



USAID
FROM THE AMERICAN PEOPLE

EDUCATION STRATEGY

IMPROVING LIVES THROUGH LEARNING



April 2005

PD-ACD-232

Cover photo: Laura Lartigue, USAID.

Educational opportunities are a key factor for refugees who are determining whether to return to their home communities. The reconstruction of this primary school in Koindu, Sierra Leone, allowed families to leave their refugee camps in Guinea and return home. This is one of six schools rebuilt with funding from USAID by community members, working with the International Rescue Committee. USAID also provides scholarships to 3,000 girls in Sierra Leone.

EDUCATION STRATEGY

IMPROVING LIVES THROUGH LEARNING



Contents

Foreword	v
Introduction	1
Education’s Role in Development	2
Accomplishments and Challenges	4
USAID’s Strategy for Education	7
Guiding Principles	13
Education’s Role in Other Core Areas	15
Financial and Human Resources	17
Conclusion	19
References	20



Foreword

As the principal international development arm of the U.S. Government, USAID is committed to helping developing nations provide their citizens with the education they need to improve their lives, contribute to society, enhance their productivity, and take advantage of the opportunities afforded by globalization.

However, the demands of the new century are such that no agency—or combination of agencies—has the resources to address the full range of educational needs in the countries of the developing world. It is necessary, therefore, to prioritize, focusing on education approaches that have demonstrated the greatest returns and promise the greatest results.

USAID's education strategy, *Improving Lives through Learning*, is based on extensive research, close analysis, and more than a half-century of first-hand experience in over 75 countries. At the heart of the strategy is basic education: facilitating the acquisition of basic skills, such as literacy, numeracy, and critical thinking that enable people and nations to thrive in a changing economic environment. USAID programs emphasize both expanding access to underserved groups (such as girls, the poor, the disabled, and people in rural areas) and improving the overall quality of education and its relevance. In fiscal

year (FY) 2004, USAID supported basic education in 43 countries at the level of \$365.5 million, a level that will rise in FY 2005. Funding for basic education has more than doubled since FY 2001.

But other components of education are important for development and progress. For this reason, USAID also undertakes selected investments in workforce development and higher education. Further, USAID provides substantial support for training targeted to specific learning needs in all areas of development.

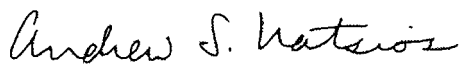
USAID's strategy emphasizes the following strategic management principles:

- focus on countries with the greatest need and commitment
- maintain a sector-wide perspective
- enhance host-country efficiency
- emphasize project sustainability
- collaborate with the private sector and other donors
- support innovation based on analysis

Secretary of State Rice has made the case for investment in education with characteristic clarity: "The U.S. will stand with people...in all societies that seek to claim a better future for their people. Education will play a particularly important role in societies that are

making this quest. A good education teaches an appreciation of practical skills for the global economy. But it also provides a forum in which one learns to live with difference and to respect the rights of others. It fuels new hopes, instead of old hatreds.”¹

The Bush administration has made education a centerpiece of the U.S. development strategy, and the Congress has given us substantial funds to carry this effort forward. These efforts include two presidential initiatives: the Centers for Excellence in Teacher Training in the Caribbean, Central America, and the Andes; and the Africa Education Initiative. The USAID strategy for education reflects this U.S. commitment to expanding education as a force for development.



Andrew S. Natsios
USAID Administrator
April 2005

¹ Remarks by Condoleezza Rice on terrorism and foreign policy, Paul H. Nitze School of Advanced International Studies, Johns Hopkins University, Washington, D.C., April 29, 2002.

Introduction

In recent years, development has become a cornerstone of the U.S. national security strategy, along with defense and diplomacy. The challenge of development is broader and more multifaceted than it has ever been. It involves not only traditional development—the achievement of economic, social, and political progress—but the added challenges of strengthening fragile states, achieving progress in countries of special strategic

interest, providing humanitarian relief, and addressing key global and transnational issues. It involves not only traditional development—the achievement of economic, social, and political progress—but the added challenges of strengthening fragile states, achieving progress in countries of special strategic

interest, providing humanitarian relief, and addressing key global and transnational issues. It involves not only traditional development—the achievement of economic, social, and political progress—but the added challenges of strengthening fragile states, achieving progress in countries of special strategic

interest, providing humanitarian relief, and addressing key global and transnational issues. It involves not only traditional development—the achievement of economic, social, and political progress—but the added challenges of strengthening fragile states, achieving progress in countries of special strategic

“Education is the foundation of development and democracy—in every culture, on every continent.”

President George W. Bush, June 20, 2002

interest, providing humanitarian relief, and addressing key global and transnational issues. It involves not only traditional development—the achievement of economic, social, and political progress—but the added challenges of strengthening fragile states, achieving progress in countries of special strategic

interest, providing humanitarian relief, and addressing key global and transnational issues. It involves not only traditional development—the achievement of economic, social, and political progress—but the added challenges of strengthening fragile states, achieving progress in countries of special strategic

interest, providing humanitarian relief, and addressing key global and transnational issues. It involves not only traditional development—the achievement of economic, social, and political progress—but the added challenges of strengthening fragile states, achieving progress in countries of special strategic

Education's Role in Development

Adequate investments in education facilitate the achievement of most other development goals and increase the probability that progress will be sustained. Education enhances the future of children and youth, as they prepare to participate in society and the economy. It also enables adults to gain the skills they need to lead productive lives.

