exist cross-sector between education and, for example, health, agriculture, urban renewal, community development, macroeconomic policy, and other development activities. To attend to these linkages, educational plans and policies should be part of a cross-sectoral comprehensive approach.
Despite strong reasons to do so, the barriers are noteworthy. The organizational challenge of getting cooperation and coordination cross-sector is obviously even greater than doing so within education. Such a cross-sectoral orientation has been on the development agenda at least since the efforts at Integrated Rural Development in the 1970s without much success. Even more modest agendas, like just getting the education and health sectors to work together have met with minimal success – in countries or in aid agencies. And again, despite its logic, success could bring its own problems to the important goal of country ownership.

Reference

World Bank. (2006) Education Sector Strategy Update: Achieving Education for All, Broadening our Perspective, Maximizing our Effectiveness. Washington, DC: World Bank.

Linkages Paper #2: What is the role of education as it relates to reducing fragility?

A new context:

The tragic events of 9/11 brought to bare the confluence of both national security and poverty alleviation concerns. In 2002 the United States National Security Strategy recognized that a root of the national security threat to the United States and the broader international community is the lack of development, which cannot be addressed by military or diplomatic means alone. In 2003 USAID's Foreign Aid in the National Interest declared that "when development and governance fail in a country, the consequences engulf entire regions and leap across the world. Terrorism, political violence, civil wars, organized crimes, drug trafficking, infectious diseases, environment crises, refugee flows and mass migration cascade across the borders of weak states more destructively than ever before[329]".

What is a fragile state?

The concept of "fragile states" was recently developed to capture the needs for better programming in states that have been directly or indirectly linked to international security issues. The designation of "fragile state" has caused some controversy and is still being debated as an appropriate characterization. Yet, since 2004, donors have rallied around the Organization for Economic Cooperation and Development/ Development Assistance Committee (OECD/ DAC) definition, which purports that states are fragile "when governments and state structures lack capacity and/or political will to deliver safety and security, good governance, and poverty reduction to their citizens"[330]. As a result of the failure of the state to deliver core functions, the social contract between citizens and their state is seen as breeched, triggering rejection of the very legitimacy of their government.

What is fragility?

The causal connections between fragility and conflict or threat are variable and each fragile context is the unique outcome of a set of complex chains of events and interactions. Grossly inadequate service delivery of public services signals fragility[331]. The concept of fragility encompasses the continuum of a conflict sequence which includes the following phases: arrested development context; pre-conflict; escalation of conflict; violent events; cessation of violence; and reconstruction phase[332]. These may be interrupted by periods of stability but fragility pervades all phases.

USAID's position on fragile states

USAID's fragile states strategy calls for the development of new approaches in countries that lack the ability or will to provide basic services or protection to their citizens[333]. It requires a clear understanding of the drivers of fragility and conflict so that development and peace and security programs may focus on the *causes* of the fragility rather than the symptoms of conflict. It recognizes that the provision of education as a basic social service is a powerful conflict mitigating force and a necessary-albeit not sufficient condition to restore stability.

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[329] USAID 2003, p.1
[330] http://www.oecd.org/document/53/0,3343,en_2649_33693550_38692341_1_1_1_1,00.html
[331] Service Delivery in Fragile Situations: key concepts, findings and lessons, OECD DAC, Journal on Development 2008, volume 9, N° 3, 2008
[332] Education and Crisis Intervention Framework, USAID, May 2008
[333] USAID Fragile states strategy

Aid levels

Today, out of the 75 million primary-aged children not in school, at least 37 million live in countries affected by armed conflict. An analysis of overall official development assistance (ODA) revealed that donors do not prioritize education in conflict affected countries as they do in other low income countries[334]. Although conflict affected countries have twice as many children out of school, they receive only about half as much basic education aid as other low income countries[335]. Only 5% of ODA supports education in conflict affected countries, compared with 13% in low income countries. Aid tends to be focused on low-income countries not affected by conflict and fragility, as they are perceived to be easier to support.

The impact of fragility and conflict on education

Fragility and conflict deteriorate a country's education system. The following are some typical ways in which fragility and conflict can impact the education sector:

- Enrollment, retention, and completion rates tend to be lower than in non fragile states, while repetition and drop outs rates are higher
- Physical access to education facilities is all the more restricted, especially for girls, that the security situation deteriorates
- There is a limited amount of learning spaces available due to violence, closure and destruction of education facilities The internal displacement of children and teachers prohibits stabilization of the basic provision of education
- Teachers are in short supply as a result of the attacks against teachers as well as low or lack of salaries
- The cost of schooling increases as schools no longer receive funding and depend on parents' contributions; Child labor and poverty are exacerbated by crises
- Quality and standards of education services deteriorate
- Psychological and social effects destabilize both teaching personnel and students
- State authorities lose presence and legitimacy
- Corruption and lack of accountability are pervasive

None of these characteristics exist by themselves but they intersect together in a complex web of causes and effects triggered by context-specific drivers of fragility and conflict.

Education can mitigate fragility and conflict

The most recent research on education and fragility provides evidence that state educational provision is a necessary condition for overcoming fragility. First education has a critical role to play in the wider reconstruction of the society, from building peace and social cohesion to facilitating economic recovery and getting the country onto an accelerated development track[336]. Second, education can measurably

[334] Last in Line, last in school: how donors can support education for children affected by conflict, Save the Children,
2008 in http://www.savethechildren.org/publications/rewrite-the-future/RTF-last-in-line-donors-can-support.pdf
[335] Sources: UNESCO, 2007; UIS, 2005; UIS database; UNICEF, 2008 unpublished data; OECD CRS online database
and 2009 Education for All Global Monitoring Report
[336] Buckland (2005)

reduce the risk of civil unrest and violent conflict[337]. Third, schooling can contribute to social cohesion, therefore stabilizing communities and reducing the risk of conflict outbreaks[338]. Fourth, education can protect the well-being of children, fosters learning opportunities, and nurture the overall development (social, emotional, cognitive, and physical) of children affected by conflict and other disasters[339]". This relates to the notion that education should be a 'fourth pillar' of humanitarian response, together with food, shelter and health[340].

Universal primary education alone is not enough to alleviate fragility. In fact; nearly all levels of education affected by fragility require higher levels of schooling to mitigate it. First only secondary, post-secondary or higher education training can produce the qualified pool of personnel and administrators that a government needs to rebuild state capacity. Second youth's ambitions do not end with primary school and the frustrations teens and young adults experience when faced with unemployment and hopelessness in the future call for post-primary training pathways. Thirdly, research shows that effective peace education for near term stability occurs at ages beyond the primary school level[341].

The dual role of education in fragile contexts

The main drivers of fragility and conflict as well as the opportunities to mitigate them are systematically reflected in the provision of education services. As a result it is said that education has two faces: a destructive face and a constructive face, acting both as a contributor to fragility or conflict and as a mitigating force[342]. Because there is a mutual relationship between drivers of fragility/conflict and education, appropriate education interventions must address the drivers of conflict as a constructive mitigating force. Research linking education and fragility points to the following main issues:

- Inequity of access to social services, including education, along ***identity*** lines such as religious, ethnic, and geographic, are a key risk factor of social unrest[343]. Schooling is both a highly symbolic indicator of equity as well as being concretely linked to income earning potential and thus the future ability to diminish inequalities[344]. Systemic inequality is a common cause of civil conflict. Selecting geographic areas of interventions (whether selected by government or donors) that favor one zone over others can fuel ethnic and class tensions and result in widespread discontent and possible violence[345].
- Corruption in the delivery and management of education stems from a weak or non performing state. It is marked by rent seeking practices and lack of transparency in the allocation and management of resources or systems. They include collecting unofficial school fees or bribes; practicing sexual exploitation in exchange for access and or grades; fraud in the administration and correction of exams to students; favoritism and scams in the recruitment and certification of

[337] Barakat, Karpinska, & Paulson, 2008
[338] Barakat, Karpinska, & Paulson, 2008
[339] Sinclair 2002
[340] Midttun, 2000; Government of Canada 2000; Johnson 2002; Sinclair 2002; Colenso 2005)
[341] Barakat, Karpinska, & Paulson, 2008, p.16
[342] Bush and Saltarelli, 2000; "The two faces today": Thematic issue of *Research in Comparative and International Education*
[343] Collier and Hoeffler 2002
[344] Stewart 2000, p. 13
[345] Sommers, Marc. ""It Always Rains in the Same Place First", Geographic Favoritism in Rural Burundi." Woodrow Wilson International Center for Scholars. July 2005. <http://www.wilsoncenter.org/index.cfm?fuseaction=topics.documents&group_id=92370&topic_id=1417- 50k>

teachers[346]. Conversely, good governance practices at school level with engagement of parents' organizations are a contributor to transparency and accountability.

- Legitimacy of the government as represented by education authorities is rejected by the citizens and prompts lack of trust and public disengagement. When a state fails to fund either capital or recurrent education expenditure, essential functions stop: teachers are not paid, school infrastructure is shattered, learning and teaching materials are not found, and instruction no longer takes place in the public domain. The perception of general legitimacy of the government is shattered, contributing to political and social unrest. Conversely, partnerships between civil society and state authorities seem to yield positive results in terms of quality of and access to education
- Education suffers from chronic shortages of qualified teachers in conflict or post conflict situations. Educators have fled or been killed; displaced or refugee teachers return but cannot or do not want to teach. Quality of education is profoundly affected and further weakens education service delivery. Conversely, a qualified and stable teaching corps is an indicator of strong and stable institutional capacity
- Lack of security means that the school can be a target for forced recruitment into armed forces or slavery. The violence against education institutions is evidenced by abductions, torture, and murders of education staff, teachers, officials and students[347]. Returning to schools is an indicator for safety, normalcy and stabilization[348].
- Large numbers of war-affected youth, demobilized soldiers and young people who have not had access to or have not completed basic education are left behind. This is compounded by the poor or non existent reintegration of refugees and internally displaced persons into mainstream national education systems. Conversely, the provision of non formal education, skills training or accelerated learning services prevents recruitment into military or criminal activity and contributes to demobilization, disarmament and reintegration, a necessary step towards peace and stability
- The neglect of secondary and tertiary education leads to a capacity gap. The cadres of mid-level of high-levels managers needed to rebuild the country are few in numbers have irrelevant training and qualifications that cannot be applied to post conflict reconstruction needs. It is becoming evident that the focus on education for all at the primary school level has been shortsighted in several ways: neglecting the large number of out-of-school youth; the shortage of teachers, due to inadequate secondary education; and the bottleneck created at the entry of middle school[349]. Finally, the irrelevance of higher education has contributed to the high levels of unemployment among educated youth and is a factor of civil unrest. Conversely, a healthy secondary and higher education system will produce the labor force and the management and leadership capacity needed to keep a country at peace.
- Militant school curriculum and teaching can promote intolerance and hatred, and can spread extremist ideologies used to isolate, radicalize and train youth for specific subversive purposes.

Conversely, a curriculum that includes conflict prevention and tolerance, critical thinking and democratic behavior will shape the minds of generations to uphold peace.

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[346] Poisson

[347] Education under attack: a global study on targeted political and military violence against education staff, students,
teachers, union and government officials, and institutions, Brendan O'Malley, UNESCO, April 2007

[348] USAID Fragile states policy,

[349] Moulton, Jeanne. "Lessons from Four Case Studies." Delivering Education Services in Fragile States. July 2006. IRIS Center University Research Corporation International USAID. 8 <http://www.beps.net/publications/Education%20in%20fragile%20states%20case%20studies.pdf>.

Implications for strategy

The goal is to provide education programs designed to mitigate fragility while ensuring equitable access and quality education for all. Some guidelines that should be considered in education programming in fragile contexts include:

- Developing education programs targeted at preventing conflict, mitigating the drivers of conflict and promoting stability. They must be based on fragility assessments and conflict mitigation operational guidance applied to education.
- Focusing on mitigating exclusion of identity groups, corruption, lack of capacity and organized violence and trauma as they affect education or are exacerbated by the delivery of education.
- Focusing on youth by pushing beyond primary education. A strong emphasis needs to be put on post-primary education, secondary education, tertiary education as well as skills training and workforce development.
- Education programs during reconstruction phases should focus on post-primary school aged populations.
- Enhancing cross-sectoral linkages by integrating education with security and justice, health, governance and economic growth.
- Focusing on reducing systemic corruption in the provision of education such as revising exam administration to ensure transparency of process and results, preventing bribes for grades and promotion, and ensuring fair recruitment and deployment of teachers regardless of identity.
- Avoiding geographic and identity favoritism in the selection of areas of interventions by both donors and country officials. Programs that target the same geographic areas for economic or logistical reasons are likely to create pockets of exclusion that exacerbate tensions and revive conflict.[350]
- Improving the systemic capacity of the state to rebuild and manage the teaching corps
- Evaluating non-cognitive skills to measure reduction of conflict or conflict prevention through education; the social costs of conflict must be weighed in terms of stability and not just education outcomes.
- Developing alternative education programs until stabilization is satisfactory. This includes accelerated learning programs, distance education programs, education for employability or livelihoods, nonformal education, while developing standards, accreditation and equivalency regulations and policies.
- Prioritizing teachers and students' safety and protection programs through education.
- Coordinating with USAID's DCHA, OTI and OFDA to continue the education programs put in place during early recovery phases, such as in Liberia and Burundi.
- Balancing the role of local and international NGOs and state to conduct programs that will deliver services while build the foundations of a healthy education system.

[350] Marc Sommers, It always rains in the same place

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Linkages Paper #3: The Impact of Educational Progress on Economic Growth and Poverty

Economic Growth

In a developing country with a healthy economic enabling environment, a well-functioning system of education and training equips the future workforce with a range of skills that raise average labor productivity[351]. Over time, rising productivity translates directly into sustained growth in real per capita incomes – economic growth. Unfortunately, in most developing countries the actual contribution of education and training to growth falls far below its potential, both because of inadequacies in the educational system itself—especially regarding educational quality—and because of distortions in the broader enabling environment. The severity of these two problems is correlated across countries, complicating efforts to disentangle and precisely quantify their separate impacts on growth. Instead, the following summarizes the relevant evidence and suggests implications for policy.

To function well, a country's system of education and training needs to build skills effectively, while balancing considerations of equity with the economy's need for an appropriate mix of skills[352]. On the first count, a well-functioning system builds economically relevant skills from an early age and in a coherent sequence[353]. Literacy, numeracy, and other basic cognitive skills provide the indispensable foundation for all subsequent learning, while non-cognitive skills and attitudes like curiosity and problem-solving help turn learning into a life-long habit. As students move up the educational ladder, they gain further skills and knowledge that enable them to handle increasingly complex and challenging situations.

As well as ensuring that all students currently in school are learning, a well-functioning education system requires a coherent way to sort out how far different students should move up the educational ladder. Part of the answer rests on considerations of equity—the principle that governments bear a fundamental responsibility to ensure that all children gain enough schooling to allow them to escape poverty and otherwise have a chance to succeed in life. Public funding for basic education represents the main policy response to this principle[354]. Driven by political demands and spurred by international agreements like Education for All, most governments have committed themselves to cover most or all of the costs of basic schooling, at least through the end of the primary cycle[355].

[351] In economic parlance, the "enabling environment" refers to the whole set of laws, regulations, policies, and institutions that condition economic decisions. A good enabling environment is one that provides incentives for resources – including human resources – to be put to their best use.

[352] For concision, this paper uses "skills" as a shorthand to encompass foundational skills (reading), scientific and professional skills (chemical engineering, commercial law), and vocational skills (plumbing), as well as knowledge related to their application. Distinctions among different types of skills should be clear from the context.

[353] As Nobel Laureate James Heckman puts it, "Skills beget skills and capabilities foster future capabilities…Early mastery of a range of cognitive, social, and emotional competencies makes learning at later ages more efficient and therefore easier and more likely to continue" (Cunha, Heckman, and Lochner, 2006).

[354] As is widely recognized, few families have access to long-term loans to finance basic schooling, whose market payoff lies far in the future, and for an individual student is highly uncertain. Poor families tend to face especially severe credit constraints. As a result, in the absence of public funding, children's ability to gain *any* schooling would depend heavily on their parents' ability, and willingness, to pay for it. Even where public funding is available, school attainment tends to be heavily correlated with parents' wealth (Filmer, 2000).

[355] In practice, almost all governments not only fund basic schooling but deliver it themselves. This choice seems to reflect governments' desire to maintain control over the way in which children are socialized; doing so appears to be more difficult when schooling is contracted out or otherwise removed from direct public control (Pritchett, 2008).

Beyond the level of schooling assured to all, a well-functioning system needs to allocate the opportunity to gain additional years of schooling. One way to do this is to rely on the interplay between the market demand for skills and households' willingness and ability to invest in their children's further schooling. In this case, students remain in school until someone (the student, the parents, or both) judges that the economic return to further school-based learning no longer justifies the direct and opportunity costs of remaining in school[356]; the relevant opportunity costs from remaining in school include forgoing, or at least postponing, the gains from directly entering the labor market with the skills already accumulated, gaining further job-specific skills before seeking a job, or some other sequence of work and training. For most poor and many middle-class families, credit constraints (see footnote 4) will mean that such cost-benefit calculations will be overridden by a simple inability to pay for further schooling.

Alternatively, further schooling may be provided at public expense, but only to those identified as most likely to gain from it through their superior performance on entrance exams. The second approach is typically defended as fairer than the first, but in practice this is not always clear: using entrance exams to allocate access to publicly funded secondary and/or tertiary schooling can either redress or reinforce existing economic inequality, depending on the extent to which children from different socioeconomic backgrounds receive equally good-quality schooling at lower levels. Among the developing countries, those in East Asia are generally regarded as the most successful in combining equitable access to quality schooling at lower levels with rigorous entrance exams to allocate publicly funded places at higher levels. In most, private universities operate alongside the elite public university, serving students who did not pass the entrance exam to the latter, but whose parents still wish to continue investing in their further education. In contrast, in many developing countries children from rich households attend public schools far superior to those that serve the children of the poor, and thereby gain a much better preparation for passing the university entrance exams. In this situation, equity considerations generally suggest that those wealthier families should bear the costs of their children's further education – possibly facilitated by student loans offered on a financially sustainable basis. Grants to poor but academically gifted students would arguably further enhance both the equity of such an arrangement as well as its contribution to the accumulation of productivity-enhancing skills[357].

The more skills students gain before leaving school, the higher will be their initial productivity on the job, the more quickly their productivity will rise through work experience, the more readily they will absorb additional productivity-enhancing training in specific job skills, and consequently the more willing employers will be to offer training in such skills. Increased worker productivity takes a number of forms, including better performance in particular tasks; greater ability to take on new and more challenging tasks, whether in the same firm or in another job or another sector; and greater ability to learn and apply new production techniques, often absorbed from more advanced countries. Access to a more productive labor force offers large potential benefits to domestic producers, and makes the country a more attractive destination for foreign direct investment, a major conduit for absorbing improved production technologies. Higher up the skill spectrum stand those with the skills needed to identify, adapt, and apply more productive technologies used in other firms or other countries; at the very top stand those able to push the global technological frontier forward and thereby raise the productivity of individual firms, whole industries, or the nation as a whole (de Ferranti et al, 2003).

[356] The opportunity cost of choosing a particular option is the value of the next-best option, i.e., the potential benefits of the road not chosen.

[357] Full consideration of the many important issues involving educational finance is far beyond the scope of this paper. Oosterbeck and Patrinos (2008) provide a thoughtful and up-to-date review of some of the key issues.

If schools are successfully building productivity-enhancing skills and markets are competitive, two clear implications follow: First, workers who have received more schooling should, on average, receive higher earnings adjusted for years in the labor market, both because of the direct impact of schooling on their productivity and because of greater training and other post-school enhancements in skill. Second, these micro-level returns to schooling should be strongly mirrored in the level of national income; expressed in terms of changes, rising average school attainment among the workforce should translate into economic growth at the national level.

In practice, only the first of these predictions is clearly confirmed by the data. In virtually all countries, workers with more years of schooling earn more; the patterns are summarized in the next section. Micro studies within individual countries that include measures of cognitive skills typically find that labor markets reward such skills, whereas years of schooling *per se* provide little if any boost to earnings once skills are taken into account.

In sharp contrast, the development record dramatically contradicts the second prediction—that growth in average schooling would reliably lead to growth in per capita income at the national level. On the contrary, even as average schooling attainment among the labor force in most developing countries grew rapidly between 1960 and 2000, driven by explosive growth in school enrollment and attainment at all levels, incomes in many of the same countries grew more slowly than in the past, and in many cases declined in absolute terms (Pritchett, 2001; Easterly, 2001). This puzzling divergence between the attractive private returns to schooling at the micro level, and the far weaker macro returns in terms of national growth, was first clearly documented by Pritchett (2001), who asked, "Where has all the education gone?" Pritchett offered three hypotheses: (1) that the quality of schooling in many countries was so weak that most students were gaining few skills before leaving school; (2) that overregulation and trade barriers in many countries had undermined the growth and technological dynamism of the private sector, causing its demand for skills to lag behind the growing supply of them; and/or (3) that similar distortions in the enabling environment had encouraged those with greater skills to use them in rent-seeking—such as lobbying for barriers to competition from other firms—rather than in socially productive activities that contribute to national income. The second and third hypotheses overlap to the extent that they both relate to weaknesses in the enabling environment.

