4

WORLD BANK PRIORITIES IN EDUCATION LENDING: AN EVER-CHANGING ENDEAVOR

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For the last two decades the World Bank has increased its economic and ideological influence in setting the international education policy agenda. This paper sets out to examine the World Bank's policy shift towards an almost exclusive emphasis on primary education at the expense of other levels and forms of education from the early 1980s up to the late 1990s. The implications of this shift will be illustrated by examining the experience of Sub-Saharan Africa. The purpose of this paper is thus two-fold. First, it sets out to examine World Bank education policy during the pre-adjustment era. It looks specifically at the inception of education into the World Bank and the form in which education lending took shape. Second it examines the causes of the policy shift which changed the direction of bank education policy to focus on primary education in the late 1980s and the implications that this has had for higher education in Sub-Saharan Africa.

1. Introduction

"All agree that the single most important key to development and to poverty alleviation is education"

- James D. Wolfensohn, World Bank President Education Sector Strategy, 1999.

The role of education in the development of nations has long been accepted. Often poised as a vehicle for achieving the social and economic goals of individuals and their nations, the transformative impact of education in the so-called developing world has been pervasive in the discourse, as evidenced by the renewed commitment of the Millennium Declaration goal to achieve 'Education For All' by 2015. As the single largest external source of development capital in the field of international education, the World Bank (hereafter referred to as the "Bank") plays a special part in that vision.

Over the last two decades the Bank has increased its role in education development, both in terms of loan commitments and in setting the direction of international education policy agendas. Introduced into World Bank activities in 1963, the priorities of the Bank's education sector have shifted many times throughout the years. Today, Bank policy aims to help "countries develop holistic education systems" where primary, secondary and higher education[1] are deemed as equally important components of their lending activities (World Bank, 2006a). But this "holistic" approach has not always been embraced by the Bank.

From the 1980s until recently, there was an ideology within the World Bank against investment in higher education based on the market principles guiding the Structural Adjustment Programmes (SAPs). Thought to be the embodiment of neoliberal economic reforms, the structural adjustment era was marked by an increased adherence to economic models which deemed the rates of return on investments in primary education to be higher than at any other level. During this twenty-year period, Bank education policy has been heavily criticized for giving priority to financing basic education at the expense of higher education.

Despite criticism, the Bank maintains that:

> …tertiary education is often overlooked by *other* donor agencies and, therefore, is an area of education that requires true commitment on the part of the Bank to

[1] For the purposes of this paper higher education is broadly defined as all post-secondary education, including but not limited to universities (i.e. colleges, technical training institutes, community colleges, nursing schools, research laboratories, etc.).

> promote and support tertiary education initiatives…tertiary education programs have accounted for over $8 billion in loans since 1963, and the Bank recognizes further that the knowledge economy requires well-developed education at all levels, including and, perhaps especially, at the tertiary level (*emphasis* added, World Bank, 2006b).

This, and similar statements currently being touted by the World Bank on the importance of higher education in the knowledge economy mask the extent to which policy priorities and strategies of the recent past have worked against the development of quality higher education institutions in client countries.

Surveyed from a historical perspective this reality becomes all that more clear.[2] Until the late 1980s, the Bank had little interest in primary education, however by the 1990s it became an active promoter of the view that low-income countries ought to prioritize primary education, while increasing charges at secondary and tertiary levels. This paper sets out to examine the policy shift towards an almost exclusive emphasis on primary education at the expense of other levels and forms of education from the early 1980s up to the late 1990s. The implications of this shift will be illustrated by examining the experience of Sub-Saharan Africa, which was especially vulnerable to the policy prescriptions of the World Bank during this period.

The paper is organized as follows. Section 2 will briefly explore the role of World Bank education lending practices in the context of the larger institutional development community. Section 3 will provide a survey of World Bank policy directions in education lending from its introduction to Bank practices up until the 1970s. Section 4 will examine the factors which led to a radical change in Bank education policy in the 1980s. The interplay between this shift and the broader shift to SAPs will be briefly explored. Section 5 reviews how this shift affected higher education in Sub-Saharan Africa up to the 1990s. And lastly, Section 6 offers concluding remarks.

2. The World Bank has Clout

Everyone has the right to education…. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms.

[2] To the extent that policy documents of the World Bank education sector usually indicate what the bank is willing to lend for, this paper will draw on a number of policy statements as a framework for examining the orientation of World Bank policy toward education at any given time period.

-Universal Declaration of Human Rights, 1948 Adopted by the United Nations, Article 26

All agree that the single most important key to development and to poverty alleviation is education. This must start with universal primary education for girls and boys equally, as well as an open and competitive system of secondary and tertiary education. Construction of schools, modern curricula geared to the new technological age, and the real needs of the emerging local market…..

- James D. Wolfensohn, World Bank President A Proposal for a Comprehensive Development Framework, Jan. 1999

Education has been poised as both a universal human right and an important tool for economic development. The highly economic nature of the statement from the World Bank, relative to the rights based approach of the United Nations, must be understood as just that – a statement from a *bank*. Herein lays one of the greatest debates and fundamental dilemmas surrounding World Bank assistance to education: What place does a bank have in guiding the educational priorities of developing nations?

