TRANSFORMING **EDUCATION FINANCING:**

A toolkit for activists

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Children from a rural school in Nepal.
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Cover photo: Children from a rural school in Guatemala. ©KARIN SCHERMBRUCKER

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INTRODUCTION

This is an updated, adapted and abridged version of a 2016 publication produced by Global Campaign for Education (GCE), ActionAid International (AAI) and Education International (EI) - "Financing matters: A Toolkit on Domestic Financing for Education".[1] That toolkit aimed to support civil society to advocate and campaign for sufficient financing to enact the fourth Sustainable Development Goal and to secure the right to education.[2]

This updated version has been adapted, at the midpoint of the SDGs, against a backdrop of a world that has significantly changed since the first edition. It also sets out a bolder vision for financing education, influenced by recent agreements at the UN Transforming Education Summit (Box 3), rooted in ensuring financing can support the delivery of the right to education (Box 1), and applying a stronger decolonising financing lens (Box 2) onto the redrafting of the toolkit.

How to use the toolkit

The toolkit is aimed at both civil society organisations and teachers' unions (which we refer to as "education activists" in the toolkit). The toolkit outlines more detail around the 4Ss approach (see figure 1), module-by-module. It also complements this with exercises that are signposted throughout and are accessible online. These exercises are intended to be worked through by readers of the toolkit with some suggestions on how to adapt to workshop settings. They are highlighted throughout with 'take action' hyperlinks.

Figure 1: The 4 Ss Summary

1. Education International, ActionAid and Global Campaign for Education (2016). Financing matters: A toolkit on domestic financing for education global campaign for education. See: https://docs.campaignforeducation.org/resources/GCE%20Financing_Matters_EN_WEB.pdf
2. UN Department of Economic and Social Affairs. Sustainable Development Goal 4. https://sdgs.un.org/goals/goal4

Box 1. Education as a Human Right: the responsibility to finance education to deliver rights

The toolkit rests on a foundation that education is a fundamental human right. Trends in government financing and spending must be seen and analysed through this lens. Indeed, public revenue and budgets are one of the central means by which governments' can deliver their obligation to ensure the right to education.

These rights are enshrined in various human rights treaties. On financing, the International Covenant on Economic, Social and Cultural Rights (ICESCR), for example, requires that States Parties use the maximum available resources to progressively achieve various human rights, including:

- Article 13 of the ICESCR states that 'the States Parties to the present Covenant recognize the right of everyone to education. They agree that education shall be directed to the full development of the human personality and the sense of its dignity, and shall strengthen the respect for human rights and fundamental freedoms.' It also commits to free primary education, and to progressively make education free at secondary level.
- Article 2 of the ICESCR sets out governments' obligations for enabling the realisation of rights and states that 'Each State Party to the present covenant undertakes to take steps, individually and through international assistance and cooperation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realisation of the rights recognised in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.'

Taken together with the Universal Declaration of Human Rights (UDHR), the UNESCO Convention against Discrimination in Education (CADE) and the UN Convention on the Rights of the Child (CRC), these collective human rights treaties guarantee the right to free and compulsory primary education, the right to education that is universally accessible and progressively free at secondary level, and made equally available and progressively free at higher level, the right to a quality education, and the right to education without discrimination that meets the needs of the most marginalised.

One useful way of looking at the right to education is that it must be available, accessible, acceptable and adaptable. The concept of these 4 As was developed by the late UN Special Rapporteur on the Right to Education, Katarina Tomaševski,[3] and it is a good way to assess and act upon education rights. The 4 As can be summarised as follows:

- Availability – that education is free and government-funded and that there are adequate infrastructure and trained teachers able to support education delivery.
- Accessibility – that the system is non-discriminatory and accessible to all, and that positive steps are taken to include the most marginalised.
- Acceptability – that the content of education is relevant, non-discriminatory and culturally appropriate, and of good quality; that the school itself is safe and teachers are professional.
- Adaptability – that education can evolve with the changing needs of society and contribute to challenging inequalities, such as gender discrimination, and that it can be adapted locally to suit specific contexts.

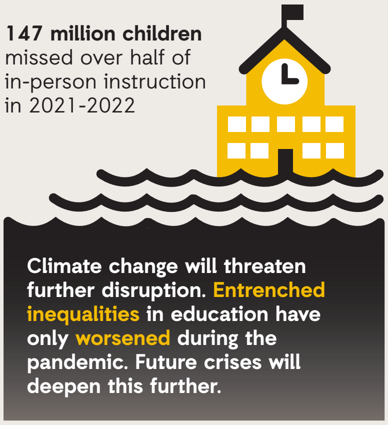
It should be noted that, while the central principles of the right to education remain unchanged, stakeholders must constantly interpret and apply human rights norms to reflect the realities of diverse and ever-changing societies. The COVID-19 pandemic, the increased use of technology, and climate change are some of the causes of the seismic shifts occurring in our education systems. As part of the 10th consultation on the 1960 Convention against Discrimination in Education Member States highlighted new challenges as well as existing barriers to the right to education. These emerging challenges were captured in a report launched by UNESCO's Futures of Education Initiative that aims to broaden our understanding of the right to education towards lifelong learning by reimagining the nature of learning and the spaces we learn in.[4]

3. Tomaševski, K. (2001) Human rights obligations: making education available, accessible, acceptable and adaptable. https://unesdoc.unesco.org/ark:/48223/pf0000173138

4. UNESCO (2021). Reimagining our Futures Together: A new social contract for education. See: https://unesdoc.unesco.org/ark:/48223/pf0000379707

A post-COVID world: Responding to current and future crises

Figure 2: Covid-19 has deepened the education crisis.



The COVID pandemic has made meeting the SDG 4 goal increasingly difficult. Education systems were severely affected by disruption and school closures. It is estimated that 147 million children missed more than half of their in-class instruction through 2020 and 2021.[5] Though the full effect of the COVID pandemic cannot yet be anticipated early indications point to a rise in students having to repeat a year, which may increase drop-out rates. It has already led to a deepening of the pre-existing inequality crisis in education by gender, race, income, wealth, disability, ethnicity and location.[6] Child labour numbers have risen for the first time in two decades.[7] Girls face particular challenges, with increases in the number of early pregnancies and marriages recorded due to pregnancy during pandemic-related school closures.[8] Furthermore, long hours of online teaching and learning have, in many cases, brought about negative impacts on students and teacher's mental health[9] and other social problems, including online abuse mainly against girls and women.[10]

The pandemic has stalled progress towards SDG 4. Future crises, including emergencies resulting from the climate crisis are also set to further derail progress - without concerted preventative action. Getting it on track will require a redoubling of global, national and local efforts. This must be backed by increased public financing for education. Yet, education budgets face a triple threat: a spiralling debt crisis; a new wave of IMF-backed austerity in many low- and middle-income countries; and new economic pressures from the worsening economic climate globally. This threatens to disrupt efforts to realise the right to education. It also heaps even more pressure on chronically underfunded public education systems, leading to continuing violations of the right to education, and a failure to achieve global education goals.

Realising human rights comes with entitlements and obligations: indeed, it is the state's responsibility to respect, protect and fulfil human rights. This means governments must act now to overcome these barriers by allocating sufficient resources. It also implies that in some countries, such as those in an emergency or protracted chronic crises,[11] and low-income countries where raising sufficient revenues is a challenge, should be supported in delivering this right. In the present context this will require action on debt cancellation, tax justice and, in some cases, through increased aid (harmonised behind national plans and goals).

To deliver on the right to education, ultimately, domestic financing must be the focus. Over the past 40 years most international meetings and policy documents on education finance have focused on international aid or concessional loans. But these make up only 3% of education financing globally. Over 97% of the funding required to achieve SDG 4 must come from domestic budgets.[12]

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5. UN Department of Economic and Social Affairs. Sustainable Development Goal 4. https://sdgs.un.org/goals/goal4
6. The statistics in this section are all based on the latest SDG 4 progress report. Ibid.
7. ILO and UNICEF (2020). Child labour: Global estimates 2020, Trends and the Road Forward. See https://data.unicef.org/resources/child-labour-2020-global-estimates-trends-and-the-road-forward/
8. Y. Min. (2021). How COVID-19 has impacted the SDGs in Africa. UN Africa Renewal. https://www.un.org/africarenewal/magazine/august-2021/how-covid-19-has-impacted-sdgs-africa
9. Irawan, A. W., Dwisona, D., & Lestari, M. (2020). Psychological impacts of students on online learning during the pandemic COVID-19. See http://ejournal.radenintan.ac.id/index.php/konseli/article/view/6389/0
10. McKinney, S. J. (2020). Covid-19 and Schools. Open House. See: https://eprints.gla.ac.uk/225952/1/225952.pdf
11. It is important to understand protracted crises such as Somalia, where over 60% of the budget for education comes from external sources. Similar figures can be found in countries such as Yemen and Niger. GCE (2022). Somalia: Education Financing Observatory Report. https://campaignforeducation.org/en/resources/members-reports/project-learning-brief-somalia-education-financing-observatory-pilot-results
12. Education Commission (2016). The Learning Generation: Investing in education for a changing world. See https://report.educationcommission.org/wp-content/uploads/2016/09/Learning_Generation_Full_Report.pdf

Box 2. Decolonising Education Financing

We often assume that national governments everywhere are fundamentally in control of the financing that they commit to education: that if we can make the case for education compelling, we can convince Ministers of Finance and Heads of State to finance education at the level that is needed to positively transform public education systems. But in many countries, it is not so simple!

The global economic architecture, forged after the Second World War, with institutions like the International Monetary Fund and the World Bank, can massively influence the financing that governments can dedicate to education. The IMF does a six-monthly assessment of the economic health of every country, making projections and recommendations. High-income countries can afford to ignore this, but many other countries find that if they ignore the IMF advice their capacity to attract foreign investment is diminished. Despite some shifts in global rhetoric the IMF policy advice has changed little over the past 40 years. Any country with a deficit or facing even moderate levels of external debt, is advised to pursue austerity policies, cutting public spending.[13]

As education is one of the largest spending items in any government budget, education often suffers. But IMF advice tends to be specific, suggesting cuts or freezes to public sector wage bills. As teachers are the largest group on the wage bill education again suffers: There is no money employ more teachers (even if there are shortages) and no money to pay teachers more (even if they are underpaid). At the same time, both the IMF and World Bank offer wider advice about creating a conducive business environment and opening up countries to the global economy, encouraging privatisation and public-private partnerships which generally benefit the most powerful multinational companies, while extracting money from the public budget and households to pay to private investors.[14]

Unlike in the UN, where every country has a vote, votes in the IMF are based on financial contributions. It is hard to change IMF policies and guidelines: for anything fundamental you need an 85% majority vote. But as the largest shareholder, the US, has over 15% of the votes, it has an effective veto. These voting rules were set before most African countries achieved independence. They are a legacy of a colonial era and, as a result, the wealthiest countries retain power to shape the economies of low- and middle-income countries.

Other global institutions also play a role. The OECD club of rich nations has been responsible for setting global tax rules for the past 60 years and thus have contributed to the present global order - that sees vast sums of money leaving low- and middle-income countries and accumulating in tax havens. Illicit financial flows out of Africa far exceed the revenues arriving in aid.

Aid is another instrument for wealthy countries to use to shape the economies and societies of lower income countries, especially in education. Most national governments, following IMF advice, have constrained budgets for education – and what budget they do have tends to go on the major cost of paying for teacher salaries (which are usually between 75% and 95% of education spending).[15] There is a shortage of money for other education items - and this is where aid donors can wield significant influence. One of the unintended consequences of the Paris 'aid effectiveness' agenda has been that donors work together in consortiums or coordination groups, sitting together around a table with Ministers of Education. In practice, there is often a distorted power relationship – with the largest donors having significant power to shape education priorities based on what they are willing to fund, without being accountable for the results. Education reform, which used to be something discussed publicly in parliaments, dependent on passing new legislation, too often

13. ActionAid, Education International and Public Services International (2022) The Public Versus Austerity https://actionaid.org/publications/2021/public-versus-austerity-why-public-sector-wage-bill-constraints-must-end
14. ActionAid (2017). Tax, privatisation and the right to education. See: https://actionaid.org/sites/default/files/international_-_tax_privatisation_and_rte_report_-_summary_-_29.01.18.pdf
15. DFI (2015), Background Paper for EFA Monitoring Report. Trends in government expenditure for public education. See; https://unesdoc.unesco.org/ark:/48223/pf0000232476

now becomes dependent on a 3 or 4 year donor-funded project, dependent on the interests of a handful of powerful donors, behind closed doors without transparency or accountability.

Decolonisation of education financing is about challenging all these distorted power dynamics. It is about recognising that global policies on tax and education need to be set in a more inclusive, participatory, transparent, and democratic way by the UN. It means pushing back on the power of the international financing institutions to shape the financing available for education. It means challenging power dynamics in the development of national education reforms to ensure national governments in consultation with their own citizens, shape the direction of travel – pushing back on donor advice from outside agencies, who are convinced they know best.

Resisting Austerity Politics: The 4Ss

This relaunched toolkit repositions the fight for financing education within the above context. It is also launched in a context of growing austerity measures in countries around the world: Austerity Watch has estimated that in 2023, 85% of the world population, more than 6.3 billion people, will be living under austerity conditions.[16] In this context, education activists can no longer only focus on budget shares – we need to fight, together, to protect public services.

It is also launched as attention is increasingly shifting to domestic resources to deliver education rights – we hope to inspire a focus on mobilising the 97% of resources that are domestic (pushing back against the power of donors who account for just 3% of education resources but often have the majority of the power). The finance agenda agreed at the Transforming Education Summit lays the foundation for this (see box3). Developing on this call, we believe it offers an opportunity to decolonise the education financing agenda, which requires resisting the power of international financing institutions, who often reinforce neo-colonial power dynamics,[17] and moving beyond the North-South transfer of resources to look at universal, sustainable, and systemic solutions (see Box 2). It also requires national and global action on tax; action on debt; and, action to resist the austerity policies (including public sector wage bills cuts promoted by the IMF). Decolonisation of education financing is about looking at the power dynamics at every level of decision-making, to ensure a democratic and inclusive process.

We hope this agenda will inspire movements, both nationally and internationally, to rally behind the 4Ss in order to deliver the right to education (see figure 1 and 3). The 4Ss framework offers a way forward which re-centres domestic financing at the heart of this and can serve to catalyse greater investment in education by resisting the policy impositions of austerity. This 4Ss agenda has been affirmed in the Nairobi Declaration in 2018,[18] and, at the global level, through the UN Transforming Education Summit in 2022.[19]

Moreover, increasing the size, share, sensitivity, and scrutiny of the budget is essential to ensure public schools have adequate resources to deliver the right to education. To achieve SDG4, countries must fulfil their obligations to provide free, quality public education. Yet, countries around the world are failing to allocate their maximum available resources. In fact, in the last few years, as many as 40% of low- and middle-income countries have taken retrogressive steps, by lowering the education budget (against principles 16 and 43 of the Abidjan Principles).[20] At the heart of this, is also a vision of public education as the only route to achieve SDG 4. This is at odds to many voices who push for stronger partnerships with private actors to deliver SDG4; however, evidence shows, in many cases, privatisation undermines progress towards inclusive, equitable and quality education.

16. Ortiz and Cummins (2022). End Austerity: A Global Report on Budget Cuts and Harmful Social Reforms in 2022-25 See: See: https://publicservices.international/resources/publications/end-austerity-a-global-report-on-budget-cuts-and-harmful-social-reforms-in-2022-25?id=13501&lang=en
17. The term 'neo-colonial' is used because Western powers overwhelmingly control decision-making on the IMF Board, while their recommendations impact most profoundly on the global South.
18. Nairobi Declaration and Call for Action on Education. See https://unesdoc.unesco.org/ark:/48223/pf0000263829
19. See: https://transformingeducationsummit.sdg4education2030.org/CTAFinance
20. World Bank/UNESCO (2022) Education Finance Watch 2022. See: https://www.unesco.org/gem-report/en/2022-efw

The rest of this toolkit is framed around walking module-by-module through this agenda. Below this is summarised briefly.

Figure 3: The 4 Ss: what do they mean?

SHARE	Countries should allocate a minimum 20% share of their national budgets, or 6% of their GDP to educational spending.
SIZE	An increase in the size of the budget can improve the domestic resources for education. A country can increase domestic resources by taking Action on tax revenues, austerity, debt and challenging paradigms.
SENSITIVITY	Examining a budget's sensitivity to the needs of the poorest and most marginalised. Government spending can work to redress disadvantage and can improve access to quality education for all and play a key role in building a more equitable society.
SCRUTINY	Monitoring government spending to ensure accountability by increasing scrutiny of the education budget. Ensuring budget accountability is a powerful tool in improving education and holding governments to spending commitments.

Box 3. Transforming Education Summit: affirming global commitments to the 4 Ss

In September 2022 global leaders gathered at the UN Transforming Education Summit (TES) to identify actions to get education back on track after COVID. The Summit provided an opportunity to elevate education to the top of the global political agenda and to mobilise action to recover pandemic-related learning losses and reboot commitments to SDG 4. Within that, the Finance Track of the summit concluded with a TES Call to Action on Finance to invest more, more equitably and more efficiently in education.[21]

This affirmed the 4 Ss approach to domestic financing, and called for:

- **ACTION ON TAX:** Increase tax-to-GDP ratios through progressive tax reforms and change how global rules are set!
- **ACTION ON AUSTERITY:** IMF austerity policies and public sector wage bill containment are the biggest block on teacher salaries and recruitment! Change the standard advice!
- **ACTION ON DEBT:** countries spending more on debt servicing than on education should be at the front of the queue for debt cancellation / renegotiations. New mechanisms are needed to tackle this.
- **ACTION ON PARADIGMS:** Ministries of Finance must see education as an investment not as a consumption cost.
- **ACTION ON SPECIAL DRAWING RIGHTS:** A new issuing of the IMF currency as was done during Covid and redistribution.

21. See: https://transformingeducationsummit.sdg4education2030.org/CTAFinance

MODULE 1.
SHARE

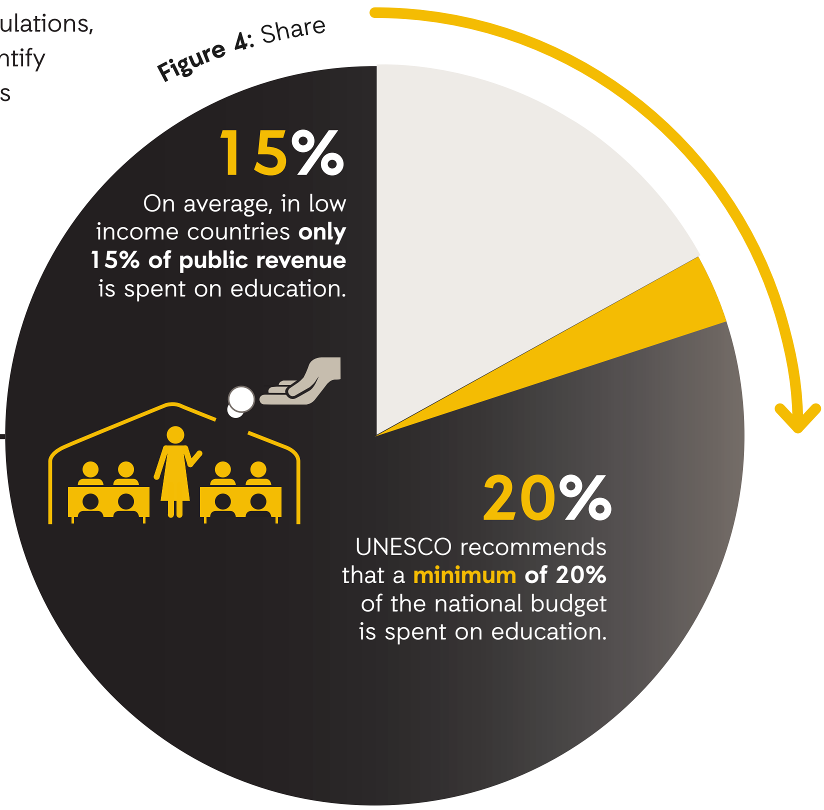
Summary of module

Countries should allocate at least 20% of their national budgets, or 6% of their GDP on education. This module focuses on the share of the public budget allocated to education and aims to help education activists to advocate for their government to meet these internationally recommended targets.

The module will help education activists to:

- Explore government financing trends and look at how decreasing funding is threatening the ability of governments to increase their budgets.
- Build policy knowledge[22] on issues related to budget allocations, identifying why the share of the budget matters, what might thwart governments allocating a fair share to education, such as debt servicing. It also looks at the implications of a lack of public funding on inequality in terms of household spending and driving privatisation in education.
- Analyse their government's budget allocations for education, and to carry out basic calculations, breaking down the total budget to identify the amount spent on education versus other areas, and to look at "real spending" over time.

Figure 4: Share



Share

The *share* of the budget is the percentage of the country's total budget that is spent on education.

22. See GCE's Education Financing Observatory. See: https://campaignforeducation.org/en/resources/members-reports/education-financing-observatory-efasom

A fair share: 20% of the budget or 6% of GDP

It is critical that governments spend a sufficient share of the overall domestic budget to ensure good quality education. There is a broad consensus within the international community that governments must allocate a minimum amount in education, going back to the EFA Dakar Framework (which initially committed to governments allocating 6% of GDP to education and 20% of budget). This was reaffirmed in the Education 2030 Framework for Action[23] which committed governments to spending 15-20% of the budget to education or, by another measure, 4-6% of their GDP (although with a reduced vision which widened the scope, bringing in a lower minimum threshold).

Civil society activists and teachers' unions call for the upper end of these targets to be met – i.e., 20% budget share and 6% of GDP.

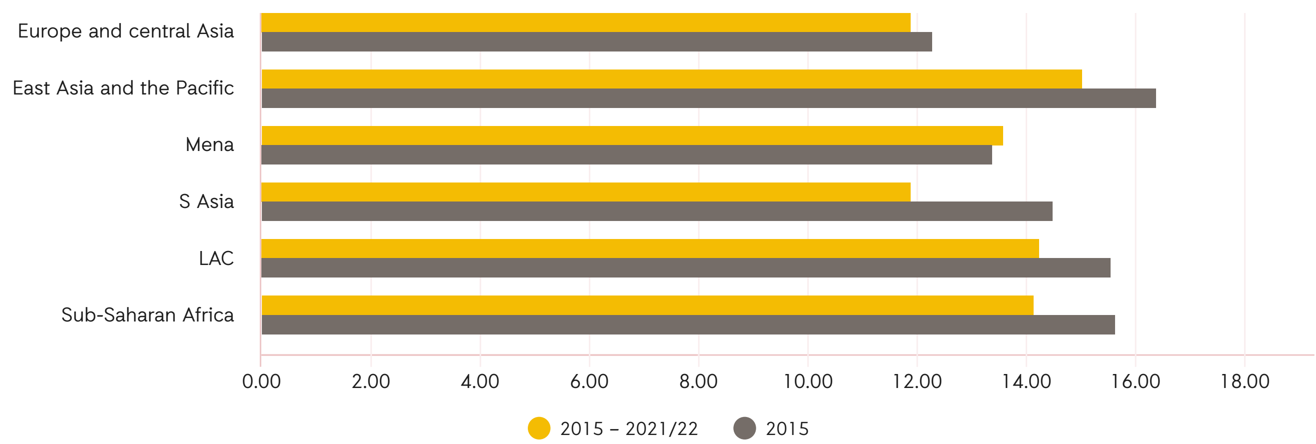
Average education spending in 2021 was only 14% of the share of the budget, and 4.7% of GDP. Across lower-income countries (both LICs and LMICs) this average is only around 15%.[24] Although this varies widely by different countries -- as shown below. For example, Sierra Leone was spending 33% in 2020. Nigeria, for instance, has the third lowest education spending in the world as a proportion of budget (well below 10%).[25] Many more countries fall far short of the international goals, even if less dramatically so.

