A NUTSHELL ASSESSMENT OF THE WORLD BANK AND INTERNATIONAL MONETARY FUND’S CONTRIBUTIONS TO EDUCATIONAL DEVELOPMENT IN AFRICA

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ABSTRACT

The provision of quality education has been globally acknowledged as a capital intensive social service and a huge investment in the right direction. Thus, it becomes necessary that the weak nations or the developing nations like countries in Africa cannot single-handedly cater for this sector without relying on regional integrations, global partnership, association and assistance. The duo of the International Bank for Reconstruction and Development (IBRD) otherwise known as the World Bank and the International Monetary Fund (IMF) have been identified to have pragmatically impacted to educational development in Africa. This paper therefore analyzes the various ways and patterns of their involvement, using an historical method for the study. Also highlighted are the implication of their support on Africa and a number of suggestions which include among others that there is a need to ensure that these funds are backed by an appropriate funding policy and practice so that they may be sustainable beyond the lifetime of the respective donor-funded projects.

Keywords: Historical, World Bank, IMF, Contributions, Development, Africa.

JEL Index Classifications: I20, I21, I22, I25, O15, O19, Q01

1. INTRODUCTION

African politics and their relation to the prospects of development cannot be fully understood outside the international context. International social forces are part of the syndrome under review here. To begin with, international agencies were highly instrumental in fostering the political attitudes that have paradoxically made politics and political power all important. The World Bank and the International Monetary Fund (IMF)’s contributions to educational development in Africa is the fulcrum of this paper.

The International Bank for Reconstruction and Development (IBRD) referred to as the World Bank and the International Monetary Fund (IMF) were created at the Bretton Woods Conference in New Hampshire, U.S.A in 1944. They were designed as pillars of the post-war global economic order. The World Bank’s focus is the provision of long-term loans to support development projects and programmes. The IMF concentrates on providing loans to stabilize countries with short-term financial crises.
2. THE WORLD BANK AND IMF IN AFRICA: HISTORICAL CONTEXT

The World Bank and IMF became increasingly powerful in Africa with the economic crisis of the early 1980s. In the late 1970s, rising oil prices, rising interest rates, and falling prices for other primary commodities left many poor African countries unable to repay mounting foreign debts. In the early 1980s, Africa’s debt crisis worsened. The ratio of its foreign debt to its export income grew to 500%. African countries needed increasing amount of “hard currency” to repay their external debts (i.e. Convertible foreign currencies such as dollars and Deutschmarks). But their share of world trade was decreasing and their export earnings dropped as global prices for primary commodities fell. The reliance of many African countries on imports of manufactured goods, which they themselves did not produce, left them importing more while they exported less. Their balance of payments problems worsened and their foreign debt burdens became unsustainable.

African governments needed new loans to pay their outstanding debts and to meet critical domestic needs. The World Bank and IMF became key providers of loans to countries that were unable to borrow elsewhere. They took over from wealthy governments and private banks as the main source of loan for poor countries. These institutions provided “hard currency” loans to African countries to insure repayment of their external debts and to restore economic stability. The World Bank and IMF were important instruments of western powers during the cold war in both economic and political terms. They performed a political function by subordinating development objectives to geostrategic interest. They also promoted an economic agenda that sought to preserve western dominance in the global economy.

Not surprisingly, the World Bank and IMF are directed by the governments of the World’s richest countries. Combined, the “Group of 7” (U.S. Britain, Canada, France, Germany, Italy and Japan) hold more than 40% of the votes on the Boards of Directors of these institutions. The U.S. alone accounts for almost 20%. It was U.S policy during the Regan Administration in the early 1980s, to expand the role of the World Bank and IMF in managing developing economies. The conditions attached to these loans required African countries to submit to economic changes that favoured “free markets”.

From the 1970s on, this orientation became the dominant economic paradigm for rich country governments and for the international financial institutions. The crisis experienced by African countries in the early 1980s did expose the need for economic adjustments with declining incomes and rising expenses, African economies were becoming badly distorted. Corrective reforms became necessary. The key issue with adjustments of this kind, however, is whether they build the capacity to recover and whether they promote long-term development. The adjustments dictated by the World Bank and IMF did neither.

