

POLICY PAPER: PROGRAM FOCUS WITHIN BASIC EDUCATION

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I. INTRODUCTION AND SUMMARY

The U.S. Agency for International Development (USAID) works to help its partner countries develop effective systems of basic education, accessible to all children. These efforts reflect the Agency's recognition of the crucial role basic education plays in the economic and social development of both poor countries and countries in transition. USAID defines "basic education" activities broadly, to include all program efforts aimed at improving primary education, secondary education, literacy training for adults or out-of-school adolescents, early childhood development, or training for teachers at any of these levels.¹ The common thread among these elements is a concern that all children—girls and boys alike—gain the core skills they will need to function effectively in all aspects of later life: skills including literacy, numeracy, and habits of critical thinking.

Despite the breadth of USAID's definition of basic education, a longstanding consensus holds that the Agency's basic education efforts should normally focus on *primary education*. This policy guidance formalizes this consensus, establishing a policy presumption in favor of program efforts to strengthen primary education. This presumption may be superseded in a host country that has already resolved serious deficiencies in access and educational quality at the primary level. Likewise, it may be set aside where, after careful consideration, the Mission concludes that Agency resources would produce more valuable results in some other area of basic education.

The remainder of this policy paper provides further detail on USAID's presumption in favor of primary education. The emphasis throughout is on program focus. Although the paper draws upon technical studies to explain the basis for the policy and to call attention to related issues, it does not presume to offer a survey of the technical state of the art in educational development. Just as important, it is not intended as a "how-to" manual on overcoming specific barriers to educational improvement, nor as prescriptive guidance on designing USAID basic education programs. In the interest of concreteness, the discussion highlights certain problems that often need to be resolved in the process of strengthening basic education in general, and primary education in particular. Nevertheless, except where explicitly stated, the policy paper does not attempt to guide Missions on the particular issues they should emphasize in designing their programs. These judgments are left to Missions, in light of host country conditions, USAID resources, other donor programs, and other relevant factors.

¹Missions and other USAID operating units should note carefully that USAID's internal definition of basic education differs from the concept of "basic education for children," used in recent legislation to define eligibility for funding under the Child Survival and Disease Programs Fund (CSD). Recent committee report language makes clear that "adult literacy and adult basic education" falls outside the boundaries of "basic education for children," and is therefore ineligible for funding under CSD (House Report 106-254, p.15.) Previous committee reports suggest that the remaining elements of USAID's definition—early childhood development, primary education, secondary education, and training for teachers working at any of these levels—all qualify for funding under the CSD account (Senate Report 104-143, p. 28 and Senate Report 104-295, p. 24.)

These distinctions are especially important in budgetary coding: the EDEC code is designed to correspond to the Congressional definition of "basic education for children;" adult literacy programs are reported under code EDAL. When reporting their budgetary support for basic education, Missions and Bureaus should ensure that they are applying up-to-date definitions of EDEC, EDAL, and related codes.

Organization: Section II summarizes recent data on access to and quality of basic education in developing countries and countries in transition, highlighting the impact of socioeconomic status and gender; it then reviews the linkages between basic education and USAID's strategic goals and objectives. On that basis, section III restates, in greater detail, USAID's presumption in favor of efforts to strengthen primary education. Section IV identifies several operational implications of the policy for USAID approaches to basic education development. These include:

- A policy directive requiring that each Mission engaged in basic education reform assess the extent of educational disadvantage facing girls at the primary level, using diagnostic evidence such as the gender gap in primary enrollment rates in relation to girls' overall shortfall from full enrollment.² Where this analysis reveals a significant disadvantage for girls, the Mission is encouraged to identify the major educational barriers to girls (including both gender-specific and general barriers), seek to identify cost-effective remedies, and consider pursuing such remedies as part of its overall strategy for basic education.
- A recommendation that Missions encourage host countries to systematically assess student learning outcomes and use the results in educational decision-making; and
- Guidelines on providing support for basic education in countries where the prospects for sustainable improvement are limited by a lack of commitment.

Section V considers the implications of the presumption in favor of primary education for other elements of basic education: in particular, what circumstances might justify setting this presumption aside in a particular setting? Section VI concludes.

Scope of application: This guidance applies to all USAID assistance activities in basic education supported by assistance agreements signed after June 7, 2000, with the following exceptions:

- Efforts to provide educational services to refugees and other victims of crisis raise issues beyond the scope of this policy. These efforts may be subject to other technical and policy guidance.
- Support for secondary schools provided under the American Schools and Hospitals Abroad (ASHA) program is exempt from the policy.

II. BASIC EDUCATION: CURRENT SITUATION AND POTENTIAL CONTRIBUTION

Equitable access to basic education of adequate quality contributes to many dimensions of development, including most of USAID's goals and objectives. However, many developing countries have not realized this potential contribution, because of incomplete access to schooling, inadequate educational quality, or both. The first part of this section documents the extent of the gaps in access and quality in basic education, and the impact of wealth and gender on these gaps; the second examines the links between basic education and other aspects of development. This section provides the factual basis behind the policy spelled out in the next section; it may be skipped without loss of continuity.

²In this context, gender gaps play a purely diagnostic role. Using them in this way should not be misunderstood to reflect a narrow focus on closing gender gaps *per se*. Rather, USAID's strategic goal is to promote access to a solid primary education for *all* children—girls and boys alike.

II.A. Access and Quality Gaps in Basic Education

Over the past four decades, developing countries in most regions have made considerable progress in expanding access to primary schooling. However, many countries remain far from the goal of universal primary education, which was identified as a human right in the United Nation's Universal Declaration of Human Rights (1948) and reaffirmed as such in the World Declaration on Education for All (1990). Children from poor families, children living in rural areas, and children belonging to ethnic and linguistic minority groups tend to suffer especially limited access to schooling. In many countries, girls—especially girls falling into one or more of the categories just mentioned—face additional barriers. In addition, many children with disabilities face especially bleak educational prospects in most poor countries. Even in countries where almost all children have physical access to an available place in school, the quality of the education provided there is often so poor that few children complete the primary cycle.³

In poor countries especially, educational failure is closely linked to the problem of child labor: poor children who do not enter school or who drop out early are expected to work to help support their families. The International Labor Organization estimates that in 1995, more than 120 million children between the ages of 5 and 14 worked in full-time paid employment, many for more than 10 hours a day (ILO 1996, cited in Basu, 1998). Many of these children are forced to work in dangerous or degrading circumstances.

Recent analyses of data from the Demographic and Health Surveys (DHS) allow some of the factors behind these educational shortfalls to be more clearly identified (Filmer and Pritchett, 1999; Filmer, 1999). Three points deserve special attention in this context:

- **Patterns of educational access and attainment differ widely among countries**

In some countries, access problems in the physical sense just mentioned have been largely or fully resolved: almost all children enroll in the first grade. However, in many of these countries children begin dropping out before completing primary school, either gradually or quickly. A common interpretation of this pattern is that parents conclude that what their children are learning is either too limited or too irrelevant to justify the costs of keeping them in school.