Beyond its impact on individual development, education plays a crucial and multifaceted role in economic growth, poverty reduction, and democratic governance. A number of studies highlight the specific role that education—particularly basic education—plays in the economic and social development of poor countries. These include the following:

- *Faster economic growth.* Education builds human capital, which is fundamental to economic growth. In countries with growth-friendly policies and institutions, investments in education contribute to growth by producing a steadily increasing supply of skilled workers. Farmers with good basic education adopt new techniques more readily and are better able to shift into more lucrative jobs outside of agriculture. Educated workers are economically flexible and productive (Gill, Fluitman, and Dar 2000), and countries with a better educated, more trainable workforce find it

easier to attract foreign investment (de Ferranti et al. 2003).

- *Reduced poverty.* Growth that provides widespread opportunities for men and women with basic skills typically leads to significant reductions in poverty, as witnessed in the “Asian miracles.” By contrast, in countries where the policy and institutional environment is hostile to growth, investments in education cannot be relied upon to have much impact on growth or poverty reduction (Easterly 2001).
- *Improved income distribution.* Expanding access to basic education powerfully influences the way in which the benefits of growth are distributed within a society, allowing a greater share of the population to take advantage of opportunities created through economic growth. A widening base of skills in a society erodes the scarcity and value of skills once held only by elites, and assures that growth becomes more pro-poor by addressing inequities in household incomes (Lundberg and Squire 2003; Ravallion and Datt 2002).
- *Enhanced public revenues.* Where educational investments support faster growth, a “virtuous circle” is created in which higher incomes yield higher tax revenues. In turn, these revenues enable governments to fund further



and promotes transparency and accountability. An educated population is more resilient and able to adapt to social and civil strains and stresses. As a result, countries that invest in equitable education reduce their own vulnerability to crisis and civil unrest. Conversely, discrepancies in educational opportunity can contribute to crisis, particularly in countries where the economy is stagnant and economic hardships coincide with regional, ethnic, and religious cleavages.

Students in Malaysia work together on a public policy issue under the *Project Citizen* program sponsored by the Center for Civic Education. Working in teams, the class learns to interact with their community and local government in a process that includes, identifying a public policy problem in their community, gathering and evaluating information on the problem, researching solutions, developing a public policy remedy, and designing an advocacy plan to influence local government officials to adopt the policy. With funding from USAID and the State Department, *Project Citizen* is being adopted in schools in Asia, Arab nations in North Africa and the Middle East, Russia, and Southeastern Europe.

investments in educational access and quality (Birdsall, Ross, and Sabot 1995).

- *The multiplier effect of female education.* “When one takes into account all its benefits, educating girls yields a higher rate of return than any other investment available in the developing world” (Summers 1992). On average, educating females and males produces roughly similar increases in their subsequent earnings, though the impact differs from one country to another (Psacharopoulos and Patrinos 2002). Educating girls, however, provides a wide range of additional benefits, including improved health and survival rates of infants and

children, reduced rates of fertility, and greater use of modern contraceptive methods. Investments in girls’ education pay off in higher rates of school attendance, attainment, and completion in the next generation, as well as in improvements in the status of women within families, the local community, and the political arena (Schultz 2001; Behrman 2003).

- *Democracy and crisis prevention.* Education is a powerful tool to enhance support for democracy and civil liberties (Barro 1999). Broader, more equitable access to education encourages political participation, enhances governance, strengthens civil society,

Accomplishments and Challenges

Over the past decades, the developing world has made significant strides in expanding education, as the following examples demonstrate:

- Adult illiteracy rates declined from 37 percent to 20 percent between 1970 and 2000.
- The number of children enrolled in primary school rose by nearly 90 million—an increase of 8.7 percent—between 1990 and 2000.
- The number of girls enrolled in primary school in sub-Saharan Africa increased from 28 million to 39.9 million between 1990 and 2000.
- Girls' enrollment in primary and secondary school as a percentage of boys' enrollment rose in all regions between 1990 and 1999.

Despite such gains, major challenges remain:

- *Shortfalls in access and completion rates.* An estimated 115 million school-aged children remained out of primary school in 2000. Many children—especially those from poor families and those living in rural areas—still lack access to a nearby school or other educational opportunities. In large areas of the developing world, primary school completion rates are falling far short of the EFA target of universal access. In 2000,

average rates were 51 percent in sub-Saharan Africa, 74 percent in South Asia, 83 percent in the Middle East and North Africa, and 83 percent in Latin America and the Caribbean. If primary completion rates continue to increase at the rate recorded since 1990, among these regions, Latin America and the Caribbean will be the only region to achieve the EFA goal of universal primary completion by 2015. Further, according to UNESCO's *EFA Global Monitoring Report 2003/04*, more than 860 million adults worldwide are illiterate, and a substantial majority of them are women. Many poor countries lack the resources to provide remedial basic education or training. This is particularly the case in countries challenged by HIV/AIDS, conflict, or both.

