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Good evening. As many of you know, I have been very outspoken in my support of our Child Survival Program during the past several years. I am convinced that oral rehydration and immunization can save and is saving millions of children. However, it is not too early to ask the question: "What kind of life will these children have if they never learn to read and write?"

Tonight, I would like to talk about what all of us -- donors and recipient countries together -- can do to make sure that those children are not imprisoned in a world of ignorance and limited opportunity -- that the lives we save are in fact lives worth living.

All of us here who are parents share a common concern. We want our children to receive the best possible education. Parents in developing countries have the same desires. Parents everywhere are willing to sacrifice their needs and desires to some degree in order to invest in their children's future.

Both research and common sense have clearly established that a country makes a wise investment decision when it puts substantial resources into education. Education is basic to the processes of expanding personal opportunities, human rights and democratic systems.

One of the first things our settlers did in this country was to establish a community school and make certain that all children had the chance to learn to read and write. Children in our country, including rural children, were generally provided with the basic educational tools they needed to participate in the development of our country.

I believe we can do the same in developing countries to a much greater degree than is presently being done and to a greater degree than many people believe possible.

Not all countries will move at the same pace. Not all countries will be willing to make the difficult policy decisions and administrative reforms necessary to provide education to all children. Nor, will donors be able to make the decisions for them or substantially finance their expansion and reform efforts.

However, A.I.D. must encourage and support those willing to try. We have relevant experience and expertise to share, both from our own experience at home and from three decades of international experience.

Zimbabwe illustrates what is possible. Six years ago, after fifteen years of civil war, the new nation of Zimbabwe committed itself to a massive expansion of education and training opportunities.

Most observers, looking at the expensive, centrally-managed education system the country had inherited, and the difficult financial circumstances facing the young country, concluded these goals were extremely optimistic, if not outright impossible. But Zimbabwe decided to move aggressively.

They relied on community initiative self-help, school fees, innovative use of instruction and management technologies, and a fundamental restructuring of administrative and technical support system for local schools. They have made enormous progress.

In only five years primary enrollment increased from about 900,000 to over two million. Secondary enrollment jumped from about 60,000 to over 400,000. Technical training, agriculture education and the national university also expanded. A.I.D. was pleased to contribute to these reform efforts.

Zimbabwe is in many ways unique and its approaches and technical solutions are its own, but it illustrates that remarkable progress is possible where there is the political will to undertake basic changes.

Recent economic evidence confirms the importance of education. But all along most countries have believed in education, and have been willing to put significant resources into it. The developing countries have been no exception. The last twenty years have seen an unprecedented rate of growth of educational opportunities in the developing world. For example, enrollment in school in the developing countries increased by nearly threefold from 1960 to 1980.

In 1960, less than one-third of the children in low income countries had any opportunity to attend school. Today, three-quarters receive some schooling, and almost 40 percent of children in low income countries now complete four grades. More children than ever before are going to school, and, also, more are staying long enough to learn how to read and write.

These are tremendous gains. No one should underestimate their truly monumental proportions or the sacrifices that have brought them about. However, they must be viewed against present day realities: school age populations continue to grow and national budgets for education are severely constrained. The reality is that many countries with rapidly expanding school age populations will have to substantially increase their efforts just to stay even.

The problem of maintaining these gains has to be viewed in the context of today's financial conditions. The proportion of gross national product devoted to education in developing countries has risen on average from approximately two percent in 1960 to four and a half percent in 1984. The proportion of national government budgets spent on education rose from about 11 percent in 1960 to 16 percent in 1984.

Moreover, in recent years, in many developing countries, the pressing needs of other sectors and declining per capita revenues have begun to limit the ability of governments to sustain this level of support.

Education is facing severe financial constraints. Unless countries can use their resources much more efficiently, they will not be able even to maintain the gains achieved with tremendous effort over the past 20 years, let alone meet the remaining needs for more access for girls, the very poor and others.

