



Philanthropic Organizations' financing education in developing countries: need for multiple layers of monitoring

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Overview



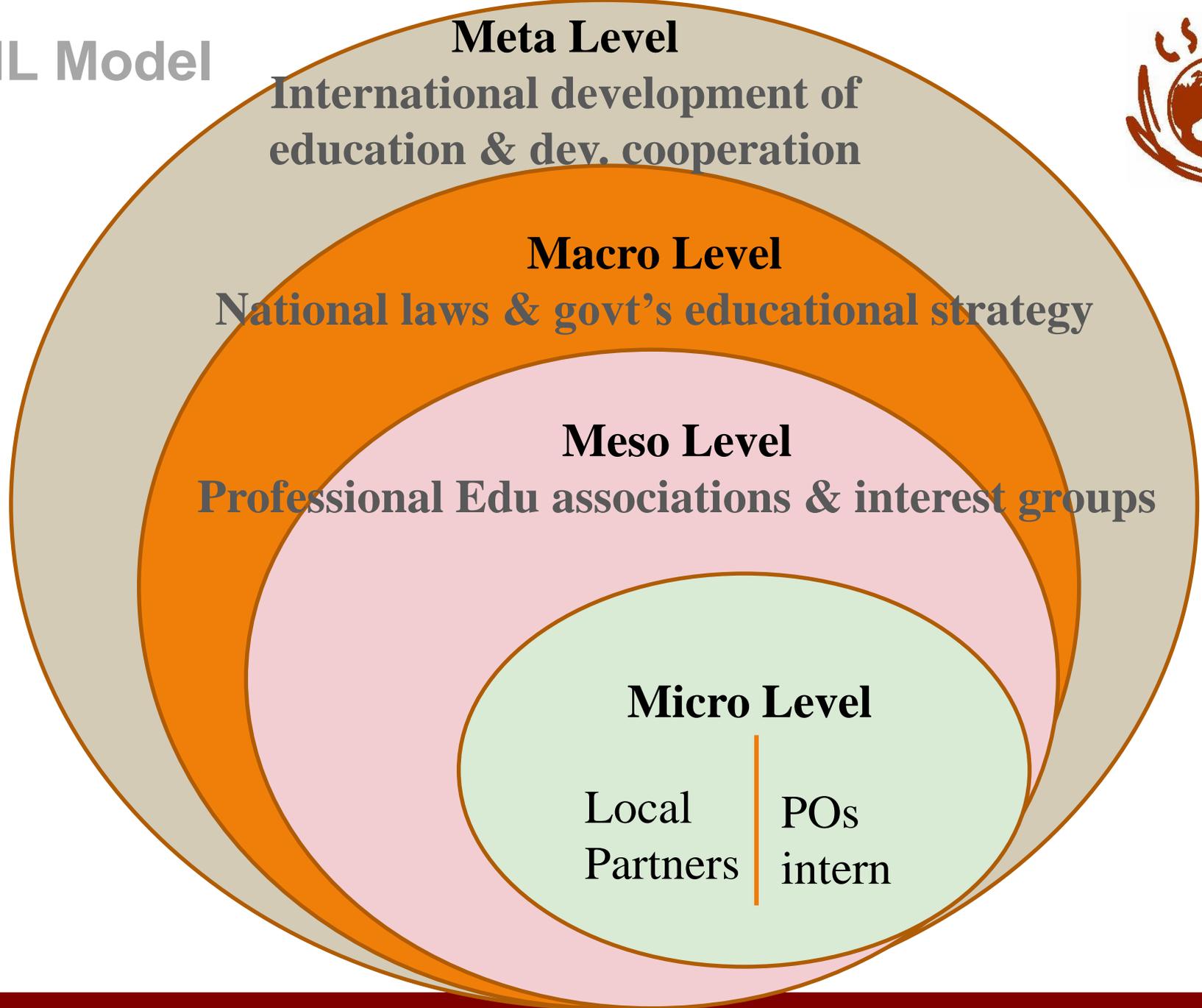
- ❖ **Constraints and opportunities of providing private education in Developing or Transition Countries**
- ❖ **Meta-Macro-Meso-Micro Levels of Analysis (4M Analysis)**
- ❖ **Monitoring of internal & external providers of educational services**
- ❖ **Findings & Conclusions**

4 M Method applied



- ❖ Building on models developed by sociologists (Raub & Voss, 2016), economists (Dopfer, Foster & Potts, 2004; Sheng, D; Geng, X; 2012), political scientists (Meyer-Stamer, J, 2003) and engineering scientists (Li, Bocong; 2012), we developed a **Meta-Macro-Meso-Micro** model to analyse the main factors which POs investing in a DC's educational sector should include in their analysis before taking operational decisions or wanting to reassess their risks & opportunities.

4 ML Model



Educational Investment in DCs by Philanthropic Organisations



- ❖ Divergent views regarding educational policies are inevitable (Public vs Private provision).
- ❖ Putting education into the context of the **SDGs** offers an opportunity to find convergent viewpoints between local and foreign parties involved in the provision of educational services.
- ❖ Philanthropic Organisation interested in providing educational services in DCs and LDCs are advised to use the **4M monitoring method on a continuous basis.**



SDGs



Implications of SDGs



- **SDG 4, Quality Education for All, stipulates continued need in investing in delivery and provision of education for all including HE**
- **Many governments face the same financial constraints and are now seeking private funding through the financial market or private-public partnerships for all levels of education delivery (pre-school, elementary, secondary, tertiary, adult learning)**





SDGs and 2030 Agenda

Transforming our world: the 2030 Agenda for Sustainable Development” signed on 25 September 2015. The resolution consists of 17 Goals and 169 Targets covering crucial areas of the global development agenda that countries have agreed to implement

The crucial role of financial investment

According to the 2014 World Investment Report (WIR) of (UNCTAD), approximately \$ 4 trillion will be required every year in developing countries (DCs) alone for the SDGs to be achieved by 2030. Given the current levels of investment in all SDG-related sectors by both public and private bodies, DC countries face a funding gap of \$2.5 trillion per year

The Context: SDGs



Funding gap

It is unlikely that government budgets and official development aid will be able to compensate fully for this funding gap. In government, so investments made by the private sector will be crucial in assisting the realization of the SDGs.