Children in other developing countries continue to face limited access to schooling as well as poor quality. Especially in West and Central Africa and South Asia, limited access is reflected in the large proportion of children who never enroll in school.

The situation in the transition countries of the former Soviet Union and Eastern Europe is somewhat different. Under communism, these countries had achieved near-universal access to primary and lower-secondary schooling, along with high rates of literacy and numeracy. Since the collapse of communism, enrollment rates in basic education have declined in some countries, especially those where a halting transition to a market economy has led to economic distress and

³ The term “access” is used in this physical sense throughout the paper, in order to distinguish clearly between access and educational quality. This distinction is important for both expositional and operational purposes. Even where defined so as to avoid overlap, quality and access remain linked in important ways, as when quality improvements lead to reduced grade repetition, thus accelerating children's progress through school and increasing access for subsequent cohorts of students.

a consequent squeeze on public spending—including spending on education (MONEE reports, 1998 and 1999).⁴

- **Almost everywhere, household socioeconomic status strongly affects educational attainment**

Analysis of the DHS data shows that children of poorer households almost always bear the brunt of national deficiencies in access and quality. In countries where access remains limited, children from poor families generally enroll in the first grade at much lower rates than children from middle- and upper-income families. Moreover, in these countries as well as in those with near-universal initial access, poorer children typically drop out of school at much higher rates than those from richer families. As a result, a much lower proportion of children from poor households manage to complete a primary education. For those who do not, improvements in higher levels of education are largely irrelevant.

Although the financial pressures faced by poorer families often make it more difficult for them to keep their children in school rather than sending them to work, the especially poor quality of schooling usually offered to poor children can play an equal or greater role in causing them to drop out of school (Birdsall, 1999).

Although analysis of the DHS data has so far concentrated on the impact of household wealth, it is clear that other dimensions of socioeconomic status—including urban/rural residency, ethnic origin, and language—also contribute to the observed patterns of educational attainment.

- **In most countries, girls suffer additional educational disadvantages**

School enrollment, attainment, and completion rates among girls substantially lag those among boys in most developing countries. Educational gender gaps vary considerably by region: girls suffer especially large disadvantages in most countries in West and Central Africa, North Africa, and South Asia. In many of these countries, girls from poor families face especially severe barriers to educational participation. In contrast, girls face smaller disadvantage, or even a modest advantage, throughout much of Latin America and the Caribbean, East and Southern Africa, and East Asia.⁵ The net result is that girls represent a disproportionate share of the world's out-of-school children (Filmer, 1999). As in the case of poor children, the much lower rates of primary completion among girls strongly suggest that improvements *at the primary level* are the key to improving the educational status of girls in most developing countries.

⁴ The transition process has also revealed underlying weaknesses in educational quality, especially a heavy emphasis on learning facts and a narrow focus of secondary schools on meeting the labor force needs of the old state enterprise sector. In contrast, intellectual flexibility and critical thinking—so crucial to success in a market economy—were systematically de-emphasized.

⁵ Under communism, broad gender parity in educational access prevailed throughout Eastern Europe and the former Soviet Union. At the primary and lower-secondary levels, gender parity seems to have been maintained in most countries: the 1999 MONEE Report states that “[t]he available data . . . still do not suggest any systematic gender gap. . . . Some anecdotal evidence points to cases in Central Asia where the education enrollment of girls is lower than that of boys, especially in rural areas.” The Report goes on to cite emerging gender gaps in secondary-school enrollment, but these tended to favor girls, except in Moldova, the Caucasus, and Central Asia (MONEE Report 1999, p. 16).

Just as the size of educational gender gaps vary from one country to another, so do the factors behind those gaps. Depending on the country, barriers can include, for example,

- religious, cultural, and social norms regarding the value and roles of women in society (including notions that family honor can be threatened by daughters' unsupervised contacts with men, and differing expectations as to whether married daughters will help support their parents financially);
- the absence of nearby schools, causing parents to worry that their daughters may face danger on the way to school;
- the absence of female teachers, along with real or perceived dangers of sexual abuse by male teachers or classmates;
- curriculum and teacher practices that demean girls' educational potential and/or the contribution of educated women to society;
- family expectations that assign daughters a heavy burden of household responsibilities, together with school schedules that fail to accommodate those responsibilities; and
- policy barriers, such as rules that force pregnant girls to leave school in settings where early marriage is the norm.

II.B. The Cost of Failure in Basic Education: Links to Development Goals

Developing countries pay a heavy price for failing to ensure equitable access to a decent basic education. The following sections highlight some of the evidence on the links between basic education and USAID's goals and objectives, with particular attention to the role of primary schooling.

- **Linkage: Basic education promotes broad-based economic growth**

In a supportive economic policy environment, expanded coverage and improved quality in basic education lead to faster and more sustainable economic growth, thereby reducing poverty. Using public funds to ensure that all children receive an adequate basic education, regardless of their parents' circumstances, promotes broad-based and equitable participation in growth and further accelerates progress in reducing poverty.

The evidence on the impact of education on the rate of economic growth, and the distribution of its gains, highlights two linkages: the micro-level impact of schooling on individual earnings, and the macro-level impact of education on the rate and character of national growth.

Micro-evidence: education and earnings. The micro-evidence relates the earnings of economically active persons to the number of years of education they received, their years of work experience, and other pertinent variables. These data are used to estimate the rate of return to investment in education at different levels, based on (1) the additional earnings gained from each additional year of schooling and (2) the cost of that additional year of schooling, including both cash and opportunity costs. In this context, the opportunity cost of schooling represents any earnings the family has forgone by postponing the student's entry into the labor force. The private rate of return, which plays the more important part in families' educational decisions, is the return on this opportunity cost plus the family's own out-of-pocket costs of schooling. In contrast, the social rate of return, which includes both the private and public costs of schooling,

is normally of greater interest to policy makers. Note that, in general, neither the private nor the social return to schooling provides an adequate measure of the payoff to public spending on education. Just as important for purposes of this guidance, neither rate of return reveals much about the likely payoff to a *donor's* investment in educational development.

Evidence from around the world demonstrates the strong impact of education on earnings (Psacharopoulos, 1994). Averaged across developing countries in different regions, the highest social returns to education consistently arise from primary schooling. Social returns to primary education are estimated to be more than twice as high as those to higher education in Sub-Saharan Africa and nearly twice as high in developing Asia. Again on the basis of regional averages, the social returns to secondary education generally exceed the returns to higher education but fall short of those to primary schooling.