The major breakthrough in solving this puzzle has been achieved by Hanushek and Woessmann (2008), building on previous work by Hanushek and Kimko (2000). Hanushek and Woessmann (HW) use results from international tests—conducted at the primary and secondary levels—to construct a measure of the cognitive skills students in different countries gain before leaving school and entering the labor force. HW demonstrate that average test scores in most developing countries fall far below those typical of developed countries, and even farther below fast-growing middle income countries in East Asia. Moreover, a substantial plurality of students in most developing countries—in some, a majority—score so low as to suggest functional illiteracy. HW's regression analysis finds that differences in test scores among countries statistically explain a large share of the differences in their growth in per capita income 1960-2000, whereas average school attainment in 1960 provides no explanatory power once test scores are taken into account. These findings offer dramatic support for Pritchett's first hypothesis—that increased schooling attainment has had little impact on growth in many developing countries because most students gained so few skills while in school. HW also test Pritchett's second and third hypotheses by adding a measure of openness to trade as a rough proxy of the quality of the enabling environment, along with a second variable representing the interaction between test scores and openness. The results are instructive: the coefficient on test scores remains highly significant but its value falls by half compared with that seen in the first regression, suggesting that the quality of a country's schooling tends to be correlated with the quality of its enabling environment.

Meanwhile, both the openness variable and the test scores-openness interaction term are strongly and positively correlated with growth[358]. A third regression replaces openness with protection against expropriation as a measure of the enabling environment, yielding broadly similar results. Although no single measure adequately captures the quality of the enabling environment, these results offer strong support for Pritchett's contention that distortions in the enabling environment tend to undermine the potential contribution of schooling to growth, even when schooling succeeds in enhancing the skills of the future labor force. Based on their regression results, HW conclude that a given improvement in cognitive skills provides 2.8 times the boost to economic growth in a fully open economy compared with its impact in a fully closed economy. In sum, the growth-enhancing impact of education depends strongly on a country's broader policies and institutions: schooling does not operate in a vacuum.

Most immediately relevant for USAID's purposes, HW use their statistical results to calibrate a simulation of the growth impact of educational reforms. Specifically, they model a reform aimed at improving average test scores by students graduating from upper secondary school by 0.5 standard deviations—equal to about half the gap between average scores among students in Mexico or Indonesia and average scores among those in developed countries. The simulations consider more versus less rapid reforms, taking from 10 to 30 years to complete. The impact on growth is further moderated by the gradual change in the skill mix of the labor force, assumed to take 35 years to complete. Because of these lags, the payoff to reforms accrues only gradually: the 20-year reform effort raises per capita income by 5 percent in the 32nd year, and by 36 percent in the 75th year. These are large effects, but require patience to realize fully.

Further evidence is offered by Soto (2006), who uses time series data on school attainment along with a different estimation framework from that used by HW. Before adjusting for differences in the quality of schooling, Soto finds a highly significant macro return to school attainment—an additional year of schooling increases income per worker by 8.3%. However, when HW's test score measure is added into the regression, the macro return to school attainment turns out to depend strongly on school quality, falling to virtually zero for countries with test scores in the lowest quartile. This result adds further support to Pritchett's hypothesis that poor quality has so far played a major role in causing the growth impact of increased schooling to fall far below its potential in much of the developing world.

Finally, an important new paper (Hanushek and Woessmann, 2009, henceforth HW09) addresses an issue frequently discussed within USAID – whether economic growth benefits more from an elitist school system that focuses on the top-performing students as future leaders, economic managers, and drivers of innovation, or from a more egalitarian approach that seeks to ensure that all students gain at least the moderate skills needed to apply existing technologies[359]. HW09 estimates the separate growth impacts of the share of students who attain basic skills, the share who attain top-level skills by international standards, and the interaction between these two shares. In these estimates, the interaction term is large, positive, and statistically significant. The economic implication is that basic skills and high-level skills are complements: that the growth benefits of having more workers with top-level skills depends heavily on the share of the workforce with at least basic skills. Finally, HW09 concludes that "achieving basic literacy for all may well be a precondition for identifying those who can reach 'rocket scientist' status. In other words, tournaments among a large pool of students with basic skills may be an efficient way to obtain a large share of high-performers."

[358] Other research finds that the interaction between educational quality and openness predicts faster progress in reducing infant mortality; in this case, the interaction is interpreted as a measure of access to greater new knowledge and technology from abroad. (Jamison, Jamison, and Hanushek 2007.)

[359] HW09 memorably summarizes this strategic choice as "Rocket Scientists or Basic Education for All?"

For USAID and its host countries, several clear lessons emerge from the evidence cited above. First, in host countries with weak educational quality, extraordinary efforts focused narrowly on increasing school enrollment and attainment cannot plausibly be justified on the basis of their likely impact on national income growth, especially if those efforts undermine educational quality in the process. In contrast, successful efforts to boost learning outcomes will almost always have a strong impact on growth, which will typically unfold quite gradually as the skill mix of the labor force improves over the course of several decades. Additionally, growth is enhanced both by expanding the share of the students with at least basic skills and by increasing the share with top-level skills by international standards, with their combined effect substantially exceeding their separate impacts. No evidence points to growth benefits from cultivating an educational elite while leaving a significant share of young people poorly educated. Finally, the growth payoff to improved schooling can be undermined by a growth-hostile enabling environment. As a result, the growth impact of improved educational quality will usually be strongly reinforced when pursued alongside complementary reforms in economic policies and institutions, especially those that foster greater domestic competition and greater openness to technological change.

At the macro level, investments in schooling contribute to poverty reduction through both legs of the "growth-inequality-poverty triangle" (Bourguignon 2004). As emphasized above, expanding the share of young people who enter the labor force with at least basic and preferably higher skills gradually but substantially boosts the rate of growth. It also boosts the poverty-reducing impact of any given rate of growth. Faster growth almost invariably reduces absolute poverty, but to different degrees depending on the extent to which poor households are in a position to gain access to the opportunities that growth creates. The initial distribution of skills within the labor force, along with subsequent changes in that distribution, strongly affects poverty reduction through this latter mechanism. The larger the share of the workforce who gained no real skills in school, the weaker will be the poverty-reducing impact of growth.

The same forces play out at the micro level, through the interaction between the supply and demand for skills. Poor people are poor largely because they possess few assets—including the human capital embodied in their skills—and because they live in settings where there is weak demand for the assets they do possess, or for their raw labor. To the extent that schools are working, gaining more years of schooling builds skills that are rewarded in labor markets through higher initial wages as well as steeper growth in wages as the employee gains experience. Further, to the extent that children from initially poor families stay in school, gain skills while attending school, and emerge into a market that can use those skills productively and therefore rewards them, schooling can play an enormous role in helping reduce absolute poverty (Perry et al, 2006). In fact, these three conditions provide a useful framework for understanding the factors that affect the impact of schooling on poverty in a particular country.

First, children need to be enrolled in school and continue attending long enough to have a chance to accumulate sufficient skills to lift their income-earning potential above the poverty line. Keeping a child in school requires that the family forgo the income that would otherwise be earned from the child's labor, as well as pay any out-of-pocket costs for school fees, books and materials, uniforms, etc. These costs fall especially heavily on poor families, who depend most heavily on income from child labor and are least able to pay out-of-pocket costs. Partly as a result, poor children in many countries complete far fewer years of schooling than those from non-poor households (Filmer 2000). Reducing or eliminating school fees can help, while many countries have used conditional cash transfers to strengthen the incentive for poor families to keep their children in school.

Second, the school must do its part by ensuring that all children actually gain valuable skills before leaving school. In fact, the quality of schooling in many poor countries is abysmal, meaning that students

accumulate skills much more gradually than they should[360].Quality is generally worse, and appears to be more variable, in schools serving the poor[361]. Low quality reduces the incentive to keep kids in school, further exacerbating the problem of early dropout (Hanushek, Lavy, and Hitomi, 2006). Less uniform quality also reduces the incentive for the poor to invest in their children's schooling by further reducing their confidence in the social and economic payoff to that investment. Low and variable quality suggests the need for governments to set appropriate quality standards and to hold teachers, principals, and other participants in the schooling process (including students) accountable for meeting those standards.

Third, market conditions must create a demand for the skills gained in school, sufficient to lift the school leaver out of poverty. In a low-income country, most poor people are self-employed in agriculture, where the returns to schooling may or may not be significant, depending on the technical dynamism of the sector. Similar issues affect the payoff to schooling for those self-employed in urban survival microenterprise. In contrast, the returns to schooling tend to be high in the formal sector, including manufacturing (Fox and Gaal, 2008).

In poor countries where these three conditions have come together—reasonably equitable school attainment, decent quality, and rapid growth in demand for skills—progress in reducing poverty can be extremely rapid, as in Vietnam which cut the prevalence of extreme poverty in half in the decade beginning 1993[362]. As growth in manufacturing employment and technological upgrading raised the market return to schooling, enrollment in lower-secondary school more than doubled from 30% to 72% over the same period, while enrollment in upper-secondary school grew six fold, from 7% to 42%. These responses set the stage for further rapid growth and further reductions in poverty (Klump, 2007).

Vietnam's success would not have been possible if the educational preconditions had been missing. However, neither was that success a result of educational investments alone, but rather a result of the *interaction* between the supply of skills and a rapidly growing demand for skills. The lesson for other countries is not to view schooling as a panacea for reducing poverty, but rather as a vital part of an equation that depends just as heavily on the demand for skills.

A final issue that spans all sections of this paper concerns *how much* schooling is needed to provide a decent chance of escaping poverty. Evidence from most developing regions points to rising labor market returns to completion of secondary school, and even higher returns to post-secondary schooling. Meanwhile, the wage returns to completion of primary school have fallen well below those to higher levels of schooling, while those to incomplete primary appear close to zero in many countries (Perry et al, *op. cit.*; Fox and Gaal, *op. cit.*) These patterns are sometimes misinterpreted as implying that the returns to

[360] A large and growing body of evidence amply justifies this harsh characterization. Hanushek and Woessmann (*op. cit*, pp.651-657) briefly summarize the evidence from international testing. Additional studies, like Das and Zajonc 2008, provide detailed evidence of weak learning achievement in particular countries. The recent emergence of Early Grade Reading Assessments sponsored by USAID and the World Bank provides valuable additional evidence suggesting that many children in many poor countries learn virtually nothing in their first few years of school (Abadzi, Crouch, *et al*., 2005 and subsequent EGRA studies).

[361] The greater variability of quality in schools serving the poor has been clearly documented for Peru, Chile, and South Africa (Crouch 2006, Weinstein 2006). Further analysis is needed to determine how broadly this pattern applies, but it is consistent with the large body of evidence that the poor are less politically powerful, and therefore have less ability to enforce demands for effective delivery of public services (World Bank 2000, 2003).

[362] In contrast, countries with poor educational quality and weak enabling environments have been especially ill-prepared to respond to the "youth bulge," with high rates of unemployment, poverty, and, in some cases, criminal activity among this large cohort of young people. Ironically, an earlier "youth bulge" in East Asia has been cited as a major factor in the region's initial growth surge, thanks to previous efforts to expand and improve basic schooling along with ongoing economic reforms, which together boosted the employed share of the population (Bloom, Canning, and Malaney 2000).

public investments at lower levels of schooling have declined compared with those at higher levels. This conclusion would only be justified if lower and higher levels of schooling represented *alternatives* (choosing among attending primary *or* secondary school *or* university), whereas in fact they represent different stages in a sequence, in which effective learning at lower levels is essential for learning later on (Heckman, Lochner, and Todd 2006). What has declined has not been the return to attending primary school, but rather the return to attending *only* primary school and then dropping out[363]. Nevertheless, these results point to the need for children to continue in school beyond the primary level to stand a good chance of escaping poverty through work in formal labor markets[364]. The problem for public policy is to ensure that poor families keep their children in school long enough to reap the rewards that accrue to partial or complete secondary schooling. For this purpose, ensuring that schooling provides visible and reliable learning gains from the start is a major priority. This requires appropriate quality standards and accountability for meeting those standards, not only to raise the average returns to the poor from investing in schooling, but also to reduce the uncertainty and risk they face in making those investments.

[363] This issue is further complicated by the strong likelihood that many of those who drop out after only a few years of school were attending very low-quality schools, resulting in weak skills reflected in low wages, which in turn reduce the measured return to schooling.

[364] Fox and Gaal (2008) also point to household consumption survey data from Africa that suggests that the overall returns to the household from increased schooling by the household head may substantially exceed those from wages alone, due to reductions in fertility and improvements in child care. Moreover, these returns appear to be roughly constant across levels of schooling rather than increasing as in the case of wages.

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Linkages Paper #4: What strengths and weaknesses does the Agency have in developing education systems and in relation to other USG agencies and with other donors?

The Task

Complete a 3 to 5 page paper to address the question, What strengths and weaknesses does the Agency have in developing education systems and in relation to other USG agencies and with other donors?

Timeframe

The task was undertaken between 9 December 2008 and 1 January 2009. From 9 December through 15 December was spent in developing the instrument for key informants, developing and finalizing the list of key informants, and collecting the documents for review. The interviews and reviews and write-up was conducted in the remaining period.

Methods

This question was addressed at a global level focusing on both institutional and technical strengths and weaknesses, unmet needs, and priorities for the future. Information was gathered both from key informant interviews and review of documents indicating policy, performance, and author perspectives.

Key Informant Interviews

Thirty-three key informants were identified by USAID, and 13 (39%) were available to be interviewed during the period from 15December through 31 December 2008. There were no outright refusals, just some people were not available during this period. The informants able to be interviewed included senior staff from USAID, staff from Other US government agencies, and key staff from Multi-lateral donor, and G-8 agencies or organizations. The criterion for their selection was seniority in terms of length of time and position, geographic representation, and expected knowledge of USAID operations and performance. See Appendix 1 for the actual interview protocol. Interview notes were written up and sent back to the respondent, who reviewed and edited, or added, as they felt useful. Thus the findings from the interview process are based on the reviewed notes, except for one case where two people were interviewed from the same organization. Overall, the respondent group had about 17 years of experience in education development, including basic education, higher education and workforce and had personally worked in a variety of geographic contexts.

Documents reviewed

Included USAID reports through FACTS and DEC, as well as a library and internet search. See Appendix 1 for a list of the documents reviewed. In total more than 145 documents were reviewed.[365] Selection of the documents to be reviewed favored those recommended specifically by a USAID staff member as crucial, and then final reports and assessments, when possible, and then others that seemed in their title to address an issue or area that had not yet been covered.

Findings

[365] Note, because of the rush entailed with this project, we were not able to provide a detailed meta-analysis of the focus of each of the bibliographic references by Technical Area and Issue. This can be made available later, if needed.

The following discussion highlights the findings related to strengths and weaknesses. Both system-wide and topic themes are presented. Because most times strengths and weaknesses were discussed together, i.e. they were two sides of the same coin, the findings are presented by theme, rather than grouped separately as a strength or weakness. Earmarks figured as both a strength and a weakness, and are discussed in connection with Finding 2. The sources for the themes are documented both in terms of whether the source was document or informant, and, if document, its bibliographic reference for the document. For a fuller discussion, please see the full report.

System-wide Strengths and Weaknesses

USAID's decentralized organizational structure and presence "in the field" is a strength but the full potential has not yet been achieved

There is widespread consensus among policymakers, researchers, and practitioners that education strategy should be sensitive to context. USAID's in-country presence and decentralized system of providing flexible, responsive education development support in countries at different stages of development is a strength since it is a necessary condition for developing responsive and effective strategies.

However, although USAID is in a position to formulate sophisticated multi-stranded strategies which are responsive to multiple facets of country context it has not consistently done so and is organizationally constrained in moving forward to fulfill this potential. The literature review and key informants identified a number of constraints which could be addressed to enhance USAID effectiveness as an education partner in developing countries.

USAID and its contractors' technical capacity in education design, project implementation, and research are strong, however the agency's 'tools' for managing education strategy, both in individual Missions, and geographically across the more than 50 diverse countries at different stages of development are weak.

- Policy guidance tools promulgated by USAID regarding "education strategy" are too general to support effective strategic planning—agency-wide, within the regional bureaus, or at the country level.
- Budget format does not facilitate linkage of funding allocations to strategic objectives—within narrow program areas (e.g. basic education), between program areas (e.g. higher education and workforce development, or in relation to cross-sectoral strategies where education might complement achievement in other areas (e.g. consensus-building, private sector competitiveness).
- Funding/Administrative Framework and the Basic Education Earmark--The basic education earmark was generally considered a strength (as it is responsive to actual country needs). However, multiple overlays of Congressionally-mandated priorities and Presidential Initiatives(each with its own distinctive regulatory and reporting requirements), coupled with the 1-year budget cycle, were considered problematic both by USAID staff and its development partners because these sometimes led to lack of continuity and sudden shifts in directions which conflicted with local consensus regarding education strategy and collaborative agreements which had been painstakingly crafted as part of the goal of being responsive and partnering effectively.
- Report Formats and Performance Indicators are, in some cases, inadequate to reliably track progress or assess return on investment globally, across regions, and even within individual countries.

The inadequacy of these tools undercuts in-country ability to respond to strategic opportunities or chronic problems and contributes to a perception among international donors and partner countries that USAID

education strategy, despite "sparks of excellence", is inconsistent, incoherent, and "political". As a result, consistency and continuity of education strategy is a pervasive concern.

- Transparency and Continuity are pervasive concerns - The rationale used for USAID missions' evolving strategies in a country is sometimes not documented. In some cases, strategic strands are abandoned for unknown reasons. In other cases, promising pilot projects fail to be replicated. There are clear-cut disparities when short-term projects or program investments are initiated with accompanying frameworks for achieving objectives of 2-3 years when it would appear more long-term investments are required.

USAID has organizational flexibility, willingness to be innovative, and commitment to evidence-based decision-making. These, coupled with its contractors' technical capacity in international education research, program design, evaluation research and M&E, are an agency strength. However actual use of these tools to guide education strategy currently is a weakness—in part because dissemination of information is not very effective.

Researchers and analysts share concerns regarding USAID's M&E systems focusing on inputs and/or throughputs, not on outcomes (an essential requirements for assessing progress toward strategic objectives).

Key informants within USAID point to the need to give more attention to M&E, to do deeper more comprehensive and systematic evaluations, to better identify impacts over time, and to disseminate findings; and to more effectively use evaluation research to inform strategic planning. Some stress the need for specific types of applied research: initial needs assessment and baseline studies, targeted formative evaluation.

Portfolio-wide orientation toward sustainability as an education funding objective varies widely, and, in balance, may be a weakness, despite being attractive in principle.

The concept of 'sustainability' is not well thought through in many projects, nor for many Missions. Issues of replicability, scalability, and the role of private sector (both Corporate and Contractor) in creating dependencies are not consistently addressed, if they are addressed. Additionally, it rarely is a focus of measurement, and how to measure it is unclear. In fact, how USAID should act strategically to 'assure country ownership,' that includes institutional accountability along with a revenue stream, in unclear.

USAID's commitment to improving quality of education and to innovative, often multi-stranded approaches to enhance education quality is a strength. Focus on the learner is part of this strength; but the challenge is to promote lifelong learning capacity.

USAID is seen as a leader in emphasizing quality of education as a priority. Agency investments in quality-oriented initiatives and development of technical tools for assessing education quality are beginning to pay off, but are not yet routinely deployed.

Further efforts will be required to develop strategies to promote development of the "learning to learn" skills needed to support lifelong learning—especially learner efforts to navigate fragile education systems and self-directed learning.

The research indicates that education quality, more than enhancements in access and/or equitable access, require multi-stranded education strategies which "balance" investments in linked components of an education system (e.g. curriculum enhancement, teacher training, improved textbooks and learning materials, local school management, and genuine community participation).

USAID policy guidance regarding priority of investing in primary education as a central strategy in basic education lacks analytic clarity and empirical justification. There is some degree of tension about this.

The ways in which USAID policy regarding basic education is framed constrains country-level development of innovative and effective approaches to integrate basic education into broader cross-sectoral initiatives or projects. Many key informants see a need for greater emphasis on cross-sectoral programming—particularly those targeted to youth and workforce development initiatives which skillfully integrated basic skills development; sometimes focused on. Others feel that a narrower approach is safer – allowing USAID to build expert systems with consistent, systematic project strategies. The bridge toward economic development is at issue, especially with large numbers of dropouts from the education system.

USAID education funding strategy does not always show evidence of coordination between parallel "stove piped" investments in different sectors of education (basic, secondary, vocational/workforce development, and higher education/workforce development). Projects with cross-sectoral objectives and activities are possible but not easy to develop. This is a weakness.