KEY FACTS

- Globally, about one in three countries spend less than 4% of GDP and less than 15% of total government expenditure on education
- Only around 1 in ten countries spend 6% (or more) of GDP
- Half spend below the minimum GDP threshold of 4%
- 10% of countries meet or exceed the 20% budget share
- Only a quarter of countries spent between 15-20% - the remaining countries (more than half) spend below 15%

Source. Authors calculations based on UNESCO Institute of Statistics (UiS) data (latest years, 2021-22)

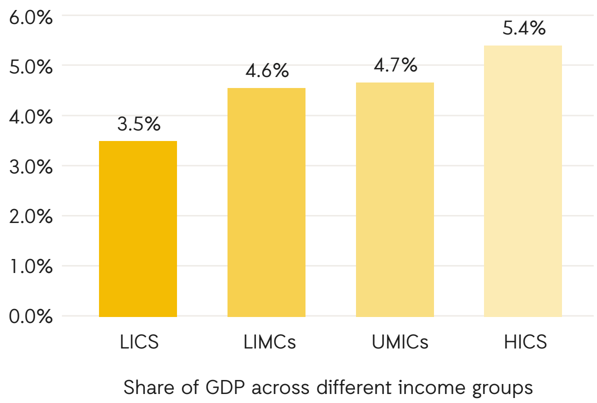
Figure 5: Changes in the share from 2015 to 2021/22

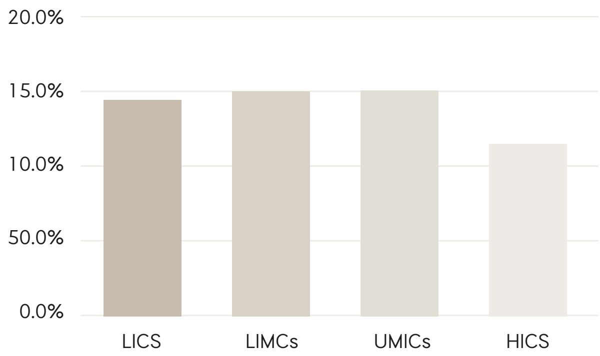


Source: Author's own calculations. Share of budget taken from UNESCO Institute of Statistics, and debt data from World Bank/IMF Low Income Countries – Debt Sustainability Analysis database

23. See the recommendations of the Education 2030 Framework for Action: https://uis.unesco.org/sites/default/files/documents/education-2030-incheon-framework-for-action-implementation-of-sdg4-2016-en_2.pdf
24. UNESCO Institute of Statistics (UiS) data (latest years, 2021-22 based on date for 180 countries. See https://uis.unesco.org/
25. Oxfam (2020). Fighting Inequality in the time of COVID-19: The Commitment to Reducing Inequality Index 2020. /https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621061/rr-fighting-inequality-covid-19-cri-index-081020-en.pdf

Figure 6: Share of budget across different income groups, latest year (2021-22*)





Source: Authors own calculations: UNESCO Institute of Statistics (UiS) data (latest years, 2021-22)

Education spending share has reduced further since COVID-19

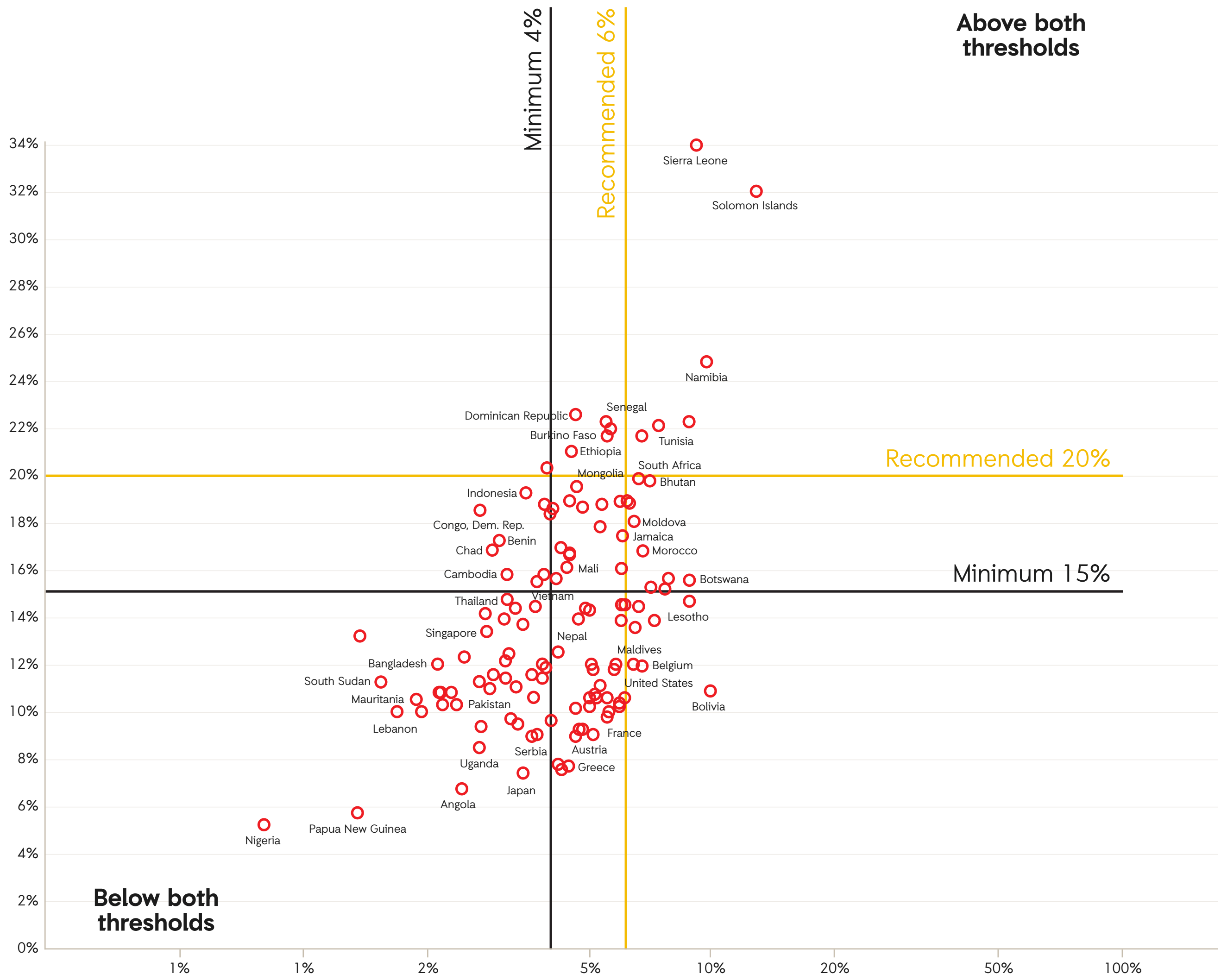
The effects of COVID on education finance have been significant. The COVID pandemic resulted in governments allocating public resources to fiscal stimulus but education systems struggled to gain additional financial support and to adapt to the crisis.

As a result, the share of education spending in total government spending fell.[26] The decline in the share of budget to education was more marked among low- and lower-middle income countries, including those with the most challenge to scaling up quality education. Moreover, in all regions since SDG 4 the share has reduced or stayed stagnant – the opposite of what is required to achieve the ambitions contained in the goal.

Children in school in Senegal.
CREDIT: ACTIONAID SENEGAL

26. World Bank/UNESCO. Education Finance Watch 2022. Op Cit.

Figure 7: Which countries fall below the minimun spending thresholds on education as a percentage of GDP (4%) and share of budget (15%)?



Source: Author's own calculations. UNESCO Institute of Statistics (UiS) data (latest years, 2021-22)

PLAN FOR ACTION: Identify the share of the budget here

GDP versus share: which matters?

Figure 7 shows a range of low- and middle-income countries' current allocations by both GDP share and budget share to education, by way of example for the range across countries. Only a small cluster of countries meet both targets. Some meet one but not the other and many meet neither. Countries meeting neither would need to combine expansion of government spending in the economy by expanding revenues, (this point is expanded on in Module 2) and increasing the share of education in total public spending. For instance, for Uganda just to reach 4% of GDP, either government spending as a share of GDP would need to significantly increase (from the 2021 amount of 19.6% to approximately 35%) or the country would need to almost double the percentage share of education spending (from 2021 11.4% to approximately 22% of total public spending).[27]

27. This is based on the latest figures in UIS for education. Op Cit. Tax-GDP ratios extracted from Commitment to Inequality Index (see footnote 64 for a detailed explanation of these figures).

Explaining Gross Domestic Product

Gross Domestic Product (GDP) includes the market value of all final goods and services produced within a country's borders in a given period of time, usually a year. This includes:

- Personal consumption expenditures: This includes spending by households on goods and services, such as food and housing.
- Gross private domestic investment: This includes spending on new capital goods, such as factories.
- Government consumption expenditures and gross investment: This includes spending by all levels of government on goods and services, such as defence, education, and infrastructure.
- Net exports: This is the difference between exports (goods and services produced domestically and sold abroad) and imports (goods and services produced abroad and sold domestically).

It is important to note that GDP is the mainstream standard to measure the value in economies and that education spending as a percentage of GDP can give education activists useful information. GDP is not without its critics. For instance, unpaid care work, such as caring for family members or doing household chores, is not considered in GDP calculations because it is not a market transaction and does not have a "market value". ActionAid, aligning itself with feminist economic analysis, argues this exclusion is problematic because it overlooks the significant contributions that women make through their unpaid care work, and perpetuates gender inequalities by reinforcing the patriarchal idea that care work is not valuable.

PLAN FOR ACTION: Calculate the share of the budget/GDP here

Which benchmark should education activists use?

It is important to evaluate the relative benefits of using either the measure of government expenditure (i.e. the 20% Budget share) or the percentage of GDP (i.e. the 6%) in each country for advocacy purposes. Each measure can reveal different issues of financing education in a country.

- **Measuring the allocation to education as a share of the total budget.** The percentage of a government budget allocated to education is often the best measure of a government's *own commitment* to education spending – this is the aspect on which they can most easily have direct impact. It can also make it easier to compare spending over time, as it's not necessary to adjust for inflation/deflation. If the total budget rises or falls but the share allocated to education stays the same, then it is fair to assume that the government has a steady commitment. If the share allocated to education rises or falls, this can be assumed to be due to a change in government priorities. However, it is worth noting that the share allocated to education is often higher in some low-income countries, or fragile states, because a government budget only covers a few basic sectors (health, education, defence, etc.) while government revenue is lower as a total percentage of GDP.

- **Measuring the allocation to education as a share of GDP.** Analysing budget figures in relation to GDP provides a useful way to look at trends over time and removes the need to allow for inflation. Looking at spending on education as a ratio of GDP can also give an idea of whether fluctuations in expenditure can be explained by fluctuations in the economy. This can be a useful measure when looking to identify whether the government is making enough effort to collect sufficient revenue to finance its budget contributions – especially when combining this with an analysis of revenue-collection methods. A government can only commit 6% of GDP if they have a healthy overall ratio of revenue to GDP. Therefore, low allocation to education as a percentage of GDP may be a result of low overall tax collection by the government, which would have an impact on all sectors. This issue will be explored in more detail in the next module. It should also be noted that where countries have a narrow production base, government spending makes up a large share of GDP.

The above exercise can help you to do a practice go at analysing both the budget share and percentage of GDP.

Measuring real expenditure on education over time

Budget advocacy which only looks at the budget for one, or a limited number of years, might fail to identify trends in education spending. Therefore, it is important to be aware of trends over time also in education budge advocacy, as spending on education is not a short-term, one-off investment, rather, it is a long-term investment that requires incremental and predictable financial commitments.

Yet budgets tend to be presented in nominal amounts, which are the actual figures allocated to, or spent on, education in any given year. To get a good measure of spending trends over time and to compare one year to another it is important to look at what is happening in real terms – that is, has government expenditure on education increased or decreased in real terms (above/below the rate of inflation) over time (when compared with previous years)? The below exercise helps you to look at doing a practice analysis of this.

PLAN FOR ACTION: Calculate the real amount over time here

What is the actual share?

It is important to be able to do your own analysis of the share of the budget to education. Some countries report on their share only after debt servicing has been taken out to, for instance, the GPE and the UNESCO Institute of Statistics (or in their citizens budget). This artificially inflates the share of the budget to education (and other services). To ensure you are calculating the "actual" share and understanding pressures on the budget, always do your own analysis – the practice budget in the above exercise can help you get started if you've not done this before.

What else competes for fiscal space in the budget?

When looking at the full government budget it may be possible to identify how spending less in another sector might increase the share of the budget for education, or can reveal where debt might be eating away at public spending, for instance. It is therefore important to understand the budget as a whole. One of the most important factors determining spending levels and trends for each government is the fiscal space available, i.e. the room in the existing budget to move spending around. A government's decision about how much to spend on education is usually based on a combination of factors, including how much revenue it collects, how much space it has in its budget to make changes in spending allocations to different sectors, and how committed it is to education.

Does recurrent and capital spending allow for equity and quality?

Some education activists express concern about a lack of capital budgets for investment in education. And while it is important for most lower income countries to have more funds for investment, it must not come at the expense of recurrent budgets which are required to ensure wages and other goods vital for quality. To achieve SDG4, budgets need to expand to pay for one-off capital projects, such as school construction, and increase recurrent (or operating) costs, which include teacher-related payments and therefore constitute the largest budget component.

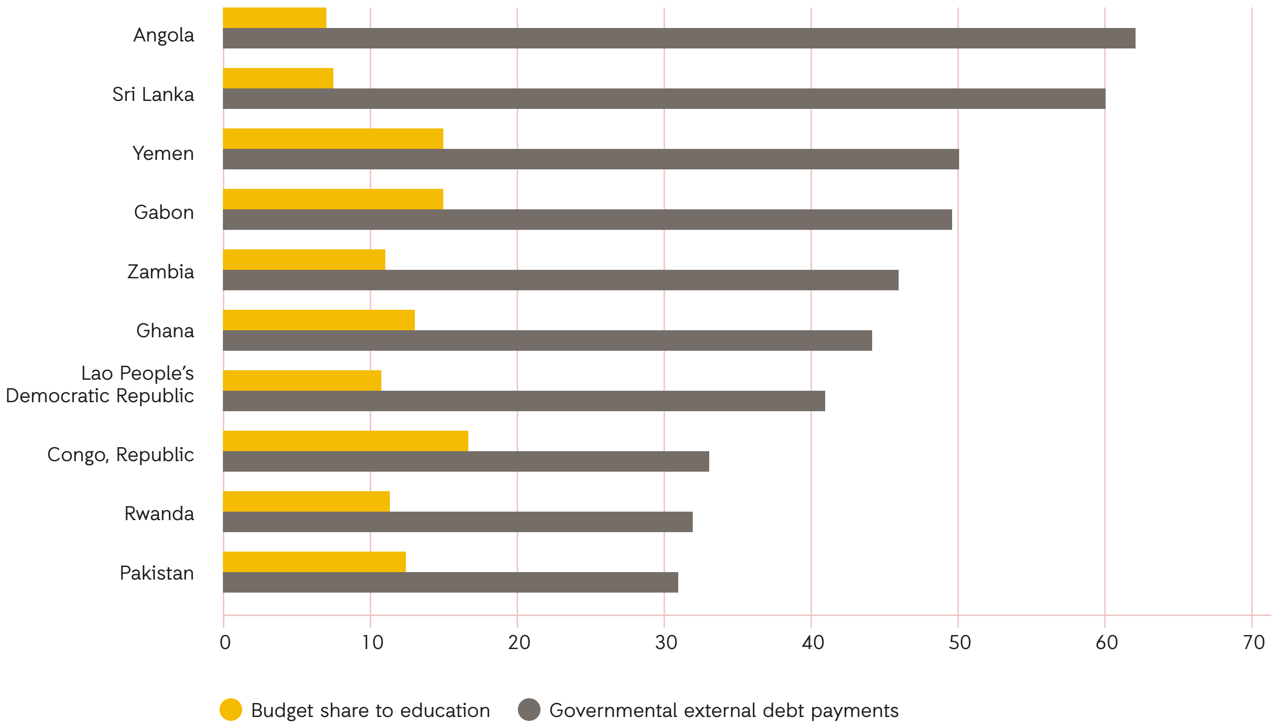
A UN SDG 4 costing breakdown[28] noted that to achieve quality and equity, 84% should be spent on recurrent/ operating costs - with 75% of that going to wages and salaries - and 14% on capital/ development projects. This

28. Background paper for the SDG 4 costing model, Global Education Monitoring report (2015). Reaching education targets in low and lower middle-income countries: Costs and finance gaps to 2030. Background paper by Wils, A. See: https://en.unesco.org/gem-report/node/819 means recurrent spending, especially on wages of teachers, are crucial to be maintained at high levels, while also allowing space in the budget for capital spending. However, with many governments already struggling to pay salaries and recruit additional trained and qualified teachers due to recurrent budget constraints, more efforts will be required to boost vital investments into necessary developments, and paying for more teachers. The answer is to ensure more budgets overall, and greater allocations to both recurrent and capital!

It is important to be aware of other social sectors, such as health or social welfare, and not compete with them for spending. But sometimes it's possible to identify win-win opportunities to turn bad allocations of public spending into good ones in order to increase the share of the budget to social goods. In a number of countries, very high amounts of the budget are spent on debt servicing and defence spending, which leaves little space for spending on social sectors (including education).

Indeed, many low- and middle-income countries are currently facing a serious debt crisis, which is leading to cuts in spending on public services. We will return to the impact this is having on the size of government revenues available for public services in the next module, but it is important to understand the impact that debt servicing may be having on a country's capacity to allocate a fair share to education. We took a small handful of countries who are currently in a debt crisis and compared the revenue allocated to debt servicing in the latest year available (2021) and compared this to spending on education (see figure 8 below). The results are shocking.

Figure 8: Debt servicing as % of budget v's Education Budget share : how does this compare in some of the countries in deepest debt distress?



Source: Author's own calculations. Share of budget taken from UNESCO Institute of Statistics, and debt data from World Bank/IMF Low Income Countries – Debt Sustainability Analysis database

TAKE ACTION: compare spending on different sectors and calculate the share to education before the debt servicing is taken out here

Percentage Share of ODA to Education

Official Development Assistance (ODA) grants given by the governments from OECD countries remain a critical element of financing for many low-income or countries in protracted crises or emergencies.

Yet ODA accounts for less than 3% of overall education spending (approximately 2% of education spending in lower-middle-income countries and 18% in low-income countries). Worryingly, the share of ODA allocated to education fell from 8.8% in 2019 to 5.5% in 2020, and the share of humanitarian aid given to education was cut from 2.9% in 2019 to 2.5% in 2021.[29] The decline in bilateral aid to education in 2020 has since been followed with cuts to aid earmarked to education by major donors and shifts in some donor governments' priorities.

The recent Transforming Education Summit Call to Action on Finance called for donors to commit to the established benchmark 0.7% of donor Gross National Income (GNI) for official development assistance (ODA) and increase the proportion of such aid going to education to 15% - 20% of portfolios and allocate these to the countries where the need is greatest. However, UNESCO's analysis of commitments has noted that only two donor countries expressed a future promise to increase aid to support education in emergencies or girl's education.[30]

Moreover, ODA has a very unique role to play, i.e. in cases where Low-Income Countries and/or countries in an emergency struggle to allocate sufficient resources, and require support to their education sector plans. It should be harmonised with this ((i.e. budget and sector support), and not allocated to parallel project funding. Whilst aid can still play a role it should not shape the agenda and it needs to be properly harmonised and aligned -- to avoid falling into neo-colonial patterns and legacies, where aid sets agenda's.

Shortfalls in government expenditure

Over time, shortfalls in government expenditure have made many education systems weak. For instance, the UN has estimated that there is a US$100 billion finance gap to meet SDG 4 globally – but in many sub-Saharan countries the gap is as much as half of what is required (from current funding levels to what is needed by 2030.[31]

When too little is spent, quality suffers, or costs must be recovered from elsewhere, or some parts of education go unfunded (and often all three are negatively impacted). A good example of this is what has happened to spending per pupil as education provision has expanded to include both more pupils and higher levels of education. This expansion has not been matched with significant increases in the budget share and as a result, in many countries, spending per pupil is shockingly low – with an average of just US$53 per year in 2020 – less than one dollar per week. This compares to $300 per year in lower-middle-income countries, and about US$1,000 in upper-middle-income countries. At a regional level, in sub-Saharan Africa (US$254) and South Asia (US$358). By contrast, high-income countries spend on average about $7,787 a year per school-age person.[32] This leads to shocking global inequalities in education.

In cases where spending is too low it leads to funds being spread too thinly to deliver even the most basic guarantees of quality.

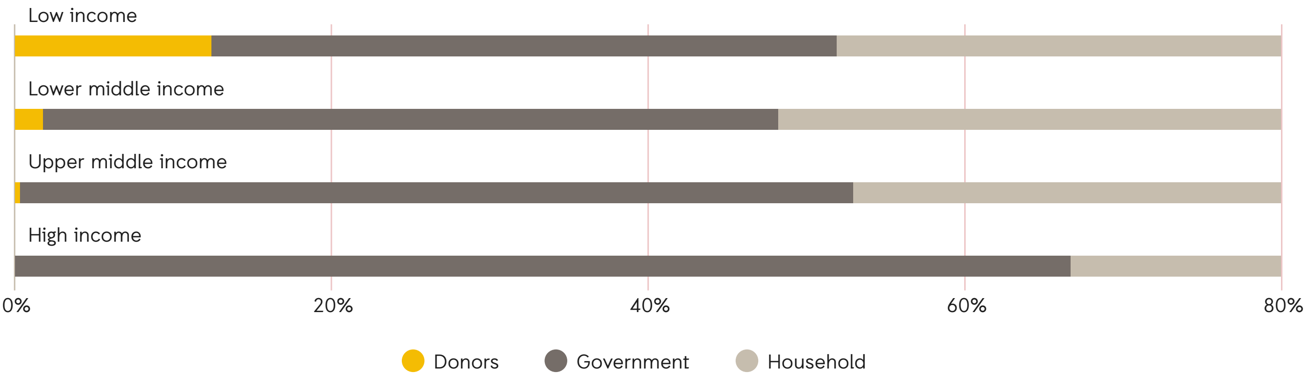
When the share is too low, who pays?

Looking at public budgets often raises questions about who else pays, or might be helping to deliver education, what isn't captured in the budget, and what is the relationship to public expenditure. Fewer public resources

29. World Bank/UNESCO. Education Finance Watch 2022. Op Cit.
30. UN (2022) Report on the 2022 Transforming Education Summit Convened by the UN Secretary-General . See /https://www.un.org/sites/un2.un.org/files/report_on_the_2022_transforming_education_summit.pdf
31. UNESCO (2023). Can countries afford their national SDG 4 benchmarks? See: https://unesdoc.unesco.org/ark:/48223/pf0000385004/PDF/385004eng.pdf.multi
32. World Bank/UNESCO. Education Finance Watch 2022. Op Cit.

are likely to increase education inequalities, since public education spending tends to benefit relatively more disadvantaged learners, and the lowest-income families cannot afford to fund education to the same quality as wealthier families. Yet in 2020, only half of all education spending in low-income countries came from government spending. A significant amount comes from households.

Figure 9: Education spending by donors, government and households



Source: Adapted from the GEM SCOPE website (latest data available, downloaded in March 2023): https://www.education-progress.org/en/articles/finance

KEY FACTS

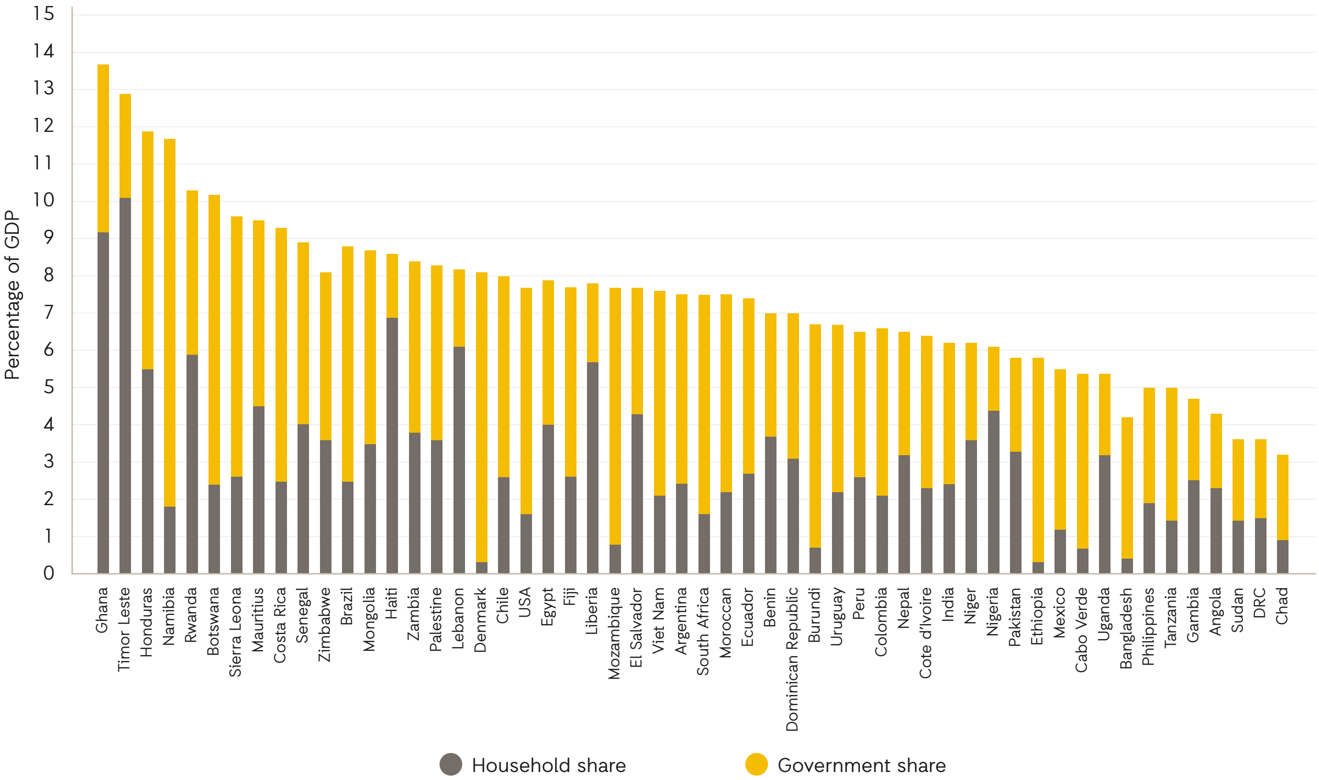
- In many low- and middle-income countries households contribute between one fifth and half of all education spending.
- In a median country, households are covering 30% of the cost of education.
- Although donors contribute 13% of spending in low-income countries, they contribute less than 1% globally – and are barely visible in absolute amounts.
- The share of households in total education expenditure rises to 70% in some countries including Haiti, Bangladesh and Nigeria.
- Nigeria had one of the lowest levels of government expenditure as a percentage of GDP. Yet, once household contributions are taken into account, Nigeria's total education expenditure on education as a percentage of GDP is the same as France.
- The government of Pakistan spent less than 2.5% of GDP, less than Germany but Pakistan spent overall more than Germany as households spent more than 3% of GDP on education.