Despite the simplicity and consistency of the patterns among regional averages, data for individual countries show less consistency in the relative returns to different levels of schooling: studies point to numerous cases in which the returns to secondary schooling exceeded those to primary. Differences in educational quality at different levels of schooling can complicate the picture: if the quality of primary schooling is especially poor in a given country or region, this can reduce its returns relative to those from higher levels. This may account for the unusually low returns to primary schooling in much of Latin America (Birdsall, 1999). Another complication arises from diminishing returns: as the share of the population with a primary education grows, the payoff to completing the first few grades of primary school tends to fall. In most cases, this also means that the relative returns to primary education decline as a country grows richer. In sum, although primary schooling usually offers the highest social returns in developing countries, a particular country may or may not fit this pattern. To the extent possible, USAID program decisions should be made on the basis of evidence drawn from the host country or region affected.

Analysis of similar evidence indicates that, on average, an additional year of schooling boosts the subsequent earnings of women about as much as those of otherwise similar males, although here again things can be more complicated at the country level (Psacharopoulos 1994; Schultz, 1998). In addition to these market returns, expanded and improved female education also provides a wide range of non-market benefits, including improved child and maternal health, reduced fertility, and increased support for children's education. These impacts are summarized later in this section.

Although much of the evidence cited above is based on earnings from wages, additional evidence shows that primary schooling can offer high returns in agriculture as well. Returns are highest when the agricultural sector is undergoing rapid technical change; basic education helps farmers absorb and manage new techniques more effectively (Lockheed, Jamison, and Lau, 1980; Rosenzweig, 1995). The payoff tends to be lower where agricultural techniques are largely traditional, although some evidence suggests that farmers with a basic education are able to exploit those techniques more fully (Weir, 1999).

Macro-evidence: education, growth, and poverty reduction. In countries with economic policies that encourage the efficient use of labor, capital, and other resources, improvements in the coverage and quality of basic education can provide a major boost to economic growth. For example, a World Bank study of the high-performing economies of East Asia concluded that

their investment in education was among the most important factors in the rapid growth of these countries (World Bank, 1993). Econometric evidence drawn from a much larger set of developing countries demonstrates that higher average education among the labor force contributes strongly to growth (Birdsall and Londoño, 1997). The linkage between education and growth is strengthened considerably when educational quality is taken into account (Hanushek and Kim, 1999). By encouraging faster economic growth, improvements in the coverage and quality of basic education directly contribute to progress in reducing poverty, because economic growth is the single most important source of poverty reduction (Roemer and Gugerty, 1997; Dollar and Pritchett, 1999).

Importantly in the context of countries with limited access to education, the evidence shows that the *distribution* of education within the labor force strongly affects growth, over and above the average level of schooling: countries in which educational attainment is more evenly distributed enjoy faster economic growth (Birdsall and Londoño, 1997; López, Thomas, and Wang, 1998).

Growth-retarding distortions in economic policies and ineffective institutions undermine the contribution of basic education to growth (Pritchett, 1996; López, Thomas, and Wang, 1998). As a result, the extent to which a country realizes the potential growth benefits from educational investment will often depend on its willingness to carry out broader improvements in key policies and institutions affecting economic growth.

Over time, the sustained economic growth resulting from educational investment within a growth-supporting policy and institutional environment produces increased tax revenues, which in turn provide the basis for expanded public funding and improved institutional support for education. As a result, growing countries can improve educational quality and ensure access for harder-to-reach populations, while gradually increasing the number of years of schooling provided at public expense. These links from improvements in education to economic growth and back to further improvements in education—clearly demonstrated among the high-performing countries of East Asia—form one of the many “virtuous circles” that typify the interaction between economic and educational development (Birdsall and Sabot, 1993; Birdsall, Sabot, and Ross, 1995).

Basic education, equity, and poverty reduction. In addition to its contribution to poverty reduction through faster economic growth, equitable access to basic education helps reduce poverty by ensuring that the opportunities arising from economic growth are broadly shared. A shift toward reduced income inequality helps reduce the incidence of poverty, over and above the impact of growth (Bruno, Ravallion, and Squire 1999). For example, analysis of panel data for a large sample of developing countries shows that greater equality in educational attainment strongly enhances income growth among the poor, both absolutely and relative to overall income growth (Birdsall and Londoño, 1997). Similarly, an increase in the average number of years of primary schooling among a country’s population is linked to a strong and significant reduction in income inequality; increased years of secondary schooling produce weaker and statistically non-significant movement in the same direction. In contrast, an increase in average years of higher education is strongly and significantly associated with increased income inequality (Barro, 1999). Public investment in basic education is important in this context, because few, if any,

other policy measures demonstrate a strong impact on income inequality while also being politically feasible in a variety of political settings (Bruno *et. al.* 1999; Tanzi, 1998).⁶

Public funding to ensure access to basic education among the children of the poor is essential to realize these benefits.⁷ In the absence of public funding, children's access to basic education depends heavily on their parent's income and wealth: poor and rich families might perceive similar potential benefits from educating their children, but only the wealthy would be in a position to make the necessary investment. Much of the case for *public* funding of basic education is based on such considerations of equity.⁸ Using public funds to ensure equitable access to basic education can help break the cycle of poverty across generations. In most developing countries, a primary education of adequate quality provides a worker with the general skills and adaptability needed to secure a job that pays enough to avoid poverty, as well as the adaptability needed to benefit rather than suffer from changing technology.

The impact of public education spending on equity depends heavily on how that spending is allocated among educational sub-sectors. In general, public spending promotes equity most fully when used to ensure that *all* children have access to basic education of adequate quality. For example, among developing countries the share of public education spending devoted to primary and secondary schools has a much stronger and more significant impact on primary enrollment ratios and persistence through fourth grade, compared with the overall share of national income spent on education (Gupta, Verhoeven, and Tiongson, 1999). Unfortunately, many developing countries sacrifice both equity and growth by allocating a large share of their education spending to higher education, while leaving primary education with inadequate funds to permit either universal access or acceptable quality to be achieved there. In most cases, the children of wealthier households predominate among those able to continue through primary and secondary school and enter colleges and universities. As a result, this allocation pattern subsidizes the education of those who need public subsidies the least. Correcting this mis-allocation of funds is generally a key element in education policy reform.

- **Linkage: Girls' education affects fertility, health, and women's status in society**

Girls face especially severe barriers to educational participation in many developing countries. This is so despite strong and consistent evidence that girls' educational participation yields large and varied social benefits, in addition to the economic benefits mentioned in the previous section. These social benefits include:

Improved child health and survival. In families throughout the developing world, the mother's education plays a crucial role in determining infant and child survival, along with other measures

⁶By comparison, alternative measures—such as redistribution of income or assets through the tax system, compensated or uncompensated redistribution of land, or interventions in the financial system—either face serious political barriers to effective implementation or have demonstrated limited impact where tried.

⁷In contrast, the role and effectiveness of the public sector in *providing* education—operating schools—varies considerably among countries. Experience in both poor and rich countries shows that public funding for education can be combined with private-sector provision in various ways.

⁸A related justification results from the general absence of long-term private lending for education, especially basic education.

of health and nutritional status (Hill and King, 1993; Filmer and Pritchett, 1997; Schultz, 1998). For example, based on DHS data averaged across 45 developing countries, mothers who completed primary school improved their children's odds of surviving past age five by more than a quarter, compared with mothers who had not attended school; completing secondary school improved their children's chances of survival by another third (Filmer and Pritchett, 1997). The impact of mothers' education on children's health remains strong after household income and socioeconomic status are taken into account.