The GAO 2007 study identified lack of coordination between USAID and other US government agencies, particularly the Department of Labor. Review of the disparate education initiatives within the USAID portfolio in different countries suggests that an even more serious problem is that Missions are pressured to do "something" for higher education, and "something" for primary education, and something for higher education stakeholders—whether or not these initiatives are strategically complementary.

USAID's ability to partner—stemming from flexibility, in-country presence, and a commitment to results-oriented work—<u>could be strong</u>. However, in practice USAID's ability to work with other donors and host countries as a partner in education system strengthening, policy reform, and service quality improvement is often <u>weaker than it should be</u>; actual work as a partner varied greatly from country to country.

Key informants from multilateral organizations and other donor countries had mixed opinions about USAID's ability to partner with them in education. Most felt that USAID <u>could be a good partner</u> but that there were inherent constraints which stood in the way. There were <u>persistent impediments</u> to effective partnerships, however. These included structural issues (e.g. annual funding, short staffing, leading to short term rather than long-term focus, shifts in funding priorities, conflict between global and/or regional initiatives, differences in approaches to local in-country strategy development, and limitations on what could be shared as information). The complexity of the aid arrangements in the US

was cited as an issue by external donors – who spoke for AID, the different pots of money, lack of clarity about who to go to for discussion on a technical issue; inability of Mission Education Officers to be out there sometimes led to reliance on contractors, in place of AID – and this may not be appropriate . Sometimes it was seen as staff attitudes and defensiveness, or lack of technical expertise.

USAID Mission staff, overall, has a reputation for being knowledgeable and engaged. This is a strength. However, the tendency to hire generalists, the amount of paperwork and administrative requirements, and difficult procurement systems, are considered to be constraints, and may become a weakness.

Key informants generally agreed that USAID contractor staff were valuable technical resources for in-country education work but there was a broad range of opinion regarding the extent to which the technical strength of contractors was offset by confusion stemming from their being the primary points of contact with counterpart institutions, rather than USAID staff being that contact point.

USAID STRENGTHS AND WEAKNESSES IN TOPICAL/THEMATIC AREAS

Interviews with key informants and review of strategic analysts' and researchers' papers identified several technical areas in which USAID was believed to be particularly strong or particularly weak. Assessment of agency and contractors' actual strength in these areas is beyond the scope of this synthesis but some perceived strengths and weaknesses deserve mention:

Building community "ownership"/involvement in schools is a strength

USAID investments in building community "ownership"/involvement in schools is cited and reviewed as a strength. However, it is not always accompanied with concurrent improvements in instruction and/or school management, in part because community participation does not always give rise to thorough planning. Two key informants (one inside and one outside USAID) stated explicitly that USAID's focus on community participation and getting broad involvement is a strength. However they also cited as potential weakness and challenge getting to the next step, planning how to transfer the promising practices to government schools or make the community schools part of the government school system. This is a consistent issue in the literature reviewed, as well.

Teacher Training is a strength

USAID support for teacher-training has quite often involved development of well-targeted training priorities and training designs which introduce teacher-participants to effective instructional practices. However, teacher training seldom leads to documented improvements in the classroom, as even where there is good "translation" of training into practice, quality assurance varies. It is cited as a paradigm case for the need to assure training translates into significant and lasting impacts, not just 'one-off' projects, or teacher training do not have a chance to take root in the classroom

Distance learning approaches have supported teachers in remote areas, and are a strength.

USAID emphasis on hardware and software development is seen by some observers as a strength, by others as a possible strength, but with a pitfall of separation from a country's overall strategy for education.

Girl's education focus has been a strength, but also raised a concern.

Several internal and external key informants have cited the focus on girl's education to be a strength. However, along with this has been mentioned the importance of taking into account the dynamics of the social and education process in a country; and thinking through carefully how it would intersect with other programs in operation.

Difficulty in creating national impact from projects, is a weakness.

Key informants and literature indicate small projects and pilot projects, in particular, have difficulty in making a sustained contribution to a country's education system. This issue seems linked to the broader concerns about whether USAID can have a longer-term focus; how attached it is to 'boutique' projects, and that it does not understand how to 'replicate' or scale projects to a national level. It intersects with concerns about whether USAID has sufficient technical capacity to conduct sound research, design effective practices, and, at least in some instances, evaluate them meaningfully. The lack of good information-sharing – either internally or externally – exacerbates the concerns.

Workforce Development has potential for strength, but it's not yet realized.

USAID is considered to be strong in the area of workforce development but more needs to be done—particularly in refining program designs so that employment-oriented training and jobs creation components include effective means to build participants' basic "foundation" skills. The relation of workforce development programs with basic education programs has to be clarified, at least in part, to ensure focus is on development of deep skills that can be transferred across workforce sectors; and to ensure appropriate 'integration' with the basic education programs.

Higher education investments may be a strength - partnerships show promise - but there is concern about how to show results.

USAID's strengths and weaknesses in the area of higher education are difficult to assess because there is not a strong results-oriented strategic framework for funding in this area. In particular, higher education projects are not consistently linked to regional or country-level strategic objectives within the areas of Investing in People or Economic Growth although many may, in fact, contribute to goals in these areas; nor are they consistently linked with developing capacity for areas of education reform outside of higher education, although there have been a few promising projects in this area.

SUMMARY

In summary, most informants focused on a consistent set of themes. These themes posed to the challenge to USAID to:

- Articulate a clear, coherent, education development strategy, with agreed upon definitions of components (and funding categories) appropriate to development needs, and contingent upon country readiness status and achievements;
- Embrace a longer term vision, both so that we can see the progress made and so that the interventions implemented result in real change for a country;
- Think through intervention design, and more consistently base it on a solid needs assessment, effective practice and sound theories of change, building on the work done to date in countries,

currently being done, and country policy and practice dialogue about what should be done and how to do it;

- Undertake evaluation more consistently, in a way that has integrity and can demonstrate the value and impact of the work done, and with baseline data in order to allow comparison over time and across countries;
- Make evaluation and effective practice more visible and a part of the planning process, so that new and continuing development work, inside and outside USAID, can build on what has been learned; and
- Leverage change through applying innovative and sound strategies, building on (and with) the 'development stakeholder system' in place, and developing effective technical and administrative systems to work, cutting through as much red tape as possible to free up time and staff for focus on the key issues – implementing good systemic education improvement and reform, if needed.

The conclusions that could be drawn from most of the key informants interviewed and resources reviewed was that USAID has the flexibility, technical capability and innovative strategies to have an important and positive impact on international education development, but that it was burdened by trying to do too much too quickly in a one-off strategy, without the access to needed expertise in a timely manner.

Earmarks were neither a strength nor a weakness in this. Or at least the basic education earmark was seen to be good, important, and the only way to assure funding to basic education; but DC-based initiatives tended to deform the development process, because they were external, could not be blended with what already was in place, and generally were not sustainable.

Strengths and Weaknesses of USAID in Development Work in Education

INTRODUCTION AND OVERVIEW

This paper provides a synthesis of feedback from a quick turnaround survey of key informants among USAID partners in international education (including individuals from G8 donor countries, multi-lateral education funders, and other institutions), staff within USAID itself, and an inventory of strategic issues identified in published reports and internal documents prepared by strategic analysts and researchers with experience and expertise in basic education, workforce development, and higher education. This synthesis also draws on a quick turnaround review of recent country-level evaluation research and contractor reports.

Definition of Strength and Weakness or Concern.

From a strategic perspective, there are few instances in which organizational strengths and weaknesses can be unequivocally identified. In most cases, strengths are accompanied with risks as well as with opportunities for improvement, and identified weaknesses present opportunities for improved organizational functioning—sometimes as a result of relatively minor actions or developmental endeavors, but, at other times, as part of ongoing efforts to address intrinsically difficult challenges. Some of those interviewed, therefore, preferred to talk about 'weaknesses' as areas of concern rather than a 'hard core' weakness.

Ultimately, thinking about organizational "strengths" and "weaknesses" is an invitation to take into account organizational culture, work style, resources available for the work to be done, including analytic and technical assistance "tools", and the policy and administrative guidelines that govern the work done, rather than a definitive report card on an organization's functioning. Key informants have perspectives

stemming from a distinctive experience base in specific collaborative efforts in diverse topical areas, from international experience in different country and regional contexts. By the same token, strategic analysts and education researchers, in their reports, show differing priorities and methodological concerns, and objectives when they are preparing analyses, reports, evaluations, and assessments. A key challenge for any review of the strengths and weaknesses, then, is to take these differing viewpoints into account, and to try to draw out from each a sense of how widely the issues they bring up can be said to apply. In the interviews this was accomplished through a tactic of sounding out a later interviewee on what someone else (with name anonymous) had said. In the document this was accomplished by trying to review all of the documents related to an area at once, and comparing the conclusions from each.

How to use these findings?

For the moment, the review is organized to examine, first, system-wide issues; secondly, issues identified which relate primarily to a particular program area: basic education, workforce development, or higher education. Because of the short time available for this research, the best way to think of these 'findings' is as hypotheses to be reviewed more in depth as part of the strategy development process. Ultimately, to maximize its usefulness, this review of USAID strengths and weaknesses in education will need to systematically examine multiple facets of USAID organizational functioning vis-à-vis international education and development, and this review will benefit from being re-visited more systematically, by following a sub-set of concerns (e.g. sustainability or actual system reform outcomes) to see how and what specific intervention/program design, funding/definition policy, and/or Mission staffing and structural issues differentially affect them. We would have liked to take that on, but could not do it within this time period.

METHODS

A mixed method approach was used, so that both direct feedback from key informants was solicited and documents indicating portfolio, funding, policy, performance, and perspective could be included.

Interviews were to include USAID, Other US government, Multi-lateral donor, and G-8 representatives. The criterion for their selection was seniority in terms of length of time and position, geographic representation, and expected knowledge of USAID operations and performance. See Appendix 1 for the actual interview protocol. Interview notes were written up and sent back to the respondent, who reviewed and edited, or added, as they felt useful. Thus the findings from the interview process are based on the reviewed notes, except for one case where two people were interviewed from the same organization, and neither was available after the interview.

Thirty-three respondents were targeted across all these areas, and thirteen (about 39%) were able to be interviewed during the period. Interviews were requested for the period between 15December and 31December 2008. While there were no outright refusals, there were 8 who stated they were not available during the period, and their alternates were not either, generally because they were on an assignment, and then on leave; and 12 who did not respond, even to a follow-up e-mail.

Chart 1: Respondent participation

Respondent Group	**Number Targeted Organizations or Agencies**	**Number of respondents Targeted***	**Total Able to be Interviewed People (Orgs)**	**% Targeted Organizations Responding**
USAID	1	14	5	36%
US-Government	4	6	2 (1 Agency)	25%
Multi-lateral	4	8	3 (3 orgs)	75%
G-8	5	5	3 (3 orgs)	60%
Total	14	33	13 (8)	39% (57%)
Notes	*This number may be greater than the number of organizations as alternates were selected.			

Those targeted respondents who were able to be interviewed included at least one represented organization from each of the respondent groups; and, overall more than half of the groups identified as important to obtain feedback from were able to provide it.

The respondent group represented a individuals well experienced with Development in general, in Education, and with USAID work, across the different regions, although perhaps less so in the new emerging states.

Chart 2: Experience in Development in Education for the Respondents

Respondent, From:	**Mean Years in Ed. Development**	**Geographic focus**				**Technical Focus**		
		Afr	Asia	MidE	LAC	BE	HE	WFD
Overall	16.8	6	6	4	3	12	7	7
USAID	12.2	3	2	1	2	5	3	2
Other US Govt	26.0	1	General policy			2	2	2
Multi-lateral	22.5	1	2	1	1	2	1	In gen.
G8	20.3	1	2	2	0	3	1	2
Notes	There was less experience in Workforce Development for the respondents from the multilateral. They said they were generally responsible for it, but had been 'less involved in it'.							

Documents reviewed

Included USAID reports through FACTS and DEC, as well as a library and internet search. See Appendix 2 for a list of the documents reviewed. Generally the documents were provided by USAID, but a few were located on the Web, when mentioned by another publication as important. In total more than 145 documents were reviewed. A bibliography is provided in Appendix 2.[366] This is fewer than the amount provided to us, because of the time constraints. Selection of the documents to be reviewed favored those recommended specifically by a USAID staff member as crucial, and then final reports and assessments, when possible, and then others that seemed in their title to address an issue or area that had not yet been covered. Resources that came to us earlier got more attention than those later; however all resources we received were considered for a more in-depth examination.

Time was the limiting factor. Initially document review was going to be limited to reviewing what was specifically stated as strengths and weaknesses. Since few reports used those terms or organized their reports around this issue specifically, the final approach started with the findings, challenges and recommendations stated by the authors, and then compared these statements with the ADS, sector definitions and other authors' reports; and also with the respondent statements. The interviewer did not do many of the document reviews; they were done by others. Thus when we found the interviewer had the same findings as the document reviewers, this provided some comfort in the reliability of the assessment carried out.

Findings

The following strengths and weaknesses and organized by theme. Because most times strengths and weaknesses were discussed together, i.e. they were two sides of the same coin, the findings are presented by theme, rather than grouped separately as a strength or weakness. Earmarks figured as both a strength and a weakness, and are discussed in connection with Finding 2. Sources for the themes are documented as well, if it was a series of documents, the specific reference. Respondent comments and bibliographic references are woven together.

[366] Note, because of the rush entailed with this project, we were not able to provide a detailed meta-analysis of the focus of each of the bibliographic references by Technical Area and Issue. This can be made available later, if needed.

System-Wide Strengths and Weaknesses in Education

USAID's decentralized organizational structure and presence "in the field" is a strength but the full potential has not yet been achieved

There is widespread consensus among policymakers, researchers, and practitioners that education strategy should be sensitive to context. USAID's in-country presence and decentralized system of providing flexible, responsive education development support in countries at different stages of development is a strength since it is a necessary condition for developing responsive and effective strategies.

However, although USAID is in a position to formulate sophisticated multi-stranded strategies which are responsive to multiple facets of country context it has not consistently done so and is organizationally constrained in moving forward to fulfill this potential. The literature review and key informants identified a number of constraints which could be addressed to enhance USAID effectiveness as an education partner in developing countries.

The Foreign Assistance Framework (FAF 2007) identifies two over-arching objectives—Investing in People and Economic Growth—where education is central and, quite obviously, education can make crucial contributions in relation to each of the other broadly-defined objectives—particularly Governing Justly and Democratically. Consequently, the framework requires USAID efforts in basic and secondary education, workforce development, and higher education to be integrated into overall development strategy. This requires organizational capacity to visualize, negotiate, operationally plan, implement, and assess. Within this policy context and within the real-world operational environment of countries at diverse stages of development, USAID's decentralization and in-country presence is a strength. USAID in-country presence makes it possible to rapidly and entrepreneurially identify "pressure points" or funding opportunities. A substantial majority of the informants from multi-literal donor organizations, G8 donor organizations, and USAID staff pointed to USAID's decentralization, in-country presence, and flexibility as one of the agency's most notable strengths.

The FAF and associated guidance implies that USAID should implement a "responsive" and well-articulated education strategy in accordance with the specific priorities and principles articulated for each country classification (rebuilding, developing, transforming, partnering) and sub-classification (low/high income vs. low/high government and institutional functioning).
The FAF goes on to identify some factors to be taken into account in crafting "responsive" education strategy—particularly in responding to recognized gaps, trends (e.g. intervening in backsliding), taking into consideration program size/resources, multi-donor collaboration/coordination, regional program overlay (MCC, EFA-FTI, AEI, MEPI), and consideration of "mutual concerns". As a consequence of the Paris Declaration (2005) and the Accra Action Agenda (2008) there has been and is likely to be greater future attention to issues related to inter-donor cooperation, country (multi-stakeholder) "ownership", and harmonization of education strategy with partner country development strategies.

It appears that USAID missions, in fact, consider these factors carefully. USAID is clearly strong organizationally in satisfying a sub-set of necessary conditions for successful progress in developing countries' education systems by using multi-stranded strategies of complementary activities, but ongoing efforts to strengthen agency ability to comprehensively address the challenges of sustainable education system reform and quality education need to be a high priority.

USAID has a sound framework for results-oriented management—articulated quite effectively in the ADS 200 series, particularly in sections on planning (201) and assessing and learning from experience

(203). Most of the key informants interviewed considered it a priority for USAID to learn how to do better strategic planning. Specific priorities varied but frequently-mentioned considerations included: the importance of needs assessment, consultation, "program" vs. "project" focus, continuity, and tactics to transform promising pilot projects into large-scale strategies and to "nurture" institutional evolution. The practitioners concurred with published strategic analysts and researchers in stressing the need to visualize short-term first steps, medium-term follow-through, and long-term (10 years planning horizon) strategies. Virtually all stressed the importance of continuity and a systematic approach. One key informant within USAID pointed to the area of girls' education projects as a good example of an instance in which the objective needs to go beyond the immediate goal of getting and keeping girls in school to the broader vision as to how to make it possible for girls to continue in school, what their experience in school, and what they will need to go onward.

Despite country-level flexibility, technical expertise in key areas, and orientation toward systemic change, there appears to be little evidence of systematic attention to <u>each</u> consideration to the "full checklist" of considerations relevant to developing, articulating, and implementing "responsive" country strategies (although there is ample evidence of thoughtful attention to interactions among some strands in some countries). Key informants raised the issue of organizational and strategic continuity in USAID's education work in several contexts—as an important factor in effective planning, as a concern vis-à-vis collaborative relationships with partner countries and other donors, and in relation to USAID image as a good partner. The evidence seems to suggest that USAID's successes in the realm of education are significantly linked to degree of continuity in individual countries and expertise of in-country staffing and that high turnover contributes to lack of success.

Whether the lack of evidence of systematic "rich" strategic planning and operational planning to support strategy implementation stems from lack of documentation or from underlying limitations is unclear. Analysts (e.g. Crouch, Healey and DeStefano 1997; Moulton et al 2001) correctly stress the importance of dialogue as a tool for policy implementation and personal relationships, trust, and "politics" as factors determining success or failure. USAID delegation of substantial decision-making authority to Mission staff is a necessary condition for making it possible to address this crucial aspect of education strategy. It is possible that this aspect of USAID education sector organizational capacity not easily visible in published documents—despite being a crucial consideration.

However, it appears that other strategic factors detailed in the literature which are country-sensitive and crucial to assessing and deciding among alternative education strategy options (Crouch, Healey, and DeStefano 1997; Behrman and Kenan 2005; Steiner-Khamsi and Shiotani 2008; Gillies et al 2008) are systematically or adequately taken into account in country-level education strategy formulation. The EQUIP2 review of USAID assistance to basic education from 1990-2005 (USAID 2008; Chapman and Quijada 2008) for example, points to of "overly ambitious goals, objectives, and targets" in 33 projects reviewed. This may be related to the ways in which USAID interacts with its contractors—both contractually and in terms of more technical communications regarding strategies, workplans, taking advantage of new opportunities, or abandoning project components which are troubled or ineffective.

In principle, country-level education strategy would be responsive primarily to inherent "structural" opportunities to achieve maximum impact on poverty reduction, social equity, or other guiding principles. However, the objectives identified as part of bilateral regional initiatives (such as AEI), multi-lateral global initiatives (such as EFA) may conflict with the guiding principle of education strategy responding to local context. For example, development of USAID country-level education strategy in some countries may be constrained by the EFA-driven priority of universal primary completion—in particular because there is some evidence that investments in primary schooling <u>only</u> is not the most cost-effective educational investment—especially when educational quality assurance is weak (Steiner-Khamsi and Shiotani 2008; Fox and Gall 2008; Hanushek and Woessman 2008). An additional concern is that the

contributions that specific investments in basic or higher education make to workforce development and poverty reduction vary greatly from country to country (EDC 2007). Similarly, strategies oriented toward harmonizing USAID investments with the generic objectives of other donors in a country or host country government priorities probably constrain Missions' ability to formulate country-specific strategies.

Moreover, FAF itself does not articulate specific indicators for all elements of the country taxonomy (although it does for some—e.g. per capita income). What is presumably an objective framework to guide education strategy as well as strategic funding in other sectors is actually susceptible to interpretation and efforts to skew it to justify individual (possibly well-considered or possibly not) decisions. For example, FAF's inclusion of Lebanon and Colombia within the "rebuilding countries" category makes the "best practice" guidance within the IIP Program Area for the category of "rebuilding countries" questionable with respect to those countries' specific needs.

An issue of concern to multi-lateral donor organizations, G8 donors, and USAID staff was that the current funding pattern of 4-5 year project was seen as probably being somewhat too short—because continuity is important to successful efforts to reform education systems. Several key informants noted lapses, as successful projects ended and a Mission was unclear what to do next. Several key informants also pointed to USAID inability to move from fielding quite successful pilots into the phase of rolling out broader implementation and/or thoughtfully "replicating" successful approaches (i.e. refining and adapting a model, not copying it). It was noted also that the administrative workload involved in starting up and closing down a project was substantial.

