

Private sector called upon to support education

The Education for All (EFA) Global Monitoring Report 2012, Youth and Skills: Putting Education to Work, published in October 2012, is being released in time for the world economic forum taking place in Davos on 23 January 2013.

The paper highlights that the private sector's contributions to education are less than 0.1% of profits of two of the world's biggest oil companies Exxon and Shell. Current private contributions to education in developing countries, totalling US\$683 million a year, are equivalent to only 5% of all aid to education. The private sector, which benefits from an educated, skilled workforce, should reportedly take a much bigger role in funding education worldwide.

The new policy paper shows how little education receives compared with other private sector contributions to development; 53% of US foundations' grants are allocated to health but only 8% to education. Just five corporations - Banco Santander, Cisco, Intel, Coca Cola and Exxon - make up the majority (60%) of the private sector contributions to education. To give an idea of the small scale of those contributions, Coca Cola's \$24 million amounts to less than 0.3% of its latest reported annual profits. Exxon, described as the world's biggest company, contributes 0.06%.

No high-profile supporter

Pauline Rose, director of the EFA Global Monitoring Report, said, "Education doesn't have a high-profile supporter like Bill Gates encouraging other private organisations to contribute. The private sector shouldn't need to be told the importance of investing in education, but it does need someone to champion its cause and remind them that they are one of the first to benefit from an educated, skilled workforce."

In 2011, total development aid decreased for the first time since 1997; aid to education is now expected to stagnate until 2015 despite a funding gap of \$16 billion a year just to send all children to pre-primary and primary school. Progress towards the Education for All goals, which is impossible without funding, has now slowed, with less than three years to go until the deadline.

"For political and business leaders gathered at Davos, our message is simple: as populations grow, if funding continues to stagnate, the world will end up with more children out of school than today - exactly as we are already seeing in sub-Saharan Africa. Companies must recognize what a good case for investment this is: If all students in low income countries left school with basic reading skills, poverty would fall by 12% and that's good for business."

Primary education needed

The EFA Global Monitoring Report shows private sector contributions often do not reach those most in need, and are often only short term.

Most ICT companies direct their contributions towards emerging markets such as Argentina, Brazil, Chile, China and Mexico, for example, rather than the poorest countries.

Two of the top five contributing foundations (Carnegie Corporation of New York and Ford Foundation) and the top corporation (Banco Santander) allocated 80% of their grants towards scholarships and higher education - even though most developing countries are struggling to achieve good quality primary education and 61 million children are still out of school.

There is also a danger that corporate contributions align more closely with business interests than country needs. Pearson International donates to low fee private schools in Ghana and Kenya, an area that is closely aligned with business interests and undermines global policies to strengthen national public education systems.

Recommendations

The 2012 EFA Global Monitoring Report makes four recommendations for improving and increasing funds from the private sector to education:

1. All private organisations should be transparent about the amount and purpose of their commitments. This would allow scrutiny to ensure that business interests do not override collective goals, while also giving information on the amount of resources available to fill the EFA financing gap.
2. To have a lasting impact on EFA, private organisations need to provide sufficient funding over several years to assure the sustainability of initiatives because education is a long-term endeavour
3. Better evaluations need to be carried out of the impact of private sector interventions.
4. Private organisations should align their support with government priorities and countries' needs. The Global Partnership for Education could play a larger role in pooling and disbursing funds to this end.

Leaders should use the global stage at Davos to step up alongside governments and donors and help fill the funding gap to reinvigorate progress towards Education for All.

To download the policy paper, go to www.efareport.unesco.org.

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