Reduced fertility. Expanded education of girls typically leads to substantial reductions in high fertility rates. Much of this change reflects a response to reduced child mortality, which reduces families' need to have "extra" children to ensure that some survive (Schultz, 1994, 1997). Additional years of schooling also tend to result in later marriage, a major source of reduced fertility. Moreover, women with more schooling report a desire to have fewer children, often because having a better education expands the range of available labor-market opportunities that compete with child rearing. Couples in which the wife has gained more education tend to use modern methods of contraception more regularly and more effectively in order to achieve their desired level of fertility.

Improved support for children's education (especially daughters). Families with better-educated mothers tend to keep their children in school longer—in part a reflection of the better health of the children and the reduced incidence of learning disabilities that results, but also a reflection of the greater appreciation of the benefits of education (Hill and King, 1993; Schultz 1998). Not surprisingly, this impact is especially strong for girls. The tendency for better-educated mothers to raise fewer but healthier and better-educated children is yet one more example of the "virtuous circles" in basic education.

Improved political and social status of women. Finally, girls' education helps women effectively exercise their political and legal rights, in settings ranging from voting to signing business contracts to understanding inheritance laws to resisting domestic violence. Likewise, in the long run the growth of literacy among women plays an important role, both directly and indirectly, in helping remove the many biases against women that remain imbedded in the legal and economic systems of many developing countries (Hill and King, 1993).

- **Linkage: Education contributes to democracy and crisis prevention**

Broadly shared basic education provides a powerful source of support to democracy, by helping ensure that fundamental social values are widely shared among the nation's populace. In so doing, basic education helps promote adherence to the core rules and standards of conduct necessary to the maintenance of civil society. Thomas Jefferson captured this point clearly when he said, "If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be." Statistical evidence confirms the strong impact of basic education—especially primary education—on democracy and civil liberties (Barro, 1997).

Equitable access to education encourages a sense of national unity, along with a perception that all groups share a stake in the peaceful resolution of disputes. Conversely, depriving segments of the populace of a decent education because of their race, ethnicity, religion, or regional origin powerfully contributes to social fragmentation and political instability.

In addition, education helps promote democracy through its impact on economic growth. Rising incomes encourage the desire to ensure that political change remains peaceful and orderly, and reduce the appeal of political movements that offer to redistribute the wealth of society by force at the expense of continued growth (Barro, 1996a, 1996b).

Finally, the ethnic conflicts that have ravaged both poor countries and countries in transition have raised the prospect that basic education could be enlisted to prevent future conflicts, by instilling democratic values of ethnic tolerance and an appreciation of cultural diversity.

III. USAID'S PRIORITY WITHIN BASIC EDUCATION: PRIMARY SCHOOLING

As a matter of policy, USAID places priority within its basic education programs on efforts to strengthen *primary* education. In countries where access to primary schooling is significantly less than complete, or where educational quality at the primary level is less than satisfactory, Missions and other operating units should normally focus their basic education programs on strengthening education at the primary level, until such time as educational weaknesses at the primary level are substantially resolved.

Except where affected by other USAID policy, all aspects of program design and implementation in the execution of this policy are left to the judgment of Missions and their respective Bureaus. In particular, whether Missions concentrate on efforts to expand access or to improve quality, their choice and balance among program approaches, and their tactics within those approaches—are all matters for Missions to decide, based on their assessment of how they can achieve the most valuable results in light of country conditions.

The qualification that Missions should “normally” focus their basic education efforts on the primary level means that Missions may choose to focus those efforts on some other area of basic education, on condition that they make this choice based on an explicit judgment, supported by analysis, that such an alternative focus will make a greater contribution to sustainable development, given the particular circumstances of the host country. Section V provides further guidance on such judgments.

In the context of this guidance, “primary education” refers to a period of schooling that children normally begin around age six, and that normally lasts up to six years. “Access to schooling” refers to physical access to an available place in a school within a reasonable distance from the child’s home; enrollment in first grade may normally be interpreted as evidence of such access, although primary enrollment ratios and other indicators may be relevant as well. Educational quality at the primary level is “satisfactory” to the extent that it allows the great majority of school children to progress steadily through and complete the primary cycle, while gaining functional literacy and numeracy, along with basic critical thinking skills (including the ability to use their knowledge to help solve practical problems; the ability to seek out, analyze, and to use information to make informed choices; and the ability to learn and master additional skills). High rates of primary completion, along with low rates of repetition and dropout, provide circumstantial evidence of educational quality. Unfortunately, more direct evidence of learning, such as scores on well-designed and systematically conducted achievement tests, is generally scarce in developing countries despite its obvious importance.

USAID’s priority on efforts to strengthen primary education is based on considerations discussed in section II. In particular:

- Better and more accessible primary schooling offers especially high returns in most developing countries.
- Increased access and attainment at the primary level contributes to faster economic growth, reduced income inequality, increased child survival and family health, reduced fertility, improvement in the status of women, and increased support for democracy and civil liberties.
- Although higher levels of schooling also contribute to several of these benefits, that contribution is limited to the extent that many children fail to complete a good primary education. For this reason, equitable access and satisfactory quality at the primary school level are essential to ensure broad educational opportunity at all levels—especially for girls, the children of the poor, and children of other disadvantaged groups.
- International agreements supported by the United States recognize improved enrollment in, and completion of, primary schooling as the proximate steps in achieving education for all.

Despite these considerations, the presumption in favor of primary education may be outweighed by circumstances in a particular setting. Section V considers these issues in greater detail.

IV. OPERATIONAL IMPLICATIONS OF USAID'S FOCUS ON PRIMARY EDUCATION

As noted in the introduction, this document is not intended to provide technical guidance in designing and implementing basic education programs. Rather, this section highlights some of the implications of USAID's focus on primary schooling within basic education.

Achieving equitable access and adequate quality in primary education is complicated by a variety of interlocking problems. For example:

- A large share of the public education budget is used to subsidize higher education—a practice strongly defended by upper-income families, whose children disproportionately benefit from those subsidies;
- Primary schools serving the children of urban elites often enjoy large advantages in funding, staffing, and management over those serving the children of the poor, rural families, and minority communities;
- Ministries of Education lack both the capacity to forecast future challenges implicit in demographic, budgetary, and other trends, as well as the capacity to develop realistic plans to meet those challenges;
- Traditional teaching methods emphasize rote learning rather than active participation by students;
- Principals commonly lack the authority to make decisions in such areas as allocating school budgets, experimenting with curricular changes, and—most seriously, managing teachers: rewarding good performance, penalizing absenteeism, hiring and firing, etc;
- Verifying that children are acquiring expected skills and knowledge takes effort, resources, and organization, which are often lacking;
- Systems face political pressures to sacrifice educational efficiency by using available resources to hire more teachers and administrators rather than to provide students with textbooks and other learning materials;

- Education officials at all levels often undervalue parents' potential contribution to the educational process, and minimize parental involvement;
- Poor coordination and conflicting priorities among donors result in program efforts that undermine rather than reinforce one another; and
- In many countries, girls face additional barriers to educational participation, which vary in nature and severity in different cultural and economic settings.