Source. Adapted from the GEM SCOPE website (latest data available, downloaded in March 2023): https://www.education-progress.org/en/articles/finance

The shortfall in government spending is often partly mitigated by household spending on education. Household out-of-pocket payments (payments at the point of use of education, such as user fees charged by public educational institutions) still account for a large share of total education expenditures. Households account for a sizable share of total spending in low and lower-middle income countries. Globally, households contributed a little less than one-quarter of global education spending in 2020, but in low-income countries that share was 35%. In comparison, households in high-income countries contributed 16% of total education spending.[33]

33. World Bank/UNESCO. Education Finance Watch 2022. Op Cit.

Figure 10: Amount spent on education by households and governments as a percentage of GDP



Source: Adapted from the GEM SCOPE website (latest data available, downloaded in March 2023): https://www.education-progress.org/en/articles/finance

There is also significant variation among countries, even in the same income group. For instance:

- In low-income countries, households account for %5 of total education spending in Ethiopia and %10 in Mozambique but %59 in Uganda and %73 in Liberia. In Nepal, household expenditure in education is %3.2 of the GDP, and households fund half of all education expenditure – with households compensating for a lack of government spending and declining external financing.[34] This rises to %71 at upper secondary level.
- Among lower-middle-income countries, the shares are %5 in Lesotho and Sao Tome and Principe but %71 in Bangladesh and %72 in Nigeria.[35] In Zambia, household expenditure in education represents %3.8 of the GDP, most of this goes to the fees in non-state schools, with the richest %10 spending more than the rest of the population combined.[36]

This is a regressive way of funding the education system. It is also a violation of the right to education because financial barriers represent a major hurdle for many individuals and societies when it comes to accessing these rights – with far too many of the world's lowest-income families being denied their right to education.

When financing comes from the pockets of those on the lowest incomes it eats into more of their meagre household budgets, and if the burden on family finances is too high, problems arise with education access and equity. User fees, often the biggest out-of-pocket burden on households, can both discourage poor people from starting or completing education and exacerbate poverty, by forcing parents to take on some of the burden of financing education. High education spending levels mean that households must save and borrow for education. About one in six families in low- and middle-income countries saves to pay school fees. In Haiti, Kenya, the Philippines, and Uganda, %30 or more of households borrow for school fees.[37]

34. TaxED alliance (2021), Nepal Factsheet. https://actionaid.org/publications/2021/financing-future-delivering-sustainable-development-goal-4
35. World Bank/UNESCO (2022) Education Finance Watch 2022. Op Cit.
36. TaxED alliance (2021), Zambia Factsheet (see link in footnote 30).
37. Taken from UNESCO (2021). https://www.education-progress.org/en/articles/finance

Box 4. How free is free?

International human rights law specifies that primary education shall be compulsory and free of charge, while secondary and higher education shall be made progressively free of charge (see article. 13 and 14 ICESCR, 1976; or art. 28 CRC, 1989). Despite these international obligations, many countries keep imposing direct and indirect fees, even at primary level, impairing the access to education for many children around the world. Practically all countries have signed the CRC, so they are obliged to provide compulsory education free of charge, at least at primary level. Even if a State has financial difficulties, the burden of the proof that they are taking appropriate measures for the progressive realisation of this right falls on the State.

The Committee on Economic, Social and Cultural Rights (CESCR) also clarifies that indirect fees cannot constitute a barrier for the access to education: *"Fees imposed by the Government, the local authorities or the school, and other direct costs, constitute disincentives to the enjoyment of the right and may jeopardize its realization. They are also often highly regressive in effect. Their elimination is a matter which must be addressed by the required plan of action. Indirect costs, such as compulsory levies on parents (sometimes portrayed as being voluntary, when in fact they are not), or the obligation to wear a relatively expensive school uniform, can also fall into the same category"* (CESCR, General Comment 11 §7).

This means that States must eliminate school-related fees, even if some indirect cost might be permissible. In fact, *"States should adopt special measures to alleviate the negative effects of indirect costs on children from poorer households. Such measures include the free provision of textbooks and school transport, as well as scholarships and other financial subsidies for financially disadvantaged children. To the extent that school uniforms are compulsory, they must be provided free of charge to children from poorer households. The free provision of midday meals is a best practice in providing incentives for parents to send their children to school".*[38]

The elimination of school fees, at least in paper, has led to high increases in enrolment, particularly in rural areas, and much progress towards gender parity, *"UPE has greatly reduced the wealth bias that had characterized access to primary education in 1992; helped to establish gender equality by increasing girls' access to primary education; and reduced the incidence of cost-related drop-outs from primary school".*[39]

However, there is a myriad of fees that hinder the access to economically disadvantaged children, ActionAid, in surveys across different countries, found parents reported on the following fees: examination fees, development levy, school reports, parent-teacher association fees and uniform fees. There were also other fees such as meals, excursion or sport fees, teacher motivation fees, textbooks and school supplies. Most of these fees were compulsory and the children whose families did not pay in time were sent back home, even in government or public schools, which seem to constitute a violation of their right to education.[40]

When the share is too low, it exacerbates privatisation

Another consequence of underfunding education is that it opens the door to privatisation. In 2014, the United Nations Special Rapporteur described the problem of public sector underfunding clearly: *'The persistent underfunding of public education coincides with the rapid rise in the scale and scope of private actors in*

38. UNESCO (2008). The Right to primary education free of charge for all: ensuring compliance with international obligations. See: https://unesdoc.unesco.org/ark:/48223/pf0000159168

39. Deininger (2003). Does cost of schooling affect enrolment by the poor? Universal primary education in Uganda. Economics of Education Review, 2003, vol. 22, issue 3, 291-305. www.sciencedirect.com/science/article/abs/pii/S0272775702000535?via%3Dihub

40. ActionAid (2017). Tax, privatisation and the right to education. Op Cit *education'*.[41] The chronic underfunding of public services is a major contributor to this, leading to the quality of public provision being compromised, fostering disillusion, and opening the door to privatisation of services.[42]

Indeed, in recent years, there has been a qualitative and quantitative shift in the role of non-state actors in education provision, with deeper engagement of the for-profit private sector in education. Many voices are pushing for stronger partnerships with private actors. However, the negative effects on equity and other areas of the increasing privatisation of education is becoming a central concern for education, development and human rights scholars and practitioners. To be sure, privatisation is a business strategy focused on profit, choice and efficiency, which may work in opposition to ensuring quality and equitable education for all.

Indeed, there is growing evidence on the consequences of privatisation in terms of exclusion, segmentation, segregation, inequality of opportunities, stigmatisation of public education, diversion of essential funds, lowering teaching standards, narrowing of the curriculum, and so on.[43]

The neoliberal ideology intrinsic to this is embedded in a human capital approach to education, which argues that private providers increase choice, are more effective, and cost-efficient. Recurrent costs, namely teacher salaries, take the highest proportion of the education budgets, often 80-90%, which is why, when the aim is to reduce costs, different strategies, such as limiting the recruitment of teachers, increasing the number of students per teacher, freezing or cutting salaries, or employing lower or even non-qualified teachers (on short-term contracts) are commonplace. The so-called Low-Fee Private School (LFPS) chains have consistently employed unqualified teachers paying them much lower wages to save costs.

The Abidjan principles,[44] based on the human rights obligations of States to provide public educa tion and to regulate private involvement in education, provide rigorous guidelines to assess the role of private providers and consolidate international legislation into a single document, underlining governments' responsibilities to respect, protect and fulfil the right to education. Principle 25 refers to the state's obligation to prevent or redress direct or indirect discrimination in or through education, for example, including systemic disparities in educational opportunities or outcomes, highlighting socio-economic disadvantage. Principle 48 affirms that private actors can supplement, but not supplant or replace state provision of education, and that they cannot create any adverse systematic impact, such as creating or entrenching educational disparities.

ActionAid's study in Ghana, Kenya and Uganda and the collaborative research in Malawi, Mozambique, Nigeria and Tanzania used these Principles to understand the impact of privatisation on the right to education. It concluded that these states are not meeting their obligations to provide free and quality education and to adequately regulate private providers of education. This is partly because they are underfunding the sector, and the private sector is growing as a result. This growth of the private sector is causing and entrenching social inequalities, leading to stratification and huge disparities of education opportunities. For instance, there are almost twice as many private schools as public schools in Accra (Ghana) and more than half of the primary students are enrolled in private schools in Lagos (Nigeria), which signals that rather than supplementing them they are replacing state provision. Children who attend public schools can hardly compete against their counterparts in private schools for the few places available in public secondary schools and universities. Thus, the existence of the private schools is gradually building and perpetrating a stratified class system limiting the chances of social mobility.[45]

This has led to a number of initiatives aimed at resisting these privatisation trends with support from teachers' unions and civil society organisations supporting or leading the charge in different ways. For instance, Education International developed the Global Response Campaign against the privatisation and commercialisation of

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41. Statement by the Special Rapporteur on the right to education at the 69th session of the General Assembly (2014) OHCHR. Available at: https://www.ohchr.org/en/statements/2014/10/statement-special-rapporteur-right-education-69th-session-general-assembly
42. Ibid
43. See: https://www.un.org/en/our-work/documents.
44. See: https://www.abidjanprinciples.org/.
45. ActionAid (2017). Tax, privatisation and the right to education. Op Cit.

education,[46] with a more recent development from EI seeking to affirm the importance of public education through the Go Public: Fund Education Campaign.[47] The Global Campaign for Education members have engaged at multiple levels within the movement, with most working against the privatisation of education through an education rights lens.[48]

Box 5. Public-Private Partnerships in education

PPPs is a loose term that covers a wide range of arrangements across different sectors and is open to a diverse range of interpretations. According to the World Bank overview,[49] PPPs are *'a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance'.*

In education, PPPs emerged in the 1990s out of a perception that state systems of education were inefficient in addressing the needs of all the people as they offered poor quality provision and had no space for parental choice. The push for PPPs happened at the time of the withdrawal of funds to public education systems under conditions of structural adjustment in the 1980s and 1990s. PPPs can take different forms such as of vouchers, charter schools, or other governance arrangements which allowed for the establishment of schools outside the mass system of education, and support for supply-side initiatives. From the 2000s they have been associated with a narrative that points to the inefficiencies of public schools, framed under the 'learning crisis'. The solution was New Public Management, a shift from government-run education systems drawing on arrangements associated with the state, to forms of partnership with non-state bodies, regulated through governance arrangements.[50]

Advocates of PPPs argue that private providers associated with vouchers, low fee private schools, or the privatisation of sectors of an education system, increase choice, competition, efficiency resulting in higher levels of quality.[51] Those who critique PPPs, note they usher in support for wider acceptance of privatisation in education, amplifying social inequalities and risk, and only partially improving quality for some group.[52]

46. Education International. Fighting the commercialisation of education. Accessed March 2023. https://www.ei-ie.org/en/workarea/1312:fighting-the-commercialisation-of-education
47. Education International. Go Public Campaign. Accessed March 2023. https://www.ei-ie.org/en/item/27237:go-public-fund-education-education-international-launches-new-global-campaign
48. UNESCO Background paper prepared for the Global Education Monitoring Report (2021). Analysis of international civil society organizations' engagements around non‐state actors in education. See: https://unesdoc.unesco.org/ark:/48223/pf0000380089
49. See: https://ppp.worldbank.org/public-private-partnership/overview/what-are-public-private-partnerships. Accessed April 2023
50. Steiner-Khamsi, G., & Draxler, A. (Eds.). (2018). The state, business and education: Public private partnerships revisited.
51. Patrinos, H and Barrera, F (2009).The role and impact of public-private partnerships in education /
52. Robertson, S., Mundy, K. and Verger, A. (Eds). (2012). Public Private Partnerships in Education: New Actors and Modes of Governance in a Globalizing World. Gideon, J and Untherhalter, E. (2020) Critical Reflections on Public Private Partnerships: an introduction. In: Gideon, Jasmine and Untherhalter, E. (eds.) Critical Reflections on Public Private Partnerships.

MODULE 2.
SIZE

Summary of module

The size of the budget is the total amount that the government has available to spend. This figure is directly tied to how much revenue is collected. In too many low- and middle-income countries the size of the government budget overall is much smaller than it could be, as governments often do not raise enough through tax.

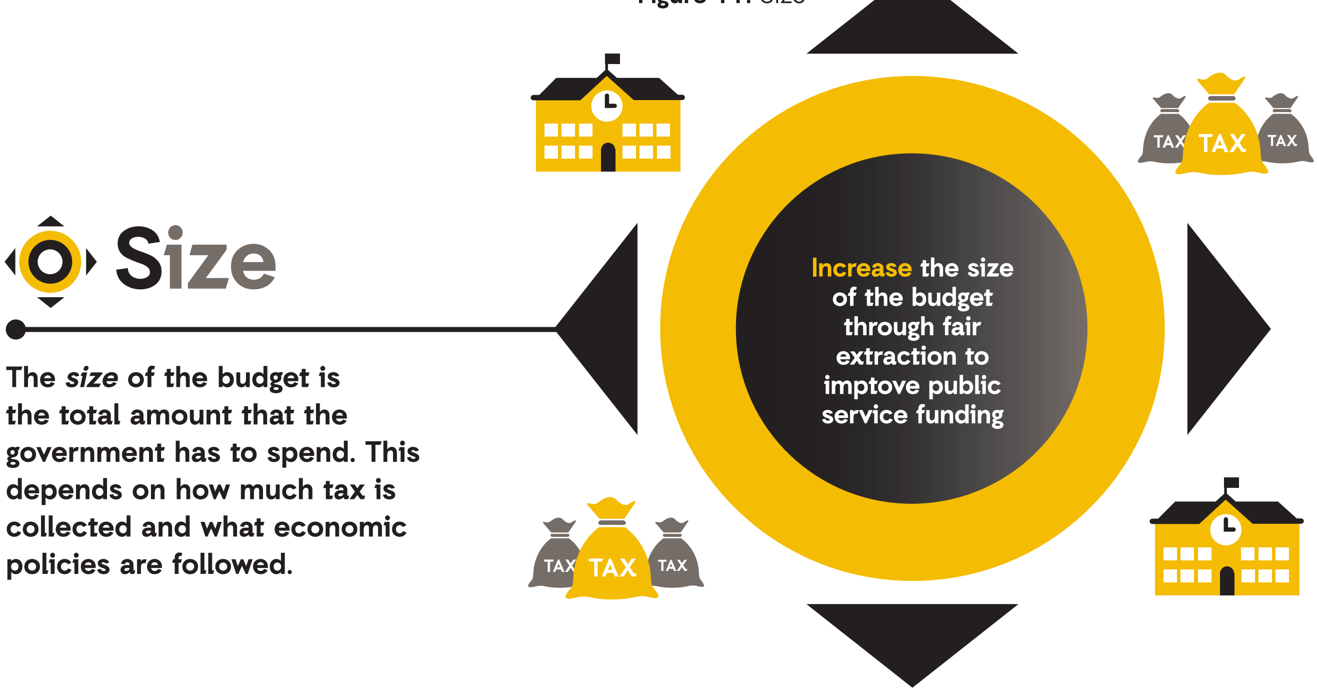
Even small increases in the size of revenues can lead to bigger government budgets and improve the amount of money available for public services. In education, which requires a large recurrent budget, this is critical for financing teachers' wages.

In lower income countries public sector wages are currently threatened by a wave of IMF backed austerity pressures and a growing global debt crisis. Action is, therefore, required to continue to advocate for increased budgets, even when the economic orthodoxy headwinds are against it.

The module will support education activists to:

- Understand how expanding domestic revenues, especially through progressive taxation, can support greater education spending, and explore ways to advocate for expanded tax revenues.
- Build an understanding of the debt crisis and how to plan to take action on debt.
- Build an understanding of how austerity policies are impacting on expanding and investing in quality education.
- Explore how a substantial and sustained dialogue betweenthe education community and key actors working on tax, debt, macro-economic policy can help
  shift the terms of debate.

Figure 11: Size



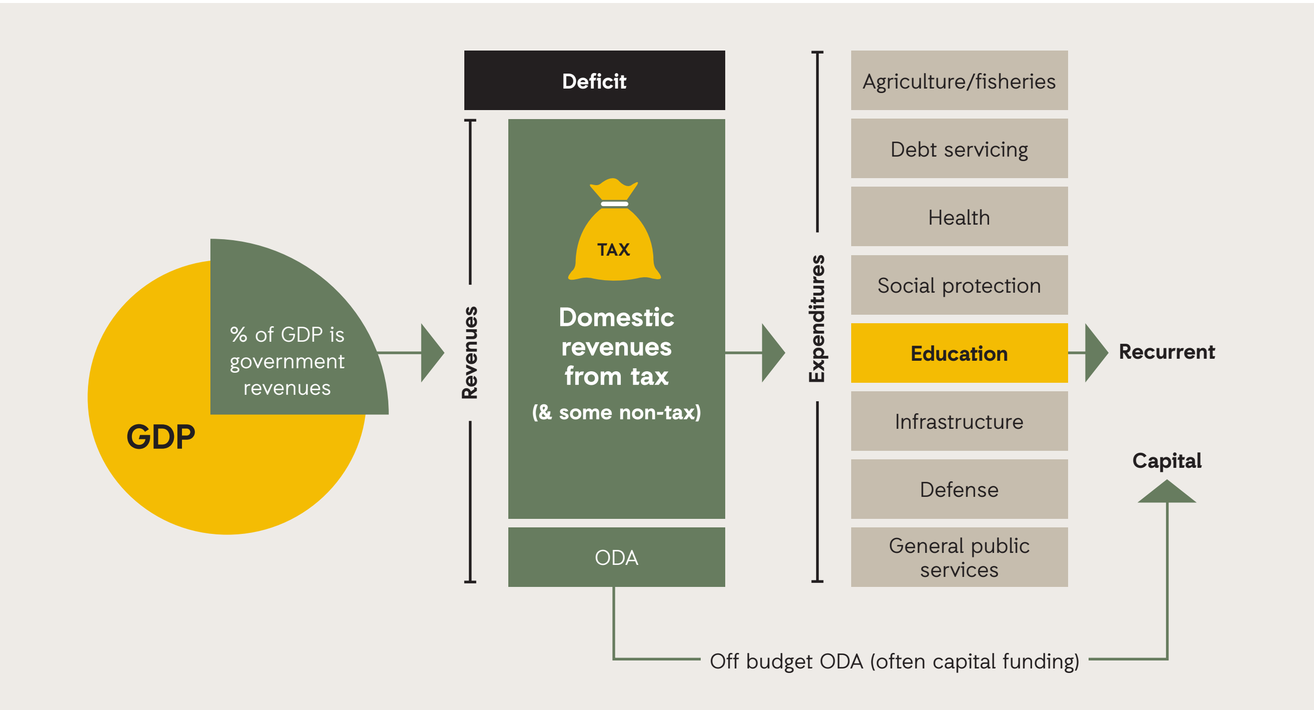
Size of the overall budget: why does it matter?

In many countries, the total government budget is much smaller than it could or should be. This means the budget available for public education (and other public services and social protection) is too small. In the main part, this is due to insufficient tax revenues being raised which "input" into the budget as the majority of all domestic revenues come from tax revenues. In some countries non-tax revenues, notably from extractives or oil revenues, also make up a sizable proportion of governments domestic revenues. In some low-income countries, and those in emergency or chronic crisis situations, Overseas Development Aid (ODA) also contributes to the overall revenue pool. There are also a number of other factors which influence this process from revenues through to final budget allocations (see figure 12).

For this reason, increasing the size of government budgets overall requires action on multiple fronts – many of which were underscored in the Transforming Education Summit (TES) commitments:

- Firstly, governments must review the size of national budgets overall, and, in particular, review action on (progressive) tax.
- Secondly, it will require action on the global debt crisis – with debt servicing sucking vital government resources away from public services, reducing the amount of public budgets that are available for spending on delivering on rights.
- Thirdly, we have to see a move away from the politics of austerity, particularly the pressure for cuts to public sector wage bills.
- Fourthly, a crucial change is required in the transformation in mindsets of those who have control of the fiscal levers of national budgets (Finance Ministers) and those who set the terms of debate, and influence national macroeconomics, including the IMF and World Bank.

Figure 12: Government Revenues and expenditures: influencing across the whole spectrum is necessary to increase education budgets



For education activists this agenda requires going beyond influencing only education budgets to working with others on financing a progressive agenda through action on tax and on the new global debt crisis.[53] Education activists will also need to join with others to resist the politics of austerity, even in fiscally constrained times.

The rest of the module looks at each of these areas, hoping to equip education activists to engage in this agenda, including with various exercises which will help them to plan for action on tax, debt and resisting austerity politics/advocating for economic alternatives.

Action on tax justice

Education activists should demand action on tax. Until recently, most education activists have focused their advocacy efforts on increasing spending and allocation but have not made recommendations on how to increase revenues. The Tax and Spend Triangle is a simple way to visualise this.

If activists only campaign for increased allocations to education from the existing budget, they will have missed out on an important avenue for increasing the overall amount of public money available for financing public education. It is now increasingly accepted that focusing on taxation and revenue increases are important for delivering the SDG 4.

Figure 13: The tax/spend triangle

Increasing tax-to-GDP levels

Many low- and middle-income countries raise far too little domestic revenue through tax and, as a result, allocate too small a share of the budget to education. Advocating for deliberate progressive national taxes can raise the funds needed to ensure inclusive, and quality education for all.

The main source of government revenue is taxation, even in low-income countries receiving a high share of income from grants (i.e. aid). As we have seen in the first module, there are many countries that achieve or exceed the percentage of budget share but still have a shortfall in meeting commitments to the right to education. The reason is simple: a 20% share of a small pie is too small a slice.

The challenge is to increase the pie's size – which is determined mainly by the overall tax revenue collected. An absolute minimum required to deliver the most basic services and to act as a "tipping point" for wider development is 15% of GDP – recently the World Bank, OECD and IMF have revived this as a minimum threshold for achieving SDG. But as the UN Expert Tax Committee noted in 2019: *"this is largely insufficient to meet the financing needs of the Sustainable Development Goals."*[54]

Indeed, looking at estimates of what is required to achieve SDG 4 *alone* in many LICs is instructive of how much more will be required for all public services. In some lower-income countries, where financing education meets the international share of the budget benchmark (i.e. 20% or more), this is still not enough. This is because rising

53. GCE and ActionAid (2022). Can Debt Alleviation Mechanisms Increase National Education Financing? https://campaignforeducation.org/en/press-centre/can-debt-alleviation-mechanisms-increase-national-education-financing
54. UN (2019) Committee of Experts on International Cooperation in Tax Matters, 18th session. Follow-up note on the role of taxation in achieving the SDGs. See: https://documents-ddny.un.org/doc/UNDOC/GEN/N19/036/47/PDF/N1903647.pdf?OpenElement%5d

youth populations in many lower-income countries, compounded by weak pre-existing education systems, mean countries need to frontload investments in the short-term.

The financing dilemma facing many low- and middle-income countries can be seen in the discrepancy between what different countries raise as a percentage of tax-GDP and/or domestic revenue-GDP. Financial modelling shows that more than 6% of GDP might be needed to achieve the education SDG 4 goal in many[55] lower-income countries (i.e. who have far to travel fast or with large young demographics).[56] Latest UNESCO figures published in 2023 shows that there is currently a 21% gap in the financing required to achieve these targets, resulting in a funding gap of US$97 billion between 2023 to 2030. Sub-Saharan Africa accounts for the largest share of the financing gap: US$70 billion per year on average. Moreover, as a share of GDP, in sub-Saharan Africa, the total cost is expected to increase from an average of 5.7% in 2023 to 7.4% in 2027 and 9.7% in 2030 – and 11.9% if post-secondary education financing needs are also taken into account. The UNESCO 2023 SDG 4 costing concludes that: *"Despite optimistic budget projections, many countries will not manage to increase their budgets sufficiently because of low tax revenues."*[57]

Indeed, as Professor Lewin has noted, it is "basic arithmetic" that low-income countries will need to stretch beyond 6%.[58] Indeed, with about 14% of the public budget (where the LIC average is right now) coupled with domestic revenue around 16% (again where the Low-Income Country revenue average is), translates into less than 3% of GDP – which is simply inadequate to deliver SDG 4. To achieve the goals, lower income countries need to work towards increasing domestic revenue substantially to between 20% and 30% of GDP.[59]

Yet, overall, average revenue as a share of GDP in 2021-22 was:
- 11% in low-income countries
- 21% in lower-middle-income countries
- 25% in upper-middle-income countries
- 43% in OECD countries
- There are also wide variations across regions, i.e., South Asia this is just 12% versus 37% in EU countries.