SDG goal 17

Partnership for the goals

Target 17.17 Encourage and promote effective **public, public-private and civil society partnerships**, building on the experience and resourcing strategies of partnerships.

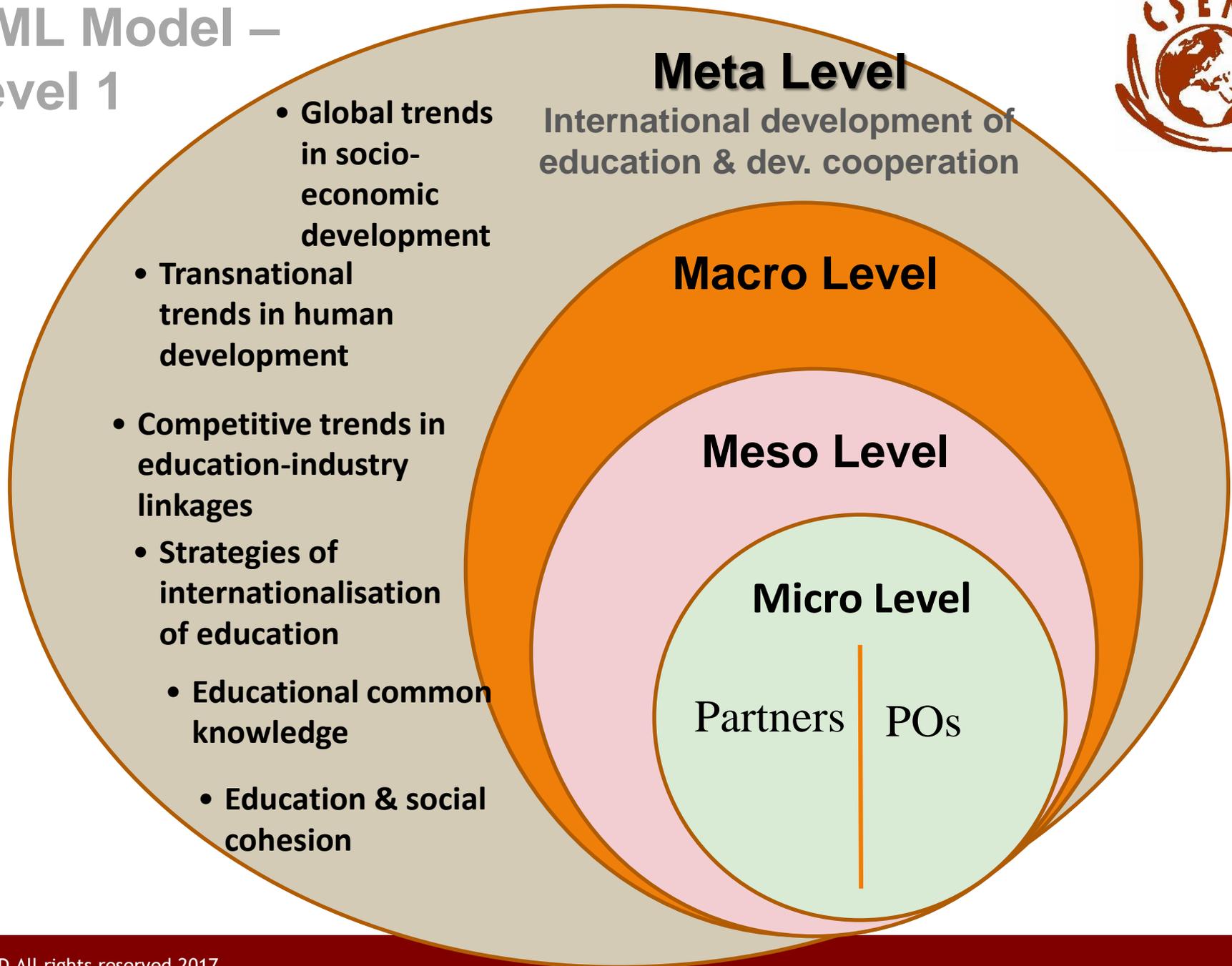
Philanthropic Organisations are part of “Civil Society Partnerships) category





4 M Level Analysis – Definition & Examples

4 ML Model – Level 1



Enrolment Growth in India (2006-2012)