This list could be greatly extended, but helps underline the fact that successful reform of basic education will often require efforts to overcome multiple constraints arising at different points in the educational system. Exposing host-country officials to new ideas and improved techniques may be important, but the many vested interests that help perpetuate educational failure also need to be confronted and overcome for educational reform to succeed. Fully realizing basic education's potential contribution to development is a difficult and long-term process. To the extent that USAID education programs help host countries develop self-sustaining momentum toward this goal, they will have accomplished something of profound importance.

IV.A. Program Approaches in Basic Education

USAID basic education programs generally involve one or more of four broad program approaches, highlighted in the Agency Strategic Plan:

- **Promoting policy reform**

This approach involves encouraging host governments to adopt and implement policies that promote equitable access to basic education and improved educational quality at that level. Such efforts often include help in identifying appropriate policies—based on general principles and international experience—and in adapting those policies to local conditions. Building support for educational policy reform among local communities, the private sector, and civil society can increase the political momentum for educational reform.

Building an equitable and effective basic education system requires appropriate policy choices in many areas. For example, in the critical and complicated area of educational finance, developing countries take fullest advantage of basic education's potential for enhancing equity and long-run growth when they

- Provide adequate support for education in national or sub-national budgets;
- Concentrate available subsidies strongly on primary education, to ensure that all children can attend adequately funded primary schools;
- To the extent necessary to ensure adequate public funding for primary education, require that the costs of higher education be borne by students' families, with disciplined use of scholarships for academically promising students from poor families;
- Allocate funds equitably between urban and rural areas; and
- Ensure adequate budgetary support for textbooks, learning materials, and other non-salary items in primary schools.

Policy choices on a wide range of other issues can also play an important role in determining the effectiveness and equity of basic education systems:

- The core subjects to be taught in the nation's schools, along with the specification of learning goals and standards;
- Many issues concerning teachers, including the salaries and other incentives needed to secure a competent teaching force, minimum standards of pre-service preparation, procedures for certification and licensing, and rules affecting the discipline and removal of ineffective teachers;
- Textbook policy, including not only issues of content but also issues of the control of the textbook market: some countries assign a lucrative monopoly in textbook production and sales to favored interests;
- Issues of student assessment, including the nature of testing and the uses to which test results will be put (e.g., assessing the performance of teachers, schools, and the overall educational system; determining progression to higher grades; determining which students move on to higher levels of education or to particular schools; etc.); and
- The allocation of authority to operate and control schools, and the responsibility for funding them, among the national government, states and other sub-national units, and municipalities.

This list could be greatly extended, but serves to underline the number and variety of policy choices that countries must confront.⁹ In all cases, Missions involved in basic education reform should seek to ensure that the policy choices they advocate are consistent with Agency priorities as spelled out in this guidance.

- **Building institutional capacity**

The particular policy choices a host country makes play a critical role in building an equitable and effective basic education system. However, in the long run it is equally important that the host country develop its own capacity to identify and implement appropriate policies on an ongoing basis, responding to changing conditions as they emerge. Likewise, educational success requires developing the ability to manage effectively the human and financial resources devoted to basic education. Institutional capacity in both areas is needed to promote overall efficiency: using the ever-limited resources available for basic education so as to achieve the greatest educational impact. To this end, USAID helps host countries build the institutional capacity to plan for, provide, and assess basic education services. Typical forms of assistance include

- Supporting the development of effective policy analysis units within education ministries, including support for training in planning skills and for the development and adoption of modern policy analysis tools;
- Supporting the adoption of effective educational management information systems;

⁹ A related set of policy issues, complementary to those aimed at improving the educational system, involve measures to extract school-age boys and girls from child labor—especially abusive labor—and enroll them in school. These measures, generally implemented by ministries of labor or justice, involve real tradeoffs with the survival needs of families and must be carefully designed to ensure that they do more good than harm. Prospects for success will almost always be brighter where educational improvement ensures that such children find an accessible and productive alternative to work.

- Supporting the use of modern technology to strengthen communications within national educational systems, and to link those systems into regional and global networks, as a means to help diffuse educational ideas and experience;
- Encouraging the adoption of effective personnel systems; and
- Encouraging the adoption of modern financial control systems, to ensure that funds allocated for learning materials and other non-salary items are spent as intended, rather than lost to inefficiency and corruption.

Here again, the list of potentially useful interventions could be greatly expanded.

- **Improving educational practices at the classroom level**

This approach involves promoting the adoption of effective teaching methods, learning materials, and educational technologies. Typical forms of assistance include

- Funding for teacher training, along with technical assistance to strengthen the capacity of local teacher training institutions and to help build effective systems of teacher training;
- Promoting the adoption of teaching methods that involve students in the learning process, both to facilitate learning and—especially in the transition countries—as a means to introduce democratic concepts into the classroom;
- Promoting improvements in curriculum content, both to increase the relevance of student skills to the demands of the workplace and to adjust the pace and sequence of teaching to what children learn at different ages. This includes supporting the development of new textbooks and learning materials and helping build domestic capacity to carry out these tasks.
- Encouraging host countries to make the learning environment more girl-friendly, by hiring more female teachers, removing gender stereotypes from learning materials, providing more accessible and more private sanitary facilities, and other measures;
- Helping host countries develop cost-effective methods of student assessment, and encouraging them to use appropriate kinds of tests for different purposes; and
- Encouraging the adoption of cost-effective technologies for extending the reach of the basic educational system to remote areas.

Especially under this approach, USAID supports applied research and pilot studies to identify educational practices that improve learning.

- **Promoting community participation**

This approach comprises efforts to enhance the strength and effectiveness of local communities' role in the process of educational decision-making. The aim is to make the educational system more responsive to its ultimate customers—parents seeking a decent education for their children. Examples of efforts under this approach include support for

- Measures to enhance accountability and transparency in the use of public education funds, such as requirements that educational budgets at every level of the system be publicly displayed;

- Decentralization of control over school management to sub-national governments, including municipal governments and local communities;
- Active participation by parents and parent associations in the control of schools;
- Establishment and operation of non-formal schools, managed and funded—in full or in part—by local communities, in settings where national governments fail to provide adequate financial support for basic education; and
- Policy and institutional changes that permit the private sector to contribute to the resolution of educational problems.

Although a strong case can be made (in principle) for decentralizing certain aspects of educational decision-making to parents or to local bodies acting on behalf of parents, the wide variety of country conditions requires careful attention to international experience and equal care in adapting models to local conditions. Finally, the results of such decentralization efforts should be carefully monitored, to lay the groundwork for subsequent efforts.