It is this context of expanding demand for education and the very real financial squeeze that I want to say a few words tonight. There are three ideas I want to put forward, all of them designed to increase a country's ability to provide improved education to the greatest number of children:

- o First, I think much more can be done by local communities to take charge of their children's education by decentralizing national education systems;
- o Second, countries must become more efficient--and make better use of existing resources.
- o Third, appropriate use of modern technologies can help countries expand and improve their education systems.

As I mentioned earlier, America put a high premium on education as a building block for our own development. But, from the beginning, the primary responsibility for providing and maintaining the school, hiring the teacher and getting the textbooks was a local community or parent responsibility.

In my home state of Michigan, the first Constitution in the 1800s called for the management of primary schools by locally-elected officials. Teachers were also hired locally, but early on they had to prove their competence by getting state certification.

This blend of local control, community involvement, and state certification still characterizes public education throughout most of the United States. By contrast, most developing countries have inherited or developed education systems that put the major burden on national budgets.

Looking at our own educational development but, even more importantly, reflecting on the experience A.I.D. has gained over these past three decades, I believe the time is right for involving local communities to a greater extent in the management and financing of local education systems. For example, at the local level countries could try to:

- o Raise education monies with local property taxes or other taxes;
- o Encourage the use of school fees and other direct contributions;
- o Levy payroll taxes on employers to finance vocational training. This is currently being done in several Latin American countries;
- o Initiate special lotteries for educational expenditures as a number of countries have done;
- o Central governments might provide matching grants to serve as an incentive to generate funds locally for school building and similar purposes.

Speaking generally, I believe we should encourage countries to look for opportunities to increase local tax authority. In this way revenues can be retained in local communities, under the control of local officials and for the support of local education programs.

I know there are complex issues of public policy and financial administration involved in these suggestions. Much needs to be studied. In fact, the World Bank has just agreed in coordination with us to take a more in-depth look at decentralization.

I also realize that much of our recent experience in this country shows a shift toward a more centralized education system with fewer school districts and fewer elected school board members and a greater share of state financing. I am not arguing with

"consolidation" of one-room schools, etc. But I am asking that we draw from our earlier history and experience which in some key ways is more comparable to the situation facing the developing world today.

At the same time I suspect that because of the current pressure on national education budgets, senior government officials will be more receptive to changes -- changes that recognize that central government management and control of resources are not the only, or necessarily the best approach.

The generation of revenues from the local areas is, of course, only one aspect of decentralization. The balance between national standards and local authority is a question that has to be addressed. In most countries, the central authorities will continue to provide a substantial share of the finance. Indeed, some activities probably should remain at the central level; for example:

- o establishing standards for teacher recruitment and training,
- o determining the core curriculum, and,
- o selecting and procuring textbooks and teachers' guides.

But other activities appear more appropriate at the local level; for example:

- o classroom construction and maintenance,
- o supplementing the core curriculum and national textbooks with locally generated materials,
- o recruitment and employment of teachers.

How to balance responsibilities and the most effective location of control will differ in each country in each region of the world. Basically, I am convinced that the average parent living in Third World countries perceives the value of education and will make the sacrifices necessary for his/her children to obtain it. We must have greater trust in the ability of poor people to make the right choices and in their willingness to fight for a better life for themselves and their children.

Secondly, tonight I want to discuss the idea of efficiency. As I said at the beginning, the quantitative expansion of education in developing countries has been enormous.

However, in many countries the large-scale systems, due to increased enrollments, present great management problems. Despite good intentions, too many countries waste money on education which is inefficient and ineffective. This results in more academic failure, drop outs and repeaters. Many countries cannot seem to keep up with the expanding enrollments and still maintain satisfactory quality. The education they offer their children is deteriorating to totally unacceptable standards.

It is important that we -- the donor community -- in our efforts to help countries expand their education systems give priority to child retention and promotion and other efficiency measures. Expansion that results in the simple extension of inadequate systems is not, in fact, likely to result in more children really being able to read and write.

As always, where resources are limited, educational planners need more reliable and accurate information upon which to base sound decisions. For example, A.I.D. has worked recently in Somalia, Botswana, Indonesia, Haiti and Yemen under a ten-year project to improve the efficiency of education systems. Major assessments of each country's educational system and fiscal capacity to support it have been conducted. These countries have made difficult policy decisions based on the information collected in the assessments.