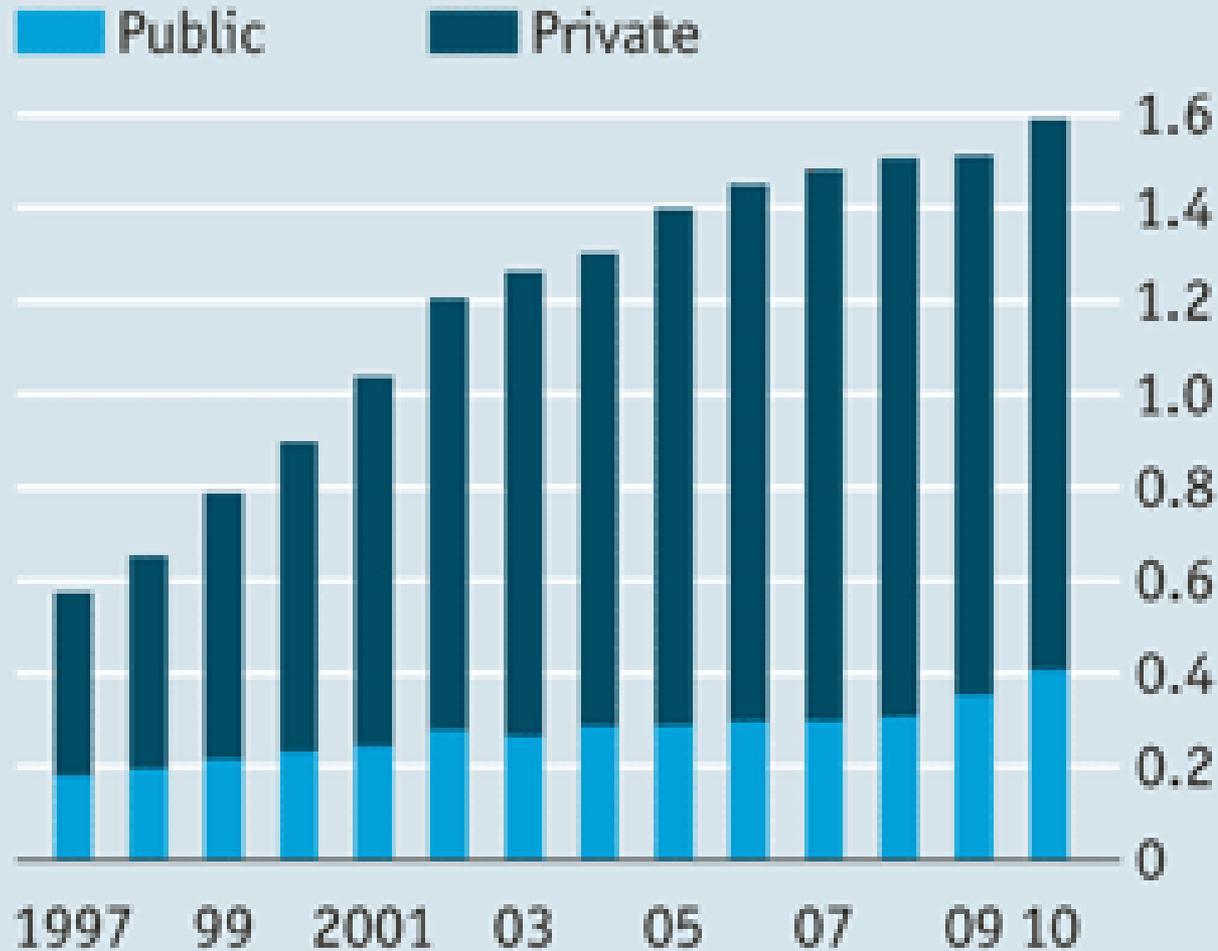
Institution Type	2006/2007	2011/2012	Increase	Growth (%)
Government	6,338,000	8,963,000	2,625,000	41.4%
Distance				
Central	310,000	563,000	253,000	81.6%
State	6,028,000	8,400,000	2,372,000	39.3%
Private	7,512,000	12,823,000	5,311,000	70.7%
Distance	2,741,000	4,201,000	1,460,000	53.2%
Total	16,591,000	25,987,000	9,396,000	55.6%

(Source Planning Commission, India. 12th Five Year Plan)

Case of Brazil

Going private

Brazil: enrolments in higher education, m



Sources: Government statistics; HOPER Estudos de Mercado





Major Global Player

- **National American University Holdings, Inc.**
- **Laureate Education, Inc. (LAUR) SPO**
www.laureate-inc.com the largest US-based for-profit higher educator, is reported to have more than 1 million students worldwide, in North America, Latin America, Europe, the Middle East, Africa, and Asia Pacific.
- **Apollo Education Group[14],**
part of Apollo Global Management.



Social Externalities



➤ Positives –

1. Knowledge dissemination and knowledge creation as part of the global commons which enhanced the possibility of developing countries to participate in the global economy
2. Creating opportunities for individuals who could not enter higher education via public offers.
3. Knowledge sharing aided by the modern ICT and Mobile technology, developing countries could improve its capacity to provide better public services to their citizens

