



Donor's motivation of the educational aid



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ABSTRACT

A substantial number of studies on development aid have explored the reasons for donors' aid allocation decisions, but few studies exist on the educational aid sector, which fail to provide evidence for educational policymakers to evaluate regarding inquiries about allocative efficiency, equal allocation, and rhetoric with regard to international commitments for educational development. This article examines donors' motivations to provide educational aid using 169 recipient countries between 1995 and 2014. By examining four rational choice models, the results show that donors respond to the recipient country's needs, particularly regarding gender disparities, and they also favor countries that can use the aid properly. The study does not find evidence that donors pursue their own self-interest or prioritize fragile states.

1. Introduction

Although a substantial amount of literature has shown that educational aid has made a positive impact on educational development in the recipient countries (Birchler and Michaelowa, 2013; D'Aiglepiere and Wagner, 2010; Dreher et al., 2008; Michaelowa, 2004; Michaelowa and Weber, 2007, 2008; Riddell and Niño-Zarazúa, 2016), the discussion regarding how to make this educational aid more effective is still underexplored. Since 2008, when the global conference of the Paris High Level Forum on Aid Effectiveness¹ was held, scholars have suggested several approaches to improve the impact of educational aid, such as providing a transparent process, increasing the dialogue between donors and recipients, promoting joint action (Global Partnership for Education, 2012), reducing the cost and conditionality of aid transactions (Ashford and Biswas, 2010), evaluating donor types and governance (Christensen et al., 2011), and harmonizing aid modalities (Cassidy, 2010; Hattori, 2009).

In this discussion, scholars argue that enhancing aid allocation efficiency is an approach that increases educational aid effectiveness. Fredriksen (2010) argues that if individual donors make more strategic aid allocations, the overall impact of aid on educational outcomes will increase. In fact, it seems obvious that if aid is not allocated based on the needs of the recipient countries, the overall impact of the aid will be less effective. Moreover, the international community agreed in 2000 in the global agreement of the Dakar Framework for Action (UNESCO, 2000)² to make a 'collective commitment' to prioritize educational aid

allocation to countries in need. However, recent statistics show seemingly unequal and inefficient aid allocations in which the aid to low and low-middle income countries declined 6% and 25%, respectively, whereas the aid to upper-middle income countries increased 5% between the two periods of 2010–2012 and 2008–2010 (UNESCO, 2015).

However, in discussing allocation efficiency or in even criticizing current allocation patterns, the evidence concerning whether donors provide aid to countries in need and what motivates donors to provide aid is very limited. Although the literature that examines overall development aid has produced a substantial amount of evidence for this discussion, studies that focus on the educational sector are still scarce. The evidence from the overall development aid literature shows that donors provide aid not only based on need but also to pursue their personal objectives or concerns regarding the outcomes that they can expect from their aid. This evidence, however, may not be applicable to the educational sector, because the educational sector has different characteristics from the general development aid that includes more commercial-oriented sectors, such as the agriculture and energy sectors. Thus, donors may have different or unique motivations to provide educational aid.

To the best of my knowledge, there are three studies that have tested whether donors provide aid to countries in need, although their findings contradict one another and are thus still inconclusive. Thiele et al. (2007) find that donors did not target educational aid to countries in need between 2002 and 2004 as measured by the net primary school

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¹ The Paris Declaration suggested five mutually reinforcing principles to improve the effectiveness of aid in general, namely, ownership, alignment, harmonization, managing for results, and mutual accountability.

² The Dakar Framework states that "the challenge of education for all is greatest in sub-Saharan Africa, in South Asia, and in the least developed countries. Accordingly, while no country in need should be denied international assistance, priority should be given to these regions and countries" (UNESCO, 2000).

enrollment, primary school completion rate, and average years of schooling. Conversely, Nelson (2010) shows that in an examination of six major bilateral donors, namely, Canada, France, Germany, Norway, Sweden, the United Kingdom, and the United States, between 1981 and 2004, educational aid flows were responsive to the primary school completion rate of the recipient country that particular donors found to be strategically important. Similarly, Dreher et al. (2014) show evidence of donors' responsiveness concerning gender inequality, and aid went to countries that had larger gender gaps and a lower rate of females in primary school completion and tertiary enrollment from 2002 to 2011.

The evidence from the literature that has examined other motivations to provide educational aid is also limited, which constrains the arguments regarding allocative inefficiency. Turrent and Oketch (2009) examine the relation between educational aid allocation and the fragility level of the recipient country by examining 52 low-income countries from 1999 to 2006; they find that the countries that are categorized as fragile states receive less aid than the countries that are categorized as non-fragile states. Baulch and Le (2015) examine social sector aid, including education, health and population, between 2009 and 2011 and find that the disbursement pattern of social sector aid simply follows the total development aid pattern. By conducting interviews concerning donors' financing decisions, Steer and Wathne (2010) report that regarding the issue of prioritizing aid to the basic educational sector, donors face many difficulties in their decisions, such as weak prioritization and leadership and little evidence of advocacy.