- *Poor educational quality.* Endemic throughout most of the developing world, poor educational quality causes many children to repeat grades and eventually drop out of school, often before they gain bedrock skills such as literacy and numeracy. In sub-Saharan Africa, it is estimated that only a quarter of the children who complete primary school actually gain basic literacy skills. Where educational quality is poor, schooling loses much of its economic and social value. Research shows that the statistical link between schooling and national growth rates strengthens dramati-

- cally when the quantity of schooling (average number of years) is adjusted for differences in educational quality (Hanushek and Kimko 2000; Barro 2001). Closely related to the problem of poor quality is that curricula and teaching materials often lack relevance to the lives of students.
- *Barriers to education for girls.* More than 60 percent of out-of-school primary school-aged children are girls. This problem is better understood by examining obstacles that girls encounter in seeking an education, especially in South Asia, sub-Saharan Africa, and parts of the Middle East. Barriers range from the risks of walking to distant schools and sexual harassment by male teachers and classmates to the lack of physical amenities such as separate latrines. Other obstacles include male-based curricula, cultural prejudices regarding the value of educating girls, and resistance to coeducation, especially after puberty.
 - *Inefficient resource allocation.* Resources are essential for quality schooling, but are often in short supply. Developing countries typically spend \$40 per student each year, compared with nearly \$4,000 per student per year spent by developed countries. In some countries, grossly overcrowded classrooms and inadequately trained teachers undermine the educational process. Meanwhile, in many countries, teacher salaries absorb the great majority of education spending, leaving little for books and other learning materials.
 - *Inadequate management capacity.* State education systems are complex, multilayered organizations that require sound management to operate effectively and efficiently. School systems in developing countries are in particular need of managerial expertise. Coordination across various ministries and departments responsible for different aspects of the system, such as the primary and secondary curriculum, is frequently nonexistent, and the lack of reliable data on various aspects of the system's performance—from financial flows to enrollment and completion ratios—produces waste and inefficiency.
 - *Lack of governance and accountability.* Education systems in some poor countries suffer from large-scale financial corruption, due to a lack of effective governance systems and fiscal controls. Meanwhile, various forms of petty corruption operate at the school level, including charging families for publicly provided textbooks, imposing ad-hoc fees for school attendance, and teacher absenteeism.
 - *The devastation caused by HIV/AIDS.* The HIV/AIDS pandemic has caused tremendous damage to educational systems in many countries in sub-Saharan Africa, and infection rates are on the rise in India, Russia, and China. This devastating disease has taken a horrific toll on the teaching force and educational administrators at all levels, and the cost of training replacement personnel is enormous. For example, it would cost Swaziland an estimated \$233 million—more than half the government's budget for 2001–02—to hire and train enough staff to replace teachers lost to HIV/AIDS. Many education systems are already understaffed, and efforts to help replenish the ranks of workers lost to the disease are severely hampered. Progressive economic decline will result without adequate human resources.
 - *The impact of conflict.* Violent conflicts in many countries have produced child soldiers, mostly illiterate and unskilled boys and young men who must be integrated back into postconflict society. These uneducated and untrained youth must be an important element of any serious attempt at a sustainable economic recovery. Innovative nonformal education approaches represent a viable solution.
 - *Losing ground previously gained.* Severe budgetary pressures, increased corruption, and diminished teacher training in some transition countries of Europe and Eurasia have undermined and even eroded previous achievement of near-universal completion of lower-secondary school. Throughout much of the region, the curriculum remains ill-suited to preparing children for life in a democratic society and market-driven economy. Similar declines have occurred in Botswana and Namibia due to losses caused by HIV/AIDS, and in other countries because of war.
 - *Problems in higher education.* In most developing countries, colleges and universities mainly serve children of affluent families, often through heavy

public subsidies. Other postsecondary learning options such as community colleges are either not available or are of poor quality. Countries in Eastern Europe and the former Soviet Union have found it difficult to turn out skilled analysts needed for effective governance and graduates entrepreneurial or flexible enough to thrive in a market-driven economy.

- *Inadequate job skills training.* Many governments provide job skills training, either through secondary-level vocational and technical education or pre-employment training and retraining programs. However, public vocational schools are typically slow to respond to changing market demands for new types of skills. In most countries, formal postsecondary and informal learning options—such as community schools and colleges—are not available.

USAID's Strategy for Education

USAID's overall goal in education is to help citizens of developing and transition countries gain the skills and knowledge they need to build and live in free and prosperous societies. USAID will focus its education programs on two broad but complementary objectives:

- *Promoting equitable access to quality basic education.* USAID reaffirms its commitment to basic education as the foundation for lifelong learning opportunities. Basic education will continue to represent USAID's main priority within education, in terms of resources and program effort.
- *Beyond basic education: enhancing knowledge and skills for productivity.* USAID will also invest in selected areas of education beyond basic education, including focused efforts in workforce development and in higher education.

Objective 1: Promoting Equitable Access to Quality Basic Education

Within basic education, primary education is a top priority and the main focus in most countries with USAID basic education programs. This priority reflects the fact that, in most such countries, the quality and accessibility of primary education play a critical role in determining whether children gain core skills (including literacy and numeracy) and

have a chance to gain further education. USAID's focus on primary education is also in agreement with international targets and commitments, reflecting the economic, social, and political importance of universal access to, and completion of, quality primary education.