IV.B. Systemic Reform: Putting the Pieces Together

Each of the program approaches just described provides a broad and valuable set of tools for strengthening basic education. However, achieving significant and sustained improvement will often require more than isolated efforts to correct individual problems. Rather, reform strategies should begin with efforts to identify and understand the critical linkages among educational policies, resource availability, institutional capacity, teaching practices, and stakeholder interests, together with the economic and social conditions that affect the demand for education. Adopting such a *systemic reform* perspective can help avoid situations where efforts in one area are undermined by unperceived constraints arising from another. Where the Mission identifies such multiple and interlocking constraints, it can decide whether to address them all within the Mission's own strategy, coordinate work on different constraints with other donors, or, if necessary, shift attention and resources to some other strategic area. A second implication of the systemic reform perspective—confirmed by experience in other areas of development—is that broad participation and support among the diverse stakeholders in the educational system are essential, to lend political momentum to the reform process and to help overcome opposition rooted in narrow self-interest.

IV.C. The Need for Effective Donor Coordination

While a systemic reform perspective encourages recognition of the inter-connectedness of educational systems and their problems, in practice neither USAID nor any other single donor is in a position to tackle the full range of these problems in a particular host country. Effective efforts to reform basic education almost always require active and intensive coordination among donors. Without it, donors often pursue programs that at best fail to complement and build on one another's priorities and areas of comparative advantage, and at worst undermine each other's efforts through contradictory program conditions and other inconsistencies.¹⁰ Increasingly in

¹⁰ For example, some donors provide generous funding for key educational inputs, but fail to verify that the funds are actually used for the agreed purpose. This pattern promotes corruption, and weakens the government's sense of responsibility for its own education system.

recent years, donors have sought to strengthen local “ownership” of educational reform by assigning a key role in the donor coordination process to the host government.

The breadth and nature of USAID’s role in the reform process will partly depend on the availability of funding and appropriate staff to the Mission, relative to the resources of other donors. Just as important, maximizing the effectiveness of USAID’s role requires that the Mission clearly identify its own comparative advantage, having analyzed the host-country environment and having compared its own resources, staff capabilities, and the strategic priorities of the Mission and of USAID more broadly with those of other donors. USAID’s strong reliance on grants rather than loans, its tradition of decentralization to resident Missions, its tactical flexibility and openness to experimentation, its emphasis on evaluation, and its access to abundant sources of technical assistance in the United States often provide important sources of comparative advantage. The same characteristics can provide opportunities to leverage large-scale concessional lending from other donors. Greater specificity is outside the scope of this guidance, and would divert attention from the central importance of considering each country situation systematically.

IV.D. Including Girls: An Essential Piece of the Puzzle

As emphasized in previous sections, girls in many developing countries face especially severe barriers to educational participation. In these countries, fewer girls than boys enroll in primary school, and fewer of those who do enroll manage to complete a primary education or progress to secondary or higher education. As already noted, such countries pay a heavy economic and social price for failing to educate girls. USAID strongly and specifically endorses effective efforts to ensure full and equitable participation of girls in primary education, both as an essential part of attaining the overall goal of universal primary education and as a means to realize the economic and social benefits that flow from expanded and improved basic education for girls.

Failure to achieve full participation by girls in basic education may result from general inadequacies in the educational system, specific barriers to girls, or a combination of both. The relative importance of general versus gender-specific barriers varies widely from one setting to another. Analysis of gender-disaggregated data on enrollment, gross access, attainment, and completion rates can provide useful diagnostic evidence on this issue: large gender gaps in these measures suggest the importance of gender-specific barriers to girls; conversely, rough similarity between corresponding indicators observed for girls and boys suggests that girls (and boys) are mainly constrained by general educational shortcomings. Just as important, specific barriers to girls’ school participation differ from one country to another, and in many cases several barriers act together. Specific barriers to girls may arise either on the demand side—in the form of decisions by parents, as influenced by social, cultural, and economic factors—or on the supply side—in the form of policies and educational practices that disadvantage girls, whether explicitly or implicitly. Some of these barriers were highlighted in section II. In many cases, supply and demand barriers reinforce one another (USAID/CDIE, 1999).

It must be emphasized that in this context, gender gaps play a purely diagnostic role—alerting Missions to the likely presence of specific barriers to girls’ educational participation. This should not be misread as a narrow concern with closing gender gaps. USAID’s strategic goal is to promote access to a solid primary education for *all* children—girls and boys alike.

Policy directive on girls' education: Based on these considerations, USAID requires that every Mission supporting basic education development verify that available data on educational participation have been analyzed to identify the extent of educational disadvantage facing girls at the primary level, using diagnostic evidence such as the gender gap in primary enrollment rates in relation to girls' overall shortfall from full enrollment.¹¹ Especially where this preliminary analysis reveals a significant disadvantage for girls at the primary level, the Mission should ensure that the major barriers to improving girls' participation in primary school have been identified, including barriers that specifically affect girls. Where these analyses are not already available, the Mission should take steps to ensure that they are carried out, preferably by or in cooperation with local institutions including the host government. Where analysis reveals specific barriers to girls, the Mission should seek to identify feasible and cost-effective interventions to reduce or eliminate these barriers, and should strongly consider including such interventions in its basic education reform strategy. To ensure effectiveness, interventions on behalf of girls should be integrated into a coherent overall strategy of basic education reform. In all cases, data on trends in gross access, enrollment, retention, and completion rates at the primary level should be carefully monitored on a gender-disaggregated basis.

IV.E. Implications of USAID's Emphasis on Quality

The need for assessment. Equitable access to primary schooling is vital, but is not sufficient in itself: the object is to achieve *learning* for all. To improve the management of education systems, and to allow progress toward USAID's performance goals to be monitored, Missions should encourage host countries to adopt appropriate methods for assessing student learning, and to make routine and systematic use of the results in educational decision-making.

Differing concepts of educational quality. Different stakeholders may hold different notions of what educational quality means. For example, some governments may expect schools to promote nationalist attitudes or indoctrinate students in particular ideologies; parents may expect them to promote religious beliefs and values or reinforce traditional notions of proper behavior, or else to provide economically valuable skills in the short term. While recognizing the reality of these alternative concepts of quality, Missions should maintain a focus on promoting educational quality as broadly defined in section III. To the extent that competing expectations of the educational system limit the scope for advancing quality as understood by USAID, this should be taken into consideration in committing program resources.

IV.F. Sustainability and Commitment: Basic Education is a Host-Country Responsibility

USAID considers the provision of adequate public funding, appropriate policies, and institutional support for basic education to be fundamental responsibilities of the host-country public sector.¹²

¹¹This guidance does not require that Missions collect primary data for purposes of carrying out these analyses.

¹²Whether basic education should be funded using revenues raised at the national, local, or intermediate level is a complicated technical and political issue, outside the scope of this guidance. In addition, USAID does not view the actual operation of schools as necessarily a public-sector responsibility: experience with various kinds of partnerships involving public funding and private provision of education suggests that such partnerships could contribute to educational improvement in some settings.