As such, working to increase a country's *total public budget* is critical, especially in countries where a good share

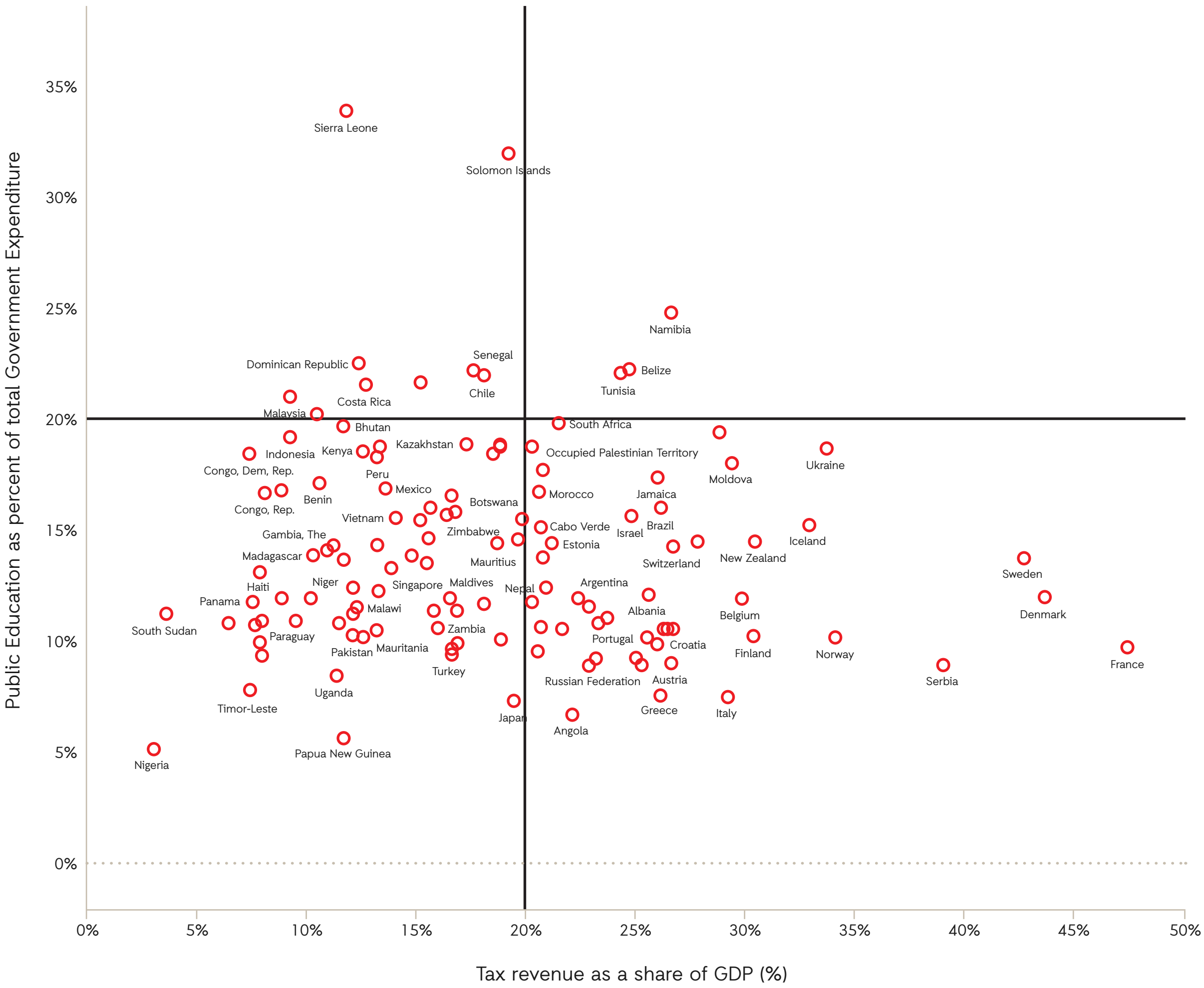
Figure 14: Domestic Revenue, Education Budget and education as % of GDP to achieve 6% of GDP on education[60]

	% GDP Domestic Revenue (1)	Allocated to education (2)	% GDP to education (1x2 =3)
OECD	35	14	4.9
LIC	20	30	6.0
LIMC	25	24	6.0
UMIC	30	20	6.0

55. See page 50 for a full discussion and overviews of the calculations, of: Lewin, K. The educational challenges of transition: Key issues for 2030". GPE working paper, 2017. 32. The prediction was 6.56%. This was estimated to be due to rising youth levels and to provide quality education (i.e. to lower student/teacher ratios, new classroom construction etc).
56. See UNESCO EFA GMR. (2015, July). Policy Paper 18. Pricing the right to education: The cost of reaching new targets by 2030. Op Cit.
57. UNESCO (2023). Can countries afford their national SDG 4 benchmarks? See: https://unesdoc.unesco.org/ark:/48223/pf0000385004/PDF/385004eng.pdf.multi
58. See, Lewin (2020) "Taxing Matters: Fiscal Reform, Public Goods and Aid", in NORRAG Special Issue 05 (NSI 05), "Domestic Financing: Tax and Education". See. https://resources.norrag.org/resource/download/630/364
59. Lewin, K.M. (2023), "It is time to fix the low financing trap: public spending on education revisited", Journal of International Cooperation in Education, Vol. 25 No. 1, pp. 21-41. https://doi.org/10.1108/JICE-06-2022-0011
60. Table taken from: Lewin (2020). Op Cit.

of the budget is already being allocated to education - for some countries they may be allocating significant amounts, but the overall pie is too small. For example, Ethiopia, which spends around 20% of budget but only raises 10% of revenue to GDP, and Sierra Leone currently allocates 35% of budget to education but only raises 14% of tax-GDP. Meanwhile, those who both fail to raise sufficient revenues and choose to not prioritise education are often those who with the largest gaps or inequalities in education when households make up for lack of government budgets. Figure 11 exemplifies these points across a number of countries.

Figure 15: Which countries prioritise tax revenues and education spending?



Source: Author's own calculations based on public education expenditure data extracted from UNESCO Institute Statistics (data is from 2020-2022, based on latest year available) data and Tax-GDP data extracted from the Commitment to Reducing Inequality Index 2022 (data is from 2020-2022, based on latest year available) 2022 tax database (see footnote 64 for a detailed breakdown of the tax-GDP sources).

Tax, the state and the right to education

Tax raises resources for public services and underpins state-citizen relationships. Tax acts as a glue that binds the accountability of governments to their citizens: When tax revenue pays for education, governments are more likely to feel responsible for ensuring that the money is well spent. If taxpayers see governments wasting their money, or believe that others are unfairly avoiding paying tax, they may be reluctant to pay their taxes. So, ensuring that tax funds are well spent, and fairly raised, can help citizens to become vocal in holding their governments to account.

When civil society is more engaged with how governments allocate and spend taxes, especially in societies where corruption is a concern, it can help improve the overall state-citizen accountability chain – so there is also a clear role for CSOs and teaching unions in monitoring and tracking tax revenue and public expenditure.

In many low- and middle-income countries there is little public information or debate about taxation – even at election time. Wealthy and influential people sometimes avoid or evade tax, sometimes politicians spend corruptly or steal public funds. In these situations, public attitudes to taxation are often negative.

Figure 16: Financing the future: The 4Rs of Tax Justice

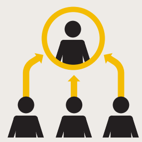
Tax systems reprogrammed to prioritise the needs of all members of society can deliver:

Revenue, generating sustainable funds for education and other public services

Redistribution, to curb vertical and horizontal inequalities (those between individuals and those between groups)

Repricing, to limit public “bads” such as tobacco consumption or carbon emissions

Representation, to build healthier democratic processes, recognising that higher reliance of government spending on tax revenues is strongly linked to higher quality of governance and political representation



Raising Spending by a Few Percentage Points Can Make a Huge Difference

All countries should work towards a *minimum* tax-to-GDP ratio of 20% in order to provide quality public services. But even a few additional percentage points of revenue raised can make all the difference. According to the UNESCO Education Global Monitoring Report, if governments in 67 low- and middle-income countries had modestly increased their tax-raising efforts and devoted a fifth of their budget to increased public education spending, the average share of GDP spent on public education would go from 3% to 6%.[61]

The IMF estimates that most countries could raise these ratios by five percentage points by 2030.[62] Though increasing tax-to-GDP ratios by 5 percentage points in the medium term is ambitious, in most cases it is also reasonable. ActionAid has shown this would allow a doubling of spending on education, health and some other services.[63]

Specifically, the TaxED alliance[64] also looked at the phenomenal increase this could lead to:

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61. EFA Global Monitoring report (2015). Policy Paper 12. Increasing tax revenues to bridge the education financing gap. https://www.unesco.org/gem-report/en/node/113
62. IMF Staff Discussion Paper (2019) Fiscal policy and development: Human, social, and physical investments. See www.researchgate.net/publication/330717319_Fiscal_Policy_and_Development_Human_Social_and_Physical_Investments_for_the_SDGs
63. ActionAid (2020). Who Cares for the Future: finance gender responsive public services! See: https://actionaid.org/publications/2020/who-cares-future-finance-gender-responsive-public-services?msclkid=e313f350a92311ec9e3c23eaa10c314b
64. For more on these statistics, see the relevant country factsheets from TaxED coalition here: https://actionaid.org/news/2022/launch-factsheets-sustainable-solutions-finance-education

- Ghana could raise an astonishing US$7.8 billion, of which, if the government allocated just 20% of new tax revenues, as per international benchmarks, this could increase the education budget by US$1.5bn – around half the budget.
- Malawi could generate an additional US$732.7 million by 2023/34 At current spending levels, just 20% of new tax revenues generated in this way could increase the education budget by US$146.5 million – around two-thirds of the 2018 education budget.
- Mozambique could raise an additional US$1.3 billion by 2023. At current spending levels, just 20% of new tax revenues generated in this way could increase the education budget by US$275 million – around one third of the education budget.
- Nigeria could raise an additional US$23 billion by 2023. At current spending levels, just 20% of new tax revenues raised this way could generate US$4.7bn – about 40% of the entire Federal education budget for 2019.
- Zambia could gain additional revenues of US$6.2 bn annually by 2023. If the government allocated just 20% of this it would increase the education budget by US$1.2bn – twice the amount allocated to education in the 2021 budget.

PLAN FOR ACTION: Find out your country tax-GDP ratio here

Figure 17: Tax Revenue as % GDP Country income groups (2020-21)

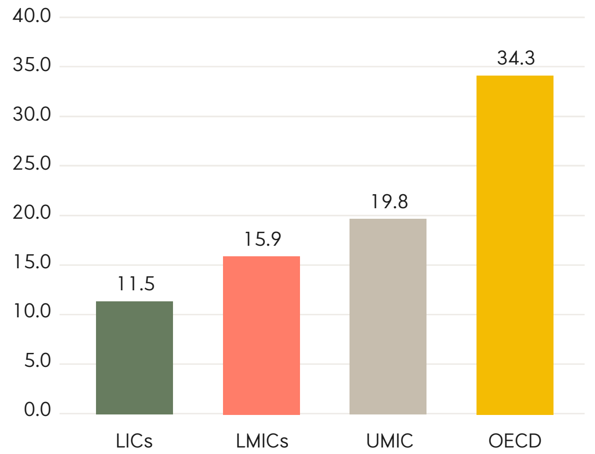


Figure 18: Domestic revenue % GDP Country income groups (2020-21)

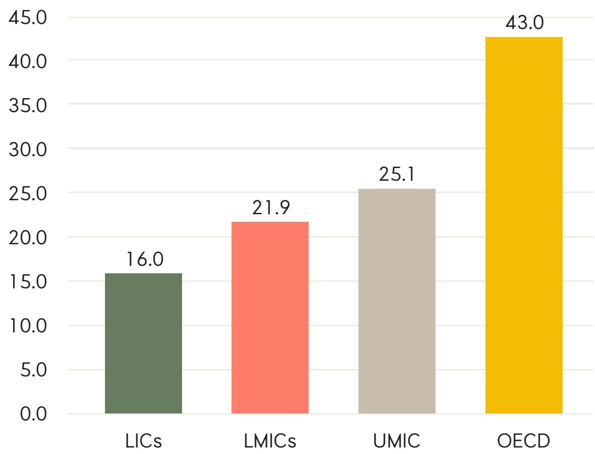
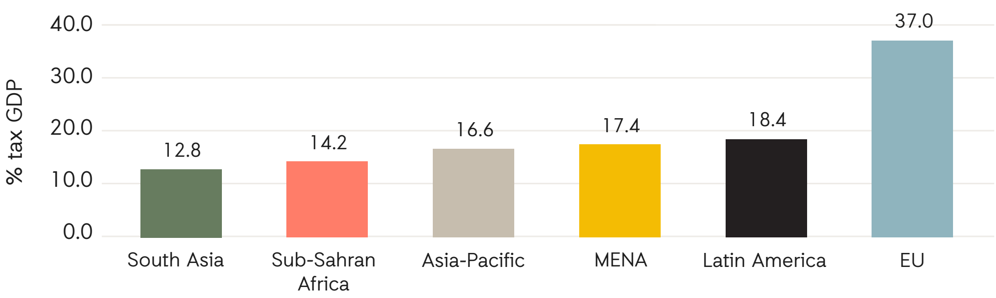


Figure 19: Tax reveue as % GDP. Regional country groups (2020-21)



Source for Figutres 12-14. Authors own calculations, based on data extracted from the tax database from the tax justice pillar in the Oxfam/DFI Commitment to Inequality Index.[65]

65. This data on tax revenues is collected by DFI, drawing from national budgets, revenue authorities and statistical documents, the OECD, and from IMF Board documents. The author chose this source as it allows for analysis of 161 countries . The full methodology for compiling these are available here: https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/2022-10/mn-cri-2022-methodology-note-en.pdf. It should be noted that this might give a slight downward bias when compared to other sources, such as OECD or IMF (i.e. a lower tax-GDP %). The OECD numbers are of a considerably smaller country sample size, and may exclude some countries with poor data, and IMF report only tax revenues to the central government and are only available from 2017 as a cross country set, for instance: LICs: 12% (OECD 2020) or 12.3% (IMF 2017): LMICs 19.2% (OEC 2020) or 16.2% (IMF 2017): UMICs, 21.1%, (OECD 2020) and 18.4% (IMF 2017): HICs 33% (OECD 2020) or 23% (IMF 2017).

Progressive and regressive taxation

Countries not only need to ensure more tax revenue and do that through widening the taxation system, but they also need to do this fairly – that is, by ensuring those who can afford to pay more are required to do so. Alternatives are available which can boost the public spending pot.

One approach is to shift towards a progressive tax agenda – designing a policy where wealthier individuals and companies pay more, in accordance with their greater income share and ability to pay. This shift will require sustained political will and a long-term vision, both at the international level and within domestic fiscal policy design, as many of the wealthiest can exploit current international rules and dodge taxes.

On the other hand, a regressive system, where a tax is applied uniformly or applied to goods and services which the poorest spend more of their incomes on, takes a larger percentage of income from low-income earners than from middle- and high-income earners (where the tax burden is decreasing as income rises.

Progressive taxes: property tax, capital gains tax and wealth taxes (such as inheritance tax), personal incomes taxes (that rise with incomes and exempt those on the lowest wages), and taxes on big companies all tend to be more progressive given they target wealth and large profits (because wealth and profits that are not in the range of those on low-incomes). These are often called "direct taxes".

Regressive taxes: consumption taxes such as value-added tax (VAT), excise taxes, international trade taxes, and taxes on the informal sector are regressive as the poor tend to be more targeted by these. These are often called "indirect taxes". Within these, the regressive nature can be minimised, i.e. if certain key basic goods are exempt from VAT that can make this a "less regressive" tax. Given the predominance of women and historically disadvantaged groups among lower-income households, the focus on direct taxation is also necessary to militate against further gender and intersectional inequalities.

The range of tax policies must support the most marginalised and vulnerable, and those facing intersectional inequalities. It is important to ensure a gender analysis to also minimise and mitigate the regressive impacts of indirect taxes (i.e. VAT), and taxes on the informal economy. A progressive, gender-just approach to tax would also effectively redistribute wealth and contribute to the achievement of women's rights by taxing those with the most ability to pay.[66]

For too many years, in lower-income countries with large informal economies, the IMF and others have pushed them to pursue tax growth via VAT in particular, arguing that due to large informal sectors it is too hard to pursue other approaches (i.e. Personal Income Taxes which tend to be only applicable to the formal sector). This should be debunked as a democratically corrosive myth, especially in times of growing income and wealth inequality.

ActionAid has shown how it is possible to both grow tax-GDP ratios and pursue progressive tax reforms. Malawi, Mozambique and Nigeria have shown there is considerable space for a significant revenue increase. The proposed reforms, focusing on personal income tax, corporate tax incentives, property taxes and luxury goods, could translate into an increase in the tax-to-GDP ratio of 1% in Nigeria, 2% in Malawi and a staggering 6% in Mozambique.[67] The research has shown that it is also possible to make taxes that are largely considered regressive, less regressive and push the dial more towards progressive outcomes; for instance, introducing VAT limits on basic goods consumed by low-income households.

While CLADE has shown that in Argentina, the application of progressive tax justice measures (50% annualization of the tax on large fortunes, 10% increase in personal property tax, 20% reduction in tax expenditures) would

66. ActionAid (2018). Short-changed: How the IMF's tax policies are failing women. https://www.actionaid.org.uk/publications/short-changed-how-imfs-tax-policies-are-failing-women

67. Progressive Tax Country briefings, available here: https://actionaid.org/publications/2018/progressive-taxation-briefings?msclkid=f44289b8b42011ec862f756462d2c4e1 mean a 16% increase in the national education budget.[68] Multinational companies in Argentina also evade a total of 1,200 million dollars a year by operating in tax havens , if this amount were used for teacher salaries, salaries could be increased by 45%.[69]

Box 6. Teachers - funded by tax revenues

Education systems require long term and predictable financing because the biggest single item on any education budget is teachers. The provision of education is basically labour intensive. Indeed, having qualified teachers in sufficient numbers is crucial for quality education.[70] And yet there is a desperate shortage of trained and qualified teachers – at least 69 million more teachers are needed worldwide (and 17 million more in Africa alone) if we are to achieve SDG4.[71] The number of pre-primary educators in low-income countries needs to triple, while it needs to double in lower-middle income countries so that countries can reach their SDG4 education benchmark targets. Additionally, the number of primary school teachers will need to increase by nearly 50% in low-income countries.[72]

This is the key financing challenge for many education ministries: SDG 4 will not be met without recurrent spending, which is what pays for teachers who require long term, year-on-year financing to cover wages. Currently, teachers constitute by far the biggest expenditure in education budgets – and the most immovable budget expenditure when budgets are cut (or at least not increased with inflation). This means when budgets are too small or fail to keep up with inflation too little is left for other spending. Some actors argue this requires reducing the wage bill (i.e. teacher salaries) to allow for spending in other areas. But this can never be the way to progress the right to education, nor SDG 4. Low salaries and poor employment conditions for teachers also negatively contribute to the achievement of SDG 8 on decent work, and 5 on gender justice as teaching is a largely feminised profession.

A better route is to increase the size of the overall budget, and this will require mobilising large amounts of recurrent spending, which automatically requires more tax revenues - even in the lowest-income countries. Aid and loans - when harmonised and given without conditions to the countries in greatest need - can make a useful contribution. However, they can often be of limited value for financing education because they are inherently short-term and unpredictable, and it is unwise to recruit teachers with 3-year project-based aid funding who would need to be dismissed when aid money runs out. Aid money, therefore, tends to support shorter-term interventions such as classroom construction, school feeding programmes, girls' scholarships, programmes to reduce student drop-out, curriculum development etc. Many governments only look to employ new teachers when they have a secure, predictable source of revenue – and that almost invariably means tax revenue.

PLAN FOR ACTION: On tax here

68. CLADE, Fundación SES Foundation , the Argentine Campaign for the Right to Education (CADE) , Latindadd , and the Tax Justice Network of Latin America and the Caribbean. Proyecto justicia fiscal y derecho a la educación
69. Taken from: https://redclade.org/pais/argentina/
70. See: Understanding teachers' impact on student achievement. Available at: https://www.rand.org/education-and-labor/projects/measuring-teacher-effectiveness/teachers-matter.html. Accessed April 2023.
71. UNESCO (2016) The World needs almost 69 million new teachers to reach the 2030 Education goals. See: https://unesdoc.unesco.org/ark:/48223/pf0000246124
72. UNSCO (2023) Can countries afford their national SDG 4 benchmarks? See: https://unesdoc.unesco.org/ark:/48223/pf0000385004/PDF/385004eng.pdf.multi

Halting tax leakages

At a national level, one way to ensure greater tax-GDP through progressive taxes is to halt tax “giveaways” to multinational corporations ending harmful tax incentives, preventing corporate tax abuse and stopping other illicit financial flows.

Many multinational companies do not pay their fair share of taxes. In low- and middle-income countries, this is largely the result of the perceived mobility of multinationals, which has led to increased and intensifying competition between national governments to try and attract foreign companies with ever lower rates of corporate income tax.

Figure 20: Tax dodging

Tax dodging =

inadequate public services

$483billion

lost per year to global tax abuse committed by multinational corporations and wealthy individuals

Tax pays for Education and other public services

Tax incentives for corporations represent the biggest leakage of revenue from countries’ potential tax take. Despite numerous studies demonstrating that most incentives are not necessary to attract investment, governments that are focused on getting more foreign investment continue to use them excessively.

The scale of revenue lost to tax incentives is shown in the two below examples, produced by the TaxED Alliance, on Senegal, and Nigeria (see figure 10). They found that a lot of revenue is lost in developing countries through a combination of tax dodging by multinational companies and the generous (and often unnecessary) tax incentives offered to them. The scale of the use of incentives – and what could be realised if the lost funds were instead spent on education. Companies can also avoid paying their fair share of taxes by exploiting tax breaks that countries offer or through tax dodging, whether by exploiting legal loopholes (tax avoidance) or, by illegal means (tax evasion).

Lower-income countries also enter into tax treaties with higher-income countries, usually losing out in that process as well (though lack of information makes it difficult to calculate the revenue lost owing to dodgy treaties).[73]

Post-COVID there is an even greater urgency for raising taxes in a fair and progressive way, including through setting new global rules for ensuring companies pay their fair share, and raising taxes on excess profits and wealth.

PLAN FOR ACTION: Investigate tax dodging here

73. ActionAid (2016).Mistreated. The tax treaties that are depriving the world’s poorest countries of vital revenue. See: https://actionaid.org/publications/2016/mistreated

Figure 21: Revenue lost to tax incentives: Senegal

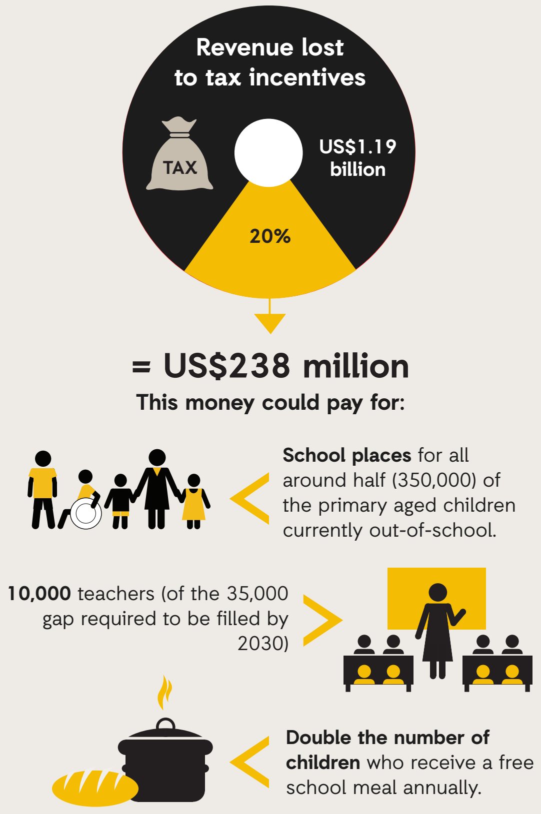
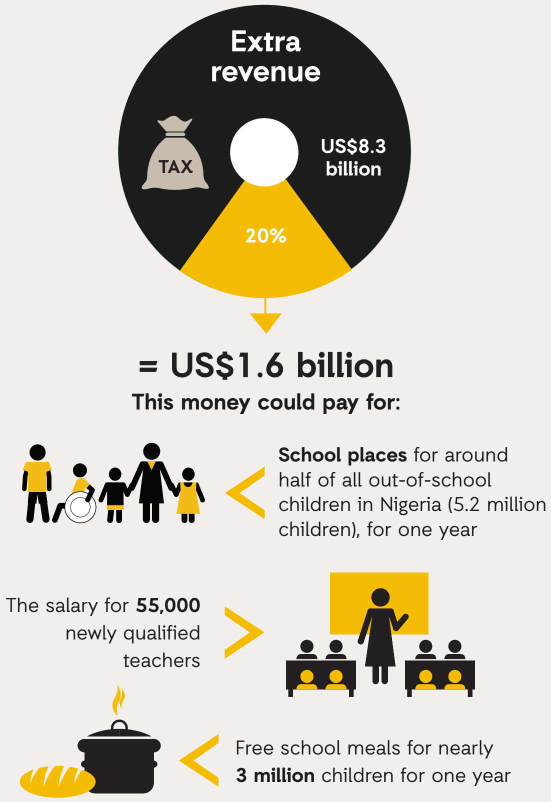


Figure 22: Revenue lost to tax incentives: Nigeria



Action on debt

The failure to maximise tax revenues is compounded by the fact that many lower income countries are now slipping into dangerous levels of debt, which will require payments that governments struggling to meet the SDGs can ill afford.

