

TEN POINT CALL TO ACTION ON DOMESTIC FINANCING OF EDUCATION POST-COVID

If you would like to add your name or the name of your organisation to this Call to Action please send an email to david.archer@actionaid.org before 4th September with the subject title: Signing the Call to Action

This call to action emerges from a webinar on 28th July 2020 convened by ActionAid with key speakers from UNESCO, Education International, the Global Partnership for Education, the Global Alliance for Tax Justice, the UN Girls' Education Initiative, Open Society Foundation, Wellspring Philanthropy, The Peter Cundill Foundation – with opening remarks by the Minister of Education from Sierra Leone.¹ Hundreds of participants from developing country governments, civil society organisations, philanthropic foundations, unions and movements, UN agencies and multi-stakeholder partnerships came together to identify solutions to the coming crisis in domestic financing of public education. This ten-point call for action is based on the critical issues and insights that were shared.

Already Covid-19 has thrown 1.5 billion children out of school and with education systems facing a devastating crisis in public financing, it's unclear how many of them will be able to safely return, or what quality of learning schools will be able to provide to them if they do. UNESCO estimates at least \$210 billion will be cut from education budgets next year simply owing to declines in GDP. Pressure to reallocate scarce resources to health and social safety nets, might cut 5% from education budgets amounting to a total loss of \$337 billion in education spending – and the World Bank projects that even deeper cuts of 10% could be on the horizon. This is probable but not inevitable. We need political will, bold solutions and urgent action to prevent this health crisis triggering an education calamity that could affect the life prospects of a whole generation of children.

1. Defend the share of the budget spent on education

Developing countries should spend at least 20% of their national budgets on education. Covid-19 must not be an excuse for retrogression, reducing the share of budgets allocated to education, as this would be a betrayal of the next generation and a violation of human rights commitments. All international education actors should use their own resources and influence to incentivise governments to maintain or increase the share of domestic budgets allocated to public education.

2. Increase the size of the budget through action on fair tax

Countries should work towards a minimum tax-to-GDP ratio of 20% in order to provide quality public services. The IMF estimates most countries could raise their tax-to GDP by 5% in the coming years, which would allow a doubling of spending on health, education and other essential services. But progressiveness and a "do no harm" principle in relation to discriminated groups, including women, should be a precondition for raising tax/GDP. Post-Covid there is extra urgency for raising taxes in a fair and progressive way, including through setting new global rules for ensuring companies pay their fair share, raising taxes on excess profits and wealth, ending harmful tax incentives (through which developing countries lose \$138 billion a year), preventing corporate tax abuse (through which developing countries lose at least \$200 billion a year) and stopping other illicit financial flows. Actors concerned with education justice must connect more closely with those working on tax justice.

3. Harness existing resources in national treasuries by action on debt service

There is a looming debt crisis that could starve education at a time when billions of young people living in poverty face the prospect of permanent unemployment and destitution. According to UNCTAD, in 2020 and 2021 alone developing countries will be forced to hand over up to \$1 trillion in external debt payments, money that is desperately needed for education and other frontline services if we want to avoid massive increases in poverty and inequality. So G20 leaders, IFIs and private sector lenders must commit now to

extend a moratorium on debt payments to all developing countries in need, at least through to the end of 2022. Longer term there also needs to be a new compact on debt restructuring: suspended debts must be permanently cancelled so that no country is spending more on servicing debts than they do on spending on education or on health, and a wider approach must be taken to debt sustainability which considers long terms needs for financing, with debt negotiations premised on countries investing in the SDGs, climate goals, human rights and gender equality commitments; and donors and creditors committing to full transparency and accountability in giving and taking out future loans.

4. Push back against decades of austerity

In recent decades, the IMF have encouraged austerity policies in developing countries, placing greater priority on holding down inflation and deficits than allowing countries to invest in development goals. There are some positive signs that the IMF is changing its rhetoric but in the face of the Covid-19 economic crisis, these changes need to be accelerated and delivered in practice. Spending on public services like health and education should be regarded as part of the core social infrastructure of a country, that should be protected – and investments in quality public services should be seen as part of the solution to the crisis rather than part of the problem.

5. Resist public sector wage bill constraints to recruit more teachers (and nurses)

To deliver SDG4 targets and keep up with population growth, over 17 million new professional teachers are needed in Africa alone by 2030. However in the past 3 years the IMF have advised countries to freeze or cut public sector wage bills, sometimes unintentionally blocking recruitment of urgently needed teachers, doctors, nurses and other essential public service employees. Covid has increased awareness of the importance of a public sector ethos and it is thus time to challenge any unconscious biases and reappraise attitudes to public sector employment. The IMF needs to urgently review its policy advice and loan conditions in this area – and developing country governments should explore seek alternatives, seeing investment in teachers (and health personnel) as a key part of building back better.