At present, most developing countries rely on the assistance of external donors to finance a large portion of their education policy in the face of dwindling government budgets and growing deficits in their balance of payments.[3] In terms of overall external support and volume of aid, the Bank exerts a monopoly in the market of educational aid. According to the 1998 UNESCO World Education Report, approximately 30 percent of total external lending for education from 1989-1996 was financed by the Bank (See Table 1).

Table 1: 1995 External Expenditures for Education (in millions of current US$)

Donor Category	*Aid Committed*
Bilateral Assistance	4,450
All Multilateral resources	2,717
World Bank	(2,057)
UN Programs	278

[3] This is a recent phenomenon. Historically, countries did not seek or permit external intervention in their education systems for reasons of cultural sovereignty.

UNESCO	(100)
Total	7,445
World Bank as % of Total	28%

Source: UNESCO 1998 World Education Report

Notwithstanding the national locus of policy making authority, it is important to understand the role of the World Bank's education agenda as its policies often have far-reaching repercussions. In a very real sense, the World Bank has the capacity to generate convergence in policy processes and goals. For instance, because Bank statements on education serve as an important policy framework and reference for continued World Bank financing of education, client countries often have no choice but to fall in line with the strict market prescriptions of the Bank. Further, the Bank has achieved much clout with other donors and international organizations throughout the years. Taking the lead in a number of international working groups on education policy, Bank "experts" have forwarded analyses and recommendations that invariably affect the agendas of other lending agencies.

As the dominant source of funding and "expertise" in the field, the World Bank has become one of the main subjects in the globalization of education - therefore warranting a closer examination of its education policy content and reform throughout the years.

3. Enter Human Capital theory and Education to the World Bank: 1963-1970s

3.1. Human Capital Theory

During the "Development Decade" of the 1960s economists began to draw attention to the reciprocal relationship between education and development. In one of the most influential writings on the role of education in development in the 20th century, Theodore W. Schultz (1961) explored the idea of education as a contributor to human capital. The basis of this theory is the rational utilization of human resources insofar as workers are believed to be "holders of capital" who have the "capacity to invest" in themselves (Karabel and Halsey, 1977, p.13). This approach suggests that people invest in themselves by way of the skills and knowledge they acquire through education, ultimately generating increases in their future incomes.

The practical message of human capital theorists at the time was that education teaches productive skills and values (e.g. punctuality, obedience, self-reliance, etc.) which will pay dividends in the economic growth of a country. From this perspective, investment in human capital through education would become a priority for governments eager to reap economic benefits for both individuals and society as a whole.

Thus human capital theorists explicitly poised education as a legitimate and rational social investment towards the end of economic growth:

> If a country is unable to develop its human resources, it cannot build anything else ….the building of modern nations depends upon the development of people and organization of human activity. Capital, natural resources, foreign aid, and international trade, of course, play important roles in economic growth, but none is more important than manpower (Harbison & Myers, 1964, p.V; p.6).

The optimistic message to less-developed nations was plain and simple: "invest in education" (Benavot, 1986, p.12). Human capital theory defined a solid role for educational investment in national development plans. Consequently, the argument of human capital has been used by individual governments and international agencies, most notably the World Bank, to justify investments in education. In the case of international financial agencies such as the World Bank, human capital theory provided a needed link between economics and education. According to Benavot (1986), the practical message of human capital theory "strengthened the commitment of international development agencies … to financially assist less-developed countries in the expansion of their educational programs" (p.3). Consequently, the rationale of human capital theory, complete with a host of implications, came to guide the educational development aid policies at the World Bank up to the present day.

3.2. Enter Education and Manpower Forecasting: 1963

At its outset, the World Bank's mandate focused on building infrastructure in war-torn Europe and the "undeveloped" countries of the 1960s (Todaro & Smith, 2003, p.628). During this early period Bank involvement in education was marked by limited participation. Where education did factor into Bank activities, manpower analytic techniques were employed to answer questions of how much human capital should be invested in to sustain the Bank's infrastructure investments. It was in this context that the World Bank released its first statement on education:

> In most developing countries…the most urgent need is for (a) an expression of vocational and technical education and training at various levels, including technical schools, agriculture schools and schools of commerce and business administration; and (b) an expression of general secondary education, to provide middle-level management for government, industry, commerce and agriculture, more candidates for higher education and for specialized vocational training, and more teachers for the primary schools (World Bank, 1963, p.1).

Education entered the Bank as a rational extension of its original mandate. Adopting a positivist view of education according to the tenets of the human capital theory enabled the World Bank to articulate an economic role for education that fit within the narrow boundaries of its *raison d'etre*: reconstruction to stimulate economic growth. Lending for education was thus linked to a particular economic or labour market outcome (Jones, 1992).

Early in World Bank education policy and practice, there was a disregard for the rich conceptualization and debates with the field of education. Rather, education was simply viewed as a means to the end of sustaining infrastructure investments aimed at forwarding the economic development of a country. The implications of the manpower forecasting approach to education translated into exclusive lending practices towards technical and vocational education at the expense of other types of education. Namely, primary education was absent from Bank involvement during the early years of educational lending, and lending for higher education was typically restricted to technical universities.[4]

The 1970s showed some signs of change in the Bank's education agenda. Many attribute the changes to the Bank presidency of Robert McNamara. McNamara's "growth with redistribution" orientation shifted the role of the World Bank to include both that of a sound international financial institution and an international development organization (Mundy, 2002, p. 485). McNamara's new focus on poverty alleviation expanded the Bank's approach to education beyond its previously explicit focus on technical and vocational training. McNamara's

[4] It also worth noting that most assistance was limited to capital expenditures, while lending for recurrent costs was prohibited on the grounds of sustainability (Heyneman, 2003, p. 322). For instance, between 1963 and 1969 financing for construction and equipment accounted for 69 percent and 28 percent, respectively, of Bank lending, while technical assistance only accounted for 3 percent (Jones, 1992, p.136).

was quick to point out the crisis faced by developing country education systems in the 1970s and their treatment of the rural poor.