Some key informants, primarily "external" observers from multi-lateral or G8 donors felt that USAID in-country staff did not always have an adequate scope of authority to make commitments regarding education strategy; this is understandable since, from their perspective, the issue as to how easy or difficult it is to work with USAID as an in-country partner is very important. Several also felt that the distinct roles of USAID and contractor staff were not always clear.

USAID and its contractors' technical capacity in education design, project implementation, and research are strong, however the agency's 'tools' for managing education strategy, both in individual Missions over time, and geographically across the more than 50 diverse countries at different stages of development are weak.

USAID's 'tools' for providing education policy and strategy guidance to "the field"—both country-level missions and its' development partners--do not articulate overall education strategy clearly. Indicators meant to permit objective results-oriented performance assessment are technically inadequate to reliably assess progress.

<u>Policy guidance tools</u> promulgated by USAID regarding "education strategy" are too general to support effective strategic planning—agency-wide, within the regional bureaus, or at the country level.

<u>Budget format</u> does not facilitate linkage of funding allocations to strategic objectives—within narrow program areas (e.g. basic education), between program areas (e.g. higher education and workforce development, or in relation to cross-sectoral strategies where education might complement achievement in other areas (e.g. consensus-building, private sector competitiveness).

<u>Funding/Administrative Framework</u>--<u>The Basic Education Earmark</u> was generally considered a strength (as it is responsive to actual country needs). However, multiple overlays of Congressionally-mandated priorities and Presidential Initiatives(each with its own distinctive regulatory and reporting

requirements), coupled with the 1-year budget cycle, were considered problematic both by USAID staff and its development partners because these sometimes led to lack of continuity and sudden shifts in directions which conflicted with local consensus regarding education strategy and collaborative agreements which had been painstakingly crafted as part of the goal of being responsive and partnering effectively.

Report Formats and Performance Indicators are, in some cases, inadequate to reliably track progress or assess return on investment globally, across regions, and even within individual countries.

These inter-related shortcomings for specification of strategic objectives, translating them systematically into logic models to guide program planning and project design, and articulating relevant, reliable, and useful performance indicators for refining planning and management, is a serious weakness.

The inadequacy of these tools undercuts in-country ability to respond to strategic opportunities or chronic problems and contributes to a perception among international donors and partner countries that USAID education strategy, despite "sparks of excellence", is inconsistent, incoherent, and "political".

Transparency and Continuity--Consistency and continuity of education strategy is a pervasive concern. The rationale used for USAID missions' evolving strategies in a country is sometimes not documented. In some cases, strategic strands are abandoned for unknown reasons. In other cases, promising pilot projects fail to be replicated. There are clear-cut disparities when short-term projects or program investments are initiated with accompanying frameworks for achieving objectives of 2-3 years when it would appear more long-term investments are required.

Very broad, generic articulation of even well-reasoned priorities, core values, and principles does not help much in assuring that education investments will be strategically effective; to be sure, such guidance is useful in clarifying what not to do but more fine-grained analysis would be needed to address the broad spectrum of risks encountered in pursuing the goal of developing sustainable, equitable, and effective education systems.

Ironically, strategic analyses and applied research developed within the USAID system are of very high technical quality and provide extensive conceptual and practical guidance in thinking through (and in managing and assisting in implementation of) cost-effective, high-impact education strategies but the guidance documents, budget allocations, and reporting requirements, fail to address many of the concerns articulated by the strategic analysts and researchers and are perceived by outside observers as evidence of politics prevailing over systematic policy development.

Policy and "Strategic" Documents As Tools to Guide Education Strategy

The policy documents reviewed[367]indicate that strategic objectives and reporting formats are too generally defined to provide guidance in addressing chronic problems identified by strategic planners and researchers. Vagueness and tautological definition which permeating these documents has the potential result of diverting "strategic planning" attention from the challenging task of developing sound logic models for strategic intervention into an exercise in rhetorical justification of decisions made with an inscrutable rationale.

For example, USAID's primary education strategy document ("Education Strategy: Improving Lives through Learning", USAID 2005) identifies educational quality as a basic objective. It defines quality as "the skills and knowledge that learners gain through schooling" and goes on to note that, "Quality is multi-dimensional and context specific". However, there is little evidence that more than a few Missions have been able to plan programs which reliably yield "multi-dimensional" learning or, for those which do, to systematically assess progress and enhance accomplishments via strategic efforts to address the crucial challenge involved in helping learners deploy basic knowledge and skills from their schooling, i.e. so as to be "context-specific" and, , in fact, "better their lives". Despite its articulation of education as an investment with multiple ripple effects (implying attention to cross-sector aspects of education strategy).

The combination of articulating sound principles (e.g. allocating resources according to country need and commitment, increasing efficiency, promoting sustainability) and strategic objectives (e.g. flexibility beyond primary education) without effective processes for operationalizing them contributes to perceptions that USAID education strategy is not transparent, inconsistent, and, in some cases, not harmonized with country development plans or coordinated with the work of other donors). Allocation of resources according to country need and commitment is indubitably a rational approach but, without explicit and systematic processes for determining "need" or "commitment" lack of integration between policy/strategy and day-to-day operations is problematic.

Although basic education accounts for more than 80% of USAID's 2009 budget request under the strategic objective of IIP, the presumably more detailed articulation of USAID strategy in basic education ("Policy Paper: Program Focus within Basic Education") makes no additional contribution to operationalizing basic education strategy because it frames a central strategic objective in vague and non-measureable terms, i.e. "In countries where access to primary schooling is significantly less than complete, or where educational quality at the primary level is less than satisfactory, Missions and other operating units should normally focus their basic education programs on strengthening education at the primary level, until such time as educational weaknesses at the primary level are substantially resolved". Arguably, using this criterion almost no conceivable project or program would be rejected.

Reporting Indicators as Tools for Assessing Progress Toward Strategic Objectives

The IIP indicator for basic education (#43--# of learners enrolled in USG-supported primary schools or equivalent Non-School-Based Settings) ignores critiques put forward by GAO (2007), researchers (Behrman and Kenan 2005; Chapman and Quijada 2008; USAID 2008; Steiner-Khamsi and Omoeda 2008) regarding utilization of input, rather than outcome measures to assess progress toward strategic objectives. Moreover, based on the analysis by some of these researchers (Steiner-Khamsi and her

[367] USAID 2005-"Education Strategy: Improving Lives Through Learning", ADS 200 Series, "Workforce Development in the F Framework", "Policy Paper Program Focus within Basic Education", Department of State Budget Requests for 2006, 2007, 2009)

colleagues) and the experience of others (such as Crouch) reliance on input-based performance indicators such as enrollment may be inadequate. Steiner Khamsi, for example, notes that increased enrollment may not even be causally linked to education donors' investments but, rather, to economic growth; Behrman and Kenan's discussion of systems adaptation and demand functions would seem to lead to similar concerns. Steiner-Khamsi and Omoed, also caution that rapid and unplanned educational expansion probably compromises quality although more gradual and systematically planned growth may not. Crouch and his colleagues (1997) argue that what counts is how systematic change is and that "the process should be slow".

An additional practical difficulty with respect to indicators for assessing strategic progress, an immediate problem is that replacement of the AR reporting framework with FACTS makes it difficult to assess actual country-level accomplishments in relation to country-specific strategic objectives, particularly in the cases where (as is strategically desirable) investments in education are linked to strategic objectives in other sectors as well, e.g. health, democracy and governance. While it is highly desirable for performance indicators to be designed to permit cross-country comparisons as well as achievement of project-specific or distinctive programmatic objectives, this is usually (and quite simply) accomplished by establishing a common analytic framework rich enough to accommodate a broad range of specific objectives.

The situation is also problematic with respect to workforce development activities—estimated to make up a relatively small (9%) but critically important strand in USAID education strategy. Indicators articulated for EG Program Element 4.6.3 Workforce Development (see Ignatowski and Eichelkraut 2008-"Briefing Packet") are all technically flawed as a means of assessing impact of educational interventions in this area. For example the indicator "number of new or improved workforce development policies drafted through USG assistance" provides no criterion for determining whether a newly-promulgated policy is "improved" or for assuring that new policies inventoried in this bean-counting exercise are comparable in terms of likely impact (not to mention actual observed impact). Similarly the workforce development indicator for training, vocational education, and workforce readiness programs by specifying a count of persons participating in USG funded programs, without specifying length of program, relevance of instructional objectives to participants' employability or to country workforce development priorities, length of training or other indicator of "value added" encourages strategic planning decisions oriented simply toward generating reporting numbers.

Budget Format and Funding Framework

USAID budgets for each programmatic area include no reference to a logic model specifying interrelationships between different clusters of activities and associated costs for strategically-defined activity clusters (e.g. education policy reform, teacher training, programs to promote adult literacy and health awareness) within each program area (basic education, higher education, or workforce development)—globally, regionally, or at the country level.

Consequently, while actual budgets appear to be consistent with the fuzzily-specified strategic priorities (e.g. more than 70% of USAID education funding being devoted to "basic education"), no logic model or rationale is provided for specific funding levels explaining how distinct types of activities or investments in different activity areas relate to progress toward identified strategic objectives, Not surprisingly, apparent inconsistencies emerge, e.g. inadequate support for middle-secondary school system improvement in some countries where it would be necessary as part of a country's economic growth strategy. For example, while there is consensus among strategic planners and researchers that economic growth is required for poverty reduction and a primary objective of investing in education is economic growth and experts agree that investments in basic education (EDC 2007) are sensitive to country context

and economic development strategy, education strategies articulated at the country, regional, and global level are not specific as to how education will contribute to economic development strategy.

The GAO 2007 review of coordination of US foreign assistance found that there was not adequate coordination between funding flowing through USAID, initiatives sponsored and funded by other agencies such as DOL, in addition to the Peace Corps and other Department of State thematic initiatives. Some key informants from multi-lateral and G8 donors shared this concern, arguing that the most rational approach would be for there to be a single vehicle for aggregated and integrated US funding of development assistance in various areas—presumably USAID. Arguably, this would improve comprehensiveness and responsiveness of strategic planning for education; indubitably it would be helpful in overcoming an already-problematic environment of multiple, inconsistent requirements for performance-oriented reporting.

Review of the Foreign Assistance framework, USAID documents articulating consistent but variously-framed objectives, and budget matrices delineating the specific funding accounts drawn upon for USAID's education work makes it clear that the technical task of assembling funding to provide stable support to address even a well-defined strategic objective is demanding. A number of key informants—both within USAID and among partner donors—believed that this budget complexity constrained USAID ability to adequately develop cross-sectoral projects which addressed multiple strategic objectives across program areas (most commonly mentioned and most pressingly—projects or programs providing integrated services to youth, workforce development, and efforts to maximize education's contribution to country's economic development—the underlying rationale for investments in education.

The fact that the vast majority of USAID education funding is allocated separately to basic education or to higher education is a problem in that it makes it more difficult to plan strategically to improve the educational continuum from early childhood education, through primary school, into post-primary (middle school), secondary, tertiary, and, ultimately to support learning throughout the lifespan. Researchers (Steiner-Khamsi et al and others) point to the importance of considering the demographic structure of a country's population, current parameters of the education system performance within the EFA framework, rate of increase in NER, and NER/GER ratio in strategic planning for education in education strategy there is no reference to these in determination of allocation of funding.[368] However, there is no evidence that these factors enter into budget planning-- for example, regarding investment in primary grades, post-primary grades, tertiary education, and learning programs for out-of-school youth and families. Consequently, a clear-cut pattern emerges which can be observed in many, possibly the majority, of developing countries in which USAID works consisting bottlenecks at the post-primary school level which are likely to: a) reduce demand for primary education (because it yields less individual returns to students than secondary) and b) constrains the supply of entrants to university training, and technical training which requires more than primary-level competencies but less than full secondary school preparation.

USAID has organizational flexibility, willingness to be innovative, and commitment to evidence-based decision-making. These, coupled with its contractors' technical capacity in international education research, program design, evaluation research and M&E, is an agency strength. However actual use of these tools to guide education strategy currently is a

[368] Steiner-Khamsi points particularly to the need for education strategies which adequately take into account the progress countries have made toward universal primary completion (UPC) and notes that, because of countries being at various stages in this process, these need to be tailored to individual country context (Steiner-Khamsi and Shiotani 2008).

weakness—in part because dissemination of information is not very effective.

There are serious concerns about USAID's approaches toward assessment of the strategic efficacy of its work as an education funder. Quality of evaluation research design and implementation is varied, sometimes not deep or systematic enough, not comparable across time or countries, and Mission are limited in their commitment and ability to use findings as a tool for planning, managing, and terminating, or scaling-up and refining programs or promising projects.

Researchers and analysts share concerns regarding USAID's M&E systems focusing on inputs and/or throughputs, rather than on outcomes (an essential requirements for assessing progress toward strategic objectives). Key informants within USAID point to the need to give more attention to M&E, to be more rigorous and diagnostic in the indicators used, to better disseminate findings, and to more effectively use evaluation research to inform strategic planning. Some stress the need for specific types of applied research: initial needs assessment and baseline studies, targeted formative evaluation.

USAID difficulties in assessing its work relates in part to the global scope of US development assistance to education, and the consequent need for cross-regional and cross-country comparability. But other inherent difficulties stem in part from the ambitiousness of USAID's strategic objectives (e.g. improving education quality, assuring sustainability of initiatives, education policy reform). There are no agreed upon measures of them within USAID, and what measures there are do not reach toward the 'reform' part .

In some contexts reliable evaluation is prohibitively expensive. In other cases, sound empirical assessment is infeasible because impact of an intervention, if it is to be done reliably, is inevitably lagged. However, an additional issue is the increased collaboration with other donors. The contribution of US dollars in a more integrated, more program-oriented environment, requires focus on what can be expected along the way toward accomplishing longer-term objectives associated the Paris Declaration and the Accra Action Agenda. This issue intersects with the desire for a clearer strategy, in that both key informants and researcher reports indicate the need for more consistent, clearer measurement strategies, that can be used to plan and strengthen Development strategies.

Given USAID commitment to evidence-based program management and resources of technical expertise, the gap between desired use of evaluation research as a tool for refining education strategy and implementation and the current situation could be mitigated via improved dissemination of information on technical challenges involved in reporting, monitoring, and evaluating education investments, promulgation of minimum technical requirements for M&E, and practical, technical assistance regarding approaches which will work to confront the most refractory inherent challenges. This was expressed by both Agency informants and the other Donor groups. In all cases it was stated that it was difficult (time-consuming, tedious, and confusing) to get and make sense of the reports of the good work done by USAID; that essentially 'USAID work, technical expertise, and technical resources got lost in the system'.

Management/regulatory guidance regarding programming policy articulated in ADS Series 200 provides a sound exposition of over-arching principles related to effective planning, managing for results, and assessing and learning from experience. This framework is sophisticated in giving attention to the challenges of USAID's functioning in a multi-stakeholder environment, and some important practical consequences (e.g. teamwork, consultation, participation, joint accountability). In this area, the main challenges are related to practical implementation of these principles.

Key informants within USAID expressed the desire for stronger M&E systems and more consistent use of evaluation research as a tool to guide education strategy and implementation. One stated quite simply that weak M&E allows bad projects to continue when they shouldn't. One key informant within USAID argued for what is essentially more "basic research", for example, on teacher training or factors to be taken into consideration in education reform. Their argument is that such research (for evidence-based decision-making) can strengthen USAID's own strategic planning but also enhance its leadership in collaborative initiatives.

Use and dissemination of M&E findings were concerns in the minds of a number of the key informants. Some argued that, in practical terms, there is more lip service to M&E than actual willingness or ability to make use of M&E findings to inform future strategy or program management. One key informant noted that progress and evaluation reports in the field seem not to be read in Washington. Another noted in connection with this issue of information dissemination within USAID it is important to recognize that library services alone, or conferences alone are not enough—that there has to be a more sophisticated strategy for effective information-sharing. Some pointed specifically to needs for technical improvement in USAID's initial planning or project baseline research, e.g. so as to target literacy programs to areas of a country where there is the most need.

Key informants from multi-lateral donor organizations and G8 donors also considered better use of M&E as a tool for results-oriented planning to be an area where USAID could and should build on its strong foundations.

Researchers and strategic analysts point to many inherent challenges associated with assessing education system improvement and impacts.

Behrman and Kenan (2005) put forward an extensive analysis of the inherent limitations in rigorous evaluation of the impact of strategic interventions in international education. One problem is that sound cost/benefit analysis requires costly longitudinal research (to reliably estimate benefits over time) Another inherent problem which relates to the cost of reliable evaluation research arises due to "omitted variables" which are difficult to observe being missing from the "right side" (i.e. independent variables) of equations. Another problem is selection bias which should ideally be addressed by adoption of an experimental intervention design—a course of action which is costly, technically difficult to implement, and often politically unattractive (although Behrman and Kenan point to one important case where this problem was, to a substantial degree, addressed—the PROGRESA intervention and related evaluation in Mexico). GAO's 2007 review of a program in a regionally-stratified sample of eight countries was critical of performance assessment—noting that outcome measurement took place in only half.

From a different viewpoint and focusing on a different set of methodological concerns, Gillies presents a series of powerful arguments regarding many inherent conceptual difficulties which emerge in seriously seeking to provide an outcome-oriented analysis of how well USAID is doing in education funding (Gillies et al 2008). These include:

- <u>Differing definitions/concepts of "aid effectiveness" and level of analysis</u> (broad general goals vs. "smaller" more specific goals). A particularly refractory problem is that, although there is consensus that an important strategic objective should be having "system impact", this competes with standard project-based approaches to assessing progress and impact which are more closely linked to lower-level (observable) outcomes and not necessarily to higher-level systemic impact objectives which may, in fact, be lagged/long-term, i.e. requiring patience in assessing. GAO's review notes that most M&E is project-oriented. USAID's strengths and weaknesses as an education funder (and the reliability of an assessment of strengths/weaknesses) vary depending on definitional framework.

- Competing Purposes for Assessing Impacts/Outcomes--As would be expected, given competition between broad, higher-level indicators and more concrete, reliably observable low-level indicators, there are competing priorities in drawing normative conclusions—the need for timely assessment so as to make mid-course correction, and the reality that system impacts cannot be "instantaneously" observed or if observable may not be sustainable. USAID's strengths/weaknesses depend of conceptualization of the role of the funder. USAID's reliance on project-oriented M&E is a strength for its role in managing assistance but a weaknesses in its role in strategic planning re funding allocations and effective/sustainable systemic change.

- Societal Complexity—Gillies very incisively discusses the implications of research on complex systems for assessing the impact of development support to education. Interaction effects within the different domains of the educational system which affect its' overall functioning, teacher quality as instructional resources, student learning, equity of access and learning opportunities for students once enrolled are likely to be non-linear—with "tipping points" where the input-output function changes. This non-linearity has even more extreme implications for planning and decision-making regarding cross-sectoral initiatives, e.g. how investments in even "customized" education initiatives might affect civic life and governance.

Various analysts and researchers (Gillies et al 2008; Couch, Healey, and De Stefano 2005) note the challenges involved in determining sustainability of either promising "models" of educational service delivery or systemic education reforms are substantial.

Steiner-Khamsi identifies some additional factors which would ideally be addressed as part of USAID M&E practices and reporting requirements:

- Adjusting estimates of "value added" for country characteristics. Steiner-Khamsi observes that GDP per capita contributes significantly to understanding the relationship between access to education and education quality. These should be addressed as part of standard M&E practices.

- Analytic strategies to capture the value of interactions, especially feedback loops, between activity clusters which impact different education sub-systems. Steiner-Khamsi, for example, raises the important issue of secondary school access as a determinant of teacher quality and, thus, as an input to expansion and quality assurance in primary education. Behrman and Kenan (and others) note also that access to secondary school is a factor in parents' decisions related to children's completion of primary school. They note that conversely, investments in basic education are, in part, justified due to their impact on success at the secondary level. USAID evaluation research will need to address these analytic complexities as part of efforts to optimize the strategic impact of investments in competing education activities.

"Hierarchical" overlays of program investment in regions such as sub-Saharan Africa (i.e. Mission-initiated education strategies and regional and global multi-donor initiatives such as AEI and EFA-FTI) will place still further demands on USAID with respect to attribution of observed impacts.

Our own review of the Paris Declaration, the Accra Action Agenda, and USAID's participation in multi-donor initiatives such as EFA-FTI indicate that M&E systems and evaluation research approaches will need to be re-configured if USAID is to: a) seek to address issues of attribution in determining which facets or what proportions of overall observed impacts in multi-donor initiatives are attributable to USAID participation and b) engage actively in the processes of "mutual accountability" envisioned in the Paris Declaration.

The commitments articulated Accra Agenda for Action will make various demands on USAID to build its organizational capacity in various areas of planning, monitoring, and evaluation including:

- Evaluation of increasing complex partnerships including partner organizations operating at diverse levels of competency
- Technical assistance to developing countries to strengthen their ability to monitor, evaluate, and disseminate findings regarding progress in education (as in all sectors),
- Design evaluation of education projects to support deeper engagement with civil society organizations with specific priorities/interests,
- Assessment of progress toward strategic objectives as a basis for changing the 'nature of conditionality' to support country ownership of reform efforts.