6. Reverse the decline in aid to the countries most in need

The Covid-related fall in GDP around the world is likely to lead to a fall in aid budgets next year. This comes on top of the trends towards donors using their aid to advance their own trade and security interests rather than the needs of the poorest countries. Aid budgets needs to be protected and redirected towards countries facing the biggest challenges. Aid to education should be a particular priority in the post-Covid period, part of a revaluing of public systems, with a clear priority for equity both in the distribution and allocation of aid.

7. Harmonise and align aid behind strengthening public education systems

Too often in the past we have seen national disasters or crises used as opportunities to dismantle public systems and advance privatisation. Covid-19 must be different. It is a global crisis and it is already clear that government action and public systems will be key to the rebuilding and reform of education on the scale that is required. Aid from bilaterals and multilaterals needs to better harmonise and align behind strengthening government systems, following the positive model of the Global Partnership for Education. Trusts and Foundations need to recognise the crucial role they can play in strengthening public systems, seeing private provision as a symptom of failure rather than a sustainable or equitable solution.

8. Ensure education budgets prioritise inclusion, equity and transformation

Central to building back better must be a recognition that existing education systems are inequitable, excluding girls and children with disabilities and disadvantaging the poorest or most excluded communities. As the GEM 2020 report notes, *the promise of reaching the furthest behind first is not being kept*, and *“children with disabilities are particularly at risk of exclusion from education”*. Covid-19 could exacerbate these existing inequalities or could be used as a pivotal turning point where a gender and inclusion lens is applied to all aspects of education, including planning, budgeting and expenditure - to advance equality and

inclusion in access, retention and achievement at all levels. A focus on equity and inclusion is central to effective education spending. Too often education systems contribute to replicating the inequalities and injustices within the societies that they serve, yet education has the potential to be the most powerful equalising force within a society, if the system itself is genuinely equitable at all levels. Post-Covid let us renew a transformative vision for effective education systems.

9. Increase transparency and accountability – as key to effective and efficient spending

Too often education budgets fail to reach the schools in the most disadvantaged communities. Unless there is independent scrutiny, budgets are misused or go astray. Covid-19 is already placing extra strains on budgets and on oversight systems to ensure they are transparently and effectively utilised. Civil society actors can play a crucial role in tracking budgets, making sure that money allocated arrives and decisions are made transparently at the appropriate level. Strengthening civil society voices - and the political space for those voices to be heard - is essential. Post-Covid there needs to be a revolution in public accountability of education systems both at local level and at national level – a public-public partnership so that public systems facilitate and respond to public engagement.

10. Work across sectors to defend public services and engage Ministries of Finance

Covid-19 has made it clearer than ever that education advocates need to work closely with health advocates – and other public sector supporters. We will not win strategic breakthroughs on financing one public service when others are being cut. There are strong common areas of concern – around tax, debt, austerity and the public sector workforce. We need to learn to work with others to engage in higher level strategic discussions with Ministries of Finance.

With just ten years to go to the 2030 deadline for the SDGs, the Covid crisis must represent a turning point in the financing of education. We commit to working together to mobilise the resources needed to deliver on SDG4, using international resources to expand rather than displace sustainable domestic financing. International support can play a crucial role when it is used to leverage or incentivise the predictable domestic financing needed to achieve real transformations in public systems.

As we respond to this Covid crisis let us keep in mind too the existential challenges presented by the climate crisis. We need public education to help forge a new generation of active global citizens that care about sustainable development. We commit to work together to build public education systems that are sustainably financed and that contribute to building economies and societies that can truly care for both people and the planet.

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ⁱ You can see a recording of the webinar here:

<https://drive.google.com/file/d/1mw7cRGecz5q9cDexp2VSs8fPpVzo6FNC/view?usp=sharing>

The presenters and discussants in the webinar were: **Julia Sanchez**, Secretary General, ActionAid International; **Hon. Dr. David Moinina Sengeh**, Minister of Education, Government of Sierra Leone; **Caroline Othim** – Policy Coordinator, Global Alliance for Tax Justice; **David Archer** – Head of Public Services, ActionAid; **Dennis Sinyolo** – Senior Coordinator, Education International; **Nalucha Nganga Ziba** – Country Director, ActionAid Zambia; **Stefania Giannini** – Assistant Director General UNESCO; **Nora Fyles** – Director, United Nations Girls Education Initiative; **Alice Albright** – CEO, Global Partnership for Education (*by video*); **Jean Marc Bernard** (GPE); **Camilla Croso** – Director of Education, Open Society Foundations; **John Rendel** – Director, The Peter Cundill Foundation; **Michael Gibbons** – WellSpring Advisers.