The major criticism of the Bank under McNamara's lead was the disproportionate allocation of educational resources to secondary and higher education that served mainly the modern sector, which consequently resulted in the under financing of basic education:

> Emphasis on the development of the modern economic sector, providing employment to a small and intensively trained elite, leads to the neglect of the 60-80% of the population living in sectors characterized by traditionally lower productivity. Consequently, a large part – often more than 50% – of the resources is devoted to secondary and higher education, although the student enrollment at those levels is generally less than 20% of the total (World Bank, 1974, p.3).

It was with the release of the 1974 *Education Sector Working Paper* that the Bank's traditional focus on technical-vocational training began to give way to primary and basic education. The statement called for the provision of "minimum basic education for all as fully and as soon as available resources permit and the course of development requires" (World Bank, 1974, p.52). The proposed reorientation of Bank education policy outlined the priorities for the sector over the following four years. The Bank's objective was to raise the proportion of educational lending to the primary sector from 11 percent to 27 percent, reducing the proportion of funding for higher education from 41 percent to 30 percent (World Bank, 1974).

The examination of the World Bank's early experience with education serves to illustrate the tradition on which its education policy has been built. In its infancy, Bank education policy was highly focused on economic rationales and outcomes. Priorities were set according to the uniform calculations of manpower forecasting without much thought to long-term sustainable growth. Nearly 20 years after the inception of the Bank, educational activities focused almost exclusively on the construction of physical facilities and technical vocational training at the expense of other (perhaps more relevant) curricula. While change was slow, the education agenda of the Bank following the McNamara years saw a marked increase in the scope of education in Bank activities. However, while the Bank's orientation towards poverty alleviation gave way to an ever increasing role and prominence of the education sector, the Bank continued to favor a positivist view of educational investment as an unproblematic social good, giving scant attention to the broader social, cultural and political role of education.

4. A time of great change: Structural Adjustment, rate-of-return-analysis and World Bank Education Policy in the 1980s – 1990s

After 20 years of lending to the education sector, the Bank was faced with the beginning of an era that many have come to label the “lost development decade.” The reality was stark: low enrollment rates and high illiteracy among adults and children; inefficiencies in quality resulting from the quantitative expansion of education systems; and the inability of governments and external aid to meet the expanding educational needs of low-income countries (World Bank, 1980).

An obvious policy shift emerged in the *1980 Education Sector Policy Paper.* Meeting manpower requirements had all but disappeared from the Bank’s approach and basic education took top priority.[5] The groundwork which was laid in favor of primary education in the 1974 *Education Sector Working Paper* was much more pronounced in this publication. For instance, in the 1980 policy paper there is virtually no mention of higher education in its ninety-seven pages of text. Further, the anticipated shifts in lending away from higher education towards primary education had clearly taken place with lending to all levels except primary (and to a lesser extent non-formal) decreasing significantly. (See Table 2.) It is also worth noting that Bank lending for education had begun to diversify in terms of the scope of their projects moving away from the previous domination of physical construction.

[5] The Bank’s interest in developing manpower was reduced to: a) general pre-employment training; b) project-related training; and c) training for the rural sector (World Bank, 1980, p. 91).

Table 2: World Bank Distribution of Education Lending (percentages), FY 1963-78

Distribution	1963-69	1970-74	1975-78	1979-83
By Level				
Primary	--	5	14	24
Secondary	84	50	43	34
Higher	12	40	26	18
Nonformal	4	5	17	24
Total	100	100	100	100
By Outlay				
Construction	69	49	48	44
Equipment	28	43	39	35
Technical Assistance	3	8	13	21
Total	100	100	100	100

Source: Jones, 1992

The shift to primary education still rested on the prominence of human capital theory in the World Bank of the 1980s, but was realized through the application of rate-of-return (ROR) analysis. Using a cost-benefit economic framework, ROR analysis provided an overall measure of a society's return to foreign aid investment in education (Psacharopoulos, 1985).[6] Replacing manpower forecasting, rate-of-return analysis became the prime methodological technique to answer questions of what type of education should, or more appropriately, *could*, be eligible for lending.

Primary education was promoted on the basis of ROR findings that returns were higher for completing primary education than for completing secondary and higher education. Like

[6] The concept of rate of return to investment in education is a summary of the costs and benefits of the investment that apply at different points in time, and is expressed in an annual percentage yield. For example, if the rate of return to education is 10 per cent, this would mean that a $100,000 investment on education would yield an annual benefit of $10,000 over the lifetime of the average graduate (World Bank, 1995, p. 20-21).

many quantitative techniques, the methodology of the ROR studies may be questioned on grounds of reliability and validity, but the simplicity of the results and their affinity with Bank human capital ideology ensured rapid application of results. On the basis of ROR analyses, the World Bank shifted its priorities to a sub-sector which had previously been regarded as a consumption. According to the 1980 *Policy Paper*, "Basic education should be provided for all children and adults as soon as the available resources and conditions permit. In the long term, a comprehensive system of formal and non-formal education should be developed at all levels" (World Bank, 1980, p. 86). This signaled a radical reform in the priorities of the Bank's education sector.