African countries require essential investments in health, education and infrastructure before they can compete internationally. The World Bank and IMF instead required countries to reduce state support and protection for social and economic sectors. They insisted on pushing weak African economies into markets where they were unable to compete with the might of the international private sector. These policies further undermined the economic development of African Countries (Hermandez - Cata, 2000).

3. CONTRIBUTIONS OF WORLD BANK AND IMF TO EDUCATIONAL DEVELOPMENT IN AFRICA

On four occasions since its lending for education began in 1962, the World Bank has published a comprehensive policy statement outlining its view on educational development. On each occasion, these much-anticipated and much-dispensed statements have had a dual purpose. First, they have provided the Bank with an opportunity to outline its views on education and development. The Bank’s hope here is that governments other multilateral and bilateral aid
agencies and the education and the academic community will be persuaded of its views and will adopt them. Second, the statements provide the Bank with opportunities to publicize its own priorities for lending. Thus, they indicate not only the Bank’s preferred view of educational futures, but also how it might back those views with finance. From the Executive Directors’ initial education policy formally adopted in 1963, the sequence of formal policy statements in 1971, 1974, 1980 and 1995 - provides a useful framework for analyzing evolving Bank views of educational development and of its own priorities for lending (World Bank, 1995).

3.1 EARLY CHILDHOOD DEVELOPMENT

As Sub-Saharan Africa contends with persistent poverty, rapid population growth, and erosion of traditional family support structures, investment in Early Child Development (ECD) is imperative. Investments must begin from birth and include health, nutrition, and attention to cognitive and social development to take children up to the transition into primary schools. Broad-based investment in young children’s survival and development should be a vital part of countries’ systematic pursuit of social and economic development. The specific enabling condition for ECD are:

- Community and family demand and resources: the cornerstones for ECD.
- ECD skills at local and national levels.
- Availability and interest of local ECD workers.
- Community capacity for participation (management, financial and other).
- Capacity of local institutions.
- Public awareness and demand for supportive policy.
- External and supra-national resources (for training, research, advocacy).
- Policy movers’ support.
- Mass media resources.

The Angolan Mobile Trauma Team, training personnel to interest with children in refugee camps, children’s homes, schools and in street children’s programmes. In Botswana, the child-to- child programme for basic health education is adapted into a school readiness activity for primary school children to help prepare younger siblings for entry. In Nigeria, the development communication project uses national television to teach children (aged 3-6 years), and their caregivers active learning techniques. In Zimbabwe, the focal point is the Kushanda integrated community development project in commercial farming communities. In Ghana, Mali and Burkina Faso, maternal health and a child care curriculum were developed by Women’s Joint Liability Credit Associations.

The Madrasa Preschool Programmes in Kenya, Uganda and Zanzibar require community management and co-financing. In Mauritius, the welfare of all children is addressed legally. ECD cuts across macro, meso and local levels of administration, government departments and non-government entities. After twenty-five years, the programme covers no more than a third of the relevant age cohorts across the continent. The sustainability hinges on financing which is made available by the World Bank. Government, GDP specifically earmarked for ECD is nil for nineteen of twenty-five sub-Saharan countries for which data exists. These various ECD programmes have built on the strengths of African tradition and culture, and multi-sectoral policy frameworks which certain countries have constructed for the protection and development of young children in Africa.

3.2 PRIMARY EDUCATION DEVELOPMENT IN AFRICA

Over the past 15 years, primary education projects in developing countries gave high priority to increasing enrollments in primary schools. Much less attention was directed to the crucial issue of whether children are actually learning. Of the primary education projects funded
by the World Bank, only 20 percent have an explicit objective to help children improve learning outcomes including such basic skills as reading and writing. Some 90 percent of the projects support quality improvements, usually in terms of better educational inputs such as books and teacher training, but only about 35 percent target and track improved student learning as made evident by, for example, better reading, writing and mathematical skills (World Bank, 2005).