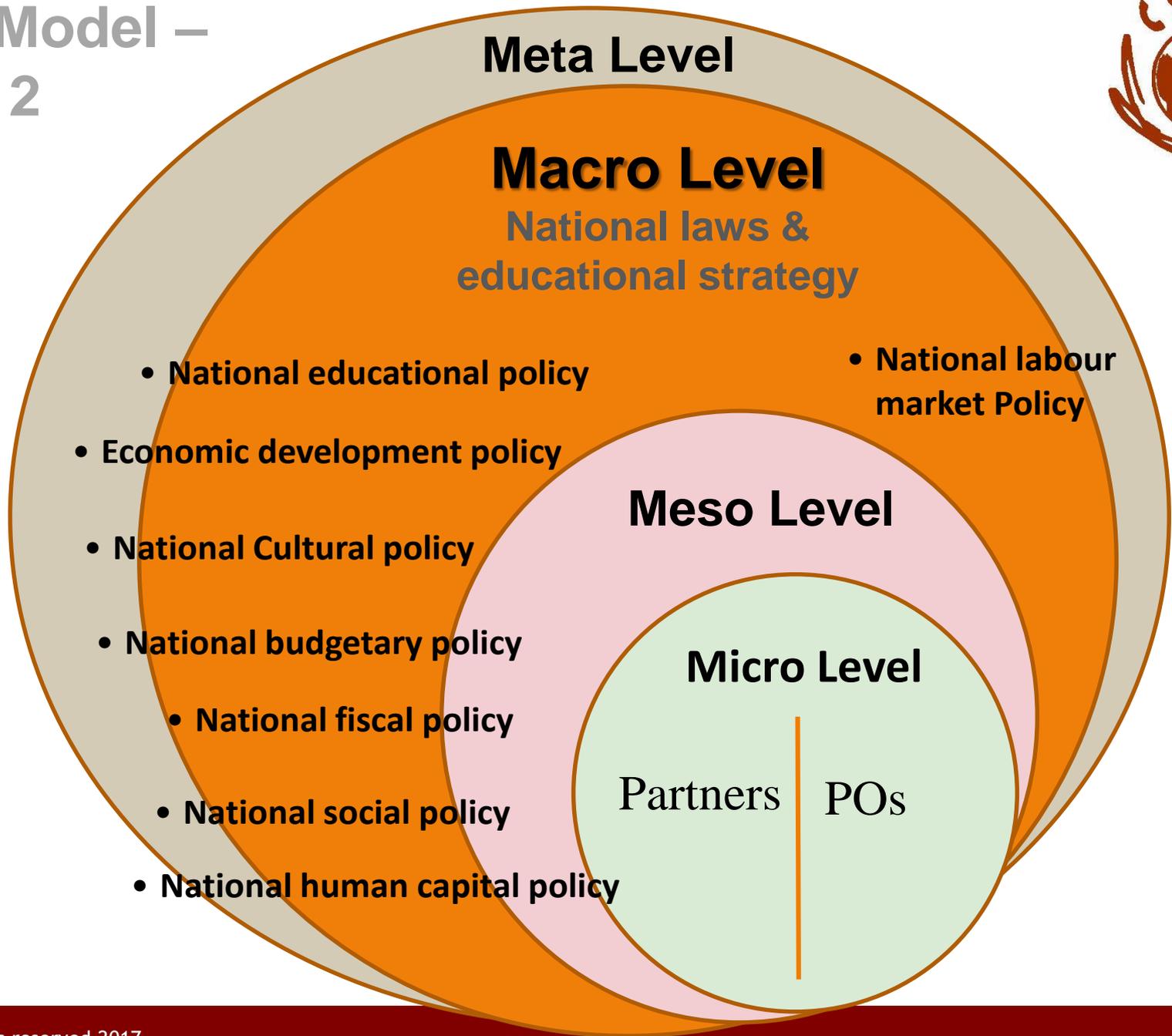
Social Externalities



➤ **Negatives –**

- 1. Brain drains (domestically to foreign Edu Provider or internationally) causing severe loss of limited human capital especially to LDCs (e.g. MDs from Malawi working in London)**
- 2. Abuse of market position, especially by private for profit educational institutions in providing inadequate or sub-standard quality of educational products when not properly supervised**
- 3. Greater capacity of the higher education sector has not improved the enrolment rate of the lower income families, continues to perpetuate social exclusion inadvertently.**

4 ML Model – Level 2





Internationalisation of education, also through POs providing support to DCs.

- **Importing education products and services from abroad to DCs**
- **Need to be aligned with respective national Educational laws and practices.**

Modes of Supply in GATS/ES



Mode of supply	Explanation	Examples for ES
1. Cross-Border Supply (Mode 1)	The provision of a service where the service crosses the border (does not require the physical movement of the consumer).	Distance education; Virtual education institutions; Education software; Corporate training through ICT delivery.
2. Consumption Abroad (Mode 2)	Provision of the service involving the movement of the consumer to the country of the suppliers.	Students who go to another country to study.
3. Commercial Presence (Mode 3)	The service provider establishes or has presence of commercial facilities in another country in order to render service.	Local university or satellite campuses; Language training companies; Private training companies, e.g. Microsoft, CISCO, etc.
4. Presence of Natural Persons (Mode 4)	Persons travelling to another country on a temporary basis to provide service.	Professors, teachers, researchers working abroad.

Typology of Existing Barriers to Trade in ES

(identified by USA, New Zealand, Australia and Japan)



Barriers to Trade		Examples
M1	Prohibition for foreign providers	<ul style="list-style-type: none">✦ No possibility for foreign supplier to offer its services (all modes of supply).
M2	Administrative burden and lack of transparency	<ul style="list-style-type: none">✦ Domestic laws and regulations unclear and administered in unfair manner (all modes of supply);✦ When governmental approval required for students to study abroad, extremely long delays encountered; when approval denied, no explication given, no information about necessary improvements to obtain it in the future (all modes of supply);✦ Denial of permission for private sector suppliers to enter into and exit from joint ventures with local or non-local partners on a voluntary basis (Modes 1 &3).