Coincidently, the prominence of human capital theory and the utilization of ROR analysis to justify Bank education priorities corresponded with the structural adjustment era of the 1980s. The 1980s was a period of major changes at the Bank. Faced with the growing debt crisis, the Bank devised 'structural adjustment loans' which sought to integrate quick disbursement of loans with conditionalities aimed at long-term policy changes (Mundy, 2002). These conditionalities were poised to solve the perceived inefficiencies of third world economies by encouraging investments and private sector led economic expansion, while controlling borrowing countries' balance of payments and reducing foreign debt.[7]

The neoliberal policy prescriptions of the World Bank, which have come to be referred to as the "Washington Consensus," mandated the downsizing of public expenditures on social sectors such as education and health, and the establishment of boundaries between public and private sector ownership and provision of services to control government deficits (Mundy, 2002, p. 488; Jones, 1992).

Because structural adjustments policies called for a reduction in the role of the state in providing social services such as education, it would seem as though a tension would arise with the Bank's previous acceptance regarding the role of education in providing economic returns. However, the application of human capital theory and ROR analysis proved integral in the

[7] The creation of structural adjustments loans was largely in response to the "Baker Plan" (named after the US Secretary of Treasury) which called on the World Bank to assume greater responsibility in integrating the short-term advances of resources with longer-range policy-level changes as advocated by the International Monetary Fund stabilization programs. These programs generally entailed the liberalization of export and import controls, devaluation of official exchange rates, fiscal discipline, privatization, and the removal of barriers to foreign direct investment (Heyneman, 2003, p.324; Todaro & Smith, 2003, p. 613).

application of the neoliberal agenda to education. In fact, lending to education increased during the mid-1980s through to the mid-1990s (see Table 3).

The answer to the dilemma rested in the Bank's continued emphasis on primary education. Because ROR analysis 'proved' that the rates of return were higher for primary education than any other sector, the Bank advocated privatization and user-fee measures at all other levels of education. This would serve the neoliberal agenda of SAPs by promoting a reduction in government spending on higher levels of education, while the mobilization of private resources would allow for a reallocation of funds towards primary education where the returns were deemed highest. Therefore SAPs were justified on the grounds of both equity (by promoting the universality of primary education) and efficiency (through the reallocation of funds).

The 1986 publication, *Financing Education in Developing Countries: An Exploration of Policy Options*, proposed three policy options in this light:

1) Recovering the public cost of higher education and reallocating government spending on education toward the level with the highest social returns;
2) Developing a credit market for education to gather selective scholarships, especially in higher education;
3) Decentralizing the management of public education and encouraging the expansion of private and community-supported schools (World Bank, 1986, p.2).

This policy note represented a more universalistic approach to education lending at the World Bank than was evidenced in previous years. Although the prescriptions have received considerable criticism (Altaback, 1989; Jones, 1992), it gave way to increasing attention of the Bank's education sector. Using the rationale of human capital theory and ROR analysis, the Bank's education sector was able to bridge the gap between the neoliberal mandate of the Washington Consensus and the mandate of poverty alleviation by focusing on basic education. According to Mundy (2002), the prescriptions forwarded as policy conditionalities allowed the activities of the education sector to gain the "kind of economic muscularity being demanded across the organization as a whole" (p. 490). Thus, the new agenda allowed education to figure more prominently into overall Bank activities with its contents being strongly adhered to in loan negotiations. For example, in 1998 the Bank reported that 15 percent of Country Assistance Strategy Papers stipulated conditions for lending concerning education (Alexander, 1998). The increasing prominence of education in Bank lending may be reflected in the steady increase of loans for education starting in the mid-1980s and reaching historical highs in the late-1990s with lending for education nearly doubling between 1985-1989 and 1990-1994 (Table 3).

Table 3: Trends in World Bank Lending to Education 1963-1999 (constant $)

	1963-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99
Total Education	1077.1	2642.2	3970.6	4882.6	5455.8	10119.4	9391.8
Education as a % of total lending	3.0	5.1	4.4	4.5	4.5	8.2	7.6

Source: Mundy, 2002, p.486.

The policy prescriptions put forward by the 1986 paper set the tone for Bank lending for education throughout the 1990s. For instance, in one of the most extensive research projects on World Bank education policy and lending, Jones found that privatization or cost sharing were present in 100 percent of bank education sector operations approved for Africa in 1990, up from 33 percent in 1980 (Jones, 1992).

The 1986 *Financing Education in Developing Countries* served as an impetus to the 1990 Education For All (EFA) Conference held in Jomtien, Thailand, which was co-sponsored by the United Nations and the World Bank. It was here that an international commitment was made among developing country governments and donor agencies to the goal of achieving universal basic education for all children by 2000. The focus on basic education congealed the World Bank's emphasis on transferring subsidies from other levels of education to basic education. Many feared that the Conference would lead to a growing emphasis on basic education at the expense of higher education among other international donors.[8] In fact, an official from the German Development Agency (GTZ) was quoted as saying:

> Since the World Conference on Education for All in Jomtien, Thailand in 1990, the promotion of higher education institutions in developing countries by Ministries of Development Co-operation has no longer been popular — at least in Germany but also in some other industrialized countries. The promotion of basic education has been getting more emphasis — in our country initially at the expense of the promotion of higher education (Brock-Utne, 2002, p.13).