For the evaluation, Independent Evaluation Group (IEG), an independent unit within the World Bank reviewed over 700 primary education projects from 1990 onward. According to IEG, 69 percent of World Bank’s projects designed to improve access to education succeeded in achieving their expansion goals. During the past 15 years, net enrollment rates increased in developing countries from about 82 percent of the relevant age group to about 86 percent. Enrollment expansion has generally come through supply-side interventions such as new schools and classrooms within easy walking distance, hiring more teachers, and activating community support. The government has also increased demand by eliminating school fees and providing girls' scholarships.

3.3 WOMEN, LEGAL REFORM AND DEVELOPMENT IN AFRICA

In many societies in Africa, a wide range of laws, and regulatory practices still prohibit and/or impede women to a greater extent than men. The World Bank has ventured to address this gender-responsive legal reform. The first ever Women in Development (WID) programme progress report was presented to the Bank’s Board in February 1990 which proposed various categories of actions including country-by-country assessment of specific legal and regulatory problems. These assessments were carried out in Cameroon, the Central African Republic, Cote d’ Ivoire, Ethiopia, Guinea-Bissau, Mauritania, Mali, Nigeria, Senegal, Tanzania, Togo, Uganda, Zaire and Zimbabwe. Following up these results, the programme “legal Reform Issues for the women in Africa” was initiated in July, 1991 by the newly established Africa Gender Team of the World Bank. Its objective is to develop a sound understanding of the causes and significance of legal constraints to the economic empowerment of women. In this first phase, an overview of the issues in the region was elaborated in a series of three papers: Law as an Institutional barrier to the Economic Empowerment of women; Gender, the Evolution of Legal Institutions and Economic Development in Sub-Sahara Africa; and Women - in – Development. The Legal Issues in Sub-Saharan Africa today (World bank, 1994).

The first challenge was to construct a conceptual framework for an integrated analysis of law, gender and economics. The next challenge was to apply this framework for pre-colonial and colonial Sub-Saharan Africa to develop an understanding of the origin and rationale for gender bias in extant laws. The World Bank’s lending programme and sector work would thus incorporate support for:

- Constitutional, statutory and regulatory reform;
- Legal literacy initiatives and
- Country case studies and workshops to formulate specific strategies for legal reform (World Bank, 1994).

It is in its involvement with legislative reform and capacity building of the judiciary that the World Bank can introduce into the dialogue a consideration of the relevant gender issues and how they are perceived by the people involved in legal reform. Here, the World Bank can make suggestions as to particular areas of interest such as the differential impact on men and women of such a reform process. The World Bank may also encourage the borrowing country to take certain gender issues into consideration when planning law reform. Working within the preparation and implementation process of lending operations provides a framework and specific instruments with potential for effecting gender responsive legal reform. Providing technical backstopping, together with the identification of the financial resources needed to
support the formulation of a country-specific strategy and programme of gender-responsive legal reform is another proactive approach (World Bank, 1994).

Significant gains have been made by African governments over the past thirty years in increasing access of girls to education. The cross-cultural study of women’s educational outcomes has increased tremendously since the 1970s (World Bank, 1996). See Appendix 1 for the summary of World Bank Intervention on female Education.

3.4 HIGHER EDUCATION QUALITY ASSURANCE IN AFRICA

Tertiary education is central to economic and political development and vital to compete in an increasingly globalizing knowledge society. In the case of Africa, tertiary education plays a critical capacity building and professional training role. Sub-Saharan Africa (SSA), with about 740 million people, some 200 public universities, a fast increasing number of private higher education institutions and the lowest tertiary gross enrolment ratio in the world (about 5 percent) and pressure from a rapidly transforming labour market have combined to raise new concerns about quality (World Bank, 2007).