No Mission should attempt to assume these responsibilities on a long-term basis. Rather, the Mission should help strengthen the host country government's own efforts to improve the nation's basic education system: helping the government develop the ability to assess the country's own educational needs, and encouraging it to take systematic action to meet those needs. The Mission should seek evidence that the host country government accepts this division of responsibility and that it is committed to achieving sustainable improvements in its own capabilities, before signing any agreement for substantial assistance in basic education.

Especially in a post-conflict situation or following a major natural disaster, the government may be temporarily unable to maintain adequate funding for basic education. Such a situation could, under appropriate circumstances, justify large-scale but temporary USAID funding for basic education, either through budgetary support for the government or support of educational service delivery through non-governmental organizations (NGOs).

In other cases, the Mission may choose to provide temporary support for educational provision on a demonstration basis, with the aim of convincing the host government to adopt a new approach. Similarly, the Mission may support educational delivery on a pilot or experimental basis, to help assess the effectiveness of a particular approach.

In all such cases, the Mission should structure its assistance to provide support on a strictly temporary basis. Especially in cases where the Mission plans to provide substantial financial support for the delivery of basic education services, the assistance agreement should clearly identify the time frame and major intermediate steps for shifting responsibility back to the host country. Conversely, the Mission should avoid initiating any large-scale financial assistance unless such a phase-out plan is clearly and realistically identified and agreed to by all parties.

More broadly, the Mission should attempt to distinguish situations in which the government is temporarily unable to fulfill its responsibility to provide adequate support for basic education, from those in which the government has competing priorities that make it unwilling to fulfill that responsibility, either nationally or for children of particular populations. Missions should avoid providing assistance to compensate for such a lack of host-country commitment.

Similar considerations apply to Mission choices regarding program focus—specifically, choices between primary and other elements of basic education. In a country with serious educational problems at the primary level and a government committed to taking serious action to resolve those problems, the Mission will not easily run out of opportunities to contribute to their resolution. In particular, all of the program approaches highlighted in section IV.A are fully applicable to primary education. Moreover, those approaches are deliberately comprehensive: with the exception of direct funding for school construction—generally a poor use of grant funds—almost any plausible intervention to strengthen primary schooling will fit comfortably within one or more of the approaches. Based on this logic, if (1) serious problems of access or quality remain at the primary level, and (2) the Mission cannot identify promising areas of intervention to address those problems, then the Mission should seriously consider whether the problem results from a lack of commitment by the host country government to pursue essential reforms. If so, it may be more productive to concentrate on small-scale efforts to promote public support for education reform, rather than to commit serious resources to some other area of basic education. Such a demand-centered approach will likely require patience, but may yield far

greater benefits in the long run. In the meantime, funds and staff time may be put to better use in another sector or another host country.

IV.G. Universal Access to Primary Education: Qualification

This policy encourages Missions to keep their basic education programs focused on primary education, as long as access to primary schooling remains significantly incomplete or educational quality at the primary level remains unsatisfactory. In practice, general resource limitations, sometimes combined with country-specific objective barriers, can make it very difficult for poor countries to extend adequate educational opportunities to every child in the near term. For example, some poor countries include substantial nomadic populations, while others include rural populations scattered across rugged, relatively inaccessible terrain. More generally, meeting the educational needs of children with certain disabilities can involve very high costs, which must be weighed against the resources available for educating other children. Missions may be in a position to help ease some of these tradeoffs: exposing host countries to information on the availability, costs, and benefits of options like radio education to help reach boys and girls living in remote areas, or promoting awareness of cost-effective ways to extend educational opportunities to children with some types of disabilities. However, Missions should also recognize that poor countries may face extreme difficulty in attaining literally universal access to primary education without unacceptably compromising other educational goals. Fully achieving universal access will depend upon the increased revenues resulting from sustained economic growth, together with the increased institutional capacity and broader social changes—especially urbanization—that accompany the process of development. These considerations may be taken into account in making choices regarding program focus within basic education.

V. USAID POLICY TOWARD OTHER COMPONENTS OF BASIC EDUCATION

Section III identifies universal, effective primary education as USAID's central objective in basic education, and encourages USAID operating units to focus their basic education activities upon the advancement of this objective. USAID operating units that choose to focus their basic education efforts in areas other than primary education should do so on the basis of an explicit judgment, based on analysis of country conditions indicating that USAID assistance will make a greater contribution to sustainable development through such a focus than through supporting the development of primary education. This section summarizes some of the considerations that bear on such judgments.

V.A. Secondary Schooling

Although the economic and social returns to secondary schooling tend to be lower than those from the primary level, secondary schooling can nevertheless represent a sound investment for children who complete primary school (Psacharopoulos 1994). In addition to the broader and more advanced skills they provide, secondary schools provide a stepping stone to higher education. Together, effective systems of secondary and higher education are needed to produce a workforce that can absorb and apply modern technologies, and to equip citizens with the broader knowledge and skills needed to lead a modern society.

USAID's priority on primary education has implications for the policy advice Missions should offer regarding secondary education, and for the scale and timing of USAID investments on behalf of secondary schooling.

In countries where a substantial proportion of children fail to complete a primary education of adequate quality, host governments should be encouraged to concentrate their financial support for education on the primary level, to improve access and quality there and to minimize the financial burden of primary education borne by parents. To the extent that limited public funding for education precludes a similar level of subsidization for secondary schooling, families whose children progress to secondary school should normally be expected to bear a significantly larger share of the costs of those additional years of education. This approach ensures that public funds are concentrated where they can do the most good in terms of increased equity and contribution to growth. As countries approach universal completion of primary schooling and as the quality of its primary schooling improves, a stronger case emerges for using public funds to fully subsidize education at the lower-secondary level, and eventually at the upper-secondary level.¹³ In most cases, this process involves gradually increasing the number of years of schooling provided at public expense. Although effective management of public education funding can accelerate this process, sustaining it will generally depend on economic growth, both to provide continuing increases in government revenue and to raise household incomes so that families can afford to keep their children in school rather than sending them to work.

With respect to USAID operations, Missions should maintain program focus on *primary* schooling, as long as access to primary schooling remains substantially less than universal or quality remains inadequate. Conversely, where universal access and satisfactory quality have been substantially achieved at the primary level, but where the Mission concludes that human resource constraints continue to impede sustained economic and social growth, the Mission may choose to shift the focus of its support for basic education toward strengthening schooling at the lower-secondary level, and so on through upper-secondary school. Until such country conditions emerge, USAID investments in secondary education should remain limited in scale, and should concentrate on activities with especially strong potential to leverage funding from other donors or to enhance the effectiveness of those donors' efforts.

Finally, it should be noted that most primary school teachers in developing countries are trained at the secondary level, either in specialized institutions or as part of more general secondary schooling. USAID recognizes efforts to strengthen pre-service and in-service teacher training at the secondary level as an appropriate means to help host countries increase access and quality in primary education.