Continuing with the momentum set in the previous decade, the World Bank released one of the most highly controversial policy statements in years. *Policies and Strategies for Education: A World Bank Review* (World Bank, 1995) solidified the Bank's exclusive reliance on human capital theory and ROR analysis in guiding its educational priorities, explicitly stating that: "in particular, rate of return analysis – is a diagnostic tool with which to start the process of setting priorities …" (World Bank, 1995, p.94). Relying heavily on ROR methodology, the Bank justified support for the following five key policy priorities:

- Higher priority for education in general.
- Greater attention to the linkages between learning and labour market outcomes.
- Focusing public investment on basic education coupled with more household financing (charges) for higher education.
- Increased attention to the access of girls, ethnic minorities and other disadvantaged groups.
- Greater household involvement in making choices about schooling, e.g. through vouchers which allow parents to choose between competing public and private schools.

The implications of these policy measures have garnered much attention,[9] however the broader issue of reallocating resources from higher education to primary education in the name of the utilitarian goals of ROR has garnered much less debate among national governments and other donors. While appreciating that the World Bank is primarily a loan-aid donor and must

[8] According to some, these fears have not been fully realized. A study carried out by Bennell and Furlong (1998) found that while education aid from some donors had been reallocated in favor of basic education, following the EFA Conference actual support for basic education has been uneven among donors.

[9] For a discussion regarding the relative pros and cons of the measures outlined in the 1995 paper see Lauglo, 1996; Alexander, 1998.

thus always be concerned with internal rates-of-return, the dual role of the Bank in markets and poverty places it in a position of responsibility whereby market strategies must be primary focused on the long-term goal of poverty alleviation. However, according to the dictates of ROR methodology, Bank priorities for lending were justified in terms of their ability to produce short-term, tangible, economic results. While the focus on primary education is nonetheless important, an approach that exclusively focuses primary education leaves societies in a state of perpetual dependency. One must ask: How can you have good primary education without strong higher education to reproduce the system?

The implications of this policy measure are most evident in Sub-Saharan Africa where higher education was attacked for most of the 1980s and 1990s. Reinforced by ROR arguments of the relatively lower returns to higher education, the neo-liberal ideology embodied in SAPs required the bulk of public resources to be geared away from higher education. This measure was strongly imposed on African governments as both policy advice from the World Bank and as a conditionality for lending. Subsequently, a trend emerged in the 1980s and 1990s whereby support for higher education by the state and most external donors significantly declined, while the share of financing accrued to primary education increased significantly in the region (See Table 4).

Table 4: Share of External Support (%) to Education in Sub-Saharan Africa, by Level

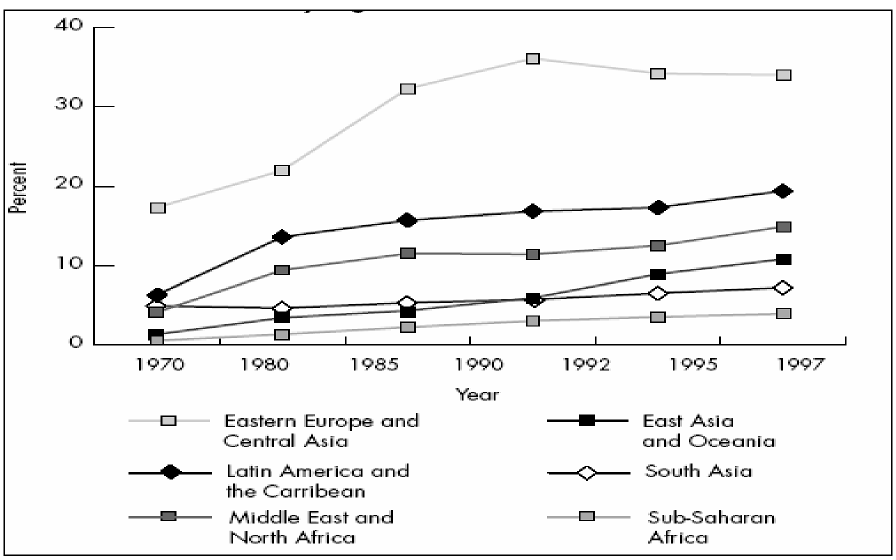
Education Category	1983/84	1990	1995	1998
Education, Level Unspecified	21		8	20
Primary Education	6	2	10	29
Secondary Education	2	3	3	7
Higher Education	9	30	9	5
Vocational Education	24	2	4	2
Teacher Training	7	1	1	1
Adv. Tech. & Managerial Training	10	1	3	0
Education Facilities & Training	7	17	27	2
Education Policy & Admin.		44	35	25
Manage.	14	0	1	9

Other Total Percentage Total Percentage (USD 000)		100 713,234	101 756,409	100 1,501,166

Source: Samoff & Caroll, 2002, p.107

The decrease in financing hurt the dilapidating region as most countries relied on the provision of external aid for educational development. The trend that emerged in the 1980s and 1990s has invariably led to the deterioration of the university sector in Sub-Saharan Africa. At present, the region is marked with the lowest enrollment rates of the developing world, with almost stagnant growth during the last decade (Figure 1). The next section looks more closely at the World Bank's policy orientation towards higher education in Sub-Saharan Africa. More specifically it will examine the effect, if any, of the neoliberal agenda and the emphasis on the primary sector on higher education in the region.