USAID defines basic education broadly, however, to include all program efforts aimed at improving early childhood development, primary education, and secondary education (delivered in formal or informal settings), as well as training for teachers working at any of these levels. In its definition, USAID also includes training in literacy, numeracy, and other basic skills for adults and out-of-school youth. The common thread among these elements is that they help learners gain the general skills and basic knowledge needed to function effectively in all aspects of life.

Within the sphere of basic education, USAID's efforts will promote more equitable access and improved quality.

Equitable Access

Ensuring equitable access requires removing physical, economic, and social barriers to education, especially for populations underserved because of their poverty, rural residence, ethnic background, disability, or sex. For example, USAID encourages host countries to replace school fees with adequate public funding for primary education

wherever possible, so as to encourage poor families to keep their children in school. USAID's emphasis on equitable access is motivated both by ethical concerns about the proper use of public funding and by broader development and social concerns, including sustainable economic growth. As a matter of policy, USAID places major emphasis on females' access to basic education. In all cases, USAID emphasizes educational equity for girls and women as a strategy for achieving educational equality for all.

Quality

Educational quality is a matter of the skills and knowledge that learners gain through schooling. Quality is multi-dimensional and context-specific. In general, quality is improved when

- the teacher understands the subject matter, knows how to teach it effectively, and is motivated to come to school every day and work to help children learn
- the curriculum includes specific knowledge and skills relevant to students' current environment as well as the more general knowledge and skills that students will need to deal with new challenges created by economic and social change
- all learners have access to appropriate workbooks and other learning materials that complement and reinforce teachers' efforts

Effective schools and learning achievement must be at the center of all reform efforts. In practice, test scores provide the main source of insight into educational quality in different countries,

and the most useful tests are those that assess learning in core subjects, such as reading and basic mathematics. USAID missions encourage host governments to gather and make appropriate use of test data. Spending per child and other input measures are a poor proxy for educational quality because of wide variations among countries in the efficiency with which such inputs are used to promote learning.

Flexibility beyond Primary Education

USAID recognizes that primary education does not always and everywhere represent the best use of USAID resources in terms of development impact. Accordingly, missions may use assessments and take into account conditions in their particular host countries and the activities of other donors to determine where they can achieve the greatest development impact in basic education. In addition, some USAID programs may seek to provide learners with both basic education and specific job skills. This might be the case where local analysis indicates that programs be directed toward illiterate adults and out-of-school adolescents, or toward demobilized soldiers in fragile states emerging from crisis and conflict.

Program Approaches and Illustrative Activities within Basic Education

Systemic reform is the foundation of USAID's work to strengthen education systems. Over the past decade, the Agency has developed and refined a sector-support approach that emphasizes support to sector reforms and capac-

ity-building efforts developed and led by host-country governments. This approach helps ensure sustainability and focuses on what children are actually learning in the classroom or nonformal educational settings.

Promoting Policy Reform

USAID missions work with host governments to adopt and implement policies that increase educational efficiency, promote equitable access, and raise educational quality. Key issues include the following:

- Educational finance, including the overall adequacy of budgetary support for education and whether funds are allocated equitably and efficiently across geographic areas and levels of education. Better use of available resources can help overcome the resource scarcity that many poor countries face. In some developing nations, using resources more efficiently could help reduce reliance on school fees and other user charges, which discourage poor families from keeping their children in school.
- Core subjects to be taught in the nation's schools, along with the specification of teaching and learning competencies, standards, and measures.
- Textbook policy, including issues of content and those relating to the textbook market (for example, encouraging competition rather than monopoly).

Building Institutional Capacity

An important aim is to help host countries develop their own capacity to

design appropriate policies on an ongoing basis, manage human and financial resources effectively, and build sustainable capacity. This includes

- developing effective policy analysis units within education ministries
- distributing resources, particularly instructional materials, to schools and ensuring that those resources are utilized effectively
- adopting and systematically using appropriate data and effective educational management information systems
- using modern technology to strengthen communications within national educational systems and linking those systems into regional and global networks

- adopting effective personnel recruitment, training, and monitoring systems
- adopting modern financial control systems to ensure that funds are spent as intended, rather than lost to corruption

Improving Instruction

Improving instruction is a complex task that entails a wide range of interventions. The following are some areas that receive particular attention:

- supporting improved teacher training, along with technical assistance to strengthen local teacher training institutions and in-service training options

- promoting the adoption of appropriate teaching methods that involve students in the learning process
- promoting improvements in curriculum content—in mainstream classrooms and alternative education programs—to make curricula relevant to learners' economic and social environment and allow for continuity through grade levels
- encouraging host countries to make the learning environment more girl-friendly by hiring more female teachers; removing gender stereotypes from learning materials; providing separate toilet facilities, safer schools, and transportation; and similar measures
- supporting nonformal accelerated learning or other second-chance programs for children who never started school or who left school prematurely in response to economic pressure, civil conflict, or other causes
- supporting the adoption of cost-effective technologies to extend the reach of the basic education system to remote areas

Institutional Reform

Institutional reform ranges from efforts to counter problems with financial corruption and teacher absenteeism to fostering decentralized school governance.² Reforms supported by USAID include



At a USAID-World Learning event in Guatemala, a bilingual (K'iche'-Spanish) teacher explains to Guatemala's vice president and USAID/Guatemala's mission director the methods of teaching she learned through the Access to Intercultural Bilingual Education Project (PAEBI). The USAID/PAEBI program focuses on teacher training, materials development, community participation, women's leadership, and improved educational policies to strengthen educational quality, cultural pluralism, and gender equity and equality.

