

## Unit 10: Financing Education

Financing education is an expensive endeavour, especially at the scale and scope required under global commitments. To this end, how education finances are sourced and utilised provokes important questions:

- Who pays and who benefits?
- How are budget allocations determined?
- What level of education is prioritised?
- Is financing sustainable?
- Who is the state accountable to for financing commitments?

At the global level, there is large disparity in per capita spending on education across countries. LMICs spend very little on education proportional to the size of their economies. With a learning crisis that is showing no signs of abating, there exists a case for rethinking education financing.

Foreign aid and concessional lending to LMICs for education financing represent only a small fraction of total financing and are predicted to decline further. Yet, the global discourse places significant attention on external sources, rather than building fiscally sustainable states in LMICs. A shift in focus towards building local accountability could translate to more sustainable financing models to build better education systems.

After completing the unit, students should:

- Understand the main conceptualisations underlying education financing, such as the: human capital approach; human rights approach; public policy approach; and tax justice approach.
- Demonstrate an understanding of the current global debate on education financing, in particular regarding the 4S framework from the ‘Transforming Education Summit’ in September 2022.
- Recognise the current sources of education financing (internal and external) in LMICs, illustrate why external financing ought to play a ‘catalytic’ (rather than ‘gap filling’) role, and understand how taxation is central to education financing.
- Evaluate the basic education financing equation, examine the idea that LMICs are stuck in ‘low financing traps’ and explore possibilities of escaping this trap.

### Lectures

1. [An introduction to education financing](#) (Maria Ron Balsera, ActionAid International)
2. [Increasing the share, size, sensitivity and scrutiny of education budgets](#) (David Archer, ActionAid International)
3. [Educational planning and escaping the low financing trap – Part 1](#) (Keith Lewin, University of Sussex)
4. [Educational planning and escaping the low financing trap – Part 2](#) (Keith Lewin, University of Sussex)

## Required Readings

- Archer, D. 2016. Domestic Tax and Education. The Education Commission: Background Paper (The Learning Generation). <https://report.educationcommission.org/wp-content/uploads/2016/11/Domestic-Tax-and-Education.pdf>
- Balsera, M. R, Klees, S. J, and Archer D. 2018. Financing education: Why should tax justice be part of the solution? <https://doi.org/10.1080/03057925.2017.1394743>
- Cobham, A., and Klees, S. J. 2016. Global Taxation: Financing Education and the Other Sustainable Development Goals. Tax Justice Network. <https://taxjustice.net/reports/global-taxation-financing-education-and-the-other-sustainable-development-goals/>
- Lewin, K. M. 2020. Beyond business as usual: Aid and financing education in Sub Saharan Africa. <https://doi.org/10.1016/j.ijedudev.2020.102247>

## Further Readings

- ActionAid International. 2017. Promoting quality education through progressive domestic resource mobilisation 2015-2017. Consolidated baseline survey report. <https://actionaid.org/sites/default/files/publications/Consolidated%20baseline%20report.pdf>
- ActionAid International. 2018. Promoting quality education through progressive domestic resource mobilisation 2015-2017. Consolidated endline survey report. [https://actionaid.org/sites/default/files/endline\\_survey\\_report\\_online.pdf](https://actionaid.org/sites/default/files/endline_survey_report_online.pdf)
- Al-Samarrai, S., Cerdan-Infantes, P., and Lehe, J. 2019. Mobilizing Resources for Education and Improving Spending Effectiveness: Establishing Realistic Benchmarks Based on Past Trends. World Bank Group: Policy Research Working Paper 8773. <https://documents1.worldbank.org/curated/en/244151552329948414/pdf/Mobilizing-Resources-for-Education-and-Improving-Spending-Effectiveness-Establishing-Realistic-Benchmarks-Based-on-Past-Trends.pdf>
- Lewin K. M. 2015. Educational Access, Equity and Development: Planning to Make Rights Realities. UNESCO's International Institute for Educational Planning <https://www.iiep.unesco.org/en/publication/educational-access-equity-and-development-planning-make-rights-realities>
- Lewin K. M. 2022. It is time to fix the low financing trap: Public spending on education revisited. Journal for International Cooperation in Education. <https://www.emerald.com/insight/content/doi/10.1108/JICE-06-2022-0011/full/pdf?title=it-is-time-to-fix-the-low-financing-trap-public-spending-on-education-revisited>
- Lewin K. M. 2022. ODI research report: Escaping the low financing trap: Strategies for sustainable educational development in low-income countries. Overseas Development Institute. [https://cdn.odi.org/media/documents/ODI\\_Report\\_Escaping\\_the\\_low-financing\\_trap.pdf](https://cdn.odi.org/media/documents/ODI_Report_Escaping_the_low-financing_trap.pdf)
- Lewin K. M. 2023. Systems Thinking in International Education and Development: Unlocking Learning for All? (Edited by Moira Faul and Laura Savage). Chapter 6: Using a systems approach to education

and development: insights from a multi-country research programme on access and learning. NORRAG Series on International Education and Development.

<https://www.elgaronline.com/edcollbook-oa/book/9781802205930/9781802205930.xml>

- UNESCO. 2017. Aid to education is stagnating and not going to countries most in need. UNESCO Policy Paper 31. <https://en.unesco.org/gem-report/aid-education-stagnating-and-not-going-countries-most-need>

## Supplementary Resources

- ‘To Get Children Learning, More Money is Necessary But Not Sufficient’: A Side Event of the Global Education Summit: Financing GPE 2021-2025. Webinar recording: <https://riseprogramme.org/events/get-children-learning-more-money-necessary-not-sufficient-side-event-global-education-summit>
- The RISE Podcast: Rachel Glennerster on Cost Effectiveness and Tackling Systems Issues at Scale: <https://riseprogramme.org/podcast/rachel-glennerster>
- The RISE Podcast: Ritva Reinikka on the Role that Financing Plays in Education Systems: <https://riseprogramme.org/podcast/ritva-reinikka>