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The World Bank's Education Policy

I. Background

The World Bank issued a new Education Sector Policy in April, 1980. This superseded the Education Sector Policy Working Paper issued in 1974. It coincided with a decision by the Bank to increase its total lending for education and training from an annual average of \$412 million in the period 1975-1978 to a projected \$900 million annually 1979-1983. Of this, about \$600 million would be education sector specific, \$200 million training components of projects in other sectors and \$100 million education components (i.e. school buildings) as part of urban and rural development projects.

While lending has not met these ambitious targets, particularly for project-related training, since about 1975 the Bank has been the largest source of capital assistance for education expansion and development and since about 1979 the largest source of technical assistance and support for applied research and systematic planning. The trends in lending by level, by curriculum emphasis, by types of inputs and by scope are summarized in the attached table. The Bank's program has evolved in three stages:

1963-1970. The Bank was initially very cautious, excluding most support for technical assistance, software development and education below the secondary level. The focus was on construction and equipment for technical, vocational and secondary education (particularly comprehensive secondary schools). The essential rationale was manpower development rather than development of education per se.

1971-1974. The Bank began to be convinced that the manpower training programs it had been supporting could not be fully efficient or effective unless they rested on a sound education base. The Bank began to require a systematic study of the entire education sector as a prerequisite to financing and began to support an aggressive search for education alternatives (in part due to the continuing scepticism as to the economic impact of conventional primary schooling). Financing increased for technical assistance including support for experimentation with nonformal education and training, educational radio and television and the development of new curricula and instructional materials as part of comprehensive reform efforts. Support for secondary education and for vocational/technical training continued, though there was some decrease in the "bricks and mortar" components.

1975-1978. The Bank provided prominent leadership in the development of basic human needs strategies. The 1974 Education Sector Working Paper argued that an overemphasis on the modern sectors in many developing countries had caused an overallocation of resources to secondary and higher education at the expense of primary education and needs for education and training in rural areas. Bank Policy emphasized (1) the expansion of basic schooling systems (as well as adult nonformal training systems) to provide at least a minimum basic education for all as soon as possible; (2) education and training capacities beyond the basic level should be guided by critical manpower needs; (3) formal and nonformal systems should be integrated in the interest of efficiency; and (4) equalization of opportunities was consistent both with increased productivity and external efficiency and with social equity.

II Current Bank Education Policy and Program Emphases

The current program continues to give priority to the development of basic education programs. Most of the Bank's lending is for physical infrastructure, particularly school buildings, teacher training and materials production capacities. However, there is increasing support for software development, for materials production costs, for technical assistance and for recurrent costs in the lowest income countries.

For the low-income countries measures to improve efficiency and reduce the costs of expansion of basic schooling for children and to increase skills training options for adults, particularly in rural areas and for women, are stressed. For these countries, support for secondary and higher education and for specialized technical training will be very selective and carefully related to the limited absorptive capacity of the modern sector.

For the middle-income countries, where first-level education is already widely available, there will be more attention to secondary and higher levels of education and the emphasis at the first level will shift to problems of instructional quality and of equity (particularly, remaining distributional problems in rural areas and for girls). Measures to improve internal efficiency will be stressed in all countries and should precede or coincide with any support for expansion. This means support for managerial and planning capacities in the low-income countries, and for analytic capacities in the middle-income countries.

Areas of new or increasing emphasis include: efforts to improve preschool conditions (both support for preschool education in countries nearing universal primary education and health, nutrition, extension and adult education aimed at parents of preschool children); support for instructional materials production capacities (both print and electronic media); large-scale applications of analytic tools for planning (particularly, school mapping techniques); and, an expanded program of education research, experimentation and evaluation.

Important clarifications of policy include:

- support for basic education is not conditioned on the needs for trained manpower (rather, it is treated as the minimum foundation on which any system of higher education, training and manpower development will rest);
- most secondary agricultural education and "ruralized" formal school experiments are judged too expensive and relatively ineffective. The Bank will concentrate more on general secondary education and vocational training (formal and nonformal) in a wider range of skills related to employment in rural areas.
- during the next several decades the capital requirements for universal basic education are considered feasible for most countries
- the definition of project costs eligible for financing has been expanded to include more of the operational costs during implementation, startup costs of teacher training and materials development and some financing of recurrent costs for about two dozen of the lowest income countries;
- lending for all countries will be conditioned on measures to reduce disparities between urban and rural areas and for females;
- while support for experimentation will continue, Bank policy stresses the need for large-scale systemic reform and prefers to lend for large-scale multi-faceted programs rather than packages of pilot or experimental projects or relatively isolated and piecemeal reform efforts.

III. Trends in Bank and AID Assistance to Education

In some respects, the Bank and AID have gone in opposite directions. Since the mid-1970's the roles have gradually reversed with the Bank taking a major leadership and funding role in support for technical assistance in all aspects of basic education development and AID giving relatively more attention to technical/ vocational training and to participant training and specialized higher education.

Total Bank lending for education of all types has grown from about 5 percent of total lending 1970-1974 to 7.8 percent today of a much larger total. The priority for basic education has grown from about 10 percent of education lending (5 percent primary, 5 percent nonformal) to about 48 percent (24 percent primary, 24 percent nonformal) in the same period.