Figure 1: Gross Enrollment Rates in Tertiary Education 1970-97



Source: World Bank, 2002

5. Higher Education in Sub-Saharan Africa: 1980s - 1990s

5.1. Sub-Saharan Africa & Education: A Background

Following independence, African states had the fastest growing rates of investment in education worldwide. Between 1960 and 1983 the number of students enrolled in African educational institutions at all levels quintupled to approximately 63 million students (See Table 5). Between 1970 and 1980, enrollments increased by approximately 9 percent annually – double the rate in Asia and triple that in Latin America during the same period (World Bank, 1988, p. 12).

Table 5: School Enrollment and Enrollment Ratios in Sub-Saharan Africa, 1960 and 1983

Level	***1960***	***1983***
Primary education		
Enrollment (thousands)	11,900	51,300
Gross enrollment ratio (percent)	36	75
Secondary education		
Enrollment (thousands)	800	11,100
Gross enrollment ration (percent)	3	20
Higher Education		
Enrollment (thousands)	21	437
Gross enrollment ratio (percent)	0.2	1.4
Total enrollments (thousands)	12,700	62,900

Source: World Bank 1988, p.13

Enrollments at the tertiary level increased the most in relative terms during the post-colonial era. Premised on the rationale of human capital theory, countries in the region pursued this mass expansion as a crucial pre-condition for social and economic progress (Carnoy and

Samoff, 1990). However, the expansion was short lived. As the 1980s approached, the region was experiencing acute debt and recession, and, as a major consequence, the per capita expenditure on education dramatically decreased in most countries in the region. The average annual growth rate of public expenditure on education between 1970-1980 was 4.4 percent, however between 1980-1983 it had decreased to -9.2 percent (Samoff & Carrol, 2002, p. 11).

5.2. The World Bank and Higher Education in Sub-Saharan Africa

The early 1980s was a period of unprecedented debt and recession across most of the African continent. Nowhere were the problems more acute than in Sub-Saharan Africa. Political turmoil in the 1970s and 1980s, a rise in oil prices, severe fiscal imbalances and an inability to service the debt all led to stagnant growth in gross national product (GNP) per capita (Samoff & Carrol, 2002, p.11).

The World Bank responded to the crises with a host of formulaic reforms embodied in SAPs. Although the main focus was on economic reforms, educational reforms in Sub-Saharan Africa formed an integral part of the measures that were instituted to promote fiscal austerity (e.g. privatization, decentralization, cost sharing, etc.). However, this study does not seek to assess the relative strengths and weaknesses of any of the said measures; rather it sets out to address the broader issue regarding the attack on higher education in Sub-Saharan Africa.[10] The focus of this section is to look at the almost explicit hostility towards higher education in Africa throughout the mid-1980s until the end of the 1990s as a result of both declining government resources and the international focus, mainly guided by the policy prescriptions of the Bank, on primary education.

5.2.1 World Bank Education Policy in Sub-Saharan Africa 1980s – 1990s

In 1985 the World Bank commissioned the publication of *Higher Education in Sub-Saharan Africa* (Hinchliffe, 1985) which outlined a number of concerns regarding the provision of higher education in the region. Hinchlifee observed that there was an excess demand for higher education in the presence of a weakened labour market for graduates. The inability of the

[10] The topic of educational provision under structural adjustment policies has garnered much attention in the literature. For a greater discussion of the negative effects that SAPs have had on a number of educational indicators see Reimers & Tiburcio, 1993; Samoff, 1994; Carnoy, 1995.

labour market to absorb graduates led him to conclude that there was "little case for any substantial across-the-board expansion of higher education in most African countries" (1985, p.4; quoted in King, 1991, p.249). In addition to his conclusion regarding the lack of external efficiency of higher education in most African countries, Hinchlifee noted that the unit cost of higher education was too high relative to costs in other sub-sectors. He found that the unit cost of an average university spot was eighty times the cost of that at the primary level, and was equivalent to eight times per capita GNP (in King, 1991, p.249).

The high unit costs could be attributed to the traditional provision of subsidies to students for food, accommodation and travel allowances which were unprecedently high compared to public expenditure on higher education in other regions.[11] An earlier study carried out by Mingat and Psacharapoulos (1984) corroborated these findings in a comparison of the unit cost of higher education relative to overall resources in other developing countries (See Table 6). The findings of these studies are important insofar as they demonstrate that higher education in the region consumed a large proportion of the national budget – making it a prime target for cuts in the environment of fiscal austerity.

Table 6: Unit Costs of Public Education by Level as a Percentage of Per Capita GNP

Region	*Primary*	*Secondary*	*Higher*
Sub-Saharan Africa			
Francophone	29	143	804
Anglophone	18	50	920
Asia			
South East Asia &	11	20	118
Pacific	8	18	119
South Asia	19	26	88
Latin America	14	41	370

[11] The heavy subsidization to higher education is largely due to historical reasons. Following independence, Africa faced a shortage of qualified nations and generous subsidies were given to encourage an increase in the supply of graduates to replace expatriates in the economy (World Bank, 1986). Unfortunately, it was also the case that the universities of Sub-Saharan Africa were highly elitist for the most part, with the schooling of children of the very privileged receiving public subsidization. However, it was difficult to actually refer to this in official reports.