2 For a more thorough discussion of institutional reform, see USAID, 2002, *Strengthening Basic Education through Institutional Reform: Linking Authority, Accountability, and Transparency*, USAID Issue Paper No. 1. <http://www.dec.org/pdf_docs/PNACR350.pdf>



To encourage active community participation in local schools, the presidential initiative, Centers for Excellence in Teacher Training (CETT), sponsored a literacy fair that brought together community members, parents, teachers, and students from six schools in the Santa Cruz region of Bolivia. Luis Venegas, CETT national coordinator for teacher training, presented exhibits of reading, writing, games, and children's original books, as well as demonstrations of classroom activities, lessons, dramatizations, and dances.

- establishment and operation of non-formal education facilities and programs, 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

Educational Infrastructure

USAID supports the rehabilitation or construction of school facilities, especially when needed to maintain, raise the quality of, or increase access to, education. School construction and rehabilitation can form an important component of the humanitarian response to natural or man-made disasters or of postconflict recovery. In Central America, for example, USAID rehabilitated or rebuilt 31 vocational training centers and more than 2500 schools after they were damaged by Hurricane Mitch. In Iraq, USAID supported the rehabilitation of 2,405 schools.

The Agency also works to renovate schools, bringing them up to usable condition, installing separate latrines for boys and girls, or building exterior walls to encourage more girls to attend school. Many of these activities are carried out in cooperation with local communities and school committees, who contribute labor and materials. Such local involvement encourages parents and community members to have a direct stake in the maintenance and success of their schools. USAID will consider supporting infrastructure activities within the context of broad-based education sector programs, including those that

incorporate teacher training or other educational interventions.

Because the benefits of infrastructure development can be undermined by the lack of funds to meet recurrent costs, activities to expand or rebuild infrastructure must also adequately provide for teachers, furniture, equipment, sanitary facilities, and maintenance. USAID will investigate public-private partnerships and innovative domestic financing for the construction of schools.

Girls' Education: A Special Emphasis

USAID policy requires that every mission working in basic education assess the degree of educational disadvantage facing girls at the primary level. Where girls face significant educational disadvantage, the mission should seek to identify the major educational barriers for girls, both gender-specific and general, along with cost-effective remedies to remove them.

Achieving equitable access to quality basic education requires that gender-related barriers to basic education be removed. For that purpose, USAID supports interventions aimed at creating a more equitable learning environment for girls and boys alike. Those interventions should be based on careful analysis of the social inequities that lie at the root of gender-related educational barriers, and should be integrated into a coherent overall strategy of basic education reform.

- measures to enhance accountability and transparency in the use of educational resources, such as requirements that educational budgets at every level of the system be publicized
- active participation by parents and community members in the governance of schools
- development of cost-effective methods of performance assessment aimed at increasing teacher effectiveness and enhancing accountability for educational quality

Objective 2: Beyond Basic Education: Enhancing Knowledge and Skills for Productivity

Today's global economy is being shaped by rapid advancements in technology. To be competitive, countries require workers with both the basic literacy and critical thinking skills needed to be productive and to adapt to ongoing changes in the marketplace. Education and training must be relevant to the growth strategies of each country.

Basic education is the foundation for all further learning. However, countries must also produce more highly trained human resources, including teachers and administrators, to advance and sustain economic growth and other dimensions of development. As a result, higher education should be considered as part of a sustainable and integrated approach to education.

USAID undertakes selected investments in workforce development, higher education, and participant training. As seen from the examples below, these investments make additional contributions to increased productivity and social progress in USAID-recipient countries.

Workforce Development: Improving Job Skills and Readiness

In the context of USAID programs, workforce development comprises program and policy efforts to help ensure that young people and adults gain the specific skills and attitudes they need to be productively employed.

The private sector holds a strong comparative advantage in the area of job skills training, but governments can play a useful role in several areas, including providing limited subsidies for skills training. Governments may also encourage industry associations to establish appropriate quality standards for skills training. Governments can also develop combined school/workplace training and workforce readiness/basic education programs. Finally, in specific situations such as recovery in fragile states, donors may work with local and international NGOs to foster workforce readiness among select populations, such as child soldiers, disenfranchised youth, and illiterate adults.