By contrast, total AID assistance for education and training has increased only slightly (about 20 percent, declining in real terms) over the past decade and the relative priority for basic education has declined from 30-35 percent of total education to 14 percent in FY 1983.

Through the early 1970's AID gave high priority to expansion of basic schooling systems and left most of the support for higher education and formal technical training to other donors, including the World Bank. AID was the largest source of technical assistance for teacher training and for the application of economic and social science analytic tools in education planning, curriculum and materials development. During the 1970's AID was the major donor supporting experimentation in areas such as the use of media in education and the development of nonformal training options.

By contrast, until the early 1970's the Bank concentrated on technical training, project-related staff development and training and selected support for higher education institutions. Most of its lending was capital assistance, with only small technical assistance components.

IV. Comparison of Current Bank and A.I.D. Education Policy

AID Policy on Basic Education and Technical Training (Dec. 1982) takes a position very compatible with that of the Bank. There are no important differences of technical viewpoint and there is substantial agreement on the essential qualitative, equity and managerial problems, the main constraints to expansion, and the strategic priorities for assistance.

However, the Bank has taken a much more categorical position on the relative importance of basic education within the education sector and on the priority for education and training of all types versus other sectors for lending. The Bank has taken an unequivocal position that universal basic education should be a priority goal for all countries (moderated only by the availability of financial and other resources) and has substantially increased its lending for education projects.

AID's new policy supports renewed attention to the basic schooling system, with more attention to problems of internal efficiency and internal management, continued attention to nonformal skills training and the use of media and a new emphasis on assessing problems and developing assistance strategies on a comprehensive or systemic basis. Over the next decade AID and the Bank will be supporting similar program objectives and it is desirable that their respective programs be more complementary and collaborative than they have been in recent years. At least the internal priorities for assistance to education may become more similar, though the relative priority for education versus other development sectors is more difficult to predict.

V. Potential for Collaboration Between A.I.D. and Bank

AID currently relies to a great extent on Bank-supported education research, particularly on the economic impacts and the specification of marginal costs and benefits. The synthesis of research evidence from many sources in the excellent series of Bank staff working papers has contributed much to our understanding of how basic education contributes to changes in health and fertility behaviors, technologic change and productivity in rural areas. The Bank has the unique capacity to adapt technical tools (e.g. school mapping, cohort tracer studies) and apply them on a large scale and in a large number of countries. Consequently, an increasing amount of comparative education research relies on the Bank country studies and data base. The Bank is playing an important role in the training of education planners (both through its own Economic Development Institute and through sponsorship of participants in programs such as those of the International Institute for Education Planning in Paris). It is also playing a leadership role in education research, for example with its proposal for multi-donor support of a network for LDC research centers working through the International Association for the Evaluation of Education Achievement.

Examples of A.I.D.-supported research of interest to the Bank include:

- experimentation with the use of media in education (particularly, the radio mathematics project and the application of its lessons to the extension of science and other subjects, the rural satellite program and the work of the Communications Clearinghouse);
- experimentation with means of strengthening nonformal education and training systems (particularly, the service agency experiments in Lesotho and Ecuador and the development of nonformal planning and assessment methodologies), and;
- the application of computer technologies to education planning and system management (such as the financial management model being developed by the Academy for Educational Development and the Demographic Planning Model being developed by The Futures Group).

There is substantial potential for collaboration and division of labor between AID and the Bank. While technical communication between the Bank and AID professionals tends to be good, with regular exchange of working papers, research and data, there is relatively little collaboration in actual planning and program development. Further, though there are a number of examples of country programs in which both the Bank and AID are providing support for various components, most of this is "parallel" rather than "joint" funding.

The Bank has clearly signaled in a variety of ways that it would welcome a larger AID role in providing technical assistance (e.g. for teacher training or materials development and production) programmed in collaboration with Bank capital lending. However, in recent years AID has not been able to make a sufficiently firm commitment to do so and the Bank has chosen to proceed by building in the technical assistance to its own loans.

Other areas in which the Bank would welcome a larger and more sustained AID commitment would be in support for research, analytic and planning capacities; R&D in the use of media and generally in the area of instructional systems; training of key researchers, planners and analysts; continued experimentation in nonformal education and training systems; collaborative funding of international comparative research and national education assessment and planning exercises. The main area in which AID should seek greater collaboration with the Bank is in coordinating the relatively large capital and recurrent cost lending which is likely to grow out of large scale system reform efforts such as those being encouraged by AID under the S&T/Africa Bureau Education Initiative.

VI. Conclusion and Recommendation

There are no major policy differences or technical disagreements with the Bank on its education lending programs. There is substantial potential for collaboration on a wide range of education programs. Such collaboration is likely to be welcomed by the Bank and is likely to be at least as beneficial to AID in enabling it to access technical expertise and to develop medium- to long-term education assistance strategies as it is to the Bank in enabling them to rely on AID to ensure the availability of technical assistance, training and R&D support for LDC educators from U.S. institutions.