All developing countries			

Source: Mingat & Psacharapoulos, 1984, p.12.

Hinchliffe's findings were elaborated upon in the World Bank's 1988 policy paper, *Education in Sub-Saharan Africa: Policies for Adjustment, Revitalization, and Expansion.* This study solidified the Bank's education policy direction within the region for the next decade. Of particular significance is the extent to which the report was explicitly critical of African financing of higher education:

> In postsecondary education, the immediate priority is to reduce the public costs per student…unit costs of public higher education are between six and seven times more in Sub-Saharan Africa than they are in Asia…[and] is about sixty times that of a primary students…the costs are high for several reasons. Student-teacher ratios are only seven to one…non-teaching costs and student subsides are also high…Governments can reduce these public costs in several ways…They should institute tuition charges and provide fewer subsidized services and student stipends (World Bank, 1988, p.75-8).

Not only were the high unit costs a fiscal nightmare in a period of contracting economies, the Bank argued that the high costs were a source of inefficiency and inequality: "income inequalities are increased by the regressive effect of higher education expenditures and within higher education resources are allocated inefficiently" (World Bank, 1988, p.77). In response to these concerns, the 1988 study set out a policy framework for future educational development throughout the 1990s and outlined three distinct dimensions of policy: adjustment, revitalization, and selective expansion. While expansion included making the necessary investments towards the long-term goal of universal primary education and revitalization focused on issues of academic standards, the centerpiece of the policy package was adjustment which directly addressed the issue of cost as a means to both cut government spending and redirect funds to the provision of primary education.

Justified as a means to provide a more equitable and efficient allocation of resources, adjustment was to take the form of the diversification of educational finance, achieved through *cost-sharing* in public education and through "increased official tolerance and encouragement of nongovernmental suppliers of education" - i.e. *privatization* (World Bank, 1988, p. 93). By advocating privatization and user fees, private resources could be mobilized, reducing government spending on higher education so that funds could be allocated to the bolstering of primary education which enjoyed greater rates of return.

The implications of this study had a direct impact on the content of Bank projects in Sub-Saharan Africa. According to Jones (1996) the percentage of World Bank projects in Sub-Saharan Africa involving increased privatization and cost-sharing rose from 33 percent in the 1980 fiscal year (FY) to 100 percent in FY 1990. This represents a large shift in the policy direction of the Bank which occurred over a relatively short period of time. Table 7 summarizes some of the approaches employed by the Bank in FY 1990 in increasing privatization and cost-sharing.

Table 7: World Bank Project Approaches Education in to Sub-Saharan Africa, FY 1990

Approach	*Per Cent of Projects in FY 1990*
Reducing subsides for secondary and tertiary students	67
Raising tuition fees	56
Eliciting community resources to defray construction costs	67
Projects containing covenants to encourage government to support private education initiatives	56
Student loans schemes	33

Source: Jones, 1992.

Although examining the full implications of these policy approaches is beyond the scope of this paper, a number of pertinent issues may be explored.[12] A common argument against the implementation of user fees is the disproportionate effect they have on the poor. Although the Bank justifies the exploitation of user fees on the grounds of loans and credit schemes which are supposed to 'soften the blow' to lower-income families, in practice these measures have often been found to fail (Alexander, 1998).

In fact, the application of user fees often serves as a barrier to the higher education enrollment and completion of the poor. For example, in 1996 over one third of the student population in two Kenyan universities were deregistered on grounds of non-payment of the imposed user fees (Mazrui, 1997). According to Mazrui, these students were predominately from lower-income families, leading him to conclude that "The net effect of the World Bank's structural adjustment programmes in education, therefore, is increasingly to transform the African university into a 'white collar' institution in terms of the parental background of its student population" (Mazrui, 1997, p. 40; quoted in Brock-Utne, 2002).

The most widely cited example of a public higher education institution becoming privatized in Sub-Saharan Africa is Makerere University in Uganda. Often referred to as the

[12] In fact, the concept of privatization and the application of user fees to higher education in Sub-Saharan Africa are highly controversial and have garnered much attention in the literature (Buchert, 1995; Alexander, 1998; Federici et al., 1999).

"Makerere Miracle," the university began accepting private fee-paying students for evening courses and special programmes in the early 1990s, transforming the formerly deteriorating institution into a well-functioning center for higher education. In 1995 the university began to admit fee-paying students to fill the spots not taken up by government-sponsored students. According to Brock-Utne (2002), "the result was that from a 1993/94 enrolment of 3,361 — made up of 2,299 government-sponsored and 1,062 private students — the situation metamorphosed to a total enrolment of 14,239 — made up of 1,923 government-sponsored and 12,316 private students — in 1999/00, with no significant increases in the resources available to the university from the government" (p.21).