Portfolio-wide orientation toward sustainability as an education funding objective varies widely, and, in balance, may be a weakness, despite being attractive in principle.

The concept of 'sustainability' is not well thought through in many projects, or for many Missions. Issues of replicability, scalability, and the role of private sector (both Corporate and Contractor) in creating dependencies are not consistently addressed, if they are addressed. Additionally, it rarely is a focus of measurement, and how to measure it is unclear.

Gillies (and others) are in agreement that sustainability is, indeed, a reasonable objective in principle but that it is difficult to identify either necessary or sufficient conditions. Gillies and others researchers who share his concern suggest that the proper focus should actually be more on evolution, growth and continuous improvement—on stimulating change rather than on starting activities that must be continued in their current form.

It is possible that a focus oriented less toward sustainability than toward 'nudging country development trends' is the best one—in part because, short-term "instantaneous" assessment of trends is feasible and identification of necessary conditions for positive change (and perhaps, ultimately, sustainability) is feasible even if the full set of necessary conditions is elusive. Gillies' analytic framework for analyzing systemic change in education is very useful in this regard. By explicitly looking at these three major "dimensions" or domains of education reform—technical, political, and institutional—it is possible, in practical terms, to reliably assess success.

In this context, USAID's "Policy Paper: Program Focus within Basic Education" is problematic in asserting (understandably) that "USAID considers the provision of adequate public funding, appropriate policies, and institutional support for basic education to be fundamental responsibilities of the host-country public sector". The difficulty is that the policy guidance provides no insights as to how USAID should act strategically to address the fundamental problem of assuring "country ownership" that includes government and institutional accountability (not to mention effective strategies to generate revenue to fund public services).

The MCC strategy of providing funding "carrots" to foster developing countries commitment to systemic reform, while controversial, is at least well-defined and represents an operational "theory of change". Similarly EFA-FTI targets for % of country GDP allocated to education with defined operational dimensions are a beginning though certainly not a "solution". Key informants echoed strategic analysts' and researchers' assessment that unrealistic expectations regarding sustainability of promising project initiatives, or even more problematically, policy reform was not helpful. They stressed, as an alternative, ongoing engagement, dialogue, persuasion, a perspective echoing the observations put forward by Moulton et al regarding sub-Saharan Africa that, "the reform process is ongoing, without a precise beginning or targeted end. Policies and programs should evolve as new information and ideas emerge".

Key informants' observations suggest that most subscribed to the conceptual critique advanced by Moulton et al that education reform strategy should be to build "farms" rather than "factories", and that the benefits of ongoing engagement with host countries as policies evolve is that this is a means of generating opportunities for lasting change where "hand-over" shuts the door. The practical reality, however, is that the organizational capacity and analytic/management tools required to successfully engage so as to sustain evolution of developing countries' education systems, as well as resiliency to continue forward in the face of adversity (e.g. natural disasters, HIV/AIDS, political backsliding) is formidable.

A distinct problem regarding sustainability as a universal guideline for USAID education funding and criterion for assessing success, strength, or weakness is that the Foreign Assistance Framework is clear that such a focus is more appropriate for higher-functioning countries, as part of overall assistance to transforming countries, and as part of targeted interventions in sustaining partnership countries. Interestingly, despite some objective evidence to the contrary (i.e. specific country funding allocations), one multilateral informant believed that USAID focused primarily on education in the more advanced, middle-income countries in its development assistance portfolio.

USAID's commitment to improving quality of education and to innovative, often multi-stranded approaches to enhance education quality is a <u>strength</u>. Focus on the learner is part of this strength; but the challenge is to promote lifelong learning capacity.

USAID is seen as a leader in emphasizing quality of education as a priority. Agency investments in quality-oriented initiatives and development of technical tools for assessing education quality are beginning to pay off but are not yet routinely deployed.
Further efforts will be required to develop strategies to promote development of the "learning to learn" skills needed to support lifelong learning—especially learner efforts to navigate fragile education systems and self-directed learning.

The research indicates that education quality, more than enhancements in access and/or equitable access, require multi-stranded education strategies which "balance" investments in linked components of an education system (e.g. curriculum enhancement, teacher training, improved textbooks and learning materials, local school management, and genuine community participation).

The lack of specification of quality in the widely-accepted EFA framework (where "quality" is inadequately defined only as student survival to 5th grade—an outcome very poorly correlated with actual student learning) suggests the bar is set very low with respect to international donors' capacity to actually design interventions which reliably enhance quality of education.

Consistent Measurement is important

International efforts to design and implement multi-national standardized assessments of actual student learning—PISA, TIMMS, and PIRLS—now make it possible to reliably assess student learning—at least in the dimensions measured by these instruments. USAID contractors have made valuable contributions by developing sophisticated methodologies for dealing with the fact that countries in Africa and Latin America are under-represented by developing the TIMSS-99 equivalent scale (Steiner-Hamzi discusses the work by Crouch and Fasih (2004) in developing the approach and discussion of the method by Abu-Ghaida (2007)). Although there is consensus that problems remain—especially ones related to cultural context—in use of these indicators, it will be important to continue and build on this work. One key informant suggested that the priority now should be to encourage broader use of existing assessment tools such as EGRA

Overcoming Structural Obstacles to Quality

Even in somewhat more advanced countries' education systems there are numerous structural weaknesses in implementing initiatives oriented toward improving quality of education—due to political opposition from various interest groups, lack of management infrastructure, systemic responses from efforts to sabotage assessments of student learning. There is not much information on USAID success in overcoming inherent obstacles to quality initiatives (such as the need for effective local school management to create a climate oriented toward student learning outcomes rather than rote learning); however it appears that there has not been much success in the structural reform aspect. In contrast, it appears that some narrower initiatives—teacher training in individual countries and the regional CETT initiative, for example, have made significant contributions to instructional quality. This appears to be another case where USAID has made notable progress in addressing some necessary requirements for improving quality of basic education—but not yet been very successful in making "all the pieces come together".

USAID and its contractors have also developed strategies which can be effective in promoting high-quality workforce development but there is no evidence of similar mechanisms to assure quality instruction (perhaps due to the mistaken assumption that higher education is self-regulating).

USAID policy guidance regarding priority of investing in primary education as a central strategy in basic education lacks analytic clarity and empirical justification. There is some degree of tension about this.

The ways in which USAID policy regarding basic education is framed constrains country-level development of innovative and effective approaches to integrate basic education into broader cross-sectoral initiatives or projects. Many key informants see a need for greater emphasis on cross-sectoral programming—particularly those targeted to youth and workforce development initiatives which skillfully integrated basic skills development; sometimes focused on. Others feel that a narrower approach is safer – allowing USAID to build expert systems with consistent, systematic project strategies. The bridge toward economic development is at issue, especially with large numbers of dropouts from the education system.

The policy paper "Program Focus within Basic Education" incorrectly reports a consensus that the Agency's basic education efforts should normally focus on primary education (see King and Palmer 2006; Wedgwood 2005; EDC 2007; Behrman and Kenan 2005 for detailed discussions of multiple factors that must be taken into account in considering basic education strategic options). In addition to being technically flawed, the policy guidance is inconsistent with FAF requirements that interventions are to

conditioned by country conditions. This policy guidance is also internally inconsistent with other strategic considerations articulated in relation to USAID education policy. The proposition that primary education should be a priority also ignores researchers' observations that educational attainment is not an ideal indicator of students' having actually developed the skills targeted in basic education. Given the weak infrastructure of education systems in many developing countries it should be no surprise that nominal educational attainment does not necessarily equate to "value added" in terms of student learning or other educational outcomes.

The proposition that investment in primary education is the most effective approach to poverty reduction is not supported by the research on economic growth and poverty reduction—in part because improved primary education may not yield improved skills/workforce competencies, in part because, as the global economy evolves, secondary, vocational, technical, and tertiary education may have more to do with economic growth which, in turn, is considered to be a necessary condition for poverty reduction. The synthesis of case studies presented in "Jobs for the 21st Century" (EDC 2007) makes it clear that the specific education strategy which will be most effective in supporting economic growth and poverty reduction will need to be sensitive to country context.

While the correlation between improvements in education and economic growth is well-established, there is some evidence that a factor which affects broader social impacts is the particular "mix" of education objectives identified, specific activities toward those objectives and other contextual factors, including the observation that economic growth is not only a result of investing in education but, also, a factor in educational improvement; this observation of a "virtuous cycle" of interactions between economic growth and education, as well as USAID interests in strengthening the private sector in developing, transforming and sustaining partnership countries require consideration of other strands of investment in basic education—e.g. accelerated learning programs for out-of-school youth, workforce development programs, and investments in inputs which enhance learning (e.g. school feeding programs, de-worming campaigns).

Recent developments vis-à-vis funding innovative program initiatives to serve out-of-school youth, as well as some workforce development initiatives seem very promising and deserve attention. USAID's commitment to cross-sectoral education strategies is a strength in this regard as it should be interpreted to encourage innovation, although some key stakeholders worry about a plethora of small innovations frittering away a long term vision, so there would need to be a clear strategy, with money and staffing to support it.

A unique opportunity exists in serving out-of-school youth who are in the workforce to shape education systems to better support lifelong learning and provide learners' opportunities to develop "the necessary skills (as defined in SCANS and EFF) to succeed in the workforce, manage their family lives, and participate meaningfully in democratic institutions. A "balanced" strategy of support for basic education using a range of alternative designs (in formal schools and outside of formal schools) for delivery of educational services holds out the best hope for increasing cost-effectiveness of education as part of developing countries' strategies for economic growth.

Steiner-Hamzi argues persuasively that "second chance" education is required to address the need for lifelong learning. In part, because quality of education is compromised in the education systems of many developing countries and economic pressures draw students out of formal schooling, non-completion rates remain high. Education strategies which provide out-of-school learning opportunities—particularly for youth—have not yet been adequately supported. This is unfortunate because the returns on investment in education can only be increased by increasing overall cost-effectiveness and this, in turn, can only occur if the human capital "wastage" which occurs in formal school systems is complemented with vigorous efforts to develop multi-modal programs which go well beyond "adult literacy" or standard

vocational education where only a sub-set of core basic skills is remediated as part of employment-oriented training. In some of the more advanced countries, the focus on secondary and school to work are crucial to maintaining the pressure on reform and education development.

It also deserves note that demographic trends make youth program investments a necessary priority (Ignatowski, Eichelkraut, and Vileno 2008). Current investments in youth programming are increasing but still appear to be much lower than would be necessary to address the "demographic bulge" that concerns many strategic analysts. It should be noted that the IIP program conceptualization (*Program Sub Element 3.2.1.4 Learning for Out-of-School Youth*) is less than ideal in that it references reintegration into formal school and/or a primary or secondary school equivalent diploma—reinstating the fallacy that formal education is in some magical sense more valuable than non-formal education.

Reaffirming concepts of "basic education" as broader and deeper than standard primary education is important in that research on learning (NSF 2000) clearly shows that learners, who do indeed need to master core "foundation skills" (e.g. reading, mathematics, writing, analytic thinking) benefit from structured assistance, i.e. "education" in learning how to deploy knowledge and skills in the real world. Expanding the scope of "basic education" to encompass broader visualizations of education as the competencies relevant to various domains of life functioning (e.g. health awareness, persuasive communication, negotiating skills, understanding civic institutions and democratic principles, "high performance" private sector workplace) has promise for USAID education strategy both as a means to enrich quality of education and as an avenue for innovation—including utilization of distance-learning technology, alternative cost-effective program designs such as accelerated learning, and new approaches to leveraging community engagement in educational programs and institutions.

Several key informants—both within USAID and among the multilateral and G8 donors felt that USAID in its focus on primary education the agency had neglected secondary education. Others pointed to USAID projects in the realm of workforce development as good examples of ways to broaden understanding of "basic education". A key informant from a multi-lateral donor organization believed that USAID probably focused too much on higher education as the primary vehicle for workforce development, that these efforts needed to be supplemented with designs which could broaden instructional designs which taught skills in a functional context to build "family sustainability" skills and the skills needed for meaningful participation in civil society and democratic governance.

Our review of USAID work in the area of workforce development supported this assessment—as we saw little evidence of awareness of the extensive work done by the Secretary's Commission on the Necessary Skills, in connection with the National Institute for Literacy's "Equipped for the Future" curriculum framework, the O*Net framework and associated techniques for developing industry-specific competency models for rapid curriculum development, or the applied research literature and community college expertise in tailoring curriculum and instruction a broad range of "domains" where different mixes of competencies are required.

> **USAID education funding strategy does not always show evidence of coordination between parallel "stove piped" investments in different sectors of education (basic, secondary, vocational/workforce development, and higher education/workforce development). Projects with cross-sectoral objectives and activities are possible but not easy to develop. This is a weakness.**

The GAO 2007 study identified lack of coordination between USAID and other US government agencies, particularly the Department of Labor. Review of the disparate education initiatives within the USAID

portfolio in different countries suggests that an even more serious problem is that Missions are pressured to do "something" for higher education, and "something" for primary education, and something for higher education stakeholders—whether or not these initiatives are strategically complementary.

A first step toward overcoming this problem would be to institute requirements for Missions to develop an explicit "logic model" articulating an over-arching "theory of change" regarding the ways in which investments in different clusters of education-related activities—either programs or projects—would lead to achieving intermediate results, distinct strategic objectives, and (most importantly) what the synergies between different strands of development assistance for education might be. In principle, current requirements for over-arching Mission strategic plans and strategic plans for each sector accomplish this; in practice, this requirement appears not to accomplish this goal—since in some countries projects are "all over the map" or not logically sequenced, resulting in portfolios which are not integrated. It is clear that institutional challenges in moving forward in this endeavor are substantial in many developing countries—due in part to their adoption of 1950's style highly-bureaucratized organizational structures which have become mini-domains.

While key informants almost unanimously felt that flexibility was important and that USAID flexibility was a strength, several also stressed the need to plan projects and shape programs systematically. This was envisioned as including careful assessment of country needs, consultation and coordination with fellow donors, and painstaking work to harmonize USAID education strategy with host-country development strategy.

Strengthening USAID Missions' processes for strategic planning in education, including attention both to interactions among parallel strands of education funding as well as sequence of capacity-building activities is a pressing task—in part because increased attention to coordination among multiple donors and their developing country partners will escalate demands for coordinated strategies and require USAID participation in periodic reviews oriented toward mutual accountability. As USAID missions encourage their developing country partners to coordinate (and even collaborate!) across agency boundaries, its own organizational capacity to work across sectors will increasingly be called into question. Cross-sectoral work is controversial. While two informants thought that cross-sectoral work was impractical because of on-the-ground country politics and available funding, and actually not desired by the host countries, others saw that if education is going to be tied to economic development, cross-sectoral work would be crucial; however they recognized there often was not a structural or funding incentive to carry it out.

> **USAID's ability to partner—stemming from flexibility, in-country presence, and a commitment to results-oriented work—<u>could be strong</u>. However, in practice, USAID's ability to work with other donors and host countries as a partner in education system strengthening, policy reform, and service quality improvement was often <u>weaker than it should be</u>; actual work as a partner varied greatly from country to country.**

Key informants from multilateral organizations and other donor countries had mixed opinions about USAID's ability to partner with them in education. Most felt that USAID <u>could be a good partner</u> but that there were inherent constraints which stood in the way. There were <u>persistent impediments</u> to effective partnerships, however. These included structural issues (e.g. annual funding, short staffing, leading to short term rather than long-term focus, shifts in funding priorities, conflict between global and/or regional initiatives, differences in approaches to local in-country strategy development, and limitations on what could be shared as information). The complexity of the aid arrangements in the US was cited as an issue by external donors – who spoke for AID, the different pots of money, lack of clarity about who to go to for discussion on a technical issue; inability of Mission Education Officers to be out

there sometimes led to reliance on contractors, in place of AID – and this may not be appropriate . Sometimes it was seen as staff attitudes and defensiveness, or lack of technical expertise.

Areas where external observers (the key informants from G8 donors or multilateral organizations) felt USAID was a particularly strong partner, or had the potential to be, focused on technical issues. Focus on the 'child' was cited by both external and internal key informants. Key informants also cited infrastructure development, especially financial/fiscal where it was felt USAID had good experience and US education had a tradition of building innovative fiscal support systems for schools – Charter schools were cited, public-private partnerships in general were cited as well, with external partners indicating this was consistent with the US entrepreneurial spirit. A key informant indicated USAID had demonstrated leadership in broadening EFA-FTI's vision to begin to address issues of adult literacy and life skills, and in emphasizing girls' access to education and leveraging action towards that objective; and two listed EPDC as a useful tool for planning at the sub-national level, in particular.

Areas where some external observers felt USAID was weaker included: sharing information and expertise with others, confusion over who spoke for AID and what monies were available (since monies came from a variety of sources within the US Govt.), lack of visibility of AID leadership in favor of reliance on contractors, and a tendency to "go it alone". While some external observers considered USAID to understand well the need to engage in dialogue with other donors and country stakeholders, to go beyond identifying strategic objectives to discuss strategies to achieve them. Nonetheless, it was consistently argued by all those external to USAID and some within, that this commitment to dialogue should be strengthened and extended (e.g. to specific ways in which particular NGO's could best be used to advance toward educational objectives). A key informant from a multilateral organization stressed that individual project officer attitudes, lack of communication skills, and personality can undermine effective collaboration.

Three other issues mentioned pretty consistently by external donors were US engagement in talk vs. action, preference for projects over programs through avoidance of 'basket funding', and the confusing way in which US monies came through to aid. These are discussed below briefly.

Talk vs. action was cited as an issue by external donors related to US involvement in EFA-FTI

Several "external" key informants (from multilateral or G8 donor agencies) pointed specifically to EFA-FTI as a global initiative where USAID had not been as proactive as they believed it could have been or should be in asserting leadership. Two said they felt the US was basically absent; others disagreed. Several argued that USAID was remiss in not actually being part of the Catalytic fund - contributing funding to it, and stated that the result was that the United States was 'not at the table'; could not participate in important decisions with the core group of influential donors. They recognized that US had asked for evaluation of the EFA-FTI, and was contributing to it, but this was not enough. One informant stated, almost in summary, that they felt the need for USAID to have stronger leadership in terms of policy dialogue and sector knowledge to become more effective within EFA-FTI. They said the US might be moving in this direction in the last 5 or 6 months – certainly more so than in the last 3 years; and they appreciated the invitation to discuss 'Quality' in January 2009; and how the US had lately accommodated differing viewpoints, but they felt the US still wasn't really there, and it had potential for leadership and effectiveness that was being lost, as a result; that the US was missing key opportunities for leveraging important change, which the US could do best.

Key informants within USAID noted constraints on coordination – namely that there is little time to coordinate with donors due to administrative workload and short staffing, and sometimes limited

adequacy of preparation of staff for this; and that there were few incentives for coordination within the USAID management policy framework—in part because the focus is more on the pipeline of dollars spent than on coordination to assure those dollars are spent effectively, and because there was such strong commitment to project dollars in a context where other donors worked on programs.

The basket-funding issue

Some key informants from multilateral organizations and G8 donor countries felt that USAID policy against direct funding to host country governments was a problem, that USAID projects and programs should be better "integrated" into host country institutions. However, none addressed ways to resolve conflicts where host country priorities were mis-aligned with actual country needs or where corruption was a serious problem (and there wasn't much time in the interview context to do this). A key informant within USAID argued that the US should revisit this issue as a priority, and that flexibility in this realm would be desirable—permitting direct funding of country development in education where conditions permitted but making such decisions contingent on Missions' assessment of countries' capacity to take responsible "ownership". Another key informant within USAID made a cogent argument that it would be incorrect to assume that a host country government knows its needs, and that the best role for USAID is not simply as a partner who is willing to harmonize its planning with the host country's but as a mentor and technical assistance provider also. These comments echo a range of analyses emphasizing the need for ongoing dialogue—in planning, implementation, and in working collaboratively over time to assure that promising practices are scaled-up and that necessary systemic changes are sustainable.

Reliance on US contractors to the exclusion of others issue

All external donor representatives mentioned that the reliance on US contractors to the exclusion of others undermined multi-donor cooperation; that the procurement process led to 'the usual suspects', rather than the 'best suited'. All external donors also indicated they felt that US contractors were generally strong and technically proficient, but that it should not be limited to them.

USAID Mission staff, overall, has a reputation for being knowledgeable and engaged. This is a <u>strength</u>. However, the tendency to hire generalists, the amount of paperwork and administrative requirements unrelated to strategic effectiveness, and difficult procurement systems, are considered to be a <u>constraints</u>, and may become a weakness.

USAID staff were seen to be generally professionally well-qualified but some key informants (both USAID staff and external ones from partnering development organizations) felt that, in some cases, more specialized technical expertise was needed in addition to generalists.

Key informants generally agreed that USAID contractor staff were valuable technical resources for in-country education work but there was a broad range of opinion regarding the extent to which the technical strength of contractors was offset by confusion stemming from their being the primary points of contact with counterpart institutions, rather than USAID being that contact point.