Quality Assurance costs money and time of highly-skilled individuals. Without adequate funding, the quality of Quality Assurance process- and Hence the credibility and integrity of their outcomes-are threatened. In some countries in Africa, quality improvement funds have been set up through, a World Bank credit as in Mozambique, Ethiopia, Ghana, etc. These funds no doubt have a positive impact on quality and catalyze needed reform and innovation.

The World Bank has been involved in several projects in recent years that have had quality assurance and accreditation as integral parts of its investments. These include projects in Cameroon, Egypt, Ethiopia, Ghana, Madagascar, Mozambique, and the Gambia. The World Bank’s experience accumulated over the years, coupled with its financial assistance programme is an invaluable resource that could be tapped to strengthen the quality of higher education in Africa (World Bank, 2007).

World Bank-funded projects were directed towards the establishment of National Quality Assurance Bodies, the training of a critical most of peer reviewers within agencies as well as within institutions, and the setting up of the Quality Assurance system within individual tertiary institutions. Assistances were also provided to support peer-to-peer learning among those in other regions where Quality Assurance systems are more mature (World Bank, 2007).

The World Bank used their convening power to encourage and support regional collaboration in higher education quality assurance. Cooperation could take the form of sharing technical expertise, knowledge, and solutions in support of cost-efficient Quality Assurance reviews. Collaboration also devised solutions to cross-border Higher Education quality issues (World Bank, 2007).

The World Bank also plays the role of a global observatory of Quality Assurance developments. In this context, the World Bank would systematically monitor and review global Quality Assurance developments and provide advice and documentation to countries on a range of important Quality Assurance topics (World Bank, 2007). The World Bank, through its engagement programmes with countries (possibly supported under the newly introduced African Catalytic Fund), encouraged the development of a culture of quality within institutions of higher learning through various capacity-building activities. This includes workshops on methods and procedures for academic reviews, the provision of start-up funding, and technical assistance with regard to self-studies, internal (or external) peer review of the programmes examined, report preparations, and remedial funding to enable institutions correct quality deficiencies identified in the course of the individual academic programme review. Such programmes no doubt laid the groundwork for quality assurance in places where it is not yet in place and
reinforce an emerging culture of quality where Quality Assurance is already practiced (World Bank, 2007).

A study carried out by the World Bank on, African countries adopted two-phase approach. The first phase comprised a mapping exercise designed to obtain an overview of the status, scope and activity level of quality assurance in all the 52 countries of the continent. The second phase comprised a detailed study of quality assurance processes in six country case studies (Cameroon, Ghana, Mauritius, Nigeria, South Africa and Tanzania), (World Bank, 2007). In some countries in Africa quality improvement fund, have been set up, mainly with external support through a World Bank credit, Mozambique established a Quality Enhancement and Innovation Fund (QEIF) in 2002, the implementation of which has been rated as “highly successful” (World Bank, 2004a).

Ethiopia recently established a similar facility- the Development Innovation Fund (DIP) - also through World Bank support to Innovations in relevance, content’ and quality of academic programmes (World Bank, 2004b). Ghana too has established a Teaching and Learning Innovation Fund (TALIF) with World Bank financing “to support improvement in quality, relevance and efficiency of the teaching and learning process”. Similar funds are envisaged in Nigeria and Tanzania. In this case the World Bank is another effective way to not only strengthen quality but also to catalyze needed reform and innovation.

4. WORLD BANK FUNDING INPUTS IN PROMOTING EDUCATION IN AFRICA

Psycharopoulos (1995) stresses that between 1962 and 1994, the World Bank lent $28 billion to 110 countries for education, health, nutrition and population programmes. Out of this amount, education received more than half the total amount. As further reported, until 1994, new lending each year was in the neighbourhood of $2 billion for education, $1 billion for health, $180 million for nutrition and $150 million for population. Apart from financial assistance, the agency also provides technical assistance to developing countries.