It is this type of long-term support for analysis and planning that the donor community should support because it will enable countries to make better decisions and more efficient use of their resources. In many countries in Africa, for example, 100 primary students can be educated for the cost of one university student. Knowing this data is the first step toward making rational allocations.

Clearly the absence of strategies to cope with the management and administration of the educational system is holding back progress. The donor community should support:

- o improvement in educational planning, administration and management of resources;
- o this should lead to significant increases in the number of students completing the system; and
- o might mean substantial improvement in access for girls, the rural poor, and children of urban slums.

My final point tonight concerns the use of technology. Technology, appropriately used, has provided dramatic breakthroughs in all areas of development including education.

Let me give you an example. For the past four years, A.I.D.'s radio education project in the Dominican Republic has been reaching children with an hour of basic education each day. Fifty communities in the poor southwest region of the country have committed their resources to building shelters for the program and have selected a community member to serve as a helper. The helper maintains order in the shelter and helps the children keep pace with the radio instructions.

Studies show that such radio coverage of virtually all geographic areas where there are no schools could be accomplished in a few years at a per pupil cost of half that of regular schools.

This is the Dominican Republic's short-term solution to the problem of how to educate children who must work alongside their parents and who live in regions without schools or teachers.

The use of technologies in the classroom, or wherever the student is, offers the potential for rapid and significant improvement in the quality and availability of education. We have no choice if we are to serve the huge number of children needing education. We must exploit whatever help technology offers.

I have seen in the remote sections of Nepal what technology can do to overcome the natural barriers of time and distance. As in many countries the rural schools of Nepal are served by teachers who have little training for the job. An A.I.D. project, using radio instruction, is helping to upgrade their skills while they remain on the job. Instead of leaving their job and moving to a university campus - never to return to teaching in a rural community - the teachers remain in place and the radio brings the instruction to them.

Clearly, the technology is enabling them to become better teachers without leaving their villages. Other technologies promise to help countries improve the management of education resources. A.I.D. is supporting, for example, the development of computer simulation models and management software for making education projections and analyzing problems.

While it may appear that these three topics of decentralization, efficiency and technology are distinct, they can work together. An effective division of responsibility and authority will mean more accountability at each level of the system. Through accountability children are better served. For example, teachers supervised and paid by local authorities are much more likely to show up in the classroom on a daily basis than those responsible to a faceless bureaucracy in a distant capitol. Also, technology can markedly improve the quality of instruction, reduce drop outs and save

millions of dollars that would otherwise be wasted. An educational system that is managed by the people who benefit from it and profit from effective instruction made possible by modern technology is likely to achieve a higher level of efficiency.

I know that many countries have already initiated efforts in all three of the areas I have discussed tonight - decentralization, efficiency and technology. For example; the large-scale Harambee movement in Kenya, where local communities provide their own schools. This has been attempted on a smaller scale in many countries throughout the world.

We must admire what the Andean provinces of Cuzco, Puno and Apurimac in Peru have done to provide classroom space and support for teachers in their preschool project. Zimbabwe, Paraguay, Brazil, Jordan and Korea are countries that have undertaken some type of administrative decentralization in an effort to tie the costs and control of education more directly to those who benefit from it.

My purpose tonight is to underline A.I.D.'s strong interest in education. A.I.D. will have to find ways to encourage and assist countries in this effort within the limited resources available to us. We are putting about \$50 million into education this fiscal year, not including our general training programs. A.I.D. is not in a position to announce an expensive new effort, but we can carefully direct what resources we have. Also, as one of the most experienced donors, we have a role in articulating the lessons we have learned to developing countries and other donors.

In closing, I believe that Third World countries can provide much higher quality educational services to many more citizens:

- by helping countries experiment with a balance of central and local responsibility;
- by making more efficient use of resources available; and
- by proper use of technology.

This is a great challenge, but more importantly, it is a great opportunity. The opportunity is written on the face of the child who can escape from the prisons of ignorance and lift his country with his talent and energy.