USAID and contractor staff were seen by key informants as not simply technically competent in the field of education but as having, also, practical experience and knowledge of country realities—although continuity of staffing was considered an issue. USAID and contractor staff were seen as committed to "holistic" approaches and willing to explore innovative strategies. This was seen as a strength.

Key informants' perspectives on the issue of "generalists" vs. "specialists" varied but several pointed to areas where specialized technical expertise had been very helpful (e.g. review of program design, data systems, teacher training) and others argued that some aspects of USAID work in education, e.g. systematic planning and policy reform, needed to be understood as specialized fields. One key informant stressed that technical expertise was not synonymous with getting "University people" but technical expertise was needed, and those 'experts' should have hands-on technical experience in education, at different levels, and field experience. That without this design, monitoring, and management were undercut. One person noted that USAID might be over-extended, for example, by seeking to work at national, regional, and local levels at once; so that both technical expertise and easily available technical resources were crucial to ensuring good quality intervention. Another noted that USAID should engage in its own research related to key issues and requirements for intervention effectiveness, and how to manage it. Others said this wasn't a high priority, but that what research that was done needed to be 'actively' available – e.g. introduced into the work environment with discussion.

Staff Deployment

Widespread concern about the consequences of USAID paperwork/administrative requirements was *not* based on routine considerations of ways to decrease a heavy workload. The argument put forward by key informants was that USAID has a distinctive strategic advantage stemming from hiring and field deployment of technically knowledgeable staff and that this valuable resource should not be squandered, that staff time should be focused on systematic planning, involvement in implementation (including observation of projects' work in the field), evaluation, and planning next steps. One key informant from a G8 donor noted that "getting out to really see what is needed and what really happens" is crucial. A key informant from a multi-lateral donor noted that administrative burdens decreased USAID staff ability to work as part of a multi-donor "country team" in the field.

The issue of visibility and availability of US Mission staff was seen as related to the fact that USAID efforts are generally not integrated into Ministries and, therefore, staff not being available due to competing paperwork demands was seen as evidence of Mission isolation, fueling the perception that "USAID wants to go it alone". US staff availability to get outside their office was cited as important both for building effective partnerships with partner country officials and Ministries and for coordination with other donors. USAID staff needed to be available for informal meetings and when counterparts wanted to initiate meetings, and to attend the workshops sponsored by host country governments and other donors. US Mission staff were seen as less able to do this than other donor staff – both by those internal to USAID and external. This materially affected the ability of US staff to coordinate and partner with others.

Some USAID informants noted that the extent to which USAID staff were encouraged to work collaboratively with other donors and partner country officials varied from country to country. Informants from other donor and multi-lateral agencies concurred—nothing that some USAID project officers were very good at aligning their efforts with those of national development programs and harmonizing USAID strategy with donors while others were not. This suggests the management issue here is not really organizational culture or staffing in general but, rather, quality assurance.

Confusion about 'who to go to' and 'what can be trusted'

There was widespread ambivalence about USAID contractors – not that they weren't competent, but that they had 'something to sell, so may be tainted'. For example, one key informant from a multi-lateral donor was very positive about a leading basic education contractor involved in regional and global

initiatives but also complained about "too much reliance on US focus and ideas, lack of dialogue, and lack of country buy-in". Another key informant from a G8 donor spoke highly of their experience with USAID-sponsored teacher training—but added that it was unclear if this was attributable to USAID or to the contractor, so he or she didn't know whether to cite it as a strength. Other key informants echoed partner countries' concern about how much money within the foreign aid budget was going to private sector US companies. In general, criticism of USAID reliance on contractors was strongest from G8 donors, who wanted US procurement to get beyond the US market; and felt that the focus on US market undermined building on some effective extant efforts.

One key informant within USAID pointed to the problem that contractors typically adhere to the original scope of work whether or not the activities are questionable in terms of fitting into a rational logic model for education strategy in a country. It was argued that contractors might be more concerned with maintaining a business relationship with USAID than with doing what is needed to significantly move development forward.

USAID Strengths and Weaknesses in Topical/Thematic Areas

Interviews with key informants and review of strategic analysts' and researchers' papers identified several technical areas in which USAID was believed to be particularly strong or particularly weak. Assessment of agency and contractors' actual strength in these areas is beyond the scope of this synthesis but some perceived strengths and weaknesses deserve mention:

Building community "ownership"/involvement in schools is a strength

USAID investments in building community "ownership"/involvement in schools cited and reviewed as a strength. However, it is not always accompanied with concurrent improvements in instruction and/or school management, in part because community participation does not always give rise to thorough planning.

Two key informants (one inside and one outside USAID) stated explicitly that USAID's focus on community participation and getting broad involvement is a strength. However they also cited as potential weakness and challenge getting to the next step, planning how to transfer the promising practices to government schools or make the community schools part of the government school system. This is a consistent issue in the literature reviewed, as well.

The USAID portfolio includes a fair number of projects oriented toward development of community-based schools which, typically, include provisions for community participation. It is not clear from the existing evaluation research how well these had worked and to what extent they, in turn, impacted formal school systems' willingness to encourage participation in school governance. Some analysts argue that, in general, assessment of international development work in building community participation in schools too often looks only at the "surface", the process of building community participation, not at whether the participation has been significant and ways in which it changes school functioning and, ultimately, quality of student learning.

There are obvious barriers to USAID success in designing, managing, and assessing the success and impact of initiatives to strengthen community participation in local schools—due to the need to fully understand the many cultural and socioeconomic factors that must be addressed in making such strategies work. This suggests that a useful USAID strategic objective would be for USAID and its contractors to strengthen their capacity to partner with host country NGO's and institutions to implement and evaluate such initiatives. G8 informants indicated that use of contractors with established presence in the country,

was important; and this may (or may not) be or lead to the same thing. In either case a clear commitment and an increased emphasis on promoting increased participation by country NGO, it was widely agreed, would initiate a "virtuous cycle" since parent and village stakeholders' involvement can yield benefits in terms of contribution to school success while, concurrently, strengthening societal support for education.

Teacher Training is a strength

USAID support for teacher-training has quite often involved development of well-targeted training priorities and training designs which introduce teacher-participants to effective instructional practices. However, teacher training seldom leads to documented improvements in the classroom, as even where there is good "translation" of training into practice, quality assurance varies.

Teacher training is an area where USAID is felt by several observers to have been technically quite strong but as a paradigm case of the importance of developing a comprehensive "balanced" strategy to assure that improvements in this sub-component of education system functioning will yield significant (and lasting) impacts. One key informant gave the example of "cascade" training or "train-the-trainer" designs as an area where USAID is strong but where problems emerge in efforts to take "the next step", e.g. build school principal support for new improved instructional practices. Several key informants argued that one reason why continuity and patience is needed is that it is necessary to find a window of opportunity to move forward in scaling up promising initiatives which start out small.

Distance learning approaches have supported teachers in remote areas, and are a strength.

USAID emphasis on hardware and software development is seen by some observers as a strength, by others as a possible strength, but with a pitfall of separation from a country's overall strategy for education.

Two key informants pointed to USAID development of a radio program using local talent as a very thoughtful approach to cost-effective distance learning. However they noted that how this work is integrated into a country-wide solid strategy for supporting teacher education is often not clearly thought through.

Our review of available information on agency investments in distance learning technology suggests this is an area where USAID has comparative advantages (although utilization of distance learning technology by no means guarantees cost-effective quality learning).

Girl's education focus has been a strength, but also raised a concern.

Several internal and external key informants have cited the focus on girl's education to be a strength. However, along with this has been mentioned the importance of taking into account the dynamics of the social and education process in a country; and thinking through carefully how it would intersect with other programs in operation.

In some contexts it was cited this program was external to what a country wanted, and the process not well integrated with other education efforts, so that it appeared like a bandaid strategy. For other respondents it was seen as a very promising strategy, used in the right place with the right involvement from country level Mission and Country-based support.

Difficulty in creating national impact from projects, is a weakness.

This issue seems linked to the broader concerns about whether USAID can have a longer-term focus; how attached it is to 'boutique' projects, and that it does not understand how to 'replicate' or scale projects to a national level. It intersects with concerns about whether USAID has sufficient technical capacity to conduct sound research, design effective practices, and, at least in some instances, evaluate them meaningfully. The lack of good information-sharing – either internally or externally – exacerbates the concerns.

Key informants and literature indicate small projects and pilot projects, in particular, have difficulty in making a sustained contribution to a country's education system. The most common concerns were a) lack of a long-term strategy, and over-focus on individual projects – this led to lack of consideration for next steps related to how a set of activities could go from a boutique to national system focus, b) lack of involvement of key technical expertise in design, so that the key requirements for success, which are known, are not applied. An example was cited in teacher training, for example, where practical follow-up and coaching were truncated and therefore implementation was inconsistent and results inadequate; c) general lack of continuity in funding and Education Officer support, so a promising project under one Officer can turn into a low priority for another, d) lack of transparency in clarifying the rationale for termination of funding, lack of follow-through in moving from pilot to full roll-out, and e) 'going it alone,' or lack of integration of a project with the country overall priorities, and communication with the donor community in particular, which means that there is little support for a project once priorities have moved on.

A key informant from a partnering donor argues that in cases where USAID has focused only on a small geographic area this strategy undercuts education reform since this essentially increased inequality (e.g. between urban and rural areas, selected vs. non-selected provinces or districts. They go on to argue that "islands of excellence" usually have no spread effect. Several key informants pointed specifically to the need for USAID to gain a deeper understanding of replicating models which work in one country context in quite different circumstances.

This issue is addressed by Moulton et al (2001) who argue that "diffusion-of-innovation" is a promising strategy, but only if there are active and skillful efforts to publicize and secure support for the innovative practices or policies. In this context, key informants' emphasis on USAID building its own organizational capacity to diffuse information within the agency and to development partners and country stakeholders seems well-placed.

Workforce Development has potential for strength, but it's not yet realized.

USAID is considered to be strong in the area of workforce development but more needs to be done—particularly in refining program designs so that employment-oriented training and jobs creation components include effective means to build participants' basic "foundation" skills. The relation of workforce development programs with basic education programs has to be clarified, at least in part, to ensure focus is on development of deep skills that can be transferred across workforce sectors; and to ensure appropriate 'integration' with the basic education programs.

Several key informants, both external and internal observers, felt that USAID does good work in workforce development but that much more attention was needed in this area. While USAID is relatively strong in this area, demand for this type of support is rapidly increasing and is likely to continue to increase as the global economy continues to drive progress toward a "knowledge society".

With a FY '08 level of slightly over $62 million in workforce development funding (quite a small allocation in comparison to funding levels in basic education and higher education some argue that much more funding needs to be allocated to workforce development—in part due to demographic trends in developing countries, in part due to progress toward achieving UPC, in part due to the challenges of competing in the global economy. A key informant within USAID stressed the need for more focus on how investments in education translate into economic growth.

Some of the concerns about workforce education, internally to USAID, is that there is not enough depth to the soft skills sometimes taught in these programs; and not enough attention to the way in which workforce and basic education are related to each other. Thus they feel that the 'education' elements of some workforce programs are not sufficiently rigorous. This concern is related to the need to have a clear strategy regarding what USAID will invest in and how the activities will relate to each other – how they will form a strategy. One key informant indicated there was an overabundance of attention to activities and not enough on strategy, and small programs in Workforce education might be examples of it. The concern was how they figured into both a USAID and national strategy for development.

An excellent (unattributed) analytic paper "The Impact of Education Progress on Economic Growth, Poverty, and Fragility" addresses an often-neglected issue, namely the ways in which the formal primary and secondary schools contribute to workforce preparation, developing the skills students need to learn rapidly in the course of work experience. It is argued that better in-school attention to workforce preparation, in turn, increases employers willingness to provide on-the-job training—since workers will then learn more reliably and rapidly.

This analysis goes on to provide a good linkage between the issue of educational quality (within the formal school system) to what would otherwise be surprising discrepancies between private returns on education and macro-level impacts of increased educational attainment pointing to an analysis by Hanushek and Woesmann (2008) of criterion-referenced international tests in relation to trends in developing countries. The conclusion, quite relevant to USAID's increasing its' capacity to shape education strategy, is that what is needed are not simply more investments in programs and projects tagged as workforce development but, also, attention to the fundamental reforms needed to assure that standard formal school education provides students the competencies they need for the workforce (presumably via improved quality assurance coupled with curriculum reform to better addressed key competencies such as analytic thinking, the ability to deploy knowledge in novel circumstances, etc.—often referred to as "foundation skills"). The USAID portfolio includes examples of initiatives addressing the mis-match between traditional curricula and the skills need for emerging occupations in the most rapidly growing sectors of country economies. For example, the USAID assessment in Cambodia recommended new linkages between the Ministry of Education and community-based youth opportunity centers.

The synthesis paper, "Jobs for the 21st Century" (EDC 2007) provides a good overview on a range of crucial issues to keep in mind in planning workforce development programs (based on case studies in five countries).

An important conclusion to be drawn from this review is how crucial it is to design intervention to be responsive to multiple facets of country context, including, for example, demographics, profile of youth educational attainment, current economic conditions, and country economic growth strategy. This analysis is consistent with that of researchers who point to Vietnam, for example, as a case of very successful economic development strategy (EG Strategy Discussion Paper 3—"What are the largest future economic growth challenges, in terms of countries and people?")

A substantial proportion of workforce development programs—19%--- are targeted to out-of-school youth (although a number are also targeted to women), our review of a number of reports on recent USAID workforce development programs shows that an even higher proportion—27% in secondary education—are, indeed, focused on formal school curriculum and instruction and its relevance to workforce development needs. For example the Junior Achievement program in Kyrgyzstan was reported to have had observable impact on student knowledge and on teachers' instructional style. Another project designed basically to provide computers and Internet access to Namibian schools is an example of ways in which projects operating within the formal school system may contribute to strategic objectives in the area of workforce development. Much of the very substantial investment in workforce development in Jordan appears to be to activities within the formal school system. USAID's Workforce Development Briefing Packet (Ignatowski and Eichelkraut 2008) provides additional examples of initiatives which successfully link workforce development and basic skills development—e.g. in Indonesia, in the Phillipines.

In contrast to basic education and higher education initiatives, the workforce development portfolio includes evidence of substantial investment in the initial needs assessment required for effective design of workforce development initiatives—although it is also clear that this initial planning was not always conducted.

The portfolio of Workforce Development initiatives includes examples of innovative use of distance learning technology. For example a report on implementation "Virtual Leadership Development Program" for health managers in Peru notes that the courseware and design (which uses the internet to bring training into the workplace) has been used in 35 countries and reached 1,400 health managers—an important consideration since high-quality distance learning material has fixed development costs and widespread dissemination contributes to making such approaches cost-effective. It is reported that evaluations observed impacts on participants' subsequent work but we have not reviewed these.

It is not surprising to find that a number of the workforce development programs involve well-developed partnerships, including public-private sector ones (e.g. with Microsoft and Cisco in Jordan, with Chevron in Indonesia). USAID education and workforce development strategy in Jordan appears to be an example of a case (INJAZ) where attention to basic education and workforce development across a wide age span (from early primary to university-level education) can be quite complementary—especially when objectives are aligned with those of the host country.

Reports on workforce development initiatives in Morocco and in the West Bank and Gaza (PEIP/VTP) suggest that this sort of endeavor, especially when there is a good partnership in place, provides excellent opportunities to improve the visibility of USAID development assistance. This deserves note given the fact that some of the key informants raised concerns about USAID ability to communicate "what it's doing" and one particularly pointed criticism arguing that USAID branding strategy of "putting plaques on schools" is not an effective way to demonstrate the value of development assistance—especially in the context where there is growing emphasis on partnership.

Higher education investments may be a strength - partnerships show promise - but there is concern about how to show results.

USAID's strengths and weaknesses in the area of higher education are difficult to assess because there is not a strong results-oriented strategic framework for funding in this area. In particular, higher education projects are not consistently linked to regional or country-level strategic objectives within the areas of Investing in People or Economic Growth although many may, in fact, contribute to goals in these areas;

nor are they consistently linked with developing capacity for areas of education reform outside of higher education, although there have been a few promising projects in this area.

Universities are valuable resources for international development and the USAID higher education policy framework (ADS 216) points to a number of factors relevant to funding higher education projects. However, the role for USAID in this arena appears limited to one primarily of facilitating bilateral relationships between US and host-country institutions. While Palmer (2006) and others point to the importance of a balance between education and training, and the need for an integrated education strategy, for USAID higher education, in contrast to the area of basic education, there is very little emphasis in the policy framework on USAID coordination with multilateral donor organizations and with other donors in this arena.

USAID identified issues for higher education capacity-building

In its own overview of Higher Education project focus, 2001-2007(R. Gross, September 2008), USAID identifies four specific issues to focus capacity building activities in a country - namely

- Ability to engage in policy initiatives;
- Linkage between higher education and workforce requirements
- Access issues for candidates with merit
- Opportunities for graduates to become engaged in critical national issues

Rapid review of the higher education portfolio, however, indicates that often higher education initiatives may not necessarily be closely linked with other education reform and economic growth initiatives, and the indicators for measuring success are not necessarily clear, at a national level. Relatively small numbers of individuals are directly influenced, and the way in which this influence will translate to country-wide effectiveness for education is somewhat unclear.

Teaching Quality

USAID has supported a number of potentially promising efforts to improve quality of tertiary-level instruction in developing countries and exchange programs making it possible for students, instructors, and instructional leaders to study abroad—in the U.S. or in other countries; and activities related to curriculum development. Sometimes curriculum development has brought 30 year old curricula more up to date, or introduced new subjects, relevant to development in the country, into the field of study. Gilboy (2004), talks about the importance of targeting institution building over individual-building, so that the skills and capacity gains do not go out the door when the individual trained leaves for a better paying job (if he or she does do that); and that the most important qualities gained from individual exchange programs related to the soft skills, rather than the knowledge gained – e.g. critical thinking, attitudes, management concepts.

Equitable access to higher education

Some of USAID's efforts in relation to higher-education in developing countries are promising in that they address issues which higher-education institutions in host countries have not, themselves, addressed, for example, interventions to improve equitable access by disadvantaged groups (e.g. youth from poor families, women), and overall transparency in access requirements. Investments in building secondary education capacity and quality of instruction should, of course, also be considered taking into account their impacts in improving access to tertiary-level training and improving the success rates for university-level student to the extent they have successfully improved quality of instruction for secondary students.

Accreditation and higher education capacity

There appear a variety of activities related to improving higher education capacity through introducing accreditation. These seem interesting and potentially useful, but issues of readiness and sustainability are cited as issues relevant to assessing their contribution to overall reform and success.

Outcomes from Higher Education Investments

There appear to be some positive impacts from these investments—particularly as measured in relation to participant satisfaction, extent faculty want more networking opportunities, and appreciation of newly learned skills in critical thinking and planning.

However, participant satisfaction is likely to measure private returns (e.g. greater employability, higher earnings) rather than impact on country economic growth or capacity to respond to pressing societal challenges. There were few mentions of baseline higher education sector assessments of system needs and measurement of impact related to those needs, nor, a vision of how higher education would and should be able to contribute to either education policy development and reform in education overall, or to community-specific opportunities for economic development. The EdNet project in the Central Asian Region is an interesting example of where this weakness may have been addressed, in part (not in the community-specific opportunities, but in the overall policy realm). But, while some data were collected to try to assess whether or not the investments were effective, and the analysis was very interesting, the data largely rested on cross-sectional self-reports. There is no baseline nor any outcome data reported. Similarly, Gilboy, et al. (2004) try to point out the benefits gained from the key skills attained, but the analysis is an intriguing recommendation for the future, and not fleshed out in that report.

Community-specific-related investments in Higher Education

One issue which emanates from review of the literature and project portfolios, is that we do not see much discussion of how the investments in higher education would have a specific impact on their immediate community – the university as citizen concept. In the US there are several strategies for 'good citizenship' which are engaged in by post-secondary education institutions and their staff. These include individual consulting by faculty (sometimes pro-bono), systemic support of resources made available to the community at large (e.g. computer centers or meeting spaces), and rapid responsiveness to economic skill development needs (e.g. development of short courses to meet identified needs by a community – health workers, welding, etc.). In principle, community colleges are particularly well-placed to provide cost-effective support for developing countries in economic development. Their expertise in developing relatively short-duration courses to provide technical and professional preparation to respond to pressing workforce skills demands has been demonstrated across the US. In contrast, U.S. higher education institutions, like host-country institutions are reluctant (and slow) to modify curriculum or student assessment methods to harmonize with actual societal skills demands.
However in review of the higher education project portfolios, there seems little reliance on community colleges. We expect that one set of issues that militates against community colleges is that they are not as 'prestigious' as Universities, either to host countries or their populations. However we wonder if this apparent lack of focus on 'the role of the college in community development' represents a weakness, in the sense that the linkage between higher education and economic development is incompletely articulated. This ties into the concern expressed by various key informants inside and outside USAID, that there is not a fully articulated education strategy, and the ways in which different education sectors should relate to each other is not well spelled out.