In this regard, the view of the World Bank (1995) is that many African countries are financially and managerially threatened in their capacities to fund education. Having realized this, the World Bank is taking the bull by the horns to salvaging and engineering the African education through a number of interventions viz:

• An intervention fund to increase secondary school enrollment, diversify the secondary school curriculum, increase the number of secondary and technical teachers and to teach craftsmen and technicians, March 1, 1965 and December 31, 1977.
• The World Bank’s education loan was given the second time, to cover the period between April 18, 1972 and December 31, 1979.
• World Bank’s education loan to improve the quality and efficiency of middle level technical manpower as well as the planning, management and coordination of technical and vocational education.
• World Bank made a major tilt in its lending policies in the 1990s. This tilt has been towards supports for textbooks, teacher training, laboratory equipment, learning assessments and research.
• Provision of a loan facility to fund universities in the provision of books, journals and equipment.
• Provision of loan designed to upgrade the quality of primary education, increase primary school enrollment and boost institutional capacities.
• In specific terms, the IBRD has provided some textbooks in five subjects for primary one pupils.
• During the 2003 fiscal year World Bank gave a loan for university system innovation (IBRD/World Bank, 2002). Thus, having five components that take care of almost entirely the aspects of Africa’s educational development innovative approaches, planning and management, capacity building, prevention and control of HIV/AIDS and others.
5. THE IMPLICATIONS OF WORLD BANK AND IMF’S SUPPORT ON AFRICA

The World Bank and IMF’s Support to African’s educational development have varied implications which include viz:

a) Improving the Environment for Investment: The debt overhang that many African countries have accumulated discourages private investment by reducing the expected after-tax rate of return on capital. The World Bank and the IMF’s enhanced Heavily Indebted Poor Countries (HIPC) Initiative aims at providing faster, deeper, and broader debt relief to as many as 30 countries, mostly in Sub-Saharan Africa, while establishing a close link between debt relief and poverty reduction.

b) Raising Productivity and Growth: The rates of return on both capital and labour and the overall productivity of the Sub-Saharan African economies have been improved through trade liberalization and a rigorous fight against corruption. In several African countries, the IMF has required that instances of fraud be investigated and together with the World Bank, has asked for external audits of major public sector entities in countries where fraud, financial improprieties, or a lack of transparency was suspected. In a few countries, the IMF has had to delay, interrupt or refrain from extending a programme because a major episode of corruption or fraud was unresolved (IMF, 2000).

c) Raising Government Spending on Education: Recognizing that human capital formation is an important determinant of growth, the IMF and the World Bank have stressed that the Sub-Sahara African countries need to increase the share of government spending devoted to education and health infrastructure.

d) Ensuring Transparency and Accountability: Spending is not the whole story however. There is statistical and anecdotal evidence of a large gap between budgetary appropriations and effective, improvements in education in Sub-Saharan Africa. The World Bank and IMF ensured that outlays earmarked for education are not diverted to other uses and that, schools in rural areas get their fair share in public funds.

e) Reducing the Burden of Funding: The burden of funding education in Africa is heavy but the IMF and the World Bank have significantly reduced the cost of education at various levels.

f) Increasing the level of Literacy: African countries have in one way or the other enjoyed the support of the World Bank and the IMF which invariably enhanced literacy levels of the citizenry.

g) The education quality is enhanced: The effectiveness of training will be increased by locating training close to the actual work sites and alternating training and practice.

h) Raise public awareness about the value of education for all.

i) Forge partnerships for action among communities, private and public sector organizations.
j) Pursue more coherent national frameworks for planning and implementing.

k) Work for better coordination and mutual support among policy.

l) Enhancing access: Access is indicated by enrollment figures, which show that the continent invested in quantity education rather than quality.

6. CONCLUSION AND RECOMMENDATIONS

The contribution of education to national development cannot be overemphasized particularly among the developing nations. Government policy makers and development groups in Africa have stressed the importance of increasing and improving the quantity and quality of education at all levels, it is obvious that the various governments in Africa certainly do not have the capacity to cope with the heavy burden of funding education, hence, the strategic support of strong international donor agencies like the World Bank and the International Monetary Fund (IMF). From the above exposition the World Bank and the IMF together have positively influenced development strategies of most African countries particularly in the sphere of education. The following suggestions are given for an enduring educational development in Africa.