USAID's efforts in workforce development fall into the following areas:

Promoting policies that guide jobs skills training. These might include

- lifting burdensome regulations that discourage private sources of skills training
- modifying corporate tax rules to recognize training as a business expense and provide tax write-offs for support given to local schools
- improving the management of government training funds financed through levies on businesses, ensuring businesses are actively involved and the training responds to changing skill requirements of the private economy
- establishing linkages between basic education and workforce-readiness skills development

Testing innovative arrangements to improve the delivery of workforce skills training. USAID promotes closer dialogue between training providers and private firms to ensure that the quality and content of the training provided meets the demands of the marketplace. The Agency also actively promotes innovative approaches to vocational training, including those using public-private partnerships, as shown in the following examples:

- In Egypt, USAID has encouraged firms within the tourist industry to identify key job skills needed for employment in the field and then pool their resources to fund training in those skills.
- In India and South Africa, the Agency has supported efforts to transplant the community college model, which has proved highly successful in the United States, as a market-responsive source of job skills training.

Directly supporting workforce skills training. Such direct support is appropriate in selected circumstances, particularly in fragile states recovering from crisis and conflict, where the presence of large numbers of unskilled ex-combatants undermine the country's newly regained stability. Direct USAID support is usually delivered through NGOs, and often coupled with elements of basic education.

Higher Education: Enhancing Its Capacity to Contribute to Development

Colleges and universities in many developing and transitional countries



A collaboration with Oregon State University contributed to development and strengthened the capacities of several South African institutions of higher education. The partnership created new agroforestry curricula at the University of Fort Hare, established an agroforestry demonstration plot, and conducted a demonstration of fruit farming and an indigenous tree planting trial at Fort Cox College.

have the potential to contribute more fully to their own country's development, both through better teaching and better targeted applied research and by playing a more active role in solving local and national constraints to sustained development.

USAID's main activity in this area is to support partnerships between U.S. universities, colleges, and community colleges and their counterpart institutions in host countries. In the great majority of cases, USAID supports these partnerships to promote progress in specific areas of development, usually by helping to strengthen specific faculties and departments. For example, the Agency helped the Kabul University bolster reconstruction efforts by building faculty capacity and training workers in

the agriculture and basic infrastructure sectors in Afghanistan. Between 1998 and 2004, USAID supported more than 295 university partnerships in 71 developing countries.

On a much more limited basis, USAID may support broader improvements in specific institutions of higher education. For example, USAID has supported the development of local business schools in transitional countries in Eastern Europe and Eurasia and helped strengthen South African universities and technical colleges serving the black majority community. Most recently, USAID launched a major effort to strengthen institutions of higher education in Iraq through partnerships targeted on archeology, environmental health, agriculture, and legal education.

Guiding Principles

To achieve its two education objectives, USAID will apply the following guiding principles:

Allocating Resources According to Country Need and Commitment

USAID will focus resources on countries with the greatest need and strongest commitment to education and overall development progress. Host-country commitment to education reform depends on domestic politics in ways that are complicated and country specific. The spread of multiparty democracies, the emergence of a free press, and the growth of the internet and other modern forms of communication can spur the pace of reform. USAID missions work closely with local civil society organizations to make sure that education gains its rightful place in local political dialogue and to help reinforce pressure on local governments to commit their own resources to education and manage those resources as efficiently as possible.

Taking a Sector-Wide Approach

USAID will adopt a systemic, sector-wide approach to identify and focus on leverage points within a host country's education system. In doing so, USAID will take special account of the activities and contributions of other donor agencies. The Agency will also work to

place its support for basic education and other education and training within the larger context of national plans and needs.

Increasing Efficiency

A large volume of public and private funding—well into the tens of billions of dollars—already flows into education in USAID-assisted countries. However, benefits derived from these funds fall far short of their potential due to the waste and inefficiency that plague most educational systems. Rather than using its limited funds merely to top off those already committed to the sector, USAID seeks to increase the efficiency with which developing countries use human and financial resources. Even a modest increase in host-country efficiency would provide the equivalent of billions of dollars in additional funding.

Promoting Sustainability

In education—as in other sectors—USAID seeks to ensure that its investments become both institutionally and fiscally sustainable: that the host country is both able and determined to take over the burden of supporting those investments once the aid dollars stop flowing. USAID will promote sustainability by emphasizing local capacity-building efforts, such as training host-country officials in the principles of educational finance and strengthening local teacher training systems.



Children from rural Lebanon learn to use computers and research the internet aboard the Smart Bus, a collaborative effort of USAID, Mercy Corps, and Microsoft.

Collaborating Actively

Although USAID funding for education represents a substantial share of the total resources entrusted to the Agency, it nevertheless remains small in relation to the overall resources that can be mobilized for education. Partly for this reason—and even more so for the skills and insight they bring to the process—USAID actively seeks opportunities to work in partnership with U.S. private firms, foundations, and other partners committed to development progress through the Agency’s Development Credit Authority and Global Development Alliances.³ With few exceptions, neither USAID nor any other single donor is in a position to tackle the full range of educational challenges and

problems in a particular host country. Accordingly, USAID coordinates with other donors to ensure that efforts do not duplicate or work at cross-purposes, but reinforce one another.

Supporting Innovation

To help host countries improve efficiency and effectiveness, USAID combines support for technical innovation

with sustained efforts to propagate best practices to all host countries. In some cases, innovation involves harnessing new technologies—such as the internet—to benefit education. In others, new solutions can be applied to emerging problems, such as the models for projecting human resource losses developed by the Mobile Task Team in responding to HIV/AIDS. Much more commonly, innovation involves adapting promising solutions emerging in one country to different circumstances in others. To accelerate such a process, USAID supports knowledge-sharing mechanisms, such as its internet-based Global Learning Portal.