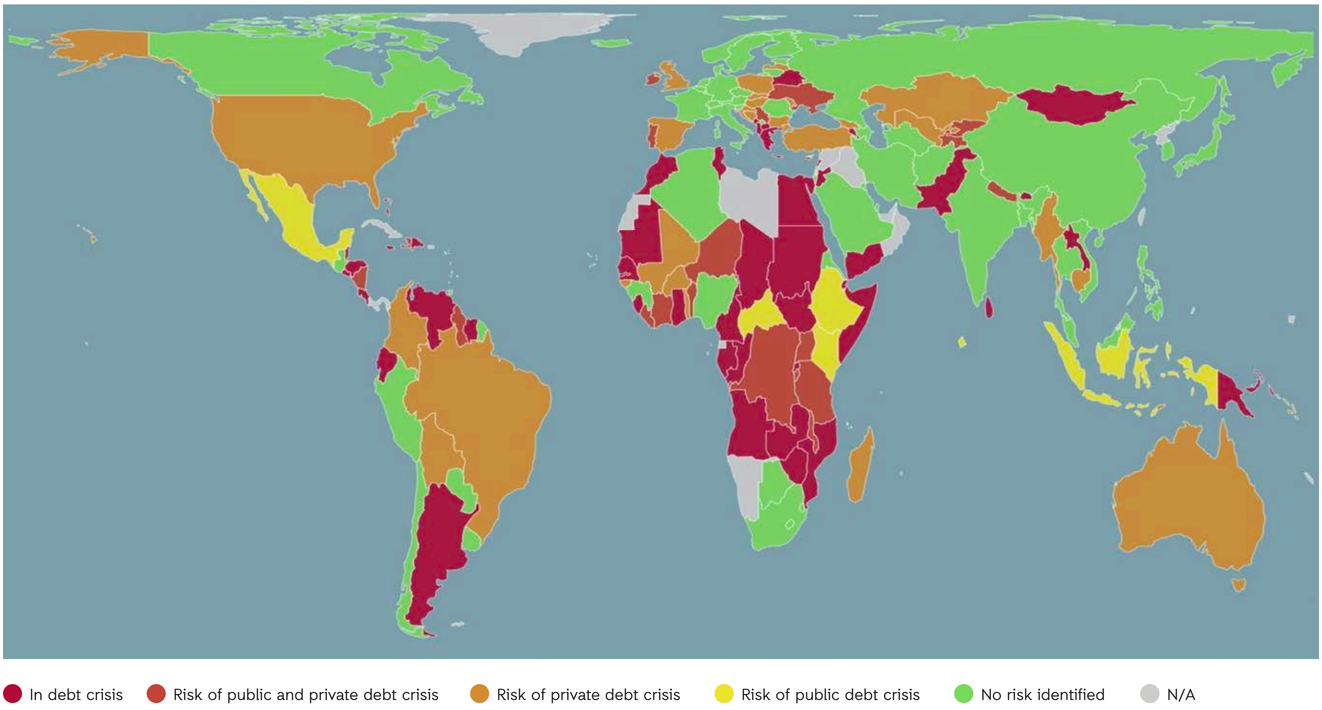
A 'debt crisis' is where debt payments undermine a country's economy and/or the ability of its government to protect the basic economic and social rights of its citizens. Debt crises can be caused by debt owed by governments, or by debts owed by the private sector, i.e., businesses, banks and households. Private debt can lead to a financial crisis, which then passes debt on to the public.

Jubilee Debt Coalition (JDC) analysis identifies countries at risk of a debt crisis caused by public debt, those at risk from private debt, and those at risk from both (see box below).

How is your country doing?

Jubilee Debt Coalition's 2021 risk analysis, found that 54 countries across the world were suffering from a debt crisis. In addition, there were 22 countries at risk of a private sector debt crisis, 21 countries at risk of a public sector debt crisis, and 14 at risk from both a private and public sector debt crisis. For more up to date information, see: https://data.debtjustice.org.uk/

Figure 23: Countries that Jubilee Debt Campaign classify in debt crisis at risk of debt distress



Source: Jubilee Debt Campaign Debt Portal See: https://debtjustice.org.uk/countries-in-crisisaken from here: https://debtjustice.org.uk/countries-in-crisis

The measure of the total debt is currently staggering. Average public debt (both foreign and domestic debt) across the world rose by 13% in 2019 and 2021 to 97% of global GDP; nationally, the increase in debt was most marked where countries were able to borrow to fund COVID responses.

It is important to note that it is the level of debt repayments that must be paid (termed "debt servicing") that has the most significant drain on annual revenue. In 2021, average debt servicing (on external and domestic debt) reached 38% of government revenue and 27.5% of government spending across low- and middle-income countries. On average this was twice their level of education spending. In total 2021 saw low- and middle-income countries transfer almost $1 trillion to external creditors through debt servicing.[74]

Despite there being huge debts in high income countries, lower-income country debts are much more expensive (with higher interest rates and shorter repayment periods) than those of OECD economies. As a result, their debt servicing burdens are much higher, crowding out the crucial spending on public services such as education. Indeed, more than two-thirds of low- and middle-income countries have very high debt service (over 15% of revenue)[75] which is stopping them from spending more on education.

More than 30 countries have already been in a deep economic crisis, defaulted on debts, and needed debt relief in the last five years, with the most recent prominent defaulter being Sri Lanka. Still more are turning to the IMF to bail them out with loan packages which are generally based on austerity, in the hope of avoiding default (such as Egypt, Ghana, and Tunisia).

This is likely to get worse as COVID borrowing collides with other global events. Indeed, in response to inflation, rich countries are hiking interest rates, further pushing up the borrowing costs of poorer countries. In addition, the appreciation of the US dollar from 2022 onwards is making dollar-denominated debts even more expensive for low- and middle-income country budgets. This is why action on debt in the coming years will be vital for ensuring that budgets don't shrink, squeezing funding for education.

74. Oxfam and DFI (2022). Op Cit.
75. Ibid

Teachers' unions and CSOs must take action on debt

Delivering the right to education will remain difficult unless education activists move beyond simply working to expand the education budget in the coming years – debt servicing will continue to erode states' capacity to be able to allocate maximum resources towards education unless we come together with others to demand action on debt.

As long as there is a debt crisis which means many countries are spending more on debt servicing than they do on education, education activists will need to work with others globally also to push for bold international action to secure the right to education. This requires moving far beyond the recent Debt Service Suspension Initiative (DSSI) that offered too little help to too few countries at the height of COVID.[76] The DSSI was intended to be complemented by a 'Common Framework' for debt restructuring for countries with unsustainable debt levels, which would allow all relevant creditors to provide comparable and comprehensive debt relief. However, while welcome in that it tries to coordinate all creditors, this has proved to be very disappointing in its delivery of debt relief. Private and multilateral creditors have largely not taken part in the initiative and it does not cover domestic debt. Many heavily indebted countries have therefore not applied for what seems like only part-relief and those applying have found that the process is extremely slow, taking at least a year.

We believe that any country that spends more on debt servicing than on education ought to be prioritised for debt renegotiation and access to a new debt workout mechanism. Education activists should thus also call for action from the international community to address urgent action on the debt crisis and join with others to demand a new compact on debt restructuring -- suspended debts must be permanently cancelled so that no country is spending more on servicing debts than they do on spending on education or on health. There is also a need for a wider approach to debt sustainability which considers long terms needs for financing, with debt negotiations premised on countries investing in the SDGs, climate goals, human rights and gender equality commitments.

At national level, education activists can also find out more about taking action on debt through the practical exercises for better understanding the impacts of debt on the provision of education by using the Global Campaign For Education's Debt Alleviation and Education Toolkit published in 2022.[77]

PLAN FOR ACTION: Take action on debt servicing here

Action on austerity

Austerity and contractions in GDP as a result of COVID, have seen governments scaling back public spending, which led to two-thirds of countries cutting education budgets in 2021.[78] Since then, a wave of austerity has spread across the globe. The Global Austerity Alert presented an alarming picture of 85% of countries (or 6.6 billion people), facing austerity in 2023.[79] This has been hugely influenced by IMF policies, which, in many low- and middle-income countries, have heaped pressure to enact austerity measures (or, in the language of the IMF, "fiscal consolidation"). From this viewpoint, it is argued this is a necessary policy response to the debt crisis and simultaneously hold-down inflation and deficits.[80]

However, these austerity measures threaten to derail efforts to achieve the right to education. This includes a policy to freeze or cut public sector wage bills.[81] Teachers are the largest single group on most public sector

76. Eurodad (2020) Shadow report on the limitations of the G20 Debt Service Suspension Initiative: Draining out the Titanic with a bucket. See https://www.eurodad.org/g20_dssi_shadow_report
77. GCE and ActionAid (2022). Op Cit.
78. UNESCO and World Bank (2021). Education Finance Watch, 2021 https://www.worldbank.org/en/topic/education/publication/education-finance-watch-2021
79. Global austerity alert: Looming budget cuts in 2021-25 and alternative pathways. Initiative for Policy Dialogue. Available at: https://policydialogue.org/publications/working-papers/global-austerity-alert-looming-budget-cuts-in-2021-25-and-alternative-pathways/
80. ActionAid, Education International and PSI (2020). The Pandemic and the Public Sector. See https://actionaid.org/publications/2020/pandemic-and-public-sector
81. Ibid.

payrolls, so constraints on the overall wage bill disproportionately impact teachers, pushing down their pay and blocking new recruitments. This hits at the heart of delivering quality, by restricting the numbers of qualified, well paid, and motivated teachers. It also builds on decades of squeezed public funding, which in turn has led to low pay and deteriorating conditions for teachers, affecting the status of the profession.[82]

Over 15 years ago, ActionAid documented the impact of public sector wage bill caps imposed by the IMF as an explicit condition of loans in low-income countries, showing how they blocked progress on education.[83] This contributed to the IMF Board backing down and removing public sector wage bill caps as a condition of loans worldwide in 2007. Research published in the 2021 by ActionAid, Education International and Public Services International,[84] shows that these policies are back in common practice, with no credible evidence base, yet they seriously damage progress, not just on education but also on other key development goals. The research has shown there may not be conditions attached to loans, but the IMF is giving coercive policy advice to governments to cut or freeze public sector wage bills in 78% of the 23 countries studied. Detailed research across 15 countries revealed that:

- Despite IMF claims that public sector wage bill containment was only ever temporary, all the 15 countries studied were given a steer to cut and/or freeze their public sector wage bill for three or more years, and eight of them for a period of five or six years.
- In just those 15 countries, the recommended IMF cuts add up to nearly US$10 billion –the equivalent of cutting over 3 million primary school teachers.
- In just those 15 countries, just a one-point rise in the percentage of GDP spent on the public sector wage bill would allow for the recruitment of 8 million new teachers.

Box 7. Public Sector Wage Bill Constraints: Impact in the Classroom

Limiting government expenditure on teachers worsens teachers' salaries and exacerbates teacher shortages. Therefore, cutting funding for the public education workforce impacts teaching and learning and impedes the provision of quality education.

Education International research in Nepal, Zambia and Malawi showed how public sector wage bill constraints could be felt on the frontlines.[85]

In Malawi, teachers reported that their salaries were not keeping up with inflation and that those who were not accommodated in government housing were struggling to pay their rent and utility bills. The teacher shortage was making teacher workload unmanageable and impacting teacher mental health.

In Nepal, limited funding for human resources in education led to a two-tiered employment system. In addition to civil servants, contract or temporary teachers are employed with inferior employment conditions. They have lower salaries, precarious contracts and no benefits or social security. Some of these teachers reported that they were forced to work multiple jobs to make ends meet. Their poor working conditions and high workload increased attrition, exacerbating the teacher shortage.

In Zambia, many teachers reported that their salaries were too low to cover the cost of living for their families and that they had taken second jobs to help cover their expenses. Despite teacher shortages, few new

82. Education International (2021). The Global Report on the Status of Teachers 2021. See The Global Report on the Status of Teachers 2021. See https://www.ei-ie.org/en/item/25403:the-global-report-on-the-status-of-teachers-2021?msclkid=c5bcd2feb41b11ecabe7eb22c7dff43e
83. ActionAid (2007). Confronting the Contradictions: the IMF, wage bill caps and the case for teachers. See https://actionaid.org/publications/2007/confronting-contradictions
84. ActionAid, Education International and Public Services International (2022) The Public Versus Austerity https://actionaid.org/publications/2021/public-versus-austerity-why-public-sector-wage-bill-constraints-must-end
85. Education International (2022). Teacher Wage Bill Constraints: Perspectives from the Classroom. See: https://www.ei-ie.org/en/item/26424:teacher-wage-bill-constraints-perspectives-from-the-classroom

teachers were being recruited in order to keep the wage bill down and the lack of job opportunities had led to a decrease in the number of candidates wanting to train to be a teacher. Severe shortages in particular subjects such as mathematics and science, as well as in rural areas negatively impacted student learning and equitable educational opportunities.

To support the achievement of SDG 4, governments should reject public sector wage bill constraints and instead take steps to end the teacher shortage by making teaching a more attractive profession. Engaging in social dialogue with teacher unions is crucial to ensure that policy reforms are relevant to teacher needs and support the enhancement of teaching and learning.

Squeezing spending on the public sector workforce also forms part of a wider web of austerity measures which, taken together, suffocate the public sector, by, for instance, introducing user fees (as more of the costs get heaped onto households) to outsourcing services, and, the greater use of PPPs. Of course, austerity forces down spending across all public services, and, as the Austerity Watch report shows, education cuts are just one part of wider public sector cuts including: targeting and rationalising social protection; privatising public services; pension reforms; reforms reducing social security contributions and cutting health expenditures.[86]

This also means education activists can no longer only focus on budget shares – we need to fight, together, to protect public services, to avert the negative economic and human rights consequences of austerity policies supported by the IMF and World Bank.

Box 8. Austerity Vs The Right To Education

Recessions do not exempt states from human rights commitments, including the right to education. This means governments must act to overcome financial barriers by allocating sufficient resources. It also implies that the lowest-income countries should be supported in delivering this right.

The right to education is enshrined in international and regional and, sometimes, domestic law (84% of countries guarantee education in their Constitution and/or legislation),[87] and forms part of the International Bill of Rights. Each of the 170 States Parties to the International Covenant on Economic, Social and Cultural Rights have committed that the right to education be delivered “to the maximum of its available resources, with a view to achieving progressively [its] full realization...without discrimination of any kind”.

Yet, austerity threatens this, so too does a lack of resources. In such cases, some actors call for greater use of the private sector through, for example, PPPs in education. Yet this has also been shown to threaten the right to education, by increasing privatisation and marketisation of education. This can result in greater inequality in access to quality education.[88]

Yet, austerity threatens this. So does a lack of resources. In such cases, some actors call for greater use of the private sector. Yet this has also been shown to threaten the right to education. Outsourcing to the private sector or through PPP arrangements is arguably the dominant model and will be increasingly pushed as the world moves through the current global recession. However, the optimism of the rewards yielded by PPP may be misplaced or overstated.

86. Ortiz and Cummins (2022 End Austerity: A Global Report on Budget Cuts and Harmful Social Reforms in 2022-25. https://publicservices.international/resources/publications/end-austerity-a-global-report-on-budget-cuts-and-harmful-social-reforms-in-2022-25?id=13501&lang=en
87. See: https://www.unesco.org/en/articles/key-data-girls-and-womens-right-education
88. ActionAid International, EI and PSI (2020). Op Cit.

Action to transform mindsets

All the actions outlined above have one thing in common – they require challenging the economic status quo and challenging the power of certain actors, including the views of the IMF and World Bank which significantly impact the economic prospects of a country especially when countries have to accept loan conditions or follow advice from the IMF during debt crises. As long as austerity policies and politics – rooted in a hegemonic ideology that focuses on neoliberal approaches – are the dominant model, it is unlikely that lower income countries will have the fiscal freedom to invest at levels required to deliver the right to education.

This requires a shift in the "advice" of the IMF in many countries (when even 'advice' from the IMF carries coercive weight),[89] and requires the IMF to deal with its own policy dissonance. For instance, even when the IMF's own research suggests that neoliberalism has been oversold for forty years and has stifled the very growth and development it aims to support,[90] they continue to push the same old policies. Yet, in every country there are clear alternatives to austerity.[91] Perhaps most obvious, is that a government can choose to raise tax revenues progressively rather than cut spending, as noted above. But in practice the IMF has not advanced this recommendation, with most countries experiencing decreasing, stagnating and/or inadequate tax-to-GDP ratios. And where the IMF offers advice on tax, the tendency is towards regressive taxes such as VAT, rather than the very many progressive taxation alternatives.

This requires moving against IMF advice, but also, in many countries, those who manage the fiscal levers, notably Ministries of Finance, are also steeped in the same ideological worldview (and train in the very same institutions). As such, the IMF, governments and Ministries of Finance need to be convinced to abandon austerity politics and prioritise the public sector.

This will require broad-based movements who have the power to voice condemnation of austerity politics and promote public sector alternatives by:

- Demanding action to support more ambitious debt cancellation and rescheduling programmes, supporting governments to restructure their debts so that they can prioritise investments in quality public services.
- Resisting IMF-backed austerity policies, especially on public sector wage bill containment which is thwarting action on improving and expanding the teacher workforce, and campaign for governments to set ambitious targets to increase public sector wage bills year on year, to massively reinvigorate public services after decades of decline, using international benchmarks to guide investments.
- Changing the terms of the debate in terms of how education investment is seen and treated by Ministries of Finance and governments; notably, owing to short-medium term economic cycles Ministers of Finance treat education spending as pure 'consumption'. But in the long-term, education is probably the soundest economic investment a country can make. There is a need to move towards a longer-term view where investment in education is recognised for its contribution to economic and social development, facilitating a more strategic dialogue and recognising it as part of the core infrastructure of a country that needs protection and investment, even (or indeed, especially) at the height of a recession.
- There also needs to be a move towards long-term economic planning that targets wellbeing and which meaningfully factors projected long-term returns to investment in public services into medium-term plans. It will also require creating new norms and formulas to help Ministries of Finance and Governments to factor in the beneficial long-term returns from investment in education and other public goods.

To achieve this, it is necessary for education movements to reach beyond their normal sector discussions, and engage in more strategic processes of change, connecting with Ministries of Finance and Heads of State and finding new alliances with tax and fiscal justice movements.

89. Reinsberg et al. (2021) Compliance, defiance, and the dependency trap: International Monetary Fund program interruptions and their impact on capital markets https://onlinelibrary.wiley.com/doi/10.1111/rego.12422. A key part of IMF power comes from the signalling to markets if there are any programme interruptions 'Countries are caught in a dependency trap: politically contentious policy prescriptions drive non-compliance, triggering adverse market reactions that leave countries with few sources of financing beyond the IMF, leading to their eventual return to the doors of the organisation for a fresh loan.' From Bhumika Mekhala (2021) COVID-19 reveals everything: The intertwined health and economic crisis calls for urgent responses, systemic reform and ideological rethink of the international financial architecture. From: https://twn.my/title2/resurgence/2020/343-344/cover02.htm

90. See https://www.imf.org/external/pubs/ft/fandd/2016/06/ostry.htm. Accessed April 2023.

91. ActionAid International, EI and PSI (2020). Op Cit.

PLAN FOR ACTION: Build alliances for alternative economic models here

Case Study

The TaxEd Alliance.

The TaxEd Alliance brings together in partnership global tax justice and education actors to make a transformative breakthrough in the domestic financing of public education. ActionAid, the Global Alliance on Tax Justice (and regional networks Tax Justice Network Africa and Tax and Fiscal Justice Asia), the Tax Justice Network, Education International and the wider Global Campaign for Education movement is creating a strong civil society alliance at national, regional and global levels to advocate for and bring about commitments to increase the domestic financing of public education systems in a sustainable and progressive way. This is critical especially to lower-income governments in order that they can achieve the SDG 4.

Building on work done over many years in Uganda, Ghana, Kenya, Malawi, Mozambique, Nigeria and Tanzania, the project extends the national focus to Nepal, Senegal and Zambia. The project builds core alliance members' capacities to undertake data analysis, collaborative research, budget tracking and advocacy on gender-responsive public education. It strengthens alliances at the national, regional and global levels for learning, information exchange and advocacy. Improved mechanisms for cross-sector dialogue between civil society working on education and tax, with finance and education ministries, revenue authorities, local education groups and international organisations are backed by an extensive programme of research that tracks global, regional and national commitments related to education financing and provides evidence and solutions for progressive taxes to fund education. At the global level, the Alliance uses its extensive network and links with government and international stakeholders to follow up on and develop cross-sectoral recommendations for international education actors including the Global Partnership for Education (GPE) to strengthen and expand their work. This helps to sustain pressure on governments for commitments to reform domestic tax policy, tax practice, and increase sustainable revenues to fund education. It creates a sustained and high-profile presence in global l, facilitating connections between civil society actors, the GPE and multilateral organisations such as the International Monetary Fund (IMF) and the World Bank, around the role of tax in financing SDG 4.

MODULE 3.
SENSITIVITY

Summary of module

Headline figures for education spending can often omit information about the budget's support for the most marginalised, those who are most discriminated against, or those with the least income or wealth.

Sensitivity of the budget relates to the extent to which budgets and spending address educational inequalities.

Module 3 will support education activists to:

- Focus on how spending works to redress disadvantages and improve equity in education – encouraging an intersectional analysis.
- Gain an understanding of how gender and disability inclusive budgeting can play a role in improving equity;
- Support activists to understand other important markers of disadvantage and how to analyse them in the budget.

Figure 24: Sensitivity

Sensitivity

The *sensitivity* of the budget relates to the extent to which budgets and spending address educational inequalities

Equity through education financing

The sensitivity of the budget relates to the extent to which budgets and spending address educational inequalities. Indeed, a focus on improving equity in education is impossible unless spending works to redress disadvantages and improve equity.

Education activists have a special role to play, as a watchdog, mouthpiece and amplifier of the needs of disadvantaged groups; they can expose financial decisions which serve to discriminate, and effectively advocate for changes in the wider fiscal system. For instance, they can:

- Examine the budget through an equity lens to understand the context and types of inequality and disadvantage present.
- Investigate the funding allocated for those who are the most discriminated against especially in terms of intersecting inequalities around, for example, ethnicity, class, and non-nationals (including migrants, refugees and asylum seekers which can be easily overlooked in budget planning).

Each country will have its own unique set of issues to overcome, which often follow historical disadvantages and legacies of colonialism and oppression (i.e. discrimination against Indigenous Peoples, or by regions, rural versus urban populations, etc) which will require a carefully balanced, and contextualised spending analysis.

Intersecting inequalities often matter most. For example, a 13-year-old girl, who has a disability, and lives with her Grandma after being orphaned, with her younger siblings in a rural area, in a household below the poverty line, will experience multiple layers of disadvantage. To ensure she can go to school and stay in school she may require:

- The removal of direct and indirect costs of education as a precondition for her education
- A scholarship to help her stay in school
- Her grandma may need child benefit to support her so the girl doesn't have to work
- Her siblings need access to the early years, so she doesn't have to stay home to care for them
- Her school might require an additional grant to adapt to her additional needs
- A teacher trained in inclusive approaches

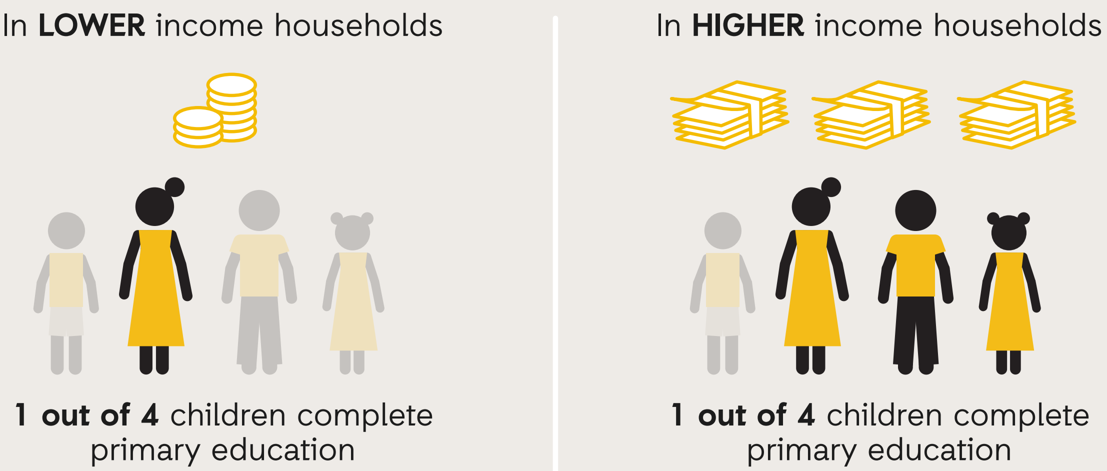
Only if all these needs are met would she be in the same starting position as her more advantaged peers.

Box 9. An intersectional analysis of education can help redress inequality in education

Intersectionality recognises that individuals experience multiple, interrelated forms of discrimination and oppression based on their unique intersections of multiple social identities such as race, gender, sexual orientation, class, religion, etc. It highlights the complex and interconnected nature of these categories and their impact on individuals and groups. Intersectionality in education refers to the idea that different aspects of an individual's identity (e.g. race, gender, socioeconomic status, etc.) interact and compound to shape their experiences and opportunities in educational systems. In this context, intersectionality highlights the ways in which traditional approaches to education and inclusion have failed to account for the unique and compounded experiences of marginalised communities. By recognizing and addressing the intersections of identities and experiences in education, schools and educational institutions can work towards creating more equitable and inclusive learning environments for all students. This may involve rethinking curriculum and policies to better reflect diverse perspectives and experiences, as well as providing support and resources to students from marginalised communities.