• There is a need to focus primary education efforts on improving learning outcomes, particularly among the poor and disadvantaged.
• Improve the performance of sector management in support of learning outcomes.
• Re-orient the Fast-Track Initiative towards support for improved learning outcomes, in parallel with the MDGs emphasis on primary school completion.
• Programme quality must be monitored more systematically to assess impact.
• There is a need to ensure that these funds are backed by an appropriate funding policy and practice so that they may be sustainable beyond the lifetime of the respective donor-funded projects.
• Need for more support from international agencies especially in the areas of research and infrastructure.
• There should be need for a continental survey of facilities and personnel to provide the necessary data base for planning interventions and improvements.
• Need for well qualified practitioners and the institutionalization of the training programmes for all levels of education.
• Emphasis should be placed on quality to match the quantity.

REFERENCES


Appendix 1: A Summary of Promising Interventions to Promote Female Education

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<th>Demand Side Factors</th>
<th>Possible Interventions</th>
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<tr>
<td>Household and Community factors</td>
<td>* Lower the cost of school materials Introduce bursary, scholarship and fee waiver programmes, school lunches, medical and health support such as de-worming.</td>
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<tr>
<td>High direct costs of schooling</td>
<td>* Adjust the school calendar to accommodate household child labour requirements</td>
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<td>High opportunity costs of schooling</td>
<td>* Reduce the distance between school and home.</td>
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<td>Low private economic returns to girls education</td>
<td>* Use satellite schools</td>
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<tr>
<td>Chastity and sexual safety</td>
<td>* Provide child care and pre-school facilities, promote labour-saving technologies.</td>
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<td>Low demand for female education</td>
<td>* Improve the legal and regulatory systems to enhance women’s status</td>
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<td></td>
<td>* Make education curricula more responsive and relevant to livelihood and market demand</td>
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<td></td>
<td>* Increase community participation in schools</td>
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<td>* Construct culturally appropriate facilities</td>
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<td></td>
<td>* Promote more female teachers</td>
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<td></td>
<td>* Secularize Koranic schools</td>
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<td></td>
<td>* Launch information campaigns that engage community, religious and civic leaders</td>
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<td>* Promote adult literacy programmes.</td>
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<th>Supply-Side Factors</th>
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<tr>
<td>School level factors</td>
<td>* Increase enrolments by lowering the enrolment age</td>
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<tr>
<td>Enrolment and promotion policy</td>
<td>* Reduce drop-out rates, review repetition and expulsion policies</td>
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<tr>
<td>Management calendar and safety</td>
<td>* Provide child care facilities</td>
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<tr>
<td>Curricula</td>
<td>* Institute flexible hours</td>
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<tr>
<td>Materials</td>
<td>* Improve achievement review learning materials for gender bias, improve sciences and math teaching</td>
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<tr>
<td>Methods</td>
<td>* Promote female teachers in the sciences</td>
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<tr>
<td></td>
<td>* Establish science laboratories and school libraries</td>
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<td></td>
<td>* Institute tutoring and mentoring programmes.</td>
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<td></td>
<td>* Promote gender sensitivity training in all pre and in-service training courses and educational managers.</td>
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<th>Political and Institutional Factors</th>
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<tr>
<td>Policy on school girl pregnancy, promotion of female education, training of staff, attitude, will and commitment to empowering women and the poor legal status of women.</td>
<td>* Create a favourable environment to support women and the poor through policy review</td>
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<td></td>
<td>* Invest in the necessary structures, school, facilities for girls, toilets, dormitories, wall.</td>
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<td>* Launch information campaigns</td>
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<td>* Enhance the status of women through the regulatory process</td>
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<td>* Adopt poverty-alleviating strategies that release women and girls, from the tasks of water and fuel collection for more productive activities.</td>
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<td>* Improve women’s access to the formal labour market.</td>
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Adapted from World Bank findings, 1996