Typology of Existing Barriers to Trade in ES

(identified by USA, New Zealand, Australia and Japan) - 2

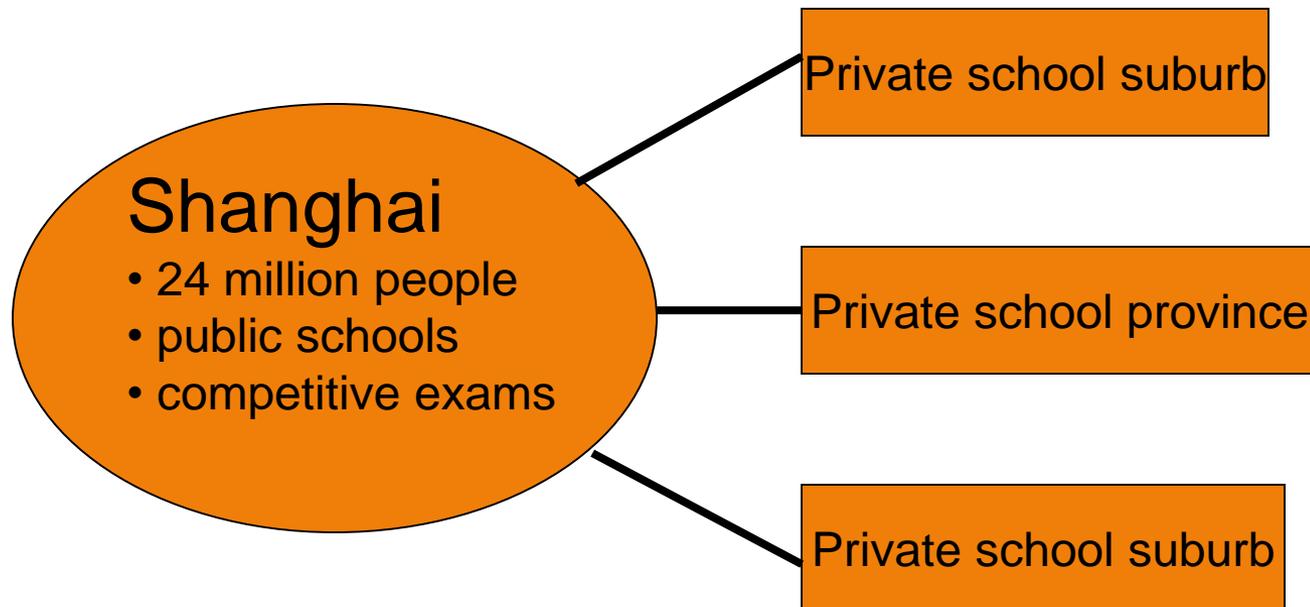


Barriers to Trade		Examples
M3	Fiscal discrimination	<ul style="list-style-type: none">✦ Subsidies for education are not made known in a clear and transparent manner (all modes of supply);✦ Repatriation of earnings is subject to excessively costly fees and/or taxes for currency conversion (all modes of supply);✦ Excessive fees/taxes imposed on licensing or royalty payments (Modes 1 and 3).
M4	Accreditation/ recognition discrimination	<ul style="list-style-type: none">✦ No recognition of degrees/titles delivered by foreign teachers/trainers (all modes of supply);✦ No recognition of foreign diplomas (Mode 2);✦ No accreditation delivered nationally for foreign providers (Modes 1 and 3).

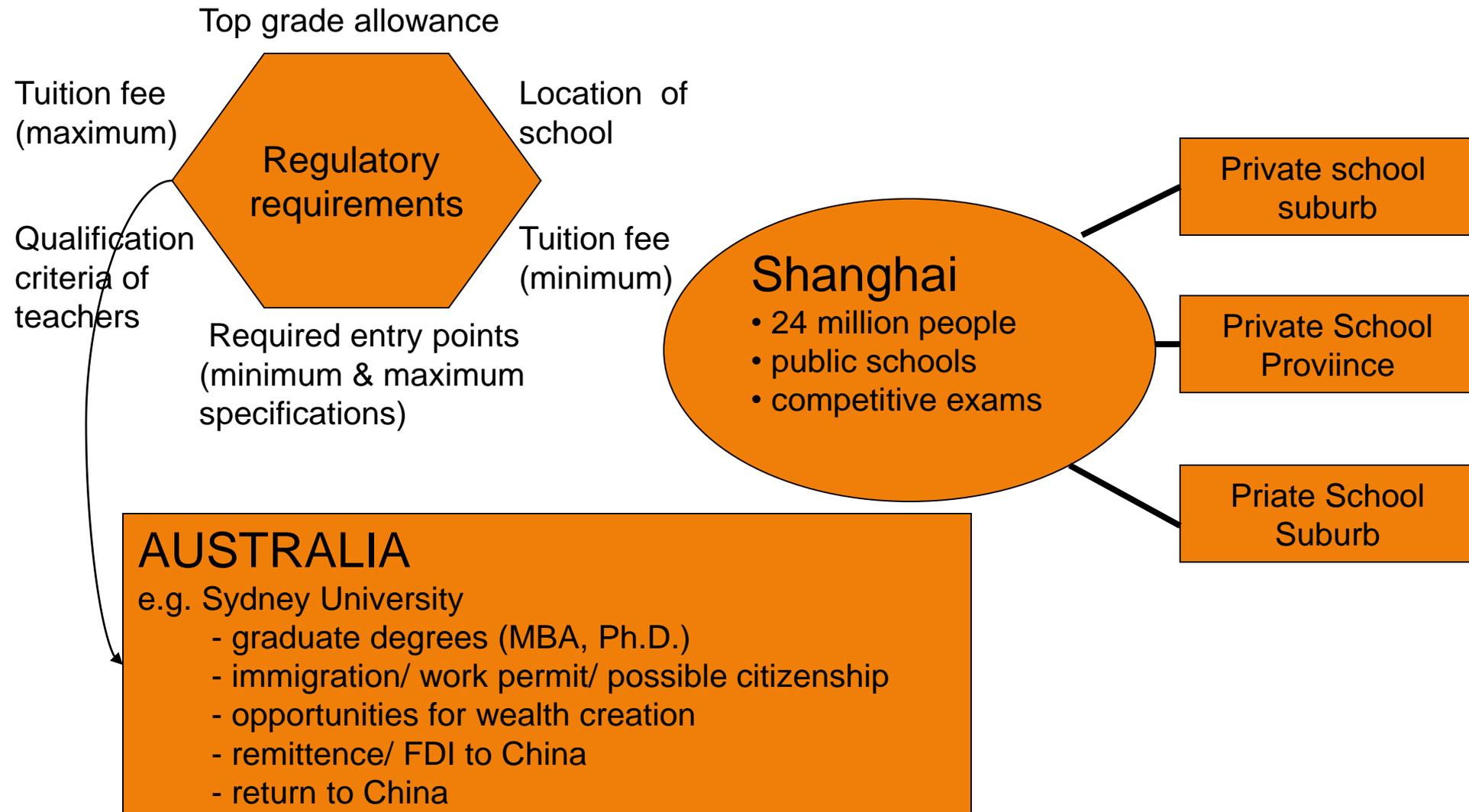
Example of China's Education Strategy and Use of GATS/ES