³ For example, one recent partnership is with the University of Minnesota, which is shouldering 30 percent of the costs of strengthening business management in 47 Ukrainian business schools and universities. Another USAID partnership involves Sun Microsystems and the Academy for Educational Development, which has established an internet-based Global Learning Portal (www.glpnet.org) to help share information and best practices in teacher training, education reform, girls’ and women’s education, and other issues.

Education's Role in Other Core Areas

The foregoing applies mainly to relatively stable developing countries, where USAID's programs are oriented toward transformational development, or sustained economic, social, and political progress at the country level. USAID is also concerned with other countries and issues where education programs can play a role.

Fragile States

Postconflict settings and fragile states present problems, such as the presence of large numbers of illiterate and unskilled boys and young men—including ex-combatants—whose lack of economic prospects makes them easy to recruit

into rebel armies pursuing “lootable resources.” Cost-effective literacy and vocational training programs can be highly effective in such situations.

More broadly, the action of reopening schools or keeping them functioning can help establish the credibility and legitimacy of new governments. Particularly when

existing formal education systems are in major disrepair, specialized education programs such as “schools in a box” can help promote stability. They keep children and youth in school, and signal a return to normalcy.

Geostrategic States

The role of education in supporting U.S. interests in states of geostrategic interest varies considerably by circumstance. For example, support for technical colleges and universities that serve ethnic, racial, or religious groups who have historically been excluded from the education system can help ameliorate intergroup strife. A more prominent example, particularly in the context of deterring terrorism, concerns the weakness of public education in some predominantly Muslim countries. Most Islamic schools (madrassas) have no links to extremist groups (USAID 2003), but poor-quality secular education systems create an opening for radical Islamist movements to establish traditional religious schools whose purpose, in part, may be to promote the worldview of their sponsors. This problem can be ameliorated through improvements in the quality of the secular education system, including a curriculum that focuses on preparing students to support and thrive in market-oriented democracies. In addition, broadening the curriculum in moderate religious schools can help attract students from families who seek



Perry Boomershine, Creative Associates

USAID's accelerated learning programs in Afghanistan help girls who could not study under the Taliban to catch up quickly. These programs reach approximately 170,000 students in 17 provinces across the country.

an education that reinforces their children's Muslim identity while providing them with skills and knowledge useful in the workplace.

Global and Transnational Issues—HIV/AIDS

Expanded and improved basic education can equip young people with the knowledge they need to avoid becoming victims of HIV/AIDS. Education systems also must be readied to help redress the nonhealth impacts of HIV/AIDS, such as educating replacement workers and orphans, providing peer counseling through schools, and supporting school-based AIDS prevention clubs. Increased collaboration between the education, business, and health sectors can help fight the scourge of HIV/AIDS.

Humanitarian Assistance

Humanitarian assistance typically is provided to alleviate direct suffering, particularly in terms of food, shelter, and health needs. There is also a role for education assistance. Education is provided for traumatized and displaced persons. Humanitarian aid also includes reconstruction of education systems following natural and manmade disasters.

USAID-Supported Participant Training

Participant training refers to Agency-funded efforts to transfer new skills, knowledge, and attitudes to individuals and work units in support of development. Such training is targeted to specific learning needs in all areas of de-

velopment, and is intended to function as a crosscutting tool for development.

Participant training differs from vocational training or other forms of workforce development that aim at improving trainees' abilities to earn a living by acquiring productive job skills. As defined by USAID, participant training is explicitly intended to expand the supply of particular skills within the host country. For many countries, the local capacity to produce first-rate plant breeders, bank supervisors, epidemiologists, or educational policy analysts may lie far in the future, but services are needed now.

Two broad objectives of participant training are to strengthen the performance of host country organizations and associated job-related skills. Training may be delivered in the host country, in a third country, or the United States. The choice among these options depends on cost, quality of training facilities, potential to enhance the host-country's training capacity, and other considerations.

Financial and Human Resources

USAID Financial Resources

Basic education: USAID provided \$348.5 million for basic education programs in FY 2003. This included \$330 million for children's basic education and \$18.5 million for adult literacy programs. In FY 2004, USAID supported basic education in 43 countries at the level of \$365.5 million, a level that will rise in FY 2005. Funding for basic education has more than doubled since FY 2001.

Workforce development: In FY 2004 USAID's direct investments in workforce development totaled \$12 million.

Higher education: USAID invested \$55.4 million in higher education in FY 2004. Between FYs 1998 and 2004, USAID supported more than 295 university partnerships in 71 developing countries.

Participant training: Substantial resources are invested in participant training across all sectors to help achieve sector-specific goals. More than 400,000 citizens of developing nations have benefited from short- and long-term education and training in the United States since the Agency was established. In this same 50-year period, USAID has provided short- and long-term training to more than 20 million citizens of developing nations in either their home countries or a neighboring country.