Measurement of outcomes

There are substantial challenges and costs involved in measuring societal impacts of tertiary-level education (since this ideally would include long-term longitudinal research as well as provisions for comparison groups) and we have not seen many publications stemming from such research. Gilboy et al. (2004), reviewing progress in Africa from 1963 through 2002 notes that the evaluation of higher education should rest not on the cost, but on the value of the benefits gained on behalf of the country – a contingent evaluation approach. Based on this strategy, a results framework would need to be articulated which related development needs to benefits from individual training, translation of those benefits to community capacity, and assessment of the deployment of that capacity.

In fact, a strategic assessment by experienced researchers (Kapur and Crowley 2008) suggests that there has, to date, been inadequate applied research on the benefits which emerge from investments in higher education. The authors raise a series of crucial questions regarding the purpose(s) of higher education. They write,

> *"While higher education holds much promise for developing countries, our survey reveals that the hype of a "knowledge economy" notwithstanding we actually know very little about how even whether it works except in the most general sense….Indeed what is striking about higher education is the weakness of the analytical frameworks on even the most fundamental questions: what is the purposes of higher education? To train people for a labor force or train a labor force that is in turn trainable by employers?"*

They conclude that crucial questions remain as to how to optimize investments in higher education. Should investment be directed toward research? Or toward improved instruction. Toward which societal needs should investments be directed?

Summary

In summary, most informants focused on a consistent set of themes. These themes posed to the challenge to USAID to:

- Articulate a clear, coherent, education development strategy, with agreed upon definitions of components (and funding categories) appropriate to development needs, and contingent upon country readiness status and achievements;
- Embrace a longer term vision, both so that we can see the progress made and so that the interventions implemented result in real change for a country;
- Think through intervention design, and more consistently base it on a solid needs assessment, effective practice and sound theories of change, building on the work done to date in countries, currently being done, and country policy and practice dialogue about what should be done and how to do it;
- Undertake evaluation more consistently, in a way that has integrity and can demonstrate the value and impact of the work done, and with baseline data in order to allow comparison over time and across countries;
- Make evaluation and effective practice more visible and a part of the planning process, so that new and continuing development work, inside and outside USAID, can build on what has been learned; and
- Leverage change through applying innovative and sound strategies, building on (and with) the 'development stakeholder system' in place, and developing effective technical and administrative systems to work, cutting through as much red tape as possible to free up time and staff for focus on the key issues – implementing good systemic education improvement and reform, if needed.

The conclusions that could be drawn from most of the key informants interviewed and resources reviewed was that USAID has the flexibility, technical capability and innovative strategies to have an important and positive impact on international education development, but that it was burdened by trying to do too much too quickly in a one-off strategy, without the access to needed expertise in a timely manner. Earmarks were neither a strength nor a weakness in this. Or at least the basic education earmark was seen to be good, important, and the only way to assure funding to basic education; but DC-based initiatives tended to deform the development process, because they were external, could not be blended with what already was in place, and generally were not sustainable.

Appendix 1: Interview Process and Protocol

An interview instrument and protocol was developed jointly with USAID, and modified based on feedback from USAID personnel who were able to provide it within the time frame. An e-mail invite also was drafted and approved by USAID, and a list of relevant interview 'targets' was developed with them. Because the time period was constrained – 2 weeks over the holiday period – the number of targets was restricted.

33 Interview 'targets' were identified as feasible

As soon as the interview respondent list was approved by USAID, the e-mails were initiated. The interview process was begun with an invite issued by the interviewer, and then, either a) if no response had been received, followed up by a second e-mail strengthening the request for their involvement; or b) if a response of some kind had been received, followed up with a specific e-mail to set up an appointment if possible. A sample initial invite is provided below:

SAMPLE E-MAIL INVITE

From: Jo Ann Intili, **Sent:** Sun 12/15/2008 12:02 PM, **To:**
Subject: Your Assistance is Requested in Identifying Strengths and Weaknesses of USAID

Hi <name of person>,

Aguirre Division, JBS International has been asked by USAID to provide them with feedback regarding the strengths and weaknesses of USAID work as it relates to developing education systems. A variety of activities, including portfolio and document review will be undertaken to inform this feedback. But, they also would like us to do a preliminary inquiry on this issue with a small group of knowledgeable and thoughtful professionals, in order to help develop a consensus regarding next steps in strategic direction. This is what brings me to you.

You have been recommended as someone whom it would be good to talk with about your perspectives and experiences with USAID development work in education, and its outcomes. Of course there is a very short window in which this can be done; and I know this is generally a bad time of the year to get anyone's attention, but I wonder if it would be possible to have a chance to talk with you for about 30 minutes on this topic. **I've included an interview agenda which also provides a little context for the interview.** ***Note*** you don't have to do anything with this before the call, it's just for your information – it's what I'd like to talk with you about in the call.

If it is possible, I would greatly appreciate the opportunity to talk with you. Would it be possible at all to **talk next week -** sometime between Monday 15Dec through Friday 19Dec; or sometime before the 31stDec**?** If it is possible, and you can let me your direct phone line and let me know when would be a possible time to call, I can arrange it. It would be either with me, Ed Kissam, or possibly another Aguirre Senior Staff member with whom you would be talking.

Thanks so much for your consideration, and apologies for the last minute notice.

Best regards,
Jo Ann
****
Jo Ann K. Intili, Ph. D.
Project Manager, Aguirre Division, JBS International Inc.
US Phone 650 533 1174

Education Strategy 6 – Strengths and Weaknesses of USAID Work in Education

USAID has initiated a major exercise to review and update the sector strategy and operational guidelines for Education during the next several months. With the consent of the Education Sector Council (ESC), the regional and EGAT bureaus have formed a Strategy Planning Committee (SPC) to design and manage a transparent planning process.

Scope of the New Strategy

The new strategy will address trends, issues, and opportunities in three sub-sectors -- **basic education**, **higher education**, and **workforce development**, as well as the conceptual and programmatic linkages among these sub-sectors. It also will provide an overview of USAID education assistance and discuss the intersection with other development sectors, in concert with critical crosscutting concerns, such as gender, youth, conflict/fragile states, and Human and Institutional Capacity Development (HICD)).

Strategy Formulation Process

In designing the strategy process, the SPC has focused on the need to base conclusions on evidence and varying country circumstances. The process involves four phases:
(1) research and technical discussions; (2) sub-sector strategy development; (3) education sector strategy development; and (4) publication and dissemination.

Under the first phase, the SPC and the sub-sector subcommittees have developed a set of research questions. Short, evidence-based papers will be written in response to each question. These papers will be used to facilitate virtual discussions with USAID's internal and external stakeholders. One research question is: What strengths and weaknesses does the Agency (unique mission) have as it relates to developing education systems and in relation to other USG agencies and with other donors? In order to answer this question, the SPC has decided to draw upon program experiences and reporting, as well as policy and guideline review, and interviews with a small group of professional staff in USAID and other donor agencies to serve as key informants in addressing the question on USAID's strengths and weaknesses.

Ed Strategy 6 - Interview Agenda:

Preamble

USAID has initiated a major review and update of their sector strategy and operational guidelines for Education. There are a variety of activities related to this review (e.g. policy and guideline review, review of project portfolios, reports, and evaluations), and one addresses what experts in the field perceive as the strengths and weaknesses for the Agency as it relates to developing education systems and in relation to other USG agencies and with other donors.

This is what brings me to you. In order to help answer this question, as part of the preliminary inquiry regarding strengths and weaknesses, USAID would like to hear what a small group of professional staff in USAID and other donor agencies consider the key issues. So I appreciate the time you can take with me on this. There are 5 specific questions, and then a general one asking for additional thoughts you might have.

Specific Interview Questions

Respondent Name: _____
Agency: _____
Date Interviewed: _____
Person who Interviewed: Ed Kissam/ Jo Ann Intili

Note: We will not be sharing the names of the respondents in connection with their responses. The information collected will be aggregated and a profile of the respondents overall, by years in foreign service and experience with different geographic sectors. So, first, a few questions about your
Foreign Service Experience

About your Foreign Service Experience

1 How many years, if at all, have you worked with USAID/ USG/ this donor agency? (*e.g.,* contractor, etc.)

2. How many years have you worked as a Foreign Service Officer

- at USAID (if relevant)
- Outside USAID?

3. How many, and which, regions have you worked in?
4. Which areas of Education Development have you worked in: e.g. Basic Higher Workforce, …

Definitions relevant to the first 2 questions, in particular:

Institutional: The general ways that USAID administers development programs due to operational rules (*e.g.*, procurement requirements, projects versus direct budget support), operational processes (*e.g.*, USAID working with US-based and local contractors to implement projects), and organizational structure in relation to other USG agencies (such as US State Department).

Technical Areas: The education content of USAID's programming in the education sector.
Interview Agenda
Now about the strengths and weaknesses…

5. **What are USAID's *Institutional* and *Technical* strengths and expertise in doing development?** Please provide specific examples, indicating areas where more or less strong (by country); and what might accounts for variation

   Probe - Specifically in
   (a) Technical issue areas – e.g. re: Policy Reform, Technical training, Direct services, dealing with out of school youth, community engagement, Input – e.g. materials development,
   in
   - Basic education - Partnership, Integration/Linkages with other sectors (e.g. Higher Ed), Training, Input (materials etc.),
   - Higher education – Partnership, Institution-building, Linkages with Private Sector

- Workforce development – (linkage with) private sector, youth programming, labor market, training

(b) Institutional issue areas – re: Strategy – e.g. clear guidance; Funding mechanisms; Monitoring and Evaluation policies/practice, other

6. What are USAID's *Institutional* and *Technical* areas of <u>weakness</u> in doing development?

Again, please provide specific examples, indicating areas where more or less strong (by country); and what might accounts for variation

Probe - Specifically in

6(a) Technical issue areas – e.g. re: Policy Reform, Technical training, Direct services, dealing with out of school youth, community engagement, Input – e.g. materials development, in

- Basic education - Partnership, Integration/Linkages with other sectors (e.g. Higher Ed), Training, Input (materials etc.),
- Higher education – Partnership, Institution-building, Linkages with Private Sector
- Workforce development – (linkage with) private sector, youth programming, labor market, training

6(b) Institutional issue areas – re: Strategy – e.g. clear guidance; Funding mechanisms; Monitoring and Evaluation policies/practice, other

7. FOR USAID/USG ONLY –
Do the earmarks for basic education programs, or the program focus for higher education factor in as a strength or weakness in some way?

8. What do you see as unmet needs that USAID should be addressing, but currently is not – overall, and specifically with regard to

(a) Basic education
(b) Higher education
(c) Workforce development

Provide examples of how these weaknesses are shown.

9. What priorities for USAID programming do you think should be adopted?

10. Re Evaluations or Reports to Consider

<u>FOR USAID/USG</u> - Because many evaluations are not located in the Development Experience Clearinghouse, do you know of evaluations on education programming that have been done and would be worthwhile in obtaining in our analysis of USAID's strengths and weaknesses in education programming? Who can we contact to obtain these evaluations?

<u>FOR Non USAID/USG</u> – Are there specific evaluations or reports that have been done, outside USAID, that you think we should consider when assessing USAID strengths and weaknesses or new direction for USAID?

11. Are there any other thoughts you would like to share that may be useful in helping USAID develop its new Education Strategy?

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Linkages Paper #5: International Agreements on International Developments and Foreign Aid

This paper will summarize the key international agreements that have helped define the framework of international development and foreign aid. These accords present an over-arching agenda for international development involving many stakeholders, including multilateral organizations. Over the last twenty years, strides have been made to direct the focus of the development community on some universal issues. For the purposes of analysis, this paper will concentrate on the education aspect of international development. Although the Education for All (EFA) pact is arguably the most important arrangement related to education, many other significant agreements address education as a cross-cutting issue in the context of poverty reduction and other global issues.

Education for All (EFA) and Millennium Development Goals (MDGSs)

Education for All (EFA) is a global, multi-actor effort with the goal of providing universal basic education for all children, youth and adults, and to massively reduce illiteracy. Since its inception at the World Conference on Education for All in 1990, over 150 countries have pledged their support toward the goal of universal education. The effort is led by UNESCO and involves many additional multi-lateral stakeholders including UNDP, UNFPA, UNICEF and the World Bank. At the World Education Forum in 2000, stakeholders reconfirmed their commitment to meeting the target of attaining Education for All by the year 2015. The following explicit EFA goals were established to provide measures of success:

Goal 1: Expand early childhood care and education
Goal 2: Provide free and compulsory primary education for all
Goal 3: Promote learning and life skills for young people and adults
Goal 4: Increase adult literacy by 50 per cent
Goal 5: Achieve gender parity by 2005, gender equality by 2015
Goal 6: Improve the quality of education[369]

At the 2000 World Education Forum, the EFA Assessment revealed that despite many countries making progress toward achieving EFA goals, more than 113 million children still did not have access to primary education, and more than 880 million adults remain illiterate. Furthermore, the Assessment reported on the poor quality of education in addition to widespread gender discrimination found in many nations around the world. The World Education Forum declared education a "fundamental human right" and "key to sustainable development and peace and stability within and among countries."[370] The EFA commitment to universal basic education was further strengthened when the United Nations adopted the Millennium Development Goals (MDGs) at the 2000 UN Millennium Summit. At this summit, world leaders presented the United Nations Millennium Declaration, from which the Millennium Development Goals were derived. These goals "respond to the development world's main development challenges," two of which directly parallel the objectives of EFA to achieve universal primary education and promote gender equality.[371] 189 countries and some of the world's leading development institutions agreed on the following eight MDGs:

[369] The six EFA goals as cited on UNESCO's website, accessed on January 9, 2009 from http://portal.unesco.org/education/en/ev.php-URL_ID=53844&URL_DO=DO_TOPIC&URL_SECTION=201.html
[370] Education for All. *Dakar Framework Action.* Accessed on January 9, 2009 from http://www.unesco.org/education/efa/ed_for_all/dakfram_eng.shtml
[371] United Nations Development Programme. *Millennium Development Goals.* Accessed January 9, 2009 from http://www.undp.org/mdg/basics.shtml

Goal 1: Eradicate extreme poverty and hunger
Goal 2: Achieve universal primary education
Goal 3: Promote gender equality and empower women
Goal 4: Reduce child mortality
Goal 5: Improve maternal health
Goal 6: Combat HIV/AIDS, malaria and other diseases
Goal 7: Ensure environmental sustainability
Goal 8: Develop a global partnership for development[372]

The MDGs synthesize many of the most important development commitments made at various international conferences and summits, and help define the responsibilities of both developing and developed countries, as well as the international development community. The EFA and MDGs goals are closely related and endorse each other's targets as some of the driving forces of international development. Both EFA and MDGs set 2015 as target year to fulfill their respective goals.

The Monterrey Consensus and Doha Declaration on Financing for Development

The EFA and MDGs remained central pledges in the development community. In 2002, in an effort to work towards reaching these goals, the UN focused its attention on the financial aspects of international development at the UN International Conference on Financing for Development, held in Monterrey, Mexico. In addition to over 50 heads of states and 200 Ministers of Finance and Foreign Affairs, heads of the UN, IMF, WB, and WTO participated in the conference and the creation of the Monterrey Consensus. The purpose of the Monterrey event was to examine established development goals of the past decade (including the MDGs) and consider their financial implications, and develop a strategy for mobilizing the necessary financial resources to meet the 2015 targets. The Monterrey Consensus was engineered primarily to mobilize and optimize financial resources and to establish a partnership where all sides share the responsibility of providing financial support, and create a global partnership for reaching the MDG goals.[373] The Consensus demanded new partnerships between developed and developing countries committing to sound policies; good governance at all levels and the rule of law; mobilizing domestic resources; attracting international investment; promoting international trade as an engine for development; increasing international financial and technical cooperation for development; sustainable debt financing and external debt relief; and enhancing the coherence and consistency of the international monetary, financial and trading systems. Since its creation, the Monterrey Consensus has served as an example of a new level international fiscal cooperation, embracing six areas of action for increasing development funds[374]:

Mobilizing domestic financial resources for development

[372] Millennium Project. *MDGs Targets and Indicators*. Accessed January 9, 2009 from http://www.unmillenniumproject.org/goals/gti.htm
[373] The World Bank. *International Community Adopts Monterrey Consensus.* Accessed on January 9, 2009 from http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20041878~menuPK:34457~pagePK:34370~piPK:34424~theSitePK:4607,00.html
[374] The United Nations. *Monterrey Consensus of the International Conference on Financing for Development, The final text of agreements and commitments adopted at the International Conference on Financing for Development*. Accessed on January 9, 2009 from http://www.un.org/esa/ffd/monterrey/MonterreyConsensus.pdf

A critical factor for achieving a sustainable domestic environment is mobilizing domestic resources and enabling a positive domestic environment. This would entail a sound macroeconomic framework, prudent fiscal and monetary policies, a sound banking sector and capital markets, effective micro-financing schemes, a market economy and strong private sector, good governance and effective public sector, fighting corruption, adequate social services and social safety nets. Efforts to create such an environment would prevent capital flight and increase productivity.

Mobilizing international resources for development: foreign direct investment and other private investment

Private international capital flows, particularly foreign direct investment (FDI), enhance employment and economic growth and are thus key components of international development efforts. A central challenge, therefore, is to create the necessary domestic and international conditions to facilitate FDI flows. In addition to countries' efforts to improve the investment climate, multilateral financial institutions and donors should provide assistance regarding risk assessment, debt management, currency and liquidity risk, and financial regulations and oversight.

International Trade as an engine for development

Committing to trade liberalization as an instrument for economic growth would help serve as a vehicle to stimulate development worldwide. Therefore, The Consensus strongly advocates the implementation of the WTOs Doha commitments to address the trade needs of the smallest, marginalized economies. Multilateral and bilateral development institutions are strongly encouraged to lift import barriers for developing countries, as well as to insure those countries' commodity exports against risks, particularly natural disasters.

Increasing international financial and technical cooperation for development

Official Development Assistance (ODA) is recognized as the largest source of external financing for many of the least developed countries and as such, is critical for achieving the MDGs and other internationally agreed upon development targets. In that context, the Monterrey Consensus makes a very concrete recommendation, urging developed countries to commit to 0.7 percent of GNP as ODA to developing countries, and 0.15 to 0.20 per cent of GNP to least developed countries. Partnerships between recipient and donor countries are recognized as vital to ensuring ODA effectiveness. Similar to the Paris Declaration, the Consensus makes specific recommendations on a country's capacity development and ownership of development strategies, as well as donor harmonization as preconditions to increases in aid.

External debt

Sustainable debt financing is vital for mobilizing resources of public and private investment. International bodies should provide technical assistance for external debt monitoring and management. External debt relief can help liberate resources that can then be directed towards activities consistent with attaining sustainable growth and development. Continued efforts are needed to reduce the debt burden of heavily indebted poor countries to sustainable levels, where the burden of debt should be shared by both the public and private sectors. However, donor countries are encouraged to ensure that resources provided for debt relief do not detract from ODA resources intended to be available for developing countries.

Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

This set of recommendations highlight important international efforts to increase consistency and coherence of the international monetary, financial, and trading systems. Therefore, the importance of continued improvement to global economic governance and the UN's lead in promoting development is invaluable. Efforts should be strengthened at national levels to improve internal coordination with various ministries and organizations. Furthermore, international organizations should also encourage coordination and cooperation to help meet the MDGs and sustainable economic growth.

If the aforementioned financial conditions are met, higher rates of success would be expected in reaching the Education For All and Millennium Development Goals.

In 2008, a follow-up conference on the implementation of the Monterrey Consensus was held in Doha, Qatar. The Doha summit culminated in the adoption of the Doha Declaration on Financing for Development. This document reviewed the implementation plans of the Monterrey Consensus and reaffirmed the pledge to increase aid flow as promised in Monterrey, and measured progress in the six actions as defined by the Monterrey Consensus. More importantly, the Doha Declaration adapts the Monterrey Consensus to the current global challenges, such as the global financial crisis, increased food insecurity, volatile energy and commodity prices, climate change, and the lack of progress in the multilateral trade negotiations.[375]

United Nations Decade of Education for Sustainable Development (DESD) and United Nations Literacy Decade (UNLD)

Following in the footsteps of the EFA goals, The United Nations General Assembly recognized the inadequate education efforts in many countries, leading to the General Assembly's adoption of a resolution in 2002 which set in place the Decade of Education for Sustainable Development (2005 to 2014). This movement was founded based on the core value of respect, and the importance in valuing the future. Lead by UNESCO, the DESD broke with traditional education values and brought new ideas to the field by promoting interdisciplinary and holistic learning, values-based learning, critical thinking instead of memorization, multi-method approaches, participatory decision-making, and recognizing the importance locally relevant information. The goal was to change the approach to education to integrate the principles, values, and practices of sustainable development. The new goal of aligning education with sustainable development was meant to "encourage Governments to consider the inclusion[…] of measures to implement the Decade in their respective education systems[…] and national development plans" (United Nations General Assembly resolution 59/237). The DESD goals were specifically to[376]:

- Facilitate networking and collaboration among stakeholders in education for sustainable development;
- Foster greater quality of teaching and learning of environmental topics;

[375] The United Nations. *"Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus."* Accessed 1/9/09 from http://www.un.org/esa/ffd/doha/
[376] UNESCO. *UN Decade of Education for Sustainable Development (2005-2014).* Accessed on January 9, 2009 from http://portal.unesco.org/education/en/ev.php-URL_ID=23279&URL_DO=DO_TOPIC&URL_SECTION=201.html

- Support countries in achieving their Millennium Development Goals through Education for Sustainable Development efforts; and
- Provide countries with new opportunities and tools to reform education.