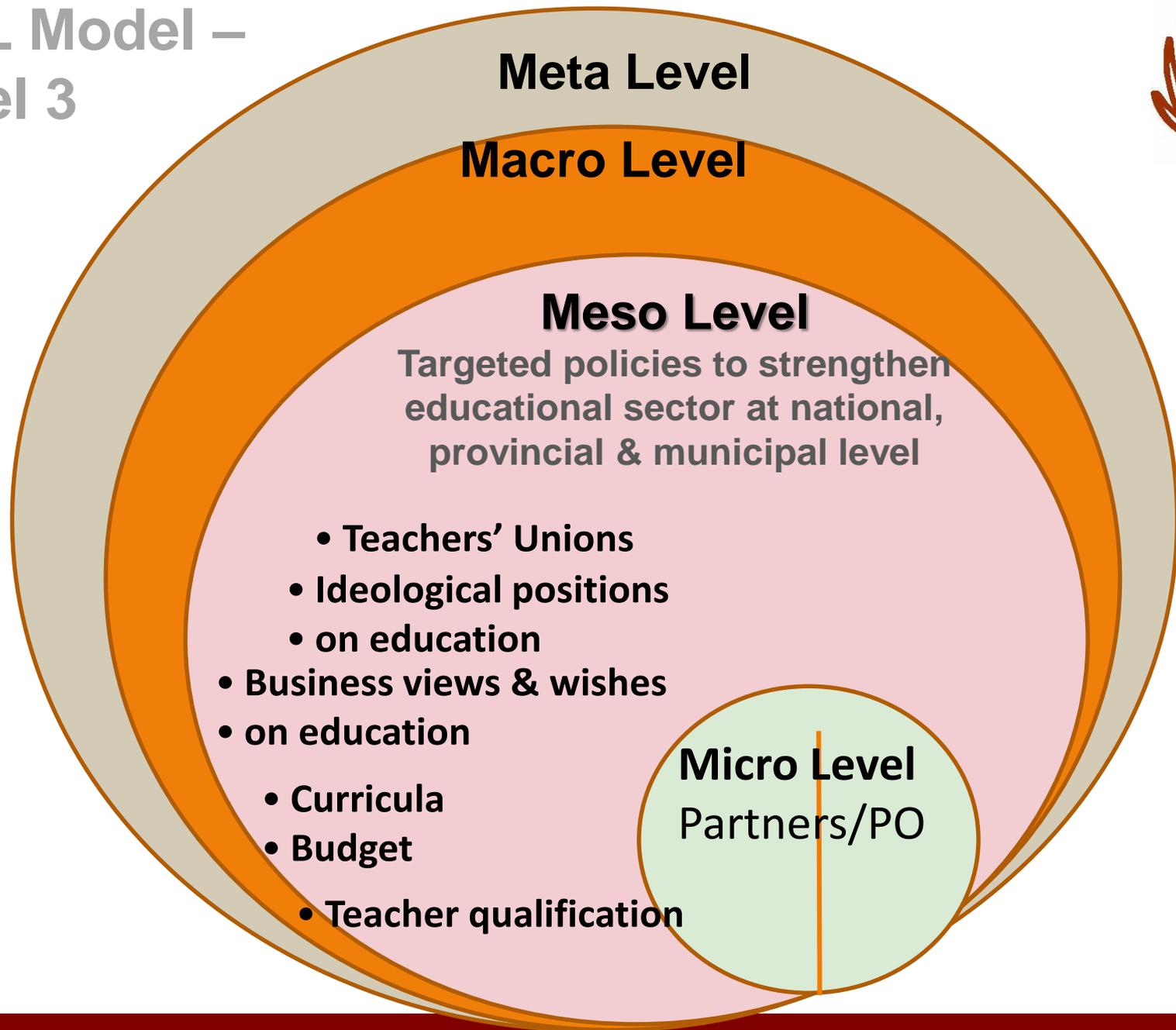
Private school suburb



Example of China's Education Strategy and Use of GATS/ES



4 ML Model – Level 3





Partnerships for Collaboration & Innovation: POs and their potential allies & opponents