V.B. Adult Literacy Programs

In countries where initial access to primary schooling has been limited in the past, or where primary attrition has been widespread, many adults and adolescents will lack functional literacy and numeracy. Women are usually the most severely affected. Similarly, war and other forms of political strife can produce a "lost generation" of young people who have missed out on the benefits of schooling. Even the most rapid improvement in primary school participation will not normally improve the situation of these older illiterates.

¹³Depending on country conditions, this point may be reached before every child gains access to primary education of satisfactory quality; see section IV.G.

Donors, governments, and NGOs have created many programs to deal with the problem of illiteracy among adults and out-of-school adolescents. In the past, such programs showed limited effectiveness in achieving permanent functional literacy among a large proportion of initial enrollees. Typically, a large share of those who initially enrolled in training dropped out; a large share of those who continued training failed to become literate, and a large share of those who acquired basic literacy subsequently relapsed into illiteracy. In most cases, both initial success and subsequent benefits tend to be higher, the younger the target audience (Abadzi, 1994).

More recent programs seem to have achieved greater success by emphasizing the functional benefits of literacy in the context of the trainees' everyday life and by integrating literacy training with training and related services in other areas of immediate interest to the participants. In addition, female participants in some literacy programs tend to report increased respect for their views in family and social interactions. Such feelings of empowerment help them play a more active role in decision-making both within the family and in society, including providing stronger support for children's—especially girls'—education (USAID/CDIE, 1998). Some practitioners report that many female participants in literacy programs achieve significant improvements in self-esteem and empowerment, even when their measured literacy gains are minimal (Rugh, 2000).

Despite the importance of these benefits, Missions should normally keep their basic education programs focused on primary schooling, as long as significant deficiencies in access or quality at the primary level remain. This judgment rests on several considerations. First, adult illiteracy can only be permanently eliminated by correcting the underlying systemic problems that allow children to grow into adults without gaining an adequate basic education. Second, the benefit stream from providing basic skills to adults is necessarily shorter than that from providing similar skills to children. In particular, newly literate adults have already made many of the critical life decisions affected by primary education—such as age of marriage, fertility, practices affecting child health, and persistence to higher levels of education. Finally, although parental literacy—especially mothers' literacy—is helpful in supporting children's school participation, it does not seem to be essential: on the contrary, widespread experience shows that even illiterate parents recognize the value of an effective education for their children. Consequently, direct efforts to improve schools will almost certainly improve children's educational prospects more than indirect efforts aimed at their parents (Herz, 2000).

As a result, USAID support for literacy and other basic education programs for adults should normally be limited to settings where the likely payoff from using the same resources to help primary education is especially low. This situation might arise where other donors' support for primary education is already straining the host country's absorptive capacity, or where previous progress has already resolved serious deficiencies at the primary level. On a more selective basis, support for adult literacy efforts may be justified in a setting where the host country government is unwilling to engage in meaningful basic education reform, although in this case the broader issue of the government's overall partnership probably needs to be considered. If the program under consideration is to be operated by NGOs using donor funds, issues of sustainability and phase-out should be considered. Alternatively, if the program will be funded out of the host country government budget, financial tradeoffs with support for primary schooling should be carefully and explicitly taken into account.

Missions should note carefully that this cautionary guidance applies to programs that target *adults*. In contrast, “second chance” programs, which target children and adolescents who never enrolled or who have dropped out of school, may provide an alternative means to realize a stream of benefits similar to that expected from formal primary schooling. It is up to the Mission to choose the most cost-effective and sustainable means to promote basic education for children, in light of country conditions.

USAID operating units supporting adult literacy programs should ensure that valid cost and performance data are collected in the course of implementation, to aid in the identification of approaches that achieve especially good results.

Finally, Missions should note carefully that adult literacy programs do not qualify as “basic education for children,” and consequently are not eligible for funding out of the Child Survival and Disease Fund. See footnote 1 for further details.

V.C. Early Childhood Development

Malnutrition, disease, a severely restricted childhood environment, and other manifestations of poverty can reduce the subsequent benefits of schooling by limiting children’s ability to learn, thereby encouraging grade repetition and reducing school completion. Research suggests that children up to the age of three are particularly vulnerable to such developmental problems because of the rapid growth of the brain during this period. A wide range of program approaches have been developed to reduce or compensate for the harmful impact of such conditions on young children. These “early childhood development” (ECD) programs include targeted feeding programs and micro-nutrient supplementation; community-based efforts to educate parents and paid care-givers on issues of health, nutrition, and child-rearing practices, including the importance of intellectual stimulation for young children; child care programs; pre-school education; and various combinations of these elements.

The available evidence supports the conclusion that well-designed and implemented ECD programs can make an important contribution to school readiness and subsequent learning among children among disadvantaged children—those most vulnerable to environmentally related learning disabilities. Maximum effectiveness requires that the mix of interventions and the delivery mechanism be carefully tailored to local conditions.

USAID encourages Missions with basic education programs to pay careful attention to emerging evidence on the cost-effectiveness of ECD interventions as a means to promote school participation and learning. Likewise, well-monitored pilot programs and scientifically valid experiments may be useful in providing further evidence on this important question.

Larger-scale support for ECD may be warranted where the Mission concludes that this is the most effective use of its resources in promoting primary school attendance and learning. In making this judgment, the Mission should carefully consider issues of management capacity, financial tradeoffs, and sustainability. The first two issues are especially relevant if the program will be funded and managed by the host country government; implementation by NGOs using donor funds raises sustainability issues that should be considered explicitly.

ECD interventions that include nutritional and/or health components have the potential to improve both children’s general health as well as their ability to benefit from schooling. As a

result, both prior assessment and subsequent monitoring and evaluation of such interventions should take into account both educational and health outcomes.

VI. CONCLUSION

Better and more accessible basic education strongly contributes to economic and social development. USAID defines “basic education” broadly, but nevertheless gives priority to efforts to strengthen *primary* education. Missions should normally maintain program focus on the primary level, as long as the host country suffers serious deficiencies in access or in educational quality at that level. Once these deficiencies have been substantially resolved, a gradual shift of program focus toward secondary schooling may be appropriate.

Specific country circumstances may justify a departure from the Agency’s preferred focus on primary education. However, the Mission should carefully weigh the likely payoff to the alternative—including prospects for sustainability—before shifting its focus away from primary education. USAID’s program approaches in basic education encompass a wide range of potential interventions to strengthen primary schooling. Should the prospects for investing productively at the primary level be blocked by a lack of commitment to reform on the part of the host country government, this lack of commitment should call into question the scope for productive and sustainable investment in any other aspect of basic education.

USAID places special emphasis on efforts to eliminate barriers to girls’ access to effective basic education, whether these consist of general shortcomings in the educational system, specific social or economic constraints to girls, or a mixture of both. This guidance requires that every Mission engaged in basic education assess the extent of educational disadvantage faced by girls at the primary level in its host country, and to take further steps where this disadvantage is found to be significant.

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