In 2003 the UN General Assembly launched another initiative, the Literacy Decade (2003-2012) declaring its mission "Literacy as Freedom" to mobilize resources and address the learning needs of illiterate people around the world. UNESCO was again nominated to lead this effort to promote literacy as a vehicle towards "peace, respect and exchange in a globalizing world." Building on the earlier EFA goals, the International Plan of Action for the Literacy Decade laid the groundwork for this effort and proposed six areas of action to implement literacy for all:

1. Policy changes to allow for local participation;
   (The belief that literacy promotion should be linked to strategies of poverty reduction and programs in agriculture, health, HIV/AIDS prevention, conflict resolution and other social concerns)
2. Development of flexible programs;
3. Capacity building for literacy workers;
4. Research;
   (Recognizing that new policies for achieving literacy are most effective when based on the results of empirical research)
5. Community participation and ownership; and
6. Monitoring and evaluation to measure progress in various regions.

The UN Literacy Decade plan stipulated that governments, local community-based organizations, NGOs and civil society must partner to provide channels for collective action. At the international level, UNESCO coordinates bringing partners together for joint action and policy debate. Under the banner Literacy for All, the UN Literacy Decade has served as an integral part of the global effort toward a level of universal education and the EFA goals.[377]

Paris Declaration on Aid Effectiveness

In an effort to reform the delivery and management of aid in order to strengthen its impact and effectiveness, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) organized the High-Level Forum (HLF2) in Paris in 2005.[378] With the goal of streamlining how and to whom aid is delivered, as well as how donor and aid-recipient countries relate to one another, the Paris Declaration on Aid Effectiveness was endorsed by the heads of developed and developing countries, as well as multilateral and bilateral donors. This declaration was the product of the HLF2 meeting, and was established to serve as a binding framework to guide aid monitoring and donor harmonization. While the EFA and MDGs set the goals and actions required for international development in the education sector, the Paris Declaration established indicators and monitoring standards to measure achievement of these goals. The Paris Declaration created a realistic plan of action including the use of indicators to track progress at the national level, with international oversight. It included sections to deal with the issues of ownership of partner countries, alignment of donors with national development strategies, donor harmonization and transparency, and mutual accountability. The Paris Declaration reaffirmed the commitments made during other international

[377] UNESCO. *United Nations Literacy Decade (2003 - 2012).* Accessed January 9, 2009 from http://portal.unesco.org/education/en/ev.php-URL_ID=53811&URL_DO=DO_TOPIC&URL_SECTION=201.html
[378] Association for Women's Rights in Development. *Primers on Aid Effectiveness.* Accessed January 9, 2009 from http://www.awid.org/eng/Issues-and-Analysis/Library/Primers-on-Aid-Effectiveness

development forums to reducing poverty and inequality, improving capacity building, and accelerating the achievement of the Millennium Development Goals (MDGs). Participants agreed to 56 Partnership Commitments and 12 Indicators of Progress.[379]

The Paris Declaration identified the importance of transparency and accountability in the field of international development. "At the international level, the Paris Declaration constitutes a mechanism which donors and recipients of aid are held mutually accountable to each other and compliance in meeting the commitments will be publicly monitored." One criticism of the Paris Declaration has been that accountability requirements have been seen as more difficult for developing countries to meet than donor countries. Nonetheless, The Declaration has proved that aid is more efficient when partner countries exercise strong and effective leadership over their development policies and strategies, while at the same time acknowledging the importance of partner country's leadership. The emphasis is on capacity development within partner countries, who are encouraged to establish their own targets and action plans for improved aid effectiveness. Donors, on the other hand, are assigned a supportive role through cooperation and leveraging financial resources and expertise in support of country-defined national development strategies.[380]

The Paris Declaration also addressed the issues of ownership and alignment. It insists that partner countries exercise effective leadership over their development policies, as well as the development and implementation of their national development strategies.[381] Donors, on the other hand, are advised to commit to accepting partner country leadership and to strengthen their capacity to exercise it. An established target demands that at least 75 percent of partner countries have operational development strategies by 2010. Furthermore, principles of alignment stipulate that donors align their analytic and financial support with partner countries' capacity development objectives and national development strategies; make effective use of existing country capacities; and harmonize donor support accordingly. The target requires that a minimum of 50 percent of aid be implemented through coordinated programs consistent with national development strategies. This encourages both sides to adopt a results- driven, joint management and decision making approach to aid implementation. Capacity development is the responsibility of partner countries, with donors playing a supporting role. Recipient countries' existing capacities should be used to the maximum extent possible. Where that is not feasible, donors should provide additional support and expertise that strengthen, rather than undermine countries' capacities. To determine the feasibility of countries' systems or the need of reforms, partners, with donors' support, should provide accountable, reliable, transparent and results-oriented reporting and assessment frameworks, and carry out diagnostic reviews and performance assessments against key indicators of the national development strategies.

The Declaration also suggests harmonizing donor policies and minimizing duplicative efforts in the field in order to simplify procedures, create effective divisions of labor, offer incentives for collaborative behavior, deliver effective aid in fragile states, and promote a harmonized approach to environmental assessments.[382] Harmonization should focus on program-based modalities and priorities such as upstream analysis, joint assessments and strategies, coordination of political engagement; as well as practical

[379] Organization for Economic Cooperation and Development. *Procedure for Additional Endorsement of the Paris Declaration on Aid Effectiveness.* Access on January 9, 2009 from http://www.oecd.org/dataoecd/57/30/36083092.pdf

[380] Organization for Economic Cooperation and Development. *The Paris Declaration.* Accessed on January 9, 2009 from http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html

[381] The term "national development strategies" includes poverty reduction and similar overarching strategies as well as sector and thematic strategies.

[382] Harmonization is especially crucial in fragile states where there is an absence of strong government and leadership.

initiatives such as the establishment of joint donor offices. The declaration suggests that, whenever feasible, donors implement common arrangements at the country level for planning, funding, monitoring, evaluating and reporting on donor activities and aid flows. Excessive fragmentation of aid at global, country or sector level impairs aid effectiveness. Harmonization efforts are noted as especially important regarding cross-cutting themes such as gender equality, HIV/AIDS, and the environment.[383]

Accra Agenda for Action (AAA)

Following the Second High-Level Forum (HLF2) in Paris, the government of Ghana hosted a Third High Level Forum. For the HLR3, the government of Ghana invited all nations that participated in the Paris Declaration in addition to low, middle, and high income countries that have in some way received or given aid through the declaration to participate in the Accra Agenda for Action. Endorsed in September 2008, the Accra Agenda acknowledged progress made on the Paris commitments, renewed the obligation to reaching those commitments still unmet, and pledged to continue assessments and implementation. The Agenda addressed shortcomings and weaknesses, and pledged to accelerate the implementation of the Paris Declaration in order to meet the 2010 goals for more effective aid. The following three areas were identified as major challenges requiring increased effort:[384]

Strengthening Country Ownership

Referring back to the first two priorities of the Paris Declaration (ownership and capacity building), the issue of ownership is crucial for the success and sustainability of countries. The AAA acknowledges that governments must be able to manage and implement their own policies. In addition to the Paris requirement to provide 66 percent of aid through program-based approaches, the Accra Agenda also aims to channel 50 percent or more of government-to-government assistance through country fiduciary systems, including increasing the percentage of assistance provided through program based approaches.

Building more effective and inclusive partnerships

The second priority highlighted in the Paris Declaration (donor harmonization and coordination) has been further complicated by a marked increase in the number of donors over the last several years. Involving more actors under the previous partnership framework has complicated management and created coordination challenges. AAA states that greater cooperation and inclusive partnerships are necessary to combat such great development issues such as poverty.

Achieving and accounting for development results

Accountability was a central component of the Paris Declaration. The Accra Agenda pledges to further increase transparency and accountability by stronger parliamentary scrutiny and citizen engagement,

[383] OECD (2005). *Paris Declaration on Aid Effectiveness.* Accessed January 8, 2009 from http://www.oecd.org/dataoecd/11/41/34428351.pdf

[384] Third High Level Forum on Aid Effectiveness (2008). *Accra Agenda for Action.* Accessed January 8, 2009 from *http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf*

mutual assessment reviews, aligning donors' monitoring systems and demonstrating how aid is translated into impact.

The Accra Agenda for Action reiterated the Paris commitments to monitoring and accountability, and called for their acceleration to be accomplished by the year 2010. The Agenda also stated the importance of monitoring and evaluation in an effort to assess aid effectiveness and meeting established goals.

The Cumulative Effect

The eight accords mentioned in this paper are illustrative of the advancements in international development over the last two of decades. Each of the aforementioned agreements brought the development field a step closer to providing effective, efficient, and accountable aid. Discussed in chronological order, each agreement built on those that came before, reaffirming previous commitments and striving for better ways of achieving education and broader development goals. Some addressed content and context of education, others focused on the financial requirements necessary to make development possible, but each played their own role in the evolution of international development. Though the Education for All and Millennium Development Goals laid the groundwork for the accords that followed, each of these pacts have brought important factors such as accountability and monitoring and evaluation to light and therefore helped the development community come a step closer to achieving the ultimate goal of improving the quality and access to education for all citizens around the world.

Linkages Paper #6: What is the Relevance of Education to Other US Government Foreign Assistance Objectives?

Overview

Investments in education have long been linked both directly and indirectly to achievement of economic, social and political development goals. Given the increasing pressure on the donor community to lend financial support for education development initiatives (i.e. achievement of the UN's Millennium Development Goals), it is worthwhile to explore how US investment in education not only meets a pressing global need, but fits into successful achievement of other stated foreign aid objectives.

The State Department/USAID Strategic Plan 2008: Fiscal Years 2007-2012 designates five strategic objectives to be achieved through foreign assistance programs: Peace and Security, Democratic Governance, Investing in People, Economic Growth and Humanitarian Assistance. Program areas falling within each of these objectives are noted in Annex 1.This paper briefly outlines the relevance of education (i.e. primary education, higher education, and workforce development initiatives) to achievement of each of these strategic goals.

Objective #1: Achieving Peace and Security

Education's contribution to peace and security warrants particular attention in the wake of US concerns about distribution of foreign aid to 'fragile states'. In 2002, the President's National Security Strategy explicitly stated that moving forward, development, in conjunction with defense and diplomacy, would serve as a key pillar of American foreign policy. By 2005, USAID's Fragile States Strategy identified such vulnerable countries as serious, ongoing threats to national security and global stability and called for targeted programs addressing the symptoms and sources of fragility. Defining fragility has been a matter of contention, however most sources acknowledge that fragile states face common development challenges such as ongoing violent conflict or social tensions, weak governance, persistent humanitarian crises and limited institutional capacity to administer government programs and foster growth. 2008's Foreign Assistance Framework helped to delineate the parameters of US aid in different circumstances by removing the fragile states umbrella and categorizing countries as rebuilding, developing, transforming, restrictive and sustaining partnership countries.

According to UNESCO's *Education For All 2008 Global Monitoring Report*, fragile states have emerged as a key priority in the EFA agenda as well. UNICEF estimates that one in four children, approximately 540 million worldwide, live in dangerous, unstable conditions (BEC, 2003). The thirty five countries identified as fragile states by the OECD were home to 37% of the world's out of school children in 2005 (UNESCO, 2007). Chronic conflict destroys infrastructure essential to functioning education systems and creates an unsafe environment for children and teachers as schools become targets or are transformed into military bases. Studies indicate that although education can act as a catalyst for stability, it faces a broad set of challenges, among them inability of states to continue funding education, teacher shortages, and the abduction, torture and murder of educators (O'Malley, 2007). The depth and nature of fragility varies from country to country, and so caution must be exercised in designing context-appropriate programs.

A growing body of literature suggests that while weakened education systems can be both symptoms and sources of fragility, increased investment in education can act as a catalyst for stability. The primary argument for education's relevance is that it encourages social stability, nation-building and democratic engagement (BEC, 2005). Social tolerance fostered through education has been tied to achievement of counterterrorism goals, and prevention of violence and armed conflict. Evidence suggests education often acts as a peace dividend. Not only do many communities see provision of education as a path to peace,

but rapid investment in post-conflict education systems act as an incentive to maintain peace (Barakat, 2008). Additionally, peace and conflict resolution education programs have had some success using education as a tool for reconciliation and changing destructive group norms (Barakat, 2008).

Finally, although armed conflict worldwide is on the decline, an estimated 250,000-300,000 children continue to be exploited as child soldiers. Education plays a vital role in rehabilitating and reintegrating child soldiers into society, allowing them to become productive members of their communities. Education can provide demobilized child soldiers with valuable skills and alternatives to engaging in violent conflict (BEC, 2005).

Objective #2: Governing Justly and Democratically

While there is a limited amount of empirical evidence illustrating direct causality, there is a significant amount of data to suggest that education indirectly promotes civic engagement, greater social cohesion, social stability and good governance (Boissiere, 2004). Education's relevance to democracy-building and civil society strengthening is twofold. First, education fosters an environment necessary for democracy to take hold. Studies show that a strong correlation exists between higher levels of education, political stability, and strength of democratic rights (UNESCO, 2007). Additionally, cross-national studies have demonstrated that public perceptions of and support for democracy are strongly related to years of formal schooling at the primary and secondary level (Evans, 2007). Primary education provides citizens with literacy skills essential for participation in a democracy, and the confidence necessary to claim their political rights. An educated public is far more likely to demand respect for the rule of law, transparency in government and elimination of corruption.

Indirectly, education is responsible for reductions in poverty and inequality. Higher incomes are proven to yield a greater degree of democracy and more effective institutions, and investment in education is proven to yield higher incomes. In transitioning states perhaps the most important factor influencing democratic survival is economic growth, which is directly influenced by educational achievement (Cain, 2006.) In essence, investment in education operates as a key component of a virtuous circle promoting economic growth and sound governance.

Education also acts as a means of building community dialogue and civic engagement. Primary education not only provides a means of efficiently disseminating information regarding the rights of citizens and principles of good governance, but schools themselves serve as localized centers through which community organizing can take place and social capital is built (AED).

Objective #3: Promoting Economic Growth and Prosperity

The economic rationale for investment in education is among the most vigorously defended and broadly studied, providing us with an abundance of theoretical and empirical literature addressing returns to human capital investments. The underlying presumption of this rationale is that investment in training and education of a country's labor force increases productivity and yields both individual and social benefits. Empirical evidence from a number of country studies has illustrated the strong relevance of educational access and quality to economic growth (Bloom, Boissiere, Flabbi. Hanushek,etc).

Debate continues however, over how resources for education might best be distributed in order to have the maximum impact: first, over which levels of education yield the greatest social rate of return, second, over whether educational access or quality of knowledge gained by students are more important factors to economic growth, and third, to what extent investment in specific, traditionally underserved populations (i.e. primary school-aged girls) yields economic returns.

Early conventional wisdom in education and development focused on access to education yielding the greatest economic returns, with enrolment, promotion and graduation rates being the most important indicators of progress. More recently there has been a shift in the discussion away from access to education and towards quality of education, as measured by cognitive skills and standardized testing (Hanushek and Kimko, 2000). Recent studies have also argued that investment in education at all levels, a shift away from the focus solely on basic education and toward a more holistic approach is emerging. Basic education provides the foundation on which employment opportunity is built and literacy remains a key indicator of economic growth. It is estimated that no country has achieved rapid economic growth without investing in education and reaching an adult literacy rate of at least 40% (CGD, 2004). No country has reached sustained economic growth without attaining near universal basic education, and countries which improve literacy rates by 20-30% show gross domestic product increases of 8-16% (BEC, 2004). Higher education, particularly in the emergence of a global knowledge economy is proving to be a powerful engine for prosperity as well (Bloom, 2006, Kapur, 2008). A holistic strategy for achieving economic growth through education would allow for investments in primary, secondary and work force development, extend access to a broad audience, and encourage depth of learning over mere attendance.

One area in which perhaps the greatest opportunity for advancement exists is in education of girls. Dollar & Gotti's work for the World Bank indicates that investments in girls' education continue to result in high rates of return both economically and socially. A recent cross-country study based on UNESCO education statistics and World Bank economic data estimated that the failure of 65 transitional, low and middle income countries to educate girls to the same standard as boys cost them 92 billion every year, a stunning loss (Plan, 2008).

Objective #4: Investing in People

Education is inextricably linked to this objective's achievement given that education, healthcare and social service provision, lie at the heart of foreign assistance programming in this arena. Education at the primary level provides the first building blocks not only for greater employment opportunities, and effective engagement in society at large, but for health and welfare. Direct correlations exist between investments in education and health outcomes, for example, girl's education and under five mortality rates (Plan, 2008). Educated mothers are proven to be more informed and effective caregivers. IFPRI found that more productive farming as a result of female education in sixty-three countries accounted for a 43% reduction in malnutrition between 1970-1995 (Plan, 2008). These outcomes speak to a need for continuing investment in girls' education, not only for the achievement of economic goals, but in order to safeguard their health and that of their families.

Perhaps the greatest challenge related to this category is allocating resources to fight the HIV/AIDS pandemic's vast impact. Recent study reveals HIV/AIDS to be a formidable enemy of returns to education, robbing countries of their skilled workforces, eroding their productivity and obliterating investments in human capital (Hamoudi, 2002). However, it is broadly acknowledged that basic education is one of the strongest weapons available to us in the fight against HIV/AIDS, and a cost effective means of prevention (BEC, 2008). The ability to make informed choices about the risk of contracting HIV/AIDS has been strongly tied to education levels. Schools provide a favorable environment in which nutrition and AIDS education programs can flourish, expanding the reach of their message not only to school-age children but to their parents as well. In 2008 the US government reauthorized a significant investment in AIDS education and protection of AIDS orphans through the President's Emergency Plan for AIDS Relief (PEPFAR). A continuing commitment to AIDS education at the primary level has the potential to have a broad multi-sector impact (AED).

Finally, investment in people requires a commitment to protection of vulnerable groups and investment in basic education serves as a barrier to exploitation and enabling mechanism for such populations (i.e. ethnic minorities, child laborers, individuals with disabilities, children in conflict situations and AIDS orphans. The impact is twofold: first, education's tendency to foster social cohesion encourages local protection. Alternatively, education provides vulnerable groups with the tools necessary to advocate for their own welfare, and skills necessary to become productive citizens.

Objective #5: Providing Humanitarian Aid

The challenges of delivering education in conflict situations were touched upon earlier in our discussion of peace and security objectives, however it is worth mentioning that education programs can serve as a vital source of stability and sense of normalcy to refugees, internally displaced children and those living in conditions of chronic insecurity (BEC, 2003). As of 2002, 35.5 million people were displaced from their homes and at least half of that population consisted of children (BEC, 2003). In emergency situations, education of these vulnerable groups is ignored at our peril, particularly should the crisis in question stretch out over an extended time frame. Refugees and IDPs require skills to help them continue with life after the conclusion of a conflict, productive pursuits and activities which encourage a sense of purpose while displaced. Creative interventions have woven together basic education with training in survival skills relevant to coping with crisis. Continued investment in humanitarian interventions with an education element helps to protect and prepare displaced persons for a life beyond refugee camps.

Conclusions

Extensive research has demonstrated that investment in education is inextricably linked to the success of objectives within the US Foreign Assistance Framework. Education remains a key component of a successful development strategy. The question moving forward will not be whether education is relevant to achieving other foreign assistance goals, but rather how funding for education programs will distributed in order to achieve the greatest impact in each of these five strategic areas.

Annex 1.

Foreign Assistance Framework	
Goal	To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system
Objectives	**Foreign Assistance Program Areas**
Peace & Security	• Counter Terrorism • Combating WMD • Stabilization Operations and Defense Reform • Counternarcotics • Transnational Crime • Conflict Mitigation and Response
Governing Justly & Democratically	• Rule of Law and Human Rights • Good governance • Political Competition and Consensus-Building • Civil Society
Investing in People	• Health • Education • Social Services and Protection for Vulnerable Populations
Economic Growth	• Macroeconomic Foundation for Growth • Trade and Investment • Financial Sector • Infrastructure • Agriculture • Private Sector Competitiveness • Economic Opportunity • Environment
Humanitarian Assistance	• Protection, Assistance and Solutions • Disaster Readiness • Migration Management

Adapted from State Dept/USAID Strategic Plan, Fiscal Years 2007-2012.

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