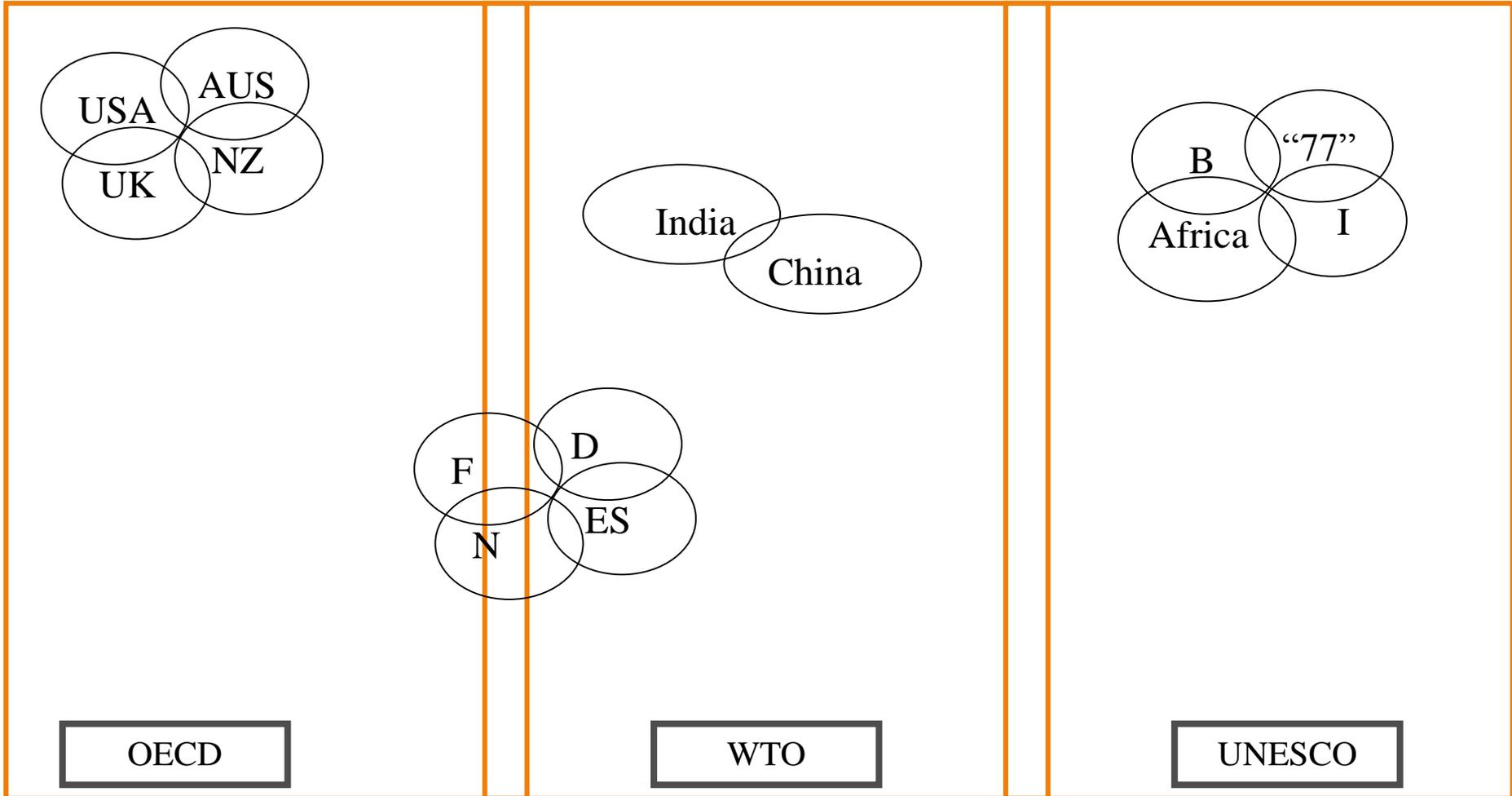
Coalitions



Liberalising



Protecting

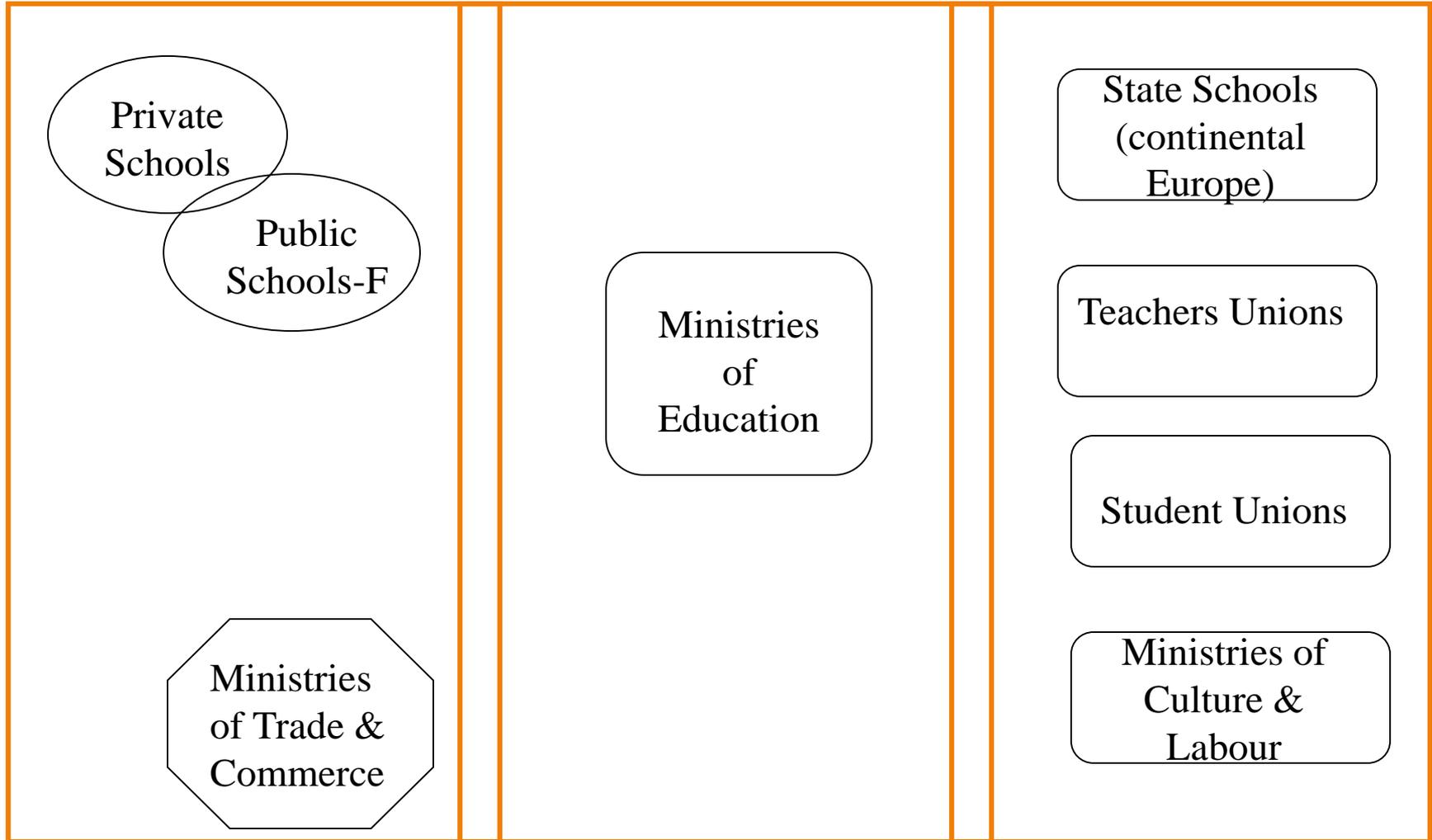


Coalitions



Liberalising ←

→ Protecting



Do the PO's teachers fit with the DC's national teacher accreditation system?



What system exists in country?



• Any accreditation law or mandatory practice at national level in the DC?

• Any mandatory QA system at schools and universities?