Figure 25. Household income severely effects educational outcomes

Entrenched inequalities in countries like Cameroon, Ethiopia, Guinea, Haiti, Liberia, Madagascar, Malawi, Mauratania, Nigeria abd South Sudan mean that:



Credit: Adapted from UNESCO Institute of Education (UiS) public shareable infographics (see link)

Inequality in Education:

In most countries the world over, young people in the highest-income households tend to stay in education longer and access a higher quality education than those in the lower-income households. But there are a number of signifiers of privilege and exclusion which remain critical, including: rural/urban divides; income divides; gender; disability; language/ethnicity/religion/race identities; and, location. Children from marginalised groups, including disabled children, or discriminated against ethnic groups, are often the most likely to be out of school, and their specific needs can be ignored within schools.

The statistics speak for themselves:

- 13% of the lowest-income quintile in sub-Saharan Africa complete lower secondary school compared to 70% of the highest income quintile.[92]
- 40 low- and lower-middle income countries have a secondary completion rate of less than 10% for the lowest- income quintile.[93]
- In at least 20 countries, mostly in sub-Saharan Africa, next to none of the lowest-income rural young women complete secondary school.[94]
- Regional disparities within countries remain the main equity issue; for instance, in Ghana, where primary completion rate is 42% for girls from the Northern Region but 79% for girls in the Ashanti region.[95]
- An estimated one in three out-of-school children have a disability.[96]
- In Nigeria, for instance, children with more than one disadvantage have the worst education prospects; rural girls from the north have a less than 10% chance of graduating secondary school.[97]

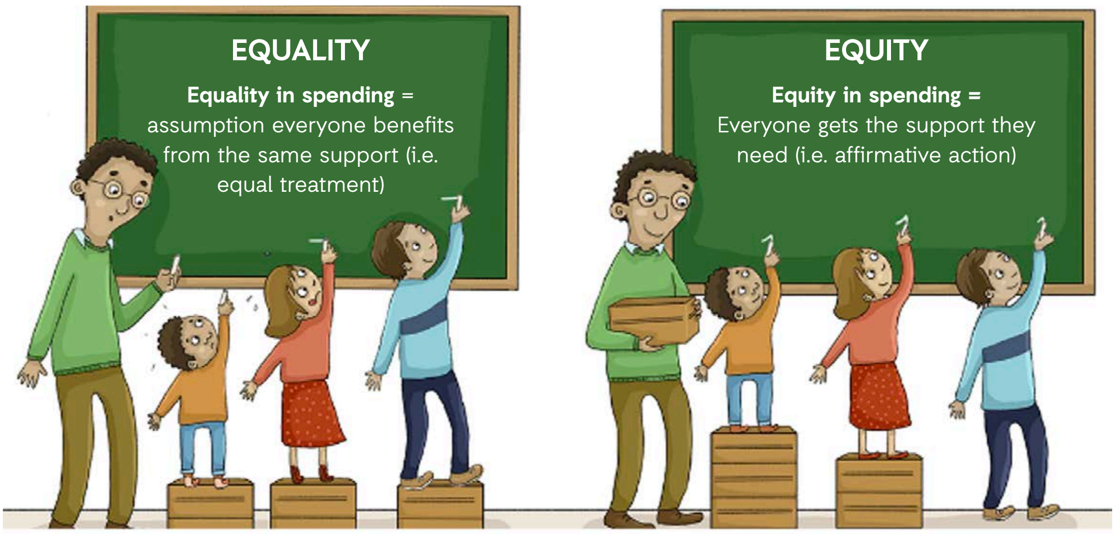
92. UIS and GEM, World Inequality Database on Education. Accessed in March 2023. See: https://www.education-inequalities.org/indicators Authors own calculations, based on UNESCO Institute of Statistics (UiS). Extracted in March 2023. See: https://uis.unesco.org/ https://unesdoc.unesco.org/ark
93. Authors own calculations, based on UNESCO Institute of Statistics (UiS). Extracted in March 2023.
94. https://unesdoc.unesco.org/ark:/48223/pf0000373721
95. TaxEd coaltion. Financing education factsheet, Ghana. See https://actionaid.org/news/2022/launch-factsheets-sustainable-solutions-finance-education
96. Taken from: https://theirworld.org/resources/children-with-disabilities/. Accessed April 2023.
97. TaxEd coaltion. Financing education factsheet, Nigeria. See https://actionaid.org/news/2022/launch-factsheets-sustainable-solutions-finance-education

Equal spending is not the same as equity of spending

It is easy to assume that if all children are receiving an equal amount of government spending that there is equity in financing for education: indeed, equitable financing is often seen as synonymous with equal spending per capita or per pupil. However, equal spending per capita, especially in unequal circumstances, is unlikely to lead to equity in education. Addressing existing inequities usually requires affirmative action for marginalised or disadvantaged groups. When governments direct budgetary resources to historically disadvantaged groups this can play an explicitly redistributive role and help right long-standing wrongs.

Many countries, however, continue to disburse funding on the basis of equal expenditure per child, thereby failing to take into account differences between different children, schools, regions, and the needs of disadvantaged groups. Other countries actively discriminate, allotting disproportionately lower levels of funds to some disadvantaged communities, or school systems. The deeper the intersecting discrimination faced by children and young people, the more education spending they are likely to need – this is why an intersectional analysis is also required to really unpack inequality.

Figure 26. Equal spending does not always lead to greater equality



Credit: See UIS database infographics (see link)

Planning & analysing budgets with an equity lens

Headline figures in education budgets often fail to capture information on the differentiated impact of public spending on different groups. Many governments have no information on how or who they target in their education budgeting or a way to link to development policies and programmes.

There is a lack of data (in education planning and budgeting) which would support greater equity by identifying who receives what in education budgets, and who should be targeted. For instance, GCE's Education Financing Observatory's Pilot Exercise in four countries (Honduras, Georgia, Tanzania and Somalia) shows that none of these countries disaggregate education financing data beyond gender markers. Issues around disability, ethnicity, class, place of origin, to name but a few, are overlooked.[98] This is why much of this module focuses on how education activists can engage governments to improve budgets in a way which targets inequity.

The rest of this module looks at a few ways to support activists to analyse budgets or influence government budgets through a lens of:

98. GCE. Education Financing Observatory: Pilot Results. See: https://campaignforeducation.org/en/resources/members-reports/project-learning-brief-somalia-education-financing-observatory-pilot-results

1. Equity enhancing government financing formulas
2. Understanding gender responsive budgeting
3. Understanding disability inclusive budgeting
4. Analysing education spending by how regressive/progressive it is by who benefits from it, including analysing equity by level of education,

PLAN FOR ACTION: Thinking about equity in education here

Using financing formula to tackle (geographical) inequalities

Despite it costing more to deliver services to rural areas (where often the lowest-income households live in many countries), education budget allocations often go disproportionately to areas with the largest urban populations. This is despite the fact that it is widely accepted that it costs more to deliver services to rural areas, largely because of the need to pay more to attract qualified and experienced teachers to those areas.
Many countries avoid paying this premium by hiring cheaper contract teachers in these more remote regions. However, these regions tend to contain more disadvantaged populations which require the most skilled and experienced teachers. This results in areas needing the most spending, receiving the least.

Some countries have a formula which drives education budgeting, often with an explicitly redistributive bias to disadvantaged regions (i.e. geographical inequalities). There are a number of examples of attempts to use financing/funding formulae to overcome this - to varying degrees of success - but some of these serve as useful ways to see how this is attempted to be addressed in different countries.

- In the **United Kingdom**, for example, a relative-needs formula includes a pupil premium for children from low-income and disadvantaged backgrounds, with free school meals as a proxy for household deprivation.

- In **South Africa** – with decentralised budgeting at national, provincial and municipalities – in order to address the legacy of the racist apartheid state and the corresponding geographical inequalities there is also an advanced equity financing/resource formula, which includes both revenue and spending.

- In **Ethiopia**, there are a number of provisions in the decentralised spending formulae used by the national government to transfer to the regions, and this includes a 10% supplement for hilly terrain and a higher per capita transfer for pastoral populations. Hardship allowances averaging 30% are also built into salary cost estimates for staff working in remote areas. Because the formula takes into account the gap between current enrolment levels and target levels, it includes an implicit premium for regions with large out-of-school populations.

- Similarly, **Vietnam** currently uses a formula for equitable spending in education that allocates funding based on factors such as student population, regional and ethnic minority status, and level of poverty in a given area. The formula aims to ensure that resources are distributed fairly across the country and that students in disadvantaged areas receive adequate support to access quality education. The formula is reviewed and updated periodically to reflect changes in demographics and socioeconomic conditions.

- In 2011, **Ecuador** has taken a step further and have enacted a planning and budgeting law which mandated an 'equality approach' in policy making - mimicking the 2008 Ecuadorian Constitution - which required the Ministry of Finance to include how all budget proposals submitted to the National Assembly, would help 'close equity gaps'. In 2011, in order to bring to life a unit was established in the Ministry of Finance called the National Directorate of Fiscal Equity (NDFE) and the Ministry developed a classification system that codes the budget according to different equity-based themes and policies – by gender, ethnicity, age group, disability and class - known as "equity classifiers" to capture the contribution of all spending to national goals to reduce inequalities.[99]

PLAN FOR ACTION: Breaking down spending by region here

Gender-responsive budgeting (GRB)

In education, gender-responsive education budgeting is one way for governments to focus on inequality (by gender). It should be noted this is not about "budgeting for girls or women", or (as is often the case in education) specific budget initiatives for "girls' education". Rather, gender-responsive budgeting uses an analysis which looks to ensure that gender equality commitments are realised. Indeed, a gender-responsive budget is a budget that works for everyone – women, men, girls, and boys – by ensuring gender-equitable distribution of resources and by contributing to equal opportunities for all.

This means thinking about a budget's discrete impact on women, men, girls and boys. Things to consider include:

- How money is raised (i.e. VAT that might disproportionately impact women)
- How revenues are lost (i.e. if wealthy men avoid paying taxes because they can use their power to avoid taxes, such as using loopholes through "tax planning" accounting)
- How money is spent (including spending on public services such as education)
- Whether spending meet the needs of all, while contributing to closing the gender gap
- How decisions on raising and spending money affect unpaid care work and subsistence work, and the distribution of these between genders.

Gender-responsive budgeting is both a long-standing commitment by governments and is used by SDG 5 as an indicator to measure government efforts to achieve gender equality. Despite this, monitoring by UN Women of the SDG indicator (5.1), in 2018 only 13 countries reported having comprehensive tracking systems.[100]

Yet, we know that in many countries boys and men continue to gain larger shares of education budgets. For instance, one study by UNGEI and the Malala Fund found that while girls and boys tend to get equal per pupil funding at primary school level (see figure 22 below); at higher levels of education girls and women start to receive less and less. This is because many girls and young women drop out of education early due to patriarchal societies which deem education for young women as less valuable than for boys and men.[101]

There are examples where governments have tried to use GRB in practice, which are illustrative:

- In Indonesia, a budget statement is required to specify the expected impact of programmes on gender equality.
- Mexico provides an example of gender equality outcomes that are being included in the budget law.[102] In 2006, the national Budget and Financial Responsibility Law was enacted, which stipulates that public expenditure must be based on a criterion of gender equality.
- Ecuador has a long standing GRB history: recently it has become clear that women and girls are now pulling ahead of boys in primary and secondary education with higher enrolment and better results – this is now allowing a more nuanced look at how this can apply to the differences in boys and girls to achieve gender equality.[103]

99. Budget law called the Código Orgánico de Planificación y Finanzas Públicas, Consejo Nacional para la Igualdad Intergeneracional (2014) "Institucionalidad y Estrategias para el Seguimiento del Gasto Público en la Niñez en Ecuador," presentation from the "Seminario Internacional: Inversión en la Infancia: Una apuesta por la equidad a 25 años de la CDN" held in Lima, Peru on 2-3 October. Ministry of Finance (2014a) Clasificador de Orientación de Gasto en Políticas de Igualdad en Infancia, Niñez y Adolescencia, Quito: Ministerio de Finanzas. Ministry of Finance (2014b) "Nota de Descripción de los Clasificadores de Orientación de Gasto en Políticas de Igualdad en Infancia, Niñez y Adolescencia," Quito: Ministerio de Finanzas.
100. See https://unstats.un.org/wiki/display/SDGeHandbook/Indicator+5.c.1 Accessed march 2023. Only 70 countries have reported on this indicator, so results may be skewed.
101. UNGEI and Malala Fund (2023). Spending Better for Gender Equality in Education. How can financing be targeted to improve gender equality in education? https://www.ungei.org/publication/spending-better-gender-equality-education
102. Ibid.
103. UN Women (2009). Gender Responsive Budgeting in Ecuador. See: https://www.unwomen.org/sites/default/files/Headquarters/Media/Publications/UNIFEM/Evaluation_GRB_Programme_Ecuador_en.pdf

Figure 27. EUsing a per pupil funding formula, boys benefit more from each dollar spent as girls drop out.

Credit: Adapted from the UNGEI and MALALA fund: Spending better for gender quality in education report (2023)

There is evidence that Gender Responsive Budgeting (GRB) can have positive effects on gender equality in education. This includes:

- Increased enrolment and retention of girls in school: GRB has been shown to increase the enrolment and retention of girls in school by providing targeted resources and programs to address the specific barriers that prevent girls from accessing education, such as lack of transportation, sanitary facilities, and safety.
- Improved quality of education for girls and boys: GRB has been shown to improve the quality of education for girls and boys by addressing the gender-based needs and experiences in the education sector, such as providing teacher training on gender-sensitive teaching practices, improving school infrastructure and resources, and addressing gender-based violence in schools.
- Reduction of gender-based violence in schools: GRB can reduce gender-based violence in schools by providing resources and programs to address the specific needs and experiences of girls and women, such as training for teachers and school staff, improving school infrastructure and resources, and implementing policies and procedures to prevent and respond to gender-based violence in schools.
- More gender-sensitive and gender-responsive policies and programs in education: GRB has been shown to lead to more gender-sensitive and gender-responsive policies and programs in education, as governments and education policymakers are more likely to consider the needs and experiences of both girls and boys, as well as women and men, when developing education policies and programmes.
- More effective and efficient use of public resources for education: GRB has been shown to lead to more effective and efficient use of public resources for education, as it ensures that public resources are being used to address the specific needs and experiences of different genders in education, rather than being used in a gender-blind or gender-neutral manner.

These examples demonstrate the positive effects of GRB on gender equality in education and highlight the importance of considering the needs and experiences of both girls and boys, as well as women and men, when developing education policies and programs and allocating resources. CSOs also carry out their own gender budget analysis to try and influence government policies – which we will look at in the following.

PLAN FOR ACTION: Thinking about equity in education here

Disability-inclusive budgeting

Disability Inclusive Budgeting (DIB)[104] is another way to target a marginalised group and ensure budgets work for and respond to the needs of persons with disabilities (although a rarely used form of budgeting by governments). When a budget is disability-inclusive, it means that access and participation needs of persons with disabilities are consciously addressed, and money is allocated to meet those needs. The aim should be to ensure students with disabilities can attend the same classes as students without disabilities at the local school (to ensure system wide inclusive education), with additional targeted support, using a "twin-track approach" (see below).

Of course, inclusive budgeting can also apply to any other marginalised groups – so this kind of analysis holds for supporting other groups too. Government budgets that work towards being inclusive would ensure there are sufficient resources for inclusive education so that *all* learners have equal access to quality education and can fully participate in learning equally with students without disabilities (or other disadvantages). This means that these students receive the same learning opportunities within the same school system as all other students.

Twin-Track approach – mainstream inclusion throughout the education system

Government education budgets should follow a twin-track approach to disability inclusion, aiming to transform the whole education system with inclusion in mind and provide targeted support measures where needed.

- **Track 1 – System-level changes.** Examples of system-level investments that will advance the inclusion of the education system include:
  – Ensuring all teachers are trained in inclusive education approaches
  – Ensuring sufficient teachers and teaching assistants to ensure all learners can be accommodated
  – Updating existing policies to include reasonable accommodations for examinations
  – Ensuring policies around the minimum school infrastructure adaptations for all learners
  – Curriculum reforms that allow for inclusive teaching.
  – Reasonable accommodations within universal systems is a principle enshrined in the Convention on the Rights of Persons with a Disability (CRPD).[105]

- **Track 2 – Targeted support for specific needs of learners with disabilities.** For instance, with additional budget lines (i.e. for braille and accessible book production centre) and adapting curriculum or teaching for specific needs.

Inevitably this means schools incur higher per capita education costs for students with disabilities. One study found that the necessary funding per student with a disability is, on average, 2.5 times more than a student without a disability. Within this, different categories of disability may carry different weights: funding for students

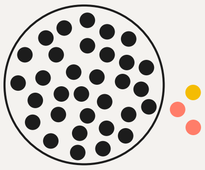
104. Some of this section and concepts are adapted from, GCE, ActionAid and Light for the World (2022) Gender Responsive Disability-Inclusive Education Budgeting. See, https://actionaid.org/publications/2022/gender-responsive-disability-inclusive-education-budgeting
105. See: www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/article-24-education.html. Accessed April 2023

with mobility impairments costs twice as much as students without disabilities while funding for blind students is three times more.[106]

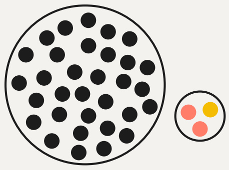
While this looks at the per capita costs, in many ways this does not account for the wider system-level changes required. As a 2021 multi-country study in sub-Saharan Africa by ActionAid, Education International and Light for the World - "Bedrock of Inclusion" -" - pointed out, ensuring inclusive approaches can be embedded in an education system, involves ensuring adequate numbers of trained and qualified teachers and specialised education support personnel However, many countries have chronic shortages; for instance, across sub-Saharan Africa, one in three teachers lack adequate training. In these contexts, it is unlikely that sufficient teachers (with the right skills) exist to enact inclusive approaches. Without teachers trained in inclusive approaches - in sufficient numbers to have time and space to adapt their teaching to the needs of all learners - there can never be inclusive education. As such, truly inclusive education budgets need to allow for sufficient funding for a teacher workforce able to teach inclusively.[107]

Figure 28: A summary of the evidence on inclusive education

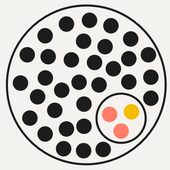
Adapted from Principe T. (2018) Rethinking Disability: A primer for educators and education unions.



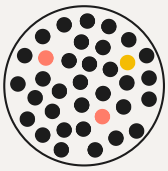
***Exclusion** occurs when students are directly or indirectly prevented from or denied access to education in any form.*



***Segregation** occurs when the education of students with disabilities is provided in separate environments designed or used to respond to a particular or various impaiments, in isolation from students without disabilities.*



***Integration** is a process of placing persons with disabilities in existing mainstream educational institutions, as long as the former can adjust to the standardised requirements of such institutions.*



***Inclusion** involves a process of systemic reform embodying changes and modifications in content, teaching methods, approaches, structures and strategies in education to overcome barriers with a vision serving to provide all students of the relevant age range with an equitable and participatory learning experience and environment that best corresponds to their requirements and preferences.*

Placing students with disabilities within mainstream classes without accompanying structured changes to, for example, organisation, curriculum and teaching and learning strategies, does not constitute inclusion. Furthermore, integration does not automatically guarantee the transition from segregation to inclusion.

Box 10. Disabled Persons Organisations' (DPO) Engagement in Budget Analysis[108]

Engagement of DPOs in budget analysis and advocacy is critical for several reasons:

- **Nothing about us without us:** It is the duty of the government to consult with DPOs in any policy matters impacting persons with disabilities. DPOs need to be in a position to be an effective counterpart to make the most of this engagement. Engaging in the budget process helps build new skills and knowledge and gain credibility towards public authorities and elected officials.

106. UNICEF (2014). Financing of Inclusive Education. http://www.inclusiveeducation.org/sites/default/files/uploads/booklets/IE_Webinar_Booklet_8.pdf
107. ActionAid, Education International and Light for the World (2021). Bedrock of Inclusion: why investing in the education workforce is critical to the delivery of SDG4. See: https://actionaid.org/publications/2020/bedrock-inclusion
108. International Disability Alliance. The new normal. See www.internationaldisabilityalliance.org/sites/default/files/budget_advocacy_for_a_new_normal_.pdf

- **Sustained Demand:** Ensuring that adequate public resources will be allocated and effectively used for inclusion of all persons with disabilities will take many years. DPOs are the only actors with the necessary long-term focus and interest in developing and sustaining demand for more and better public spending on inclusion.
- **Accountability:** Budget analysis and advocacy helps monitor the political will of government, the level of prioritisation given to inclusion of persons with disabilities and the effort to implement the UN CRPD, which embeds a rights-based analysis.
- Framing the Resource Debate: Limitation of resources is a recurrent argument put forward by governments for explaining their lack of progress to advance inclusion of persons with disabilities. Often measures required are deemed unaffordable. DPO analysis of existing public expenditures, gap analysis and costing of measures will allow them to negotiate and reframe the resource debate by proposing a realistic way forward.
- **Ensuring Equity:** Governments tend to prioritise increasing expenditure on existing services and programs which may not address needs of the most marginalised groups, and these groups may not have access to budget debates. By developing consensus among all constituencies on key budget demands, DPOs can contribute to greater equity in the use of resources between groups and gender equality over the years.

PLAN FOR ACTION: Plan your Disability Inclusive Budgeting (DIB) advocacy here

Bringing it together: Advocating for governments to have a gender responsive and/or disability inclusive budgets[109]

Both gender responsive budgeting and disability inclusive budgeting require a similar approach from governments. Education activists can play a key role in advocating for both gender responsive and disability inclusive budgets:

- Showing what can be done through their own analysis
- Engaging with ministries of finance and education to advocate for change
- Playing a catalytic role in introducing concepts to relevant government persons, across education and other relevant ministries/government agencies, such as those responsible for gender equality

For instance, one study of gender responsive budgets in education has shown that civil society efforts to run a gender analysis of the budget were a key part in influencing governments. Therefore, at the end of each step we have looked at what roles education activists can play in each area (and a diagram which also shows how this relates to the budget cycle); and at the end of this section we include exercises to both influence governments and carry out civil society exercises to determine the current state of play and to determine priorities.

STEP ONE: Conduct a gender or disability analysis to inform budget making.
Collect and analyse data on the specific needs and experiences of both girls and boys, as well as women and men, it also involves collecting information on disability, enrolment and retention rates, quality of education, and discrimination in schools. In most countries there exists gender disaggregated data. However, this is much more complex in most countries on children with a disability where little data exists – it is impossible to budget for disability inclusive education if basic information on the numbers of children with a disability and the type of disability does not exist. Population census and use of the Washington Group / UNICEF Child-Functioning Module in households and other surveys can provide useful data.

109. During the TES Summit in 2022 civil society organisations launched a Call to Action on Disability Inclusion, which may also support national advocacy efforts. See: https://knowledgehub.sdg4education2030.org/CTAinclusion

- **Role of education activists:** If data does not exist CSO must advocate for improved data. If it does exist, they can look at using this to make suggestions on priorities. (more information on funding models that support inclusive education can be found at UNICEF's Financing of Inclusive Education).

STEP TWO: Engage stakeholders.
Engage a wide range of stakeholders, including government agencies, civil society organisations, teachers, students, and parents, to identify their specific needs and experiences in the education sector, and to ensure that their perspectives are considered when developing either gender-responsive budgeting or a disability inclusive budget.

- Role of education activists: Look at developing an analysis, working with communities to look at what they think is required.

STEP THREE: Develop a gender-responsive budgeting framework.
Develop a framework for GRB and disability inclusive education that considers the specific needs and experiences of different genders in the education sector. The framework should include the specific steps that will be taken to address gender inequalities, or ensure children with a disability can go to school and looks at how much this will cost.

- **Role of education activists:** Develop costing models which can be scaled up: look at inputting into the framework; lobby parliamentarians for resources against the framework or advocate for the resources identified in the framework.

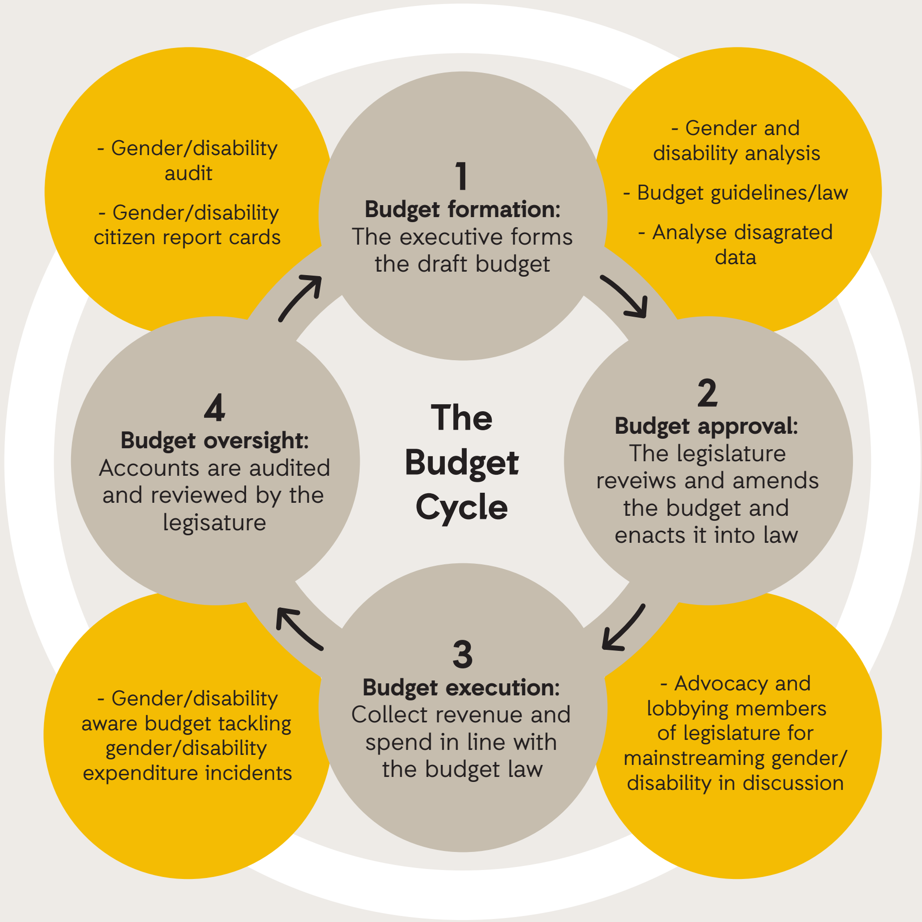
STEP FOUR: Allocate resources
Resources should be allocated to specific initiatives and programs that address the specific needs and experiences of different genders or children with a disability such as providing targeted resources and programs to increase the enrolment and retention, improving the quality of education for girls and boys, reducing gender-based violence in schools, or scaling up inclusive teaching methods and curricula.