Reviewing the previous literature demonstrates that there are two deficiencies in the literature that constrain the critical arguments for allocation efficiency in the educational sector. First, no studies use a comprehensive data set that includes the total sum of educational aid, which represents the international 'collective commitments' to global educational goals, and that occurs over a long period of time, which allows for the consideration of historical changes in allocation. Second, none of the previous studies thoroughly examines donors' other motivations, which could potentially explain aid allocation in the educational sector. These deficiencies in the literature fail to provide evidence for educational policymakers to evaluate inquiries regarding not only allocation efficiency and, therefore, equal allocation but also the rhetoric concerning the international commitments to educational development. This lack of evidence may cause a decrease in allocation efficiency and the educational aid to be thus ineffective.

Accordingly, this study aims to extend the prior literature on donors' motivation to provide educational aid by using the total sum of educational aid and a long time duration and by testing other potential motivations. Following the previous literature, I use the rational choice model as a central theory and examine four particular models, namely, recipient's needs, donor's self-interest, good governance and fragile states. It is noteworthy that the total educational aid includes the aid from multilateral donors, such as the United Nations (UN) and the World Bank. This inclusion of such organizations may be a concern because if in principle, they do not have self-interest as a motivation, such as a political or economic return from the recipient country, then the portion of multilateral aid that includes these organizations is inappropriate for the analysis. However, the starting point of this study is to provide evidence to criticize or support the international 'collective commitment' that donors agree to prioritize educational aid allocation to countries in need. Therefore, I use total educational aid as a group and reveal the group's motivations to provide educational aid.

This study proceeds as follows. In the next section, I explain the theoretical framework for four rational choice models by reviewing the literature on overall development aid and other aid sectors. Section 3 describes the data and the methodology. Section 4 shows the results of the analysis regarding the motivations for aid allocation. The results are also checked for robustness. Finally, Section 5 provides a conclusion.

2. Theoretical framework

Following the previous literature, I employ the rational choice theory as a central framework to seek an explanation for donors' motivation in educational aid allocation. The rational choice theory is a theory to understand social and economic phenomena by focusing on individual agents who make choices. This theory is based on the premise that individual agents have preferences or rationales among the available choice alternatives and make their choices to maximize their happiness or utility (Edgeworth, 1881), which is therefore called rational choice. In the context of educational aid, it is assumed that a donor country has a certain rationale concerning which countries it likes to provide aid to, and it chooses countries to maximize its rationale. This rationale is particularly severe in the context of development aid, because this aid comprises not eternal but very limited resources, and donor countries attempt to exploit the most resources to pursue their rationale. Some rationales depend on the context, for instance, happiness, utility, and efficiency. In this study, I examine four models of rationales that are informed by previous studies and that are described as relevant in general aid discussions. These four models are recipient's needs, donor's self-interest, good governance, and fragile states. Fig. 1 shows a diagram of the rational choice model of educational aid allocation that I created for this study.

2.1. Recipient needs

The first model is based on equity allocation, a more specific term for the need principle that supposes that donors provide more aid to the places that are most in need. The definition of the equity varies depending on the context; in some cases, equity means that the resources are allocated based on the efforts that one exerts or that the same amount of resources is allocated without considering any conditions. In the context of international educational aid, equity is generally considered in terms of the need principle. Many international laws,³ confirm that education is a human right and that the international community has a responsibility to support the provision of quality education to all children in the world with as much aid as is necessary, despite a country's efforts. This model is related to a humanitarian motive in which donors are expected to be ethical in their decisions and to provide aid to countries with the most expansive needs for educational development.

As previously presented, this model is plausible to analyze educational aid and, therefore, development aid overall. However, the model has only explained aid when this aid is conditioned by a certain category, such as by donor type, period and aid sector. By conditioning the overall aid by donor type, Maizels and Missanke (1984) show that the model explains the multilateral aid allocation in the 1970s by measuring needs with the three proxies of GDP per capita, the Physical Quality of Life Index (PQLI)⁴ and the balance-of-payments current account to GDP. The later study of Claessens et al. (2009) shows that bilateral aid also responds to poverty needs as measured by GDP per capita and population between 1990 and 2004. Dreher et al. (2011),⁵ compare two groups of donors, old/traditional donors and old/emerging donors, from 2001 to 2008 and present that old/

³ Several examples include Article 26 of the Universal Declaration of Human Rights, Articles 13 and 14 of the International Covenant on Economic, Social and Cultural Rights, the 1960 UNESCO Convention against Discrimination in Education, the 1981 Convention on the Elimination of All Forms of Discrimination Against Women, the 2006 Convention on the Rights of Persons with Disabilities, and the African Charter on Human and Peoples' Rights.

⁴ PQLI is published by the Overseas Development Council. The score is calculated based on an average of life expectancy at age one, infant mortality and literacy.

⁵ The authors also refer to Development Assistance Committee (DAC) donors and non-DAC donors. The non-DAC donors in the study include the 16 countries of Brazil, Chile, Colombia, Estonia, Hungary, the Republic of Korea, Kuwait, Latvia, Lithuania, Poland, Saudi Arabia, the Republic of Slovakia, the Republic of South Africa, Taiwan, Thailand, and the United Arab Emirates.

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