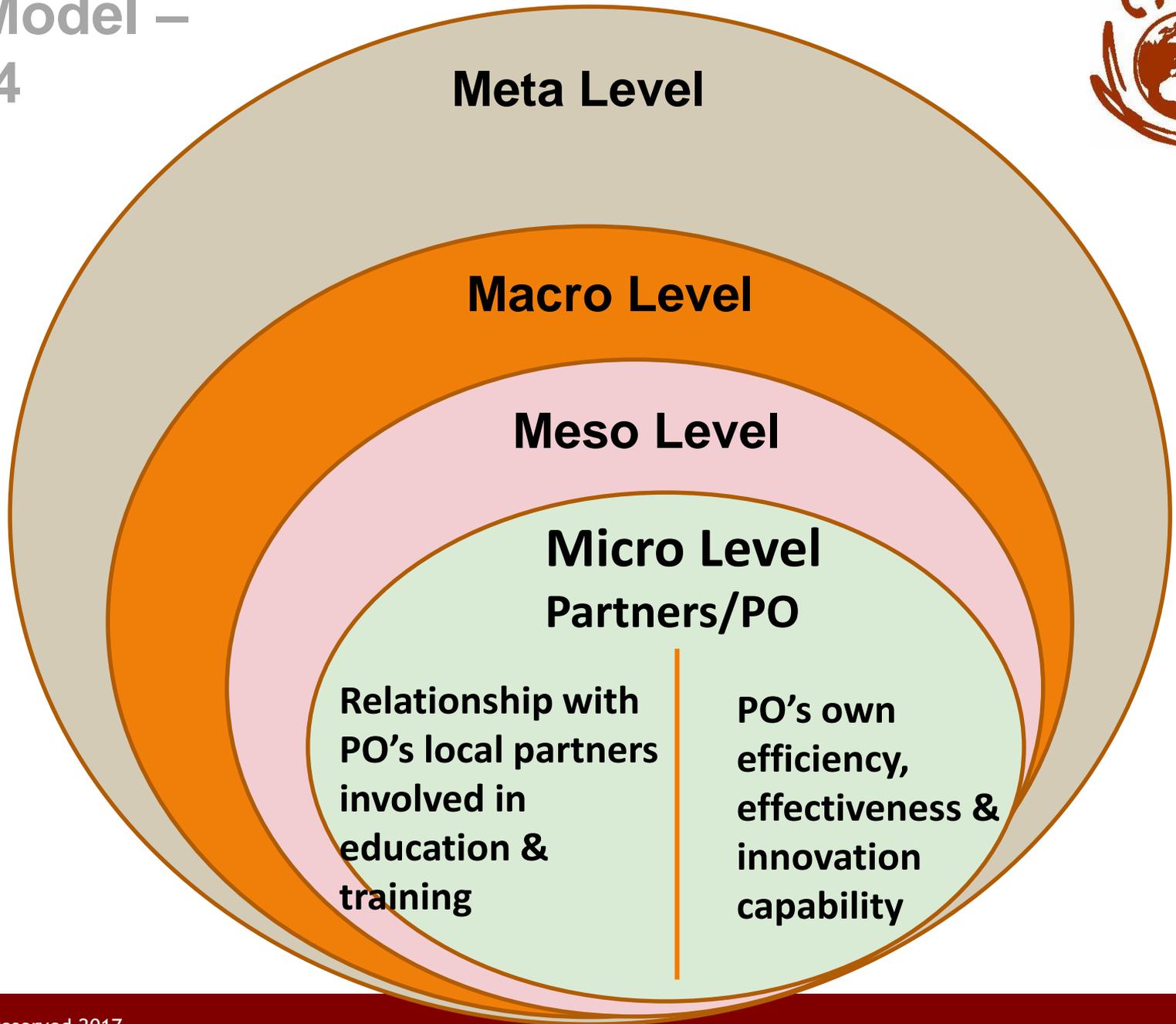
• Are foreign degrees recognised? If not, what remedial action required?



Potential Conflicts

- **POs with hybrid structure (link between business and philanthropic activities too close, conflict of interest)**
- **Main donor of PO with strong political agenda known to the public (exposed to Media criticism)**
- **POs linked too closely with home country geopolitical interests**

4 ML Model – Level 4



Monitoring PO's educational objectives



- ❖ **Have the educational services delivered new skills, knowledge and competencies?**
- ❖ **Has the education provided increased employability of the student?**
- ❖ **Has the education provided encouraged individual student's desire and motivation for learning?**
- ❖ **Has the school provided learning opportunities to the staff and teachers and helped embark on lifelong learning?**



Monitoring the PO's own processes

- ❖ A PO should ask itself how its own staff responsible for education in a DC could best be supported in delivering sustained educational outcomes either by its own teachers/trainers or through external contractors)?
- ❖ What quality management systems would be useful to ensure effective and efficient use of the PO's financial and HR resources (EFQM, TQM, ISO 10015)?
- ❖ To what extent does the education provided support the beneficiary country in reaching its SDG goals and targets?



CONCLUSION

Conclusions (1)



- ❖ **Phil. Organisations who finance or provide education abroad need to know the beneficiary country's regulations of the educational sector.**
- ❖ **Once regulatory requirements have been fulfilled, the philanthropic organisation investing in education abroad should assess what kind of Monitoring system it wants to apply for operational efficiency and for relevance of the learning outcome.**



Conclusions (2)

- ❖ **Monitoring has traditionally been used as an accountability mechanism for implementing agencies carrying out externally funded projects.**
- ❖ **Monitoring serves to track and manage data about inputs, activities, and outputs resulting from a project; whilst evaluation looks one stage later at the process, by assessing whether outputs in turn were translated into longer-term outcomes and impacts.**

Conclusions (3)



- ❖ **New thinking in Monitoring systems departs from the traditional model, putting a new focus on experimentalism and learning (Yiu & Saner, 2014) which can ensure more efficient and effective contributions to the SDG needs in the education sector of a beneficiary developing country.**



THANK YOU!