- **Role of education activists:** Continue to campaign for increased resources and ensure the commitments are turned into money and allocations.

STEP FIVE: Monitor and evaluate
Monitor and evaluate the implementation and impact of GRBs, and disability inclusive measures, and making adjustments as needed to ensure that they are achieving their intended goals and having a positive impact.

- **Role of education activists:** Carry out citizens audits; identify what has worked not worked; look at budget absorption and identify blockages etc.

Figure 29: The budget cycle



Inequality & education budgets: investing in different levels of education

In many countries, different levels of household incomes are the most important determinant of how well a child does in school. Those on the lowest income tend to be those who spend the least amount of time in education – they are almost always the largest out of school population and will progress the least furthest – and therefore consume the least of public budgets. This inequity in financing is further compounded by the higher levels of education often receiving more funding than primary and secondary levels.

For example, in Ethiopia higher education accounts for 40% of the education budget. This equates to a per capita spending 50 times higher than primary education and 16 times higher than secondary. Indeed, in low- and middle-income countries, a child from the lowest-income quintile is seven times less likely to finish secondary school than a child from a higher-income quintile.[110] Additionally the lowest-income quintile has an almost zero chance to make it to university, and higher education is almost exclusively accessible to the wealthiest households. Indeed, as one study noted, in many countries, university access is 'protected by wealth' globally.[111]

110. Taken from World Education Inequality Database from UIS and GEM: https://www.education-inequalities.org/indicators
111. See here: https://www.timeshighereducation.com/news/university-access-protected-wealth-richest-globally

Figure 30: Spending can compound preexisting inequalities

Liberia spends:

1000x

more on primary education for children from households with higher incomes than those with lower incomes

Ethiopia spends:

70x

more on secondary education for children from households with higher incomes than those with lower incomes

Guinea, Burkina Faso and Cote d'Ivoire spend:

1000x

more on tertiary education for children from households with higher incomes than those with lower incomes

Governments spend more to educate those with higher incomes than on those with lower incomes.

Even in high-income countries, only three-quarters of children from the lowest-income quintiles household complete secondary education, compared to 90% of children from the highest income families. And in OECD countries, the performance gap between students from the highest and lowest socio-economic backgrounds can be as much as three to four years of schooling.[12]

These patterns lead to highly skewed distribution of public resources. A 2023 cross country report from UNICEF, looking at global data sets across all countries from 2010-2021, noted that:

- The lowest-income quintile of learners benefits from only 16% of public funding for education, compared to the highest, who benefit from 28%.
- 30% of countries fail to spend even 15% of public education resources on learners from the 20% of households on the lowest income
- Among low-income countries, only 11% of public education funding goes to the lowest-income learners, while 42% goes to the highest
- 1 out of every 10 countries, learners from the 20% of highest-income households receive four or more times the amount of public education spending compared to those from the lowest-income households. All these countries are in Africa.

Figure 31: Average distribution pf public education funding per learner's wealth background, 2022 update

Country income group	Number of countries	% of eduction resources reaching learners from low income households	% of eduction resources reaching learners from richest 20% of households
High income	33	17%	23%
Upper middle income	23	17%	23%
Lower middle income	28	15%	27%
Low income	**18**	**11%**	**42%**
Totals	102	16%	28%

Source: UNICEF report: Transforming education with equitable financing (2023)

112. See: https://www.oecd.org/pisa/

One way to analyse who is benefiting from spending, is to look at using Benefit Incidence Analysis. A Benefit Incidence Analysis (BIA) is a method used to evaluate the distribution of the benefits of public spending on education -by overlaying public expenditure data with data on household surveys to look at who is getting what spending (see Box 11). A number of BIA studies over many years confirm what the UNICEF study finds: That governments spending more on tertiary education when primary and secondary education is still not been "massified" will most likely benefit children from higher income households, representing regressive spending in most low-income countries. For example, a study in 31 countries in sub-Saharan Africa and South Asia revealed an overall pattern of "pro-rich" education spending, increasing with education level.[113] This and other evidence suggests that overall, in many countries spending is often progressive at lower levels and regressive at higher levels -i.e. the Commitment to Equity project finds this across many countries.[114]

Box 11. Benefit Incidence Analysis: Who gets what?

Benefit incidence analysis is a method used to evaluate the distribution of the benefits of public spending on education. It helps to determine who is actually benefiting from the government's investment in education, and to what extent. By analysing data on household income, educational attainment, and other relevant factors, benefit incidence analysis can provide insights into whether public spending on education is reaching the most disadvantaged populations and improving their access to quality education. This information can be used to inform policy decisions and to improve the targeting and effectiveness of education spending. This information can be used to inform policy decisions and to improve the targeting and effectiveness of education spending. A benefit incidence analysis considers who (in terms of socio-economic groups) receives what benefit from education, using household survey datasets on education usage, and some measure of socio-economic status combined with unit costs allocated to education services. When utilisation rates are combined with unit costs for different services, the distribution of benefits from using services can be estimated and compared.

Financing different levels of education

The above presents a difficult financing challenge, especially in low-income countries with growing youth populations, which education and finance ministries need to deal with in coming years. As youth populations continue to swell in many lower-income countries there is going to be both many more young people continuing their education through to secondary school and wanting to access tertiary education. Indeed, currently, there are around 220 million tertiary education students in the world, up from 100 million in 2000. By 2025, 70% of students globally are likely to be from non-OECD countries. Recent growth indicates that, for instance, in Latin America and the Caribbean, the number of students in tertiary education programs has doubled in the past decade.

To add to this, many countries still need to focus attention downwards to support equalising education, to the very early years of schooling, where often very little public budget is directed – indeed, in many countries there is little public provision for early years education. Yet investment in early education has been shown, in a range of countries,[115] to be one of the most equalising actions to support children from low-income families to catch up with their higher income peers and avert later gaps that often develop. Currently only 6% globally, reducing to just 2% in low-income countries, is being allocated to pre-primary schooling – far too little and below the agreements made in the Tashkent Declaration in 2022 (see Box 12). Undoubtedly, more financing will be required at this level to ensuring financing education can level the playing field for children from lower-income families who start education with a disadvantage which can be overcome through investment in quality ECCE.

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113. Ilie, S and Rose, P (2018) Who benefits from public spending on higher education in South Asia and sub-Saharan Africa?, Compare: A Journal of Comparative and International Education, 48:4, 630-647, DOI: 10.1080/03057925.2017.1347870
114. A summary of a number of country studies, can be found here: https://commitmentoequity.org/
115. There is a good summary of evidence in: World Bank (2018). World Development Report 2018: Learning to Realize Education's. Promise. https://www.worldbank.org/en/publication/wdr2018

The right to education demands that government find ways to finance across all levels, and in many countries a fine balancing of different interests will be necessary to ensure pre-existing inequalities are not exacerbated, while also looking at how to grow the size of the budget to allocate to higher and lower levels to respond to these different needs. The "plan for action" exercise below aims to help to explore these tough political choices.

Box 12. Tashkent Declaration commits to governments spending at least 10% of education budget on early childhood education?

SDG 4 recognises that, if well developed, early childhood care and education (ECCE) can be a significant act of preparation for basic education and an important means for achieving the right to education. This is because expanding quality early childhood care and education (ECCE) is one of the most effective equalisers of lifelong learning opportunities.[116]

Participation in pre-primary education has grown significantly over the past ten years, increasing from 46% in 2010 to 61% in 2020. However, participation rates are barely 20% in low-income countries and 1 out of 4 young children under 5 never had any form for pre-primary education, which represents 33 million out of 134 million.[117]

Overall, chronic underfunding remains a major problem. An average of 6.6% of education budgets at national and subnational levels are allocated to pre-primary education globally. Low-income countries, on average, invest just 2% of education budgets in pre-primary education. While in 2021, only 22% of United Nations Member States had made pre-primary education compulsory, and only 45% were reported to provide at least one year of free pre-primary education. A major obstacle in scaling up ECCE is also the lack of qualified pre-primary teachers and caregivers. UNESCO estimates that another 9.3 million full-time educators are needed to make pre-primary education universal by 2030.[118]

To overcome these problems, the UNESCO Conference on Early Childhood Care and Education in Uzbekistan in November 2022, launched the Tashkent Declaration in which countries committed to invest at least 10% of total education spending on pre-primary education. The Declaration also committed to ensuring that salaries and working conditions of pre-school personnel are at least at par with those of primary education teachers, and reaffirmed the commitment to guarantee at least one year of free pre-primary education, in line with SDG 4.

PLAN FOR ACTION: Political choices equity and financing different levels of education here

116. Britto, P. R., Lye, S. J., Proulx, K., Yousafzai, A. K., Matthews, S. G., Vaivada, T., Perez-Escamilla, R., Rao, N., Ip, P., Fernald, L. C. H., MacMillan, H., Hanson, M., Wachs, T. D., Yao, H., Yoshikawa, H., Cerezo, A., Leckman, J. F., Bhutta, Z. A. and the Early Childhood Development Interventions Review Group. 2017. Nurturing care: promoting early childhood development. The Lancet, Vol. 389, No. 10064,
117. UNESCO (2022). Education starts early: progress, challenges and opportunities; conference background report. See https://unesdoc.unesco.org/ark:/48223/pf0000383668
118. Britto, P. R., Lye, S. J., Proulx, K., Yousafzai, A. K., Matthews, S. G., Vaivada, T., Perez-Escamilla, R., Rao, N., Ip, P., Fernald, L. C. H., MacMillan, H., Hanson, M., Wachs, T. D., Yao, H., Yoshikawa, H., Cerezo, A., Leckman, J. F., Bhutta, Z. A. and the Early Childhood Development Interventions Review Group. 2017. Nurturing care: promoting early childhood development. The Lancet, Vol. 389, No. 10064,

MODULE 4.
SCRUTINY

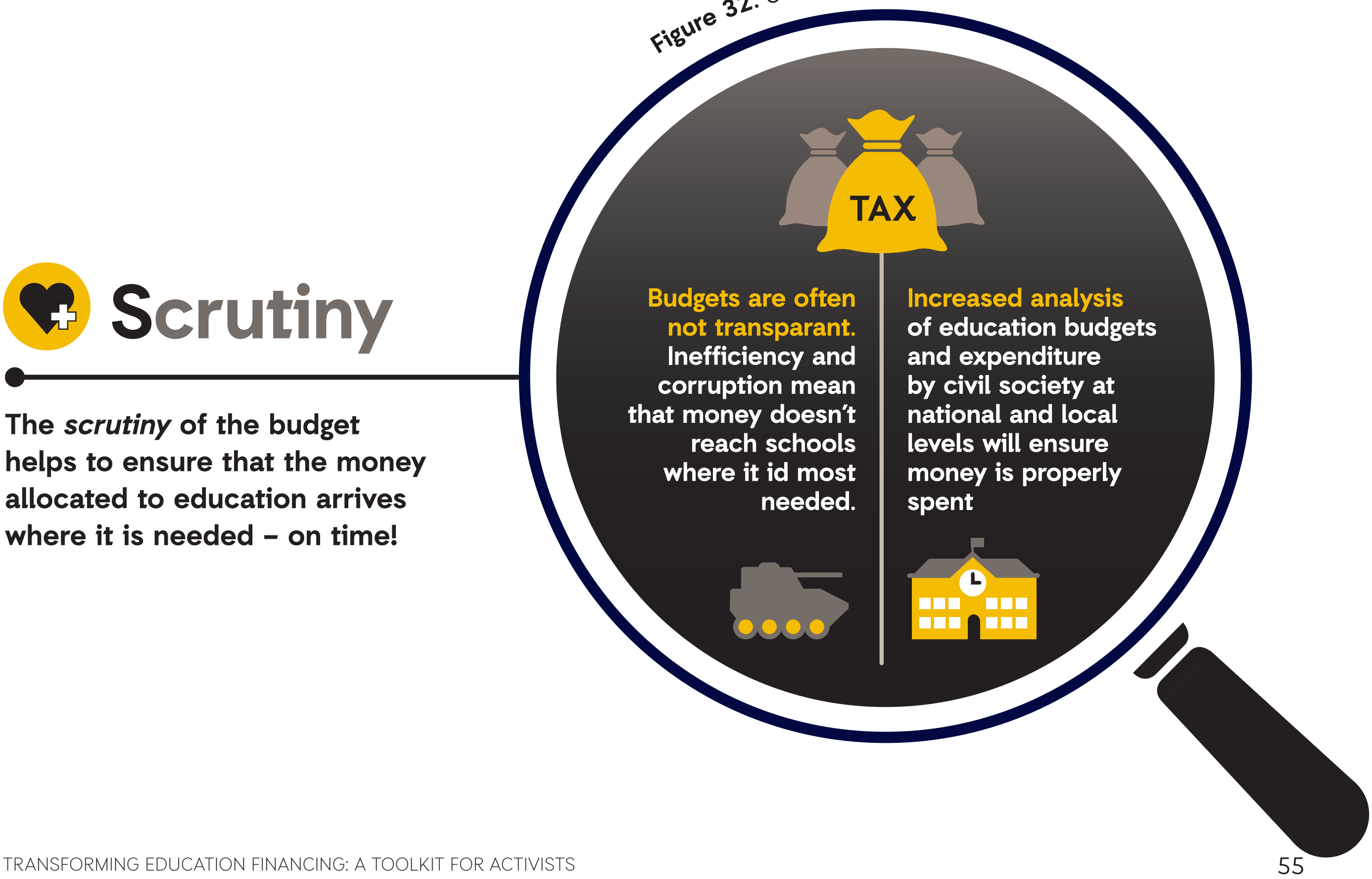
Summary of module

Module 4 focuses on understanding why budget accountability is one of the most powerful tools in delivering on the right to education, while exploring how to hold governments to account for commitments to spending through budget tracking work, ensuring it reaches the communities and schools it is intended – and raising the alarm if it doesn't.

The module will support education activists to:

- Introduce the critical role of civil society organisations, teachers' unions, communities and individuals in scrutinising education spending and budgets, to hold their governments to account.
- Explore the possibilities for scrutiny of public expenditure at different stages of the budget cycle and at different levels (i.e. national, regional, district).
- Explore different methodologies and approaches for scrutinising budgets and spending, and holding governments to account, with a particular emphasis on budget tracking, while also helping activists think about working with others on budget work, identifying partners, collecting budget information etc.
- Explore the possibilities for scrutiny of public expenditure at different levels of education (i.e. ECCE, primary, secondary and tertiary).

Figure 32: Scrutiny



The role of civil society and teachers' unions in scrutinising budgets

In many countries government budgets are not transparent and inefficiency and corruption means that money doesn't reach the schools it is intended to -- especially in disadvantaged areas. Active engagement and scrutiny in budget processes coupled with monitoring by civil society or teachers' unions can help to create an accountability loop that can turn that around.

There are many ways that this budget scrutiny can be facilitated by CSOs and teachers' unions, including:

- Demanding transparency in budgets
- Influencing budget decision-making to be more relevant and responsive to needs
- Increasing equity of spending though, for instance, equity audits and gender budgeting
- Budget tracking to ensure impact of budget allocations and utilisation
- Training communities, parent-teacher associations and school management committees at the local level to engage with budget work, including, with local parliamentarians with budget knowledge gained from training
- Engaging communities in participatory monitoring, for example through social audits and citizens' scorecards which can help assess the efficiency and quality of public schools
- Condemning scams such as ghost teachers on payroll.

Only if all these needs are met would she be in the same starting position as her more advantaged peers.

Case Study

CLADE's Financial Observatory: facilitating fiscal justice at the regional level

To facilitate civil society's oversight of education budgets in Latin America and the Caribbean, the Latin American Campaign for the Right to Education (CLADE), systematically updates the data of its regional Monitoring System for the Financing of the Human Right to Education in the region.[119] Launched in 2017, the platform presents comparative data and analysis on public education financing in 20 countries in the region, over a period of more than twenty years, between 1998 and 2021. The indicators are organised into three dimensions of analysis: public financial effort, availability of resources per school-age person, and equitable access to school.

The 2022 report which summarises the latest findings, highlights challenges for the region in the "public financial effort" (measured by meeting the share of the budget of 20% or 6% of GDP). First, only two countries have exceeded 6% of GDP since 2019: Costa Rica (6.75%) and Cuba (10.41%). The second indicator relates education spending to total government spending, with an estimated reference target of 20%. Only four countries exceed the 20% target: Costa Rica (21.5%), Cuba (26.8%), Guatemala (21.1%) and Honduras (24.6%). In this sense, the public financial effort is still far from being meeting the 2030 Education Agenda targets.

Regarding the "availability of resources" indicator, this measures per capita spending, against the OECD reference of USD$7,469.60 (in constant 2017 purchasing power parity prices). While in the period between 1998-2000, the countries of the region as a whole allocated an average of USD 1,180 per school-age person, in 2019-2021 this figure reached USD 2,500. In other words, the amount has significantly increased (more than doubled) in just over two decades, but it still represents a very small percentage of the allocation made by OECD countries (about one third). Finally, regarding the dimension "equitable access to school", there are significant differences in the region in terms of access to education based on income levels. Evaluating the average values for the most recent three-year period with available data (2018-2020), the average attendance of the quintile with the highest income is 86% of the school-age population, while in the quintile with the lowest-income it was 74%.[120]

119. See: https://monitoreo.redclade.org/
120. CLADE (2022). Financing of the Human Right to Education in Latin America and the Caribbean. https://monitoreo.redclade.org/

Engagement in the budget cycle – spaces for engagement by education activists

Education activists have a long history of engaging in advocacy around the budget - as some of the case studies in this section show. Opportunities for civil society or teacher unions to participate in the various budget processes vary widely by country, with some having lots of space and others having limited space. But entry points do exist in nearly every country, and it is therefore vital for education activists to have a good understanding of their respective government's budget calendar. This includes considering which official budget documents are published, potential spaces for engagement, how responsive the government is likely to be, and which aspects of government can be influenced. It is also important to know when (i.e. at what stages of the budget process) different advocacy activities might have influence.

Figure 33: The budget cycle
(Grey circles represent budget cycles and the ways to influence represented in yellow circles)

1. Budget formulation

This is when the executive branch of government begins to formulate the budget. At this point, education activists can release analysis in the hope of influencing this. Teachers' unions especially can engage in social dialogue with parliament /ministries in particular, notably around wage and conditions as a result of revenue/ budget decisions.

In countries that issue a pre-budget statement, they can:
- Respond to the budget priorities present, to the media
- Engage in dialogue and debate around revenue forecasts which underpin the choices in the budget (i.e. to influence the executive's positions on tax policy) and work with other CSOs/Trade Unions to question/ challenge this

2. Budget approval

This is when the budget plan may be debated, altered, and approved by the legislative branch. The budget approval stage is typically when public attention on the budget is at its peak. It, therefore, provides education activists with a strong opportunity to influence the budget process. The legislature's decision-making can be influenced by:
- Publishing a critical synopsis of the budget
- Working with parliamentarians or parliamentary committees to influence reallocations or changes to the budget proposal
- Engaging with the media to highlight specific areas where things need to change in the short term, and also take advantage of media coverage for harder, longer-term changes – i.e. tax policy

3. Budget execution

This is when the budget priorities are executed and money flows through the system. At this point, civil society can:
- Carry-out budget tracking analysis
- Organise local budget advocacy groups to analyse spending in an area
- Track what is being spent at the school level

4. Budget oversight

This is when the actual expenditures of the budget are audited and assessed for effectiveness. Civil society can utilise this stage to:
- Reconsolidate data to the national level to expose gaps between what was budgeted and the actual spend, i.e. where money arrives and where it does not
- Check that funds were spent as planned, by, for instance, researching the impact on specific population groups (such as urban and rural communities, or children with disabilities)
- Identify fraud/corruption/wastage
- Use data/research findings as a basis for public hearings etc to influence next year's budget allocations

PLAN FOR ACTION: Investigate responsibilities spending at different levels here

Budget analysis at the national & sub-national levels

Budget analysis can help determine where revenue is coming from, and how the government is intending to spend public funds.

Many civil society groups will work to analyse the budget allocation each year to monitor the share to see if it is increasing or decreasing. Analysis of the budget can also clarify whether stated policy priority areas are actually being addressed and how sensitive that allocation is to their need, if the budget is adequate and justifiable in relation to government policies, or if the budget is equitable.

At national/sub-national level, there is also a role for civil society organisations and teachers' unions to play in both demystifying budgets and demanding greater transparency when information is not available. When governments are open and accountable, there is a much greater chance of funds being spent effectively and as promised – and if individuals or communities are not confident that budgets allocated will be properly spent, or that their taxes are being appropriately spent, then it is hard to advocate for more resources. However, information about budgets can often be limited, difficult to find or presented in a dense or complex way.

At the national level, advocating for policies and practices that promote transparency and accountability in government revenue and spending is an important role that education activists can play. There is also a useful role to be played to simplify the budget so that all individuals and communities can understand what is being groups with strong roots in communities can play an important part in helping to open up the process of budget making, demystifying budgets, and make budget information more accessible and comprehensible for citizens.

Other specific activities which examine revenues as part of budget advocacy:
- Analyse the relationship between debt servicing, tax revenues and spending
- Carry out independent budget analysis to identify shortcomings in budget planning and allocation, and differences between the resources committed and what was actually spent
- Train at the national or sub-national level to monitor and hold the government to account (this may include engaging coalitions or unions outside of your own sectors or allies in similar field)
- Work with Parliamentary Committees to be equipped with analysis and information, including allocations to marginalised groups by highlighting national gaps or needs in education budgets, or advocating across Ministries to support the most marginalised (i.e., disability inclusive budgets)
- Reconsolidate data to national level from more local level analysis to expose gaps between budget and actual spend each year at the end of the budget cycle.

Box 13. Developing a "People's Guide to the Education Budget"

Budget reports are often very long and written in complicated technical language, which can make it difficult for individuals or small local groups to analyse, or even understand them. In a number of countries, governments now produce simplified, short and easy-to-read "citizens' budgets" (read more about these from the International Budget Project.[121]

However, these usually focus on the national budget and might not contain a lot of detail about the education budget or about planned spending at the local and provincial levels. A useful way to make a budget more comprehensible to the public is to develop a "People's Guide"[122] to the education budget.

Ideally, simple budget information should be provided by the government. However, if this is not available, education activists might decide to produce a simple guide to the education budget as part of the education budget tracking process. This might include information on:
- The budget cycle
- How much money the education sector will receive and a comparison with other sectors
- How much money is allocated to different education levels (early childhood, care and development

121. See: https://internationalbudget.org/publications/citizens-budgets/#:~:text=Citizens%20Budgets%20are%20designed%20to,specialist%20readers%20understand%20the%20information.
122. We have used "people's guide" here to demarcate this from a citizen's guide produced by governments and to also move beyond "citizen" to include ensuring the right to education beyond citizens to asylum seekers, refugees and stateless person

education, primary, secondary, tertiary, etc).
- How much money has been earmarked for low-income families and other marginalised groups
- How money is disbursed
- Who is responsible for education spending at different levels and at every stage

The guide could be presented in a number of ways, ranging from a simple brochure with pictures and illustrations, to a more comprehensive report. Developing such a guide can deepen an organisation's own expertise and knowledge on the budget process. It will also provide an easy way of sharing with other organisations and citizens involved in the budget tracking process (either as members of a budget tracking team or as respondents), or with members of the general public who are affected by budgeting decisions.

Once the national budget is agreed, financial transfers are made from national level to the provincial, district, local or school level. However, this money does not always reach the school.

Following the money through the system, from national down to school level can involve:

- Analysis of national allocations and information about when disbursements are made
- Identifying how well this is being disbursed through the system to provincial/regional/ state or district by, by instance, engaging with the district education office
- Monitoring delivery at school level, i.e. where the money is spent and where not

In countries where major decisions on education budgets are made at the subnational level (usually state or regional) then a greater focus must also be placed on tracking spending from this level downwards. Sub-nationally raised revenues are a growing factor in overall budget allocations. In these cases, it is vital to ensure that education activists fully track the funds allocated at state level, through transfers from the state to local bodies, and revenues raised locally.

Tracking the release of funds from the centre.

Once a budget is agreed, the National Treasury releases funding to the relevant ministry, department, or agency. The transfers, which can be made in quarterly or monthly payments from a central revenue fund, may be made by means of formal warrants (government authorisation forms) which sanction the release of funds and specify the budget line items against which the agency may incur expenditures.