By 2000, Makerere derived approximately 30 percent of its operating cost from private sources and, coupled with the income from student fees and considerable donor support, was able to significantly reduce its dependence on public financing (Brock-Utne, 2002, p.22). However, some have questioned the cost of this "miracle." The Sawyer study referenced in Brock-Utne (2002, p.22) draws on research which argues that despite the tripling of the student body, there was little increase in the physical infrastructure and the number of lecturers at Makerere. A report by the Makerere University Academic Staff Association acknowledged the shortfall:

> More than half the registered students in some courses did not attend lectures because of a lack of seats and poor audibility in the lecture halls. Such insufficient facilities and high student-lecturer ratios compromise academic quality….If the problem [of insufficient facilities and staff] is not addressed, the large number of students and the resulting decline in standards pose a real danger to the quantitative achievements and innovations in admissions and programming made by Makerere over the last seven years (Sawyer, 2002, p.56; quoted in Brock-Utne, 2002, p.22).

Therefore, despite the seeming success of the privatization, there were severe implications for the quality of education received. It is also noteworthy that the privatization of Makerere, while expanding access to fee-paying students, effectively acted to create an environment of inequality. As the institution went from public to private, the number of government sponsored students became a clear minority. This may serve to polarize students and society between elitist institutions and the lower-funded, often deteriorating, institutions.

However, there is a more latent implication of the World Bank policy prescriptions for higher education in Sub-Saharan Africa. When universities are under-funded, the most capable individuals will often seek their education outside of the region. This “brain drain” has created a situation in which most of the Universities in Sub-Saharan Africa are staffed by expatriates. This inevitably creates an environment whereby African ideas, outlooks and research methodologies are disappearing from the academic landscape (Brock-Utne, 2002). According to the United Nations Economic Commission for Africa, since the 1960s approximately 50 percent of the Africans who pursued tertiary studies in chemistry and physics in the United States never returned to Africa while, on the other hand, more than 100,000 expatriates from industrialized countries are employed in Africa (Brock-Utne, 2002, p. 15). This creates a situation of dependency whereby the region is unable to reproduce the system and build any capacity of its own.

The World Bank’s prescriptions on funding since the 1980s has left the higher education systems of Sub-Saharan Africa under great strain. Without an indigenous capacity for research and cultural transmission, the full potential of education on the social, economic and political development of Sub-Saharan Africa will not be realized. Formulaic approaches embodied in market responses have failed to bring about any positive change; rather, policies such as privatization and cost-sharing have been criticized for exaggerating the already perilous situation.

In the case of Sub-Saharan Africa, the World Bank is in a precarious situation. As with any policy, success in achieving desired outcomes is heavily reliant on the domestic policy environment and its institutional capacity to effectively absorb the proposed strategies. While there is no doubt that higher priority must be assigned to higher education in the region, how to finance it, however, needs to be carefully considered in the absence of a number of conditions which are conducive to promoting reforms. As a starting point, balance much be reached between the weak institutional capacity and instability of national governments and the narrow economic focus of World Bank education policy towards a greater appreciation for the context-specific nature of education. Rather than applying outdated economic models to guide its priorities in a multifaceted and complex phenomenon such as education policy, the Bank needs to broaden its approach to respond to the multifaceted and complex perspectives and debates in the field of education – including more traditional, context-based education models.

6. Conclusion

The affinity between human capital theory and neoliberalism gave credence to the use rate-of-return methodologies in substantiating the Bank's education lending practices from the mid-1980s to the present day. The resulting focus on primary education has relegated higher education to a relatively minor role in Bank priorities for nearly 20 years. This put the higher education systems of developing countries under great strain. The non-holistic approach of the World Bank negated the productive capabilities of society as it failed to grasp the essence of education as tool for development, empowerment, and cultural reproduction.

Within the last few years the World Bank seems to have recognized the error in its ways. Working jointly with UNESCO (give full term), the Task Force Report *Higher Education in Developing Countries: Peril and Promise* (2000) was released and signaled yet another policy shift in the educational approach of the Bank. Much like the fate of manpower forecasting, the exclusive reliance on ROR analysis seems to be on its way out:

> …traditional economic arguments are based on a limited understanding of what higher education institutions contribute. Rate of return studies treat educated people as valuable only through their higher earnings and greater tax revenues extracted by society. But educated people clearly have many other effects on society: educated people are well positioned to be economic and social entrepreneurs, having a far-reaching impact on economic and social well being of their communities. They are also vital to creating an environment in which economic development is possible. Good governance, strong institutions, and a developed infrastructure are all needed if business is to thrive – none of these is possible without highly educated people (Task Force of Higher Education and Society, 2000, p. 39).

The fact is that higher education cannot be isolated from the rest of the system. It plays an integral role in providing a structural link for the reproduction and survival of any society. [Mis]guided by an ideology against investment in higher education, the Bank charged head first into a narrowly focused campaign which has had severe implications in most regions of the developing world – most noticeably in Sub-Saharan Africa.

With the wind of change blowing through the corridors of the education sector at the World Bank (yet again) one cannot help but wonder what direction education policy will take. Reflecting on years passed, the imaginatively narrow conception of education at the Bank needs to be reviewed. The adherence to human capital permits a solely economic rationale for World Bank involvement in education. While appreciating that the Bank is just that – a bank – the educational process operates outside the confines of economic rationales, undermining the Bank's own analytical starting point. At present, the Bank is faced with the daunting task of rectifying the outcome of past policies and redirecting its priorities. How this task will take shape is largely reliant on the Bank's ability and willingness to foster a greater understanding of the essence of education, and its important role in the sustainable development of all nations.

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