Mobilizing Other Financial Resources

USAID is actively involved in the organization of donor efforts to mobilize and coordinate basic education resources under the EFA Fast Track Initiative (FTI).⁴ While bilateral donors and developing country governments need to continue their support for education, USAID is promoting ways for FTI to enhance nongovernmental support, including from private sector firms and private remittances. At the global level, businesses, institutions of higher education, foundations, faith-based communities, and the NGO community each provide additional resources to support education.

Human Resources

Demands upon the education sector in USAID have more than tripled in the past two years. To meet the education sector's human resource needs, multiple strategies are being put into operation. They include:

- increasing the recruitment of career personnel in education under the Agency's New Entry Professional program

⁴ FTI, launched by the World Bank, is a partnership of developing countries and donors created to help low-income countries achieve the Millennium Development Goal of universal completion of primary education by 2015.

- providing crosstraining in education for noneducation personnel who will have some education-related responsibilities
- encouraging and helping missions without direct-hire education staff to hire program-funded education sector specialists
- providing continuing annual training for all education staff, including host-country and third-country nationals
- developing a series of tools, including guidelines, expert systems, and the facilitation of cross-mission working groups to support individual field personnel

Conclusion

The challenge of development in the new century and a keen awareness of the crucial role of education in establishing free, secure, and prosperous societies have awakened a new commitment to education and training in the development community. This perspective shapes USAID's new education sector strategy, *Improving Lives through Learning*. USAID has more than a half-century of development experience in the field supporting education and training interventions. This experience has generated valuable lessons about the nature of the challenges and approaches that work best.

Improving Lives through Learning identifies areas where USAID's experience and expertise can help advance social and economic development. The strategy provides an overall focus for the Agency's education programs, while allowing the flexibility to coordinate with others in response to development needs and opportunities in individual countries.

References

- Barro, Robert J. 1999. "Determinants of Democracy." *Journal of Political Economy* 107 (S6): S158–229.
- Barro, Robert J. 2001. "Human Capital and Growth." *American Economic Review* 91(2): 12–17.
- Behrman, Jere. 2003. "Educational Sector Study: Pro-Poor Economic Growth Effects of Policies and Activities." Pro-Poor Economic Growth Research Studies Series, USAID/EGAT/Office of Poverty Reduction.
- Birdsall, Nancy, David Ross, and Richard Sabot. 1995. "Inequality and Growth Reconsidered: Lessons from East Asia." *World Bank Economic Review* 9(3): 477–508.
- William Easterly 2001. *The Elusive Quest For Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge, Mass: MIT Press.
- de Ferranti, David, Guillermo E. Perry, Indermit Gill, J. Luis Guasch, William F. Maloney, Carolina Sánchez-Páramo, and Norbert Schady. 2003. *Closing the Gap in Education and Technology*. Washington, D.C.: World Bank Latin American and Caribbean Studies.
- Gill, Indermit S., Fred Fluitman, and Amit Dar. 2000. *Vocational Education and Training Reform: Matching Skills to Markets and Budgets*. Washington, D.C.: Oxford University Press for the World Bank.
- Hanushek, Eric A., and Dennis D. Kimko. 2000. "Schooling, Labor-Force Quality, and the Growth of Nations." *American Economic Review* 90 (5): 1184–208.
- Lundberg, Mattias, and Lyn Squire. 2003. "The Simultaneous Evolution of Growth and Inequality." *The Economic Journal* 113 (487): 326–44.
- Psacharopoulos, George, and Harry Anthony Patrinos. 2002. "Returns to Investment in Education: A Further Update." World Bank Working Paper No. 2881. Washington D.C.: World Bank.
- Ravallion, Martin, and Gaurav Datt. 2002. "Why Has Economic Growth Been More Pro-Poor in Some States of India than Others?" *Journal of Development Economics* 68: 381–400.
- Schultz, T. Paul. 2001. "Why Governments Should Invest More to Educate Girls." Yale University Economic Growth Center Discussion Paper No. 836.
- Summers, Lawrence H. 1992. "Investing in All the People." Policy Research Working Paper 905. Washington, D.C.: World Bank
- USAID. 2003. *Strengthening Education in the Muslim World* USAID Issue Paper No. 2 Washington, D.C.: USAID. <www.dec.org/pdf_docs/PNACT009.pdf>

USAID. 2002. *Strengthening Basic Education through Institutional Reform: Linking Authority, Accountability, and Transparency* USAID Issue Paper No. 1. Washington, D.C.: USAID. <www.dec.org/pdf_docs/PNACR350.pdf>

USAID. 2000. Policy Paper: *Program Focus within Basic Education*. (Adopted June 7) <www.dec.org/pdf_docs/PDABS325.pdf>



U.S. Agency for International Development

The U.S. Agency for International Development (USAID) is an independent federal agency that receives overall foreign policy guidance from the Secretary of State. For more than 40 years, USAID has been the principal U.S. agency to extend assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms.

USAID supports long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting

- economic growth, agriculture, and trade
- global health
- democracy, conflict prevention, and humanitarian assistance

The Agency's strength is its field offices located in four regions of the world:

- Sub-Saharan Africa
- Asia and the Near East
- Latin America and the Caribbean
- Europe and Eurasia

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523-1000

Telephone: 202-712-4810

Fax: 202-216-3524

www.usaid.gov