The 12-month period during which a budget is in effect is called the financial year; it does not necessarily coincide with the calendar year. During the financial year, accounting officers or their delegated staff members record all the outstanding revenue and expenditure transactions effected during the year, and these recorded transactions form the basis for in-year budget and accounting reports. At the end of the year, once all transactions are recorded, the accounting officer prepares final accounts of the entity's financial operations for the year.

This is how most countries work. Whether or not these budgets can be accessed depends on the level of transparency in a system. However, good practice would see a government publishing in-year reports to be scrutinised, and then sharing the final accounts in a year-end report. In some instances, huge amounts of allocated funds can go unused because of late disbursements. Such delays have been shown to sometimes leave local governments with too short a time frame to effectively implement the funds. While corruption can be an issue, it is often not the only reason, with various absorption issues that hinder spending.

There is an important role for teachers' unions and civil society in helping to keep money flowing smoothly and addressing blockages by. They can, for example:

- Identify points where downstream blockages are causing concern
- Demand action to rectify any inaccuracies or discrepancies in spending
- Add accountability for delivery of commitments
- Raise issues about underspending, exposing misuse of budgets, exposing corruption etc.
- Check that funds were spent as planned by looking at the audit reports and identifying areas of underspending (by programmes, across the system, or geographically).

Case Study

Analysing the budget for allocations for inclusive education in Malawi[123]

In March 2020, the National Education Sector Investment Plan (NESIP) 2020-2030 was approved, which commits to the delivery of inclusive education by outlining ambitious inclusion targets. One area of emphasis is teacher training and continuous professional development. The NSIE estimates some needs to move towards inclusive education, with a costed model attached to the plan. The total financial requirement of MK 22 billion over five years (an estimated US$ 29 million in the strategy - around US$ 8 million per year) is likely to be well below real need. The NESIP 2020-30 underscores the need to increase budget allocations for inclusive education delivery and allocates around 8.6% of its total ten-year budget to 'Inclusive Education, Gender and other Cross Cutting issues'.

Analysis carried out by the Civil Society Education Coalition (CSEC) of Malawi of the more detailed five-year implementation plan shows that a total of just under MK 10 billion (US$ 13.3 million), or 0.2% of the total five-year budget, was actually allocated for various types of training, including braille, sign language and degree-level training in inclusive education. Whilst this is a significant improvement on previous years, it is unlikely to be enough as, in some cases, comparing budget allocations to target numbers of teachers to be trained reveal allocations of just MK 7650 (US$ 10.21) per person. Analysis by the Malawi Civil Society Education Coalition (CSEC) found that the 2018 budget allocated a total of MK 260 billion to "special needs education", roughly one third at central (MK 86 million) and two-thirds decentralised (MK 174 million) level. This means the Malawian Government is providing a meagre per capita resource estimated at only MK1, 982.69 (US$ 2.64) per special needs learner per year. Since carrying out this analysis the team at CSEC have been advocating for the commitments in the NSIE to come to life through budget allocation and expenditure.

Box 14. Challenging the myth of "absorptive capacity" and unblocking flows of financing

A multitude of blockages get in the way of funds reaching intended purposes in education. These funds are then returned to the treasury.

This may include:

- Limited institutional capacity: This can happen for various reasons. A department may lack the capacity to roll out a project, or there may be insufficient staff to deliver a certain service.
- Lack of technical expertise: This may include a shortage of trained and qualified personnel to manage education budgets and implement education programmes. For instance, there might be money for schoolbooks but procurement procedures may be too lengthy, or weak supply chains may hinder spending.

123. ActionAid, Education International, Light for the World Institution. 2020. The bedrock of inclusion: Why investing in the education workforce is critical to the delivery of SDG4. Lessons from five African countries

- Corruption: Corruption can also be a major barrier to effective budget absorption in some countries.
- Inadequate infrastructure or inadequate supply chains: Poor infrastructure can also limit absorptive capacity, as it can make it difficult to deliver education services to remote or hard-to-reach communities, or there may be little capacity to spend money on, for instance, building new schools as there are no contractors who can build to a government standard in certain areas.

It is therefore useful if civil society organisations and teachers' unions can play a role in helping determine where blockages exist (i.e. through budget tracking) so they can help inform planning. However, education activists should be cautious to not entrench and fall into the "myth of absorption" which can be used to restrict international finance or sector finance – taken from the same playbook that leads to the imposition of austerity measures.

While "absorption" can be an issue, it cannot be an excuse for cutting or restricting funding where it is most needed - especially for teaching staff. Moreover, it is worth noting that, in education, budget execution rates are considerably higher than other sectors[124] – with these regularly around/above 90%, across all country income groups.[125] However, when this is broken down by type of expenditure, it is revealed that recurrent spending on wages (i.e. for teaching staff) in countries around the world tends to be fully executed, but execution rates are considerably lower on goods/services and capital expenditure (especially in lower-income countries).[126] This shows many things, not least that procurement (goods/services) or building requirements (capital) may be part of the problem, and, in countries which rely on ODA to support education this may also indicate that aid that is not well-aligned with sector plans making that harder to absorb.[127]

Oftentimes, it is argued that lower income countries have "absorption" issues, this becomes a rationale for limiting additional expenditure or ODA – with this fitting into the wider fiscal constraints imposed by the World Bank, IMF and via powerful donors, and endorsed by Ministries of Finance. In education, how can a country absorb more money if it cannot spend it on the one thing that it can clearly "absorb" more expenditure in? That is, teachers.

Budget tracking at school level

At the local level, a major priority for organisations is to track education budgets to know what money is supposed to arrive and what actually arrives in each school. School leaders can often play a pivotal role in supporting budget tracking work at school level.

This involves looking at whether the money has arrived, how much, when, and whether this is consistent with the information gathered at district level. Unfortunately, in many cases schools do not receive their funding until halfway through the academic year, due to slow disbursements from the centre downstream. This can mean schools go without money for part of the year and then suddenly have to spend it very quickly, in which case they may not be able to spend it appropriately or absorb it all. In this case, a key part of any advocacy would be to help make this process smoother and quicker.

124. Background paper, UNESCO EFA Monitoring Report (2015) Trends in government expenditure for public education. See: https://unesdoc.unesco.org/ark:/48223/pf0000232476
125. For instance, EFW has shown these to be around 94% globally. UNICEF/UNESCO/World Bank (2022). Education Finance Watch, 2022.
126. For instance, the budget execution rates were 101% in HICs/UMICs and 102% in LICs/LIMCs in 2019 for wages; 87% and 79%, respectively for capital expenditure; and, 86% and 79% for goods and services (recurrent)
127. In many countries, ODA is classified as "capital spending " which means that, in education, some of the "absorption" capacity rates in education may well be to do with donor funds misaligned with sector plans. The World Bank and others also tend to put in place very restrictive procurement policies which have also shown to slow down budget execution rates in goods and services.

Building the capacity of school management committees and parent-teacher associations to understand budgets and support planning can really help, as can the posting of school budgets on noticeboards. The more independent scrutiny there is of the budget, the easier it is to make the case that new investments in education will reach where they are needed and will make a difference.

Budget tracking can be done at school level to check whether the allocated funds have arrived at the school and have been spent according to plan, and to identify the financial contributions made by parents and others.

Ideally this should be done in a participatory way with parents, children and other key stakeholders actively involved in the process from the start. In Box 15 there is a simple outline of the methodology and a list of some of the questions that need to be answered.

Box 15. School-Level Budget Tracking: A Methodology

Put together the budget tracking team. This should involve parents and other key stakeholders as well as people with budget tracking skills and knowledge about the specific budget that is being tracked.

Decide who to talk to. Key respondents might include children, parents, teachers, PTA and SMC members, district education officers, local government officials, etc.

Use a mix of data-gathering approaches to obtain the information needed. This might include:

- Literature review – obtain and examine key budget documents and plans relating to the school
- Interviews – carry out interviews with individuals such as the head teacher who hold a lot of information about the school budget and expenditure
- Survey – design and carry out a simple survey that can be used to gather information about the school facilities, teachers and students, budget, spending, contributions made by parents, etc
- Focus Group Discussions – bring together a group of stakeholders to explore a particular issue relating to school budget allocation and spending
- Workshops – bring together a group of stakeholders to explore issues relating to the school budget and expenditure in a workshop setting

- Summarise and validate the findings and share them with key stakeholders. Then decide what to do next, together with relevant stakeholders.

Questions for school budget tracking:
- What was the government education budget allocated to the school?
- Has the school received all the allocation from the government that was budgeted for?
- What other sources of funding has the school received?
- What funds have been spent so far? And on what items have these funds been spent?
- Did the school prepare a plan for the year? Was the money spent as per the plan?
- Does the school spend funds not covered by government resources? For example, for electricity, security guard, water, printing of examination papers? If so, where do these funds come from?
- What are parents expected to contribute towards the cost of education?

Case Study

Improving Conditions for Teachers in Remote Areas of the Gambia

In 2012, the teachers' union (GTU) and the teachers' credit union (GTUCCU) in The Gambia found that teachers in some rural and hard-to-reach areas were forced to travel long distances, often for several days and by unsafe transportation means, to collect their salaries from assigned banks. Often, the payments were delayed. This meant lost teaching days and demotivating teachers, making them more reluctant to work in remote areas.

Discussions between the GTU and the government led to the involvement of the GTUCCU in helping to facilitate more efficient salary payments to teachers, with on-time payment assured. The involvement of the credit union enabled pre-financing of salaries when the government was late in processing them, thus ensuring teachers were paid on time. In addition, this helped to uncover discrepancies in the system, i.e. where so-called 'ghost teachers' were receiving salaries. The GTUCCU also introduced a new motorcycle scheme which gave teachers access to motorcycles.

This provided a safer means of transportation and enabled teachers to reach remote areas in a more efficient manner. As a result, teachers began receiving their salaries on time, absenteeism was reduced, and teachers became more motivated to accept postings in very remote schools. This example also demonstrates the role that civil society and teachers' unions can have in engaging as mutual and effective players in monitoring and dialogue affecting the education budget at local level.

Source: Education International (2015) Teachers Assessing Education For All: Perspectives from the classroom[128]

PLAN FOR ACTION: Plan your budget tracking work here

Case Study

Bangladesh: Training Local Level Budget Analysts

ActionAid Bangladesh has been engaged in budget work for more than 20 years, supporting school monitoring groups to develop school plans and alternative budgets, and then building links with the government to meet the groups' requests.

An example of this work is working with communities to analyse the school budget, including these aspects that are not in that budget, such as teachers and textbooks which are budgeted for centrally. As the biggest items of expenditure are centrally managed, the school budget is often very small, consisting mainly of funds raised from parents or guardians, and is spent on additional school inputs, such as security guards, school gardens and maintenance of buildings. It can therefore be limiting to understand the budget purely in terms of what is spent at school level.

However, this approach also encourages local communities to advocate nationally. Starting with an analysis of the family budget (to illustrate how everyone budgets in their lives) the local level budget analysts worked with community members to examine school assets (quality of buildings, teachers, size of classes, number of contact hours, etc.). This was followed by a visioning exercise to enable stakeholders to describe their dream-school. By comparing the current assets and the necessary inputs for their dream school, the group was able to identify where the shortages were and develop plans to fill the gaps. From this, the school monitoring groups were able to prepare yearly plans for the school and demand the required budget from the local and national government.

128. See: http://download.ei-ie.org/Docs/WebDepot/EI_EFA_Assessment_2015.pdf

A clear benefit has been revived school management committees and much greater parental involvement in the schools. However, an example from Chitmorom School illustrates the limitations of the approach. Here the need for two more teachers was identified, but government policy of centralised recruitment and allocation meant that these teachers could not be hired.

Scrutinising public spending at different levels and identifying gaps

Scrutinising spending by levels of education is also an important function for civil society organisations. For example, to show how much is going to primary versus secondary; or to look at whether a country is close to meeting the Tashkent Declaration of 10% to pre-primary education.

This will be more or less easy to do, depending on how a country classifies their budget. For example, a number of countries will classify 'general education' separately from higher education, often with separate budget lines and ministries involved. Almost always, pre-primary is the most difficult financing data to analyse as some countries do not gather this, while other countries merge pre-primary education and early childhood development with primary education. It is also often spread across different ministries and not fully able to be accounted for. Finally, some countries apportion overall education (including central ministry) administrative costs to the different levels of education, whereas others do not (leaving it in "other").

It is vital that education activists also put pressure on their governments to have a clear picture not only of the overall education budget but how that is broken down into different levels, which can also support in looking at how equitable the budget is (as explored in the module 3) and can help also identify gaps in different levels (as the case study below shows).

Case Study

What investment is required to deliver the right to education by 2030 in Argentina?

Fundación SES launched a study to analyse the investment needs in Argentina from 2020-2030: "The Right to education in numbers: what is the investment necessary to fulfil it in the next 10 years? Investment goals for the fulfilment of the right to education by 2030 in Argentina".[129] The purpose of this study was to identify the investment required to achieve objectives and goals that guarantee the right to education of from pre-primary, primary, secondary level in Argentina for the period 2020-2030.

The costing established objectives and targets based on achieving "educational justice" including: equitable investment in terms of infrastructure; trained and well-paid teachers; appropriate pedagogical methods supported by updated information and communication technologies; as well as the creation of safe environments, healthy, gender-aware, inclusive and adequately equipped to facilitate learning in dialogue with their context. Education justice also requires planning that considers the challenges of the socially disadvantage over the course of their education.

The costing model considered two stages for the calculation: i) calculation of physical indicators of enrolment flow, and ii) calculation of costs by component, including expenses by items.

129. See: https://fundses.org.ar/biblioteca/financiamiento-educativo-como-garante-del-derecho-a-la-educacion/

The report concluded that by 2030 education investment will need to double. Unless this happens, and if things continue in the current state of a downward trend in educational investment by 2030:

- More than 2 million children would be left out of the pre-primary school system
- At the primary level, if no measures were taken, 18,985 students would be left out of the system every year and only 14% would be able to access the extended or full-time day by 2030
- At the secondary level, show high rates of repetition and drop-outs every year, which requires in-depth reform at this level.

Source: Education International (2015) Teachers Assessing Education For All: Perspectives from the classroom

Literacy classes in Nepal.
CREDIT: ACTIONAID NEPAL

CONCLUSION & CALL TO ACTION

This toolkit aims to help activists, but also government officials, practitioners, economists and other groups and individuals to understand the importance of adequate and sustainable financing of education and its sources, and develop their own campaigns or advocacy work to achieve it.

The Transforming Education Summit's (TES) Call to Action on Financing makes it clear that the right to education and SDG 4 will not be realised by 2030 without a significant and well-targeted increase in financing, particularly in those countries furthest from achieving quality education for all at all levels. Therefore, the adherence to the international and regional benchmarks of allocating at least 4 - 6% of GDP and/or at least 15 - 20% of total public expenditure to education is urgent. But we must look beyond this. We need to increase the 4Ss of the budget: The **Share** of national budgets dedicated to education (at least 15-20%), the **Size** of government budgets overall (determined by tax, debt, macro-policies, trade etc), the **Sensitivity** of education budget allocations – driven by an evidence-based approach to equity and efficiency, the **Scrutiny** of education spending in practice – so resources are tracked especially in the most disadvantaged communities, data quality is improved and the capacity to use data is enhanced. International standards also call on developed countries to achieve the target of 0.7% of gross national product (GNP) for ODA to developing countries, and the TES agenda establishes the importance of allocating 15-20% of this to education.[130]

Decolonisation is paramount to education financing. It means changing the power dynamics between national governments and the international community, lenders, donors, and financial institutions - making sure national governments, in consultation with the teaching profession, communities and representatives of CSOs, are in the driving seat of shaping education reforms. The biggest obstacles to expanding financing for education are in the international financial systems that perpetuate a colonial relationship of extraction and control. Whilst aid still plays a role it should not shape the agenda and it needs to be properly harmonised and aligned with national development plans that are democratically and accountably developed.

Most crucially we need to address the structural causes of the chronic underfunding of education - that lie in distorted power dynamics nationally and internationally. The international financial architecture (the IMF and World Bank) was shaped post-war, before most countries were independent - and the voting and decision-making structures remain fundamentally unchanged. This architecture is a colonial legacy which leads to a continued extraction of resources to benefit the wealthiest countries whilst perpetuating the myth that countries are to blame for their own lack of development.

To decolonise education financing, campaigners need to get out of the education bubble and take the case for transformative action to Heads of State and Ministers of Finance. This requires moving beyond our normal constituencies, reaching out to CSOs and alliances working on other public services, connecting with public sector unions, women's rights movements, human rights organisations, debt and tax justice movements and even climate justice activists. We need to build wide alliances for change that re-prioritise the financing of public services in general - from which education will be a major winner. The current multiple crises - in climate, economics and post-COVID - are our best opportunity in a generation to force a re-think - to place progress on education and other public services at the centre of national development strategies. Only by working together can we change the terms of the debate – and deliver the right to education.

We invite readers and users of this toolkit to push for increased, equitable, sustainable, and efficient financing for education from a decolonised perspective. We must join forces not only with education CSOs and government

130. Incheon Declaration and Framework for Action officials, but also with activists for other public services to demand bold breakthroughs in domestic financing, progressive and ambitious action on tax, debt alleviation mechanisms and global financing reforms. The TES Finance Agenda, launched at the Heads of State Summit gives us a powerful reference point for this more ambitious agenda on financing education.

PLAN FOR ACTION: Decide which 4S should your campaign/advocacy should focus on here

ANNEX ONE: "BUDGET BASICS"

It is vital to engage with budgets

The information contained in this Annex should help activists who want to go and analyse their own governments budgets by introducing them to basic budget information – it is intended to support activists who have never done any budget analysis before.

Understanding how budgets are set and who has control over planning or spending is key for successful advocacy and for holding governments to account. The budget is a public document produced by a government expressing its spending and taxation policy commitments in order to deliver the right to education (and other rights).

Budget processes are political as well as technical. Ideally, the national budget should be the subject of widespread scrutiny and debate. Civil society organisations and teachers' unions have a vital role to play in ensuring there is independent scrutiny of government budgets, and of the revenues which pay for them; working in collaboration with legislators, auditors, the media, and the broader public they can also play an important role in holding the executive accountable for how it uses public resources.

Therefore, it is vital to understand how a government works at different levels (national, regional, district, and school level), how these relate to each other, and at which levels decisions are made; how to access budgets, and how to read budgets. In other words, the starting place is to understand the "budget basics".

Key questions to answer when starting budget work

What are the government priorities for improving education?
What actions or policies has the government committed to? What are the main priorities? Are there any commitments which are particularly underfunded?

Who sets the education budget?
Who sets the education agenda and budgets? Does the Finance Minister set sector ceilings? Which ministry oversees each aspect of the education budget? Do they set the budget, and with which other parts of government? At a sub-national level, who sets out budgets and plans? What are the processes in parliaments to define the budgets? What debate and decision-making spaces are ensured for participation?

Who spends the budget?
Which agencies have responsibility for spending the education budget? At what level of government are they? Who spends the money at sub-national level? Who monitors budget spending and addresses changes that need to be made? Which spaces and procedures exist to monitor and scrutinise budget expenditure? Are these governmental only? How and when can CSOs engage?

Centralised and decentralised systems

The difference between a centralised or decentralised system is important to grasp. In many countries, democratisation has been accompanied by a process of decentralisation, which brings budgeting closer to communities.

In a **centralised system** power is concentrated at the central or national ministry, which decides how resources are used all the way through the system down to the facility level. The only influence that civil society can have at the local level is to ensure money is well spent. In this instance, advocacy for improving budget allocations, or for increases to specific programmes, must be carried out nationally.

In a **decentralised system**, authority is transferred from the centre to regions or districts, with a view to creating greater autonomy. Some countries are federal in character where decision-making is divided between the centre and the provinces. Other countries have allocation decisions made at the central level, with only the responsibility for implementation decentralised.

Problems with spending on education can arise at the decentralised levels. This can happen even if national level planning and expenditure is effective, as local authorities sometimes lack the capacity to spend funds effectively. Instances of corruption are also more likely to occur at the local level. However, while decentralisation can complicate the monitoring of budgets nationally, it may create opportunities for local legislative involvement, and greater citizen involvement.

The extent to which civil society can engage with key actors at the various levels will depend on the level of government decentralisation in-country, and who has power at different levels of the system for budgeting and spending. This is why it is important to understand the responsibility of different actors at different levels. Where the administration is highly decentralised, especially if budgeting takes place at sub-national level, it will be more important to engage with local government budgeting processes as this will maximise the chances of direct influence.

PLAN FOR ACTION: investigate your government's budget here

>> The budget cycle (see figure 27 in module 4 for a visual representation of this cycle)

Each country's budget process has its own unique features, reflecting the organisation of the executive, the powers of the legislature, and the independence and effectiveness of oversight institutions.

There are 4 stages in the budget process which all governments tend to adhere to (at least to some extent).

Stage 1: Budget formulation
The first stage of the budget cycle is when the executive branch formulates expenditure ceilings, establishing the total amount of money the government has available for the budget that year. Meanwhile an office within the Ministry of Finance coordinates and manages proposals and needs of competing departments.

Stage 2: Budget approval
The second stage of the budget cycle occurs when the executive's budget is discussed in the legislature and consequently enacted into law. During the enactment stage, legislatures review, amend and adopt the budget. The extent of legislative involvement varies across countries (i.e. if the system is parliamentary or presidential), and the legislature's powers under the constitution. In many countries, the legislature has less influence over revenue than expenditure.

Stage 3: Budget execution
During the implementation stage, many governments release in-year reports on expenditures and revenues, to show the progress being made toward budget targets. The level of detail and the timeliness of the information provided differ from country to country. The executive frequently submits a supplementary budget to the legislature, proposing adjustments to the enacted budget during the year, and produces revised budget expenditure figures. Revenue policies are rarely adjusted in the middle of the year, however.

Stage 4: Budget oversight
The final stage in the budget cycle includes a number of government activities to assess how the budget was spent. This presents a valuable opportunity for CSOs and budget groups to obtain information on the effectiveness of budget initiatives, as well as to advance accountability by ascertaining whether the legislature and executive branches respond appropriately to the findings of audit reports. Each of the budget cycle stages creates different opportunities for civil society participation. These are explored in the Module on citizens' scrutiny of the budget.

Budget documents

International good practice recommends that governments publish eight budget reports at various points in the budget cycle. Four of the eight key budget reports pertain to the formulation and approval stages of the budget process:

- Pre-Budget Statement
- Executive's Budget Proposal
- Enacted Budget
- Citizens' Budget

The remaining reports pertain to the government's execution and oversight of the budget:

- In-Year Reports
- Mid-Year Review
- Year-End Report
- Audit Report

In some cases accessing documents can be difficult. It is not only a question of whether governments publish budget documents or enable public engagement in budgeting processes, but also of how accessible and readable the information is and how clearly the budget is broken down. Often, governments do not provide sufficient information to enable the public to make the connections between inputs and outputs, which are necessary to effectively track spending. For example, there may be a lack of information on how spending is broken down in relation to different groups or to geographic locations.

Budget classifications

Budget classification has a direct impact on the transparency and coherence of the budget, as it determines the manner in which the budget is recorded, presented and reported. Correct budget classification is important for:

- Policy formulation and performance analysis
- Allocating resources efficiently among sectors
- Ensuring compliance with the budgetary resources (approved by the legislature)

There are four types of budget classifications:

1. **Administrative** classification identifies the entity that is responsible for managing the public funds concerned, such as the Ministry of Education or, at a lower level, departments of primary education, and at an even lower level, schools.
2. **Functional** classification organises government activities according to the purposes and broad objectives for which they are intended (e.g. education). It's independent of the government's administrative or organisational structure. Such a classification is especially useful in analysing the allocation of resources among sectors.
3. **Economic** classification identifies the type of expenditure incurred, for example, salaries, goods and services, transfers and interest payments, or capital spending.
4. **Programme** classification requires the budget to be organised around a set of programmes and sub-programmes, with clear policy objectives and focused on outcomes and outputs. This kind of classification system is becoming increasingly popular 69as it links funding to results rather than inputs.

ANNEX TWO: ACRONYMS

AAI ActionAid International

ACEA Arab Campaign for Education for All

ANCEFA Africa Network Campaign for Education For All

ASPBAE Asia South Pacific Association for Basic and Adult Education

CLADE Campaña Latinoamericana por el Derecho a la Educación (Latin American Campaign for the Right to Education)

CSEC Civil Society Education Coalition (Malawi)

CSO Civil Society Organisation

DSSI Debt Service Suspension Initiative

EI Education International

ICESCR International Covenant on Economic, Social and Cultural Rights

GCE Global Coalition for Education

GPE Global Partnership for Education

GDP Gross Domestic Product GER

GTU Gambian Teachers' Union

GTUCCU Gambian teachers' credit union

HICs High-Income Country

IFIs International Financial Institution

IMF International Monetary Fund

JDC Jubilee Debt Campaign

LIC Low-Income Country

LMICs Low-Middle Income Country

MICs Middle-Income Country

NGO Non-government organisation

ODA Official development assistance

OECD Organisation for Economic Co-operation and Development

PPP Public Private Partnerships

PSI Public Services International

PTA Parent-teacher association

SDG Sustainable Development Goals

SDR Special Drawing Rights

SDG Sustainable Development Goal

SMC School management committee

UDHR Universal Declaration of Human Rights

UNCRC United Nations Convention on the Rights of the Child

UNDP United Nations Development Programme

UNESCO United Nations Organization for Education, Science and Culture

UNICEF United Nations Children's Fund

VAT Value added tax

Question and Answers session on tax in Treba, Ghana.
CREDIT: ACTIONAID GHANA

TAX PAYS FOR EDUCATION