

## **Briefing Paper**

### **Theme 3, paper 1.**

## **Financing the Education Sector: The Role and Importance of Aid to Education in Kenya, Ghana, India and Pakistan.**

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### **Introduction**

The ways in which aid to education has influenced educational outcomes appear to differ rather strongly amongst our four partner countries. In Ghana and Kenya, aid to education has been quantitatively significant relative to total public (and private) educational spending. Its forms and modalities have shifted strongly over the last couple of decades, and the ways in which agencies have sought to influence policy and outcomes have also changed. These trends are likely to have reflected both the international dialogue about best practice in education policy, individual northern interests and comparative advantages, and adjustments made in response to new modalities for aid. In Pakistan, on the other hand, whilst aid to education has increased very significantly since the turn of the century, these increases are likely to have been less strongly influenced by international best practice, and rather more by geopolitical preoccupations and pressures. India provides further contrast, where aid has been focussed upon particular programmes which have been locally important (eg DPEP), but much less significant in terms of the proportion represented of national expenditures on education. Thus, aid to education in South Asia has probably had a very different role in both strategic and value terms to that in Africa.

### **Research Aims**

This first research paper aims to establish, for each country, a factual framework within which some of the above hypothesised generalisations may be assessed. It will analyse, in as much detail as possible, the financing of the education sector over time, and the role of international aid in this process. The paper will seek to show, over the last 10-20 years, the evolution of public spending on each sub-sector of education. Flows from other sources of domestic finance, such as that provided by local NGOs and indeed households, should also be identified where possible. Within public spending, the contribution made by international aid donors will be a focus, identifying aid flows by agency, by type of aid (technical assistance/capital aid/recurrent support) and by end use. The paper would thus demonstrate the changing importance of aid to education over the last 1-2 decades and the ways its characteristics, modalities and target recipients have also changed.

### **Sources**

The data for the study will come mainly from secondary sources, including published and unpublished official data. Where necessary these can be supplemented by interviews

with key stakeholders from Government departments and international agencies. The secondary sources are likely to include reports from education managements systems (EMISs), education statistics bulletins, budget documents, economic reports, public expenditure accounts and estimates and national digests of economic, financial and educational statistics. Where they exist, earlier studies of household costs of education, education and demographic surveys, and incidence-benefit analyses of public education expenditure should also be utilised.

## **Results and Output**

The initial aim of each paper will be to build up a statistical summary of the most important expenditure trends and the educational outcomes that accompanied them over the period since 1990. To that end, the following tables covering, where possible, each year since 1990, should be produced:

1. Enrolment trends by sex, grade and level of education over the study period.
2. Gross and net enrolment rates for the same years.
3. Promotion rates by grade for selected years
4. Number of teachers (rural/urban) and % female over the study period
5. Proportion of qualified teachers by rural/urban and level of education
6. Number of pupils per English textbook
7. Number of pupils per maths textbook
8. Proportion of first grade children entering school at the correct age

The following economic/financial tables should be produced, again for each year of the study period:

1. GDP per capita in real and PPP terms
2. Composition of the public budget a) in constant price terms, and b) as % GDP (tax revenue, non-tax revenue, grants; recurrent expenditure, development expenditure, budget surplus/deficit
3. Sectoral recurrent expenditure a) in constant price terms, and b) as % of total recurrent (general admin, defence, social and community services, education....etc)
4. Sectoral development expenditure (as for 3 above)
5. Intra sectoral recurrent expenditure as % of total recurrent (primary, secondary, technical, tertiary, etc)
6. Recurrent expenditure per student in units of national currency (constant prices) for primary, secondary, technical, tertiary, etc
7. Intrasectoral development expenditure as % of total education development spending (same categories as 5, above)
8. analysis of recurrent budget (% salaries, teaching materials, maintenance, other) in primary and secondary education separately
9. Teachers' salaries by grade/qualification level in real terms
10. Analysis of development budget %(construction, purchase of furniture, purchase of textbooks, etc)

11. Total international aid receipts by agency and intended sectoral destination
12. Total international aid receipts for education and sub-sectoral allocation (by agency if possible)
13. Total aid receipts by type of aid (project, programme, SWA, budget support, HIPC, grants/loans, capital aid, recurrent support, technical assistance, etc)
14. As for 13, but aid to education only
15. Intrasectoral (primary, secondary, tertiary, etc) education development expenditure as % of total education development expenditure by source of funding (domestic/external)
16. Total household expenditures on education per child at each level of education, by type of school (public, aided, private, etc)
17. Distribution of public expenditures on education across poorest and richest income groups

The paper will provide a descriptive and analytic account of the major trends and characteristics which emerge from the above data and tables. One of the aims of the analysis will be to compare trends in educational outcomes with financial inputs by governments, international agencies and households. A clear factual basis for what has been happening, in terms of both domestic and international support to education, relative to other sectors, will thereby emerge. Examples of the use of this methodology in other countries will be made available. It is intended that the preparation of this first research paper will identify important characteristics about the changing pattern and importance of aid to education in each country. These findings will inform the design of agency or sub-sectoral studies, to be conducted in subsequent phases of the research.

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