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The financing of adult education

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Participants à la conférence de Bamako
es **OUI** à **3%** du budget de l'Education Nationale
en faveur de l'Alphabétisation !
ur vaincre le SIDA et promouvoir le développe

Kalan de be
Jamana bang
la!

SYNDICAT DES ENSEIGNANTS
UNION DES ENSEIGNANTS

Kalan be Sida
bana Kéleli
nogo ya

demistwa ko
baliku Kalan
b'ama ko pitu
Sabali!

be-ki sebe
fin
beni-yebe

ASSOCIATION POUR
L'EDUCATION

ASSOCIATION POUR
L'EDUCATION

CHAPTER 6

THE FINANCING OF ADULT EDUCATION

Adult learning and education are a central component of effective development strategies that seek to ensure the long-term well-being and sustainability of a nation. Earlier chapters have illustrated essential elements of an optimal adult education strategy: good governance (Chapter 2); a balance between public and private provision (Chapter 3); expanded participation and equitable access (Chapter 4); and effective quality provision involving well-trained and motivated staff (Chapter 5). This chapter focuses on the issue of the financial resources needed to revitalise adult education. In particular, it examines the extent to which the commitment to improve its financing, made at CONFINTEA V in the *Hamburg Agenda for the Future*, has been met.

Three key questions are addressed. First, are the resources devoted to adult education adequate and, if not, in what sense and what is the shortfall? Second, who should pay for adult education programmes and how? Third, what policy lessons have been learned about mobilising desirable levels of resource commitments for adult education? A brief review of the current state of the data on adult education financing provides some necessary background.

6.1 The current state of adult education financing: an overview of available data

Participants at CONFINTEA V committed themselves to improving the financing of adult education, 'seeking to invest, as proposed by the International Commission on Education for the Twenty-first Century, at least 6 per cent of Member States' gross national product (GNP) in education and by allocating an equitable share of the

education budget to adult education.' An "equitable share" was assessed at 3% of the total education budget. It would seem at first glance that a simple measurement of progress towards this aim would show the scale of improvement made but, regrettably, data issues make this a far from straightforward task.

With different interpretations of the meanings associated with adult education and the number of public and private stakeholders involved, reliable and comparable data on adult education financing are difficult to obtain. Out of 154 National Reports, only 57 countries (37%) provided information on budget allocations to adult education. Closer examination of these figures reveals inconsistent responses: some refer to adult education expenditures as a percentage of Gross Domestic Product (GDP); others to the share of the state budget; and still others calculate the share of the education budget devoted to adult education. In addition, reports differ as to which components of adult education (literacy, non-formal education, vocational education or post-compulsory education) are included.

The scant figures cited in the National Reports preclude a comprehensive evaluation of which countries have or have not reached the 6% benchmark and, if so, whether an "equitable" share is allocated to adult education. Examination of the 2009 Global Monitoring Report shows that comparable data on total public national expenditure on education as a share of GNP exists for only 47 countries for 2006 and, of these, only 14 (Belarus, Cape Verde, Cuba, Djibouti, Ethiopia, Guyana, Kenya, Lesotho, Maldives, Republic of Moldova, New Zealand, St. Lucia, Seychelles and Ukraine) have allocated at least 6% of their GNP to education.

GDP

Gross Domestic Product (GDP) and Gross National Product (GNP) are the two most common means of measuring the size of a country's economy. By comparing results from previous reporting periods, it is possible to determine if the overall economy is growing or shrinking. GDP can be thought of as the total value of all goods and services produced within the borders of a particular country for a given time period (usually one year). Everything produced in the country is counted without regard to the nationality of the workers involved or the ownership of the firms producing the goods – in short, if it is produced within the country's borders, it is counted as part of the GDP.

(<http://www.fxpedia.com/GDP>)

GNP also measures the value of goods and services produced in the country, but ownership and employee location are considered when determining final value. GNP includes goods and services for all domestically-owned firms, as well as goods and services produced in foreign countries by domestic companies. In return, goods and services produced in the country by companies that are foreign-owned are not included in GNP – these are the major differences between GDP and GNP calculations.

Since 2001 the World Bank no longer uses the term “Gross National Product” and has replaced it with “Gross National Income”.

(<http://www.fxpedia.com/GDP>)

Determining how much of education’s share of national income is allotted to adult education is therefore extremely problematic, especially as many of the world’s major economies have adopted GDP as their preferred base figure rather than GNP. The National Reports of Germany and Hungary present adult education’s share of GDP as 1.05% and 1% respectively. Earlier figures from OECD (2003a: 84) show that in 2001 Finland spent close to 0.6% of GDP on adult education (roughly 9.5% of its education expenditure). In 1998, Denmark and Sweden allocated 1% and 4.9%, respectively, of GDP on adult education.

Only the German National Report provides relevant information over a ten-year period (1996-2006), during which direct financing for continuing education as a proportion of GDP declined from 1.48% to 1.05%.

Very few countries – mainly affluent ones – actually meet the 6% recommendation. For example, public expenditures on education in the United Kingdom and the United States of America are about 5.5% and 5.3% of GDP, respectively, with private expenditure contributing an additional 1.3% and 2.4% respectively. Given the Nordic countries’ strong public commitment to free tuition for higher education, the level of public expenditure on education is about 7-8% per country, but there is little, if any, private expenditure disclosed. Appendix Table 4 presents detailed estimates of actual and recommended public expenditure on education as a percentage of GDP, including estimated shortfalls in relation to the 6% recommendation.

As previously noted, caution is needed when comparing such figures, given the lack of international standardisation. For example, Sweden includes in-service training in its figures, which partly explains why its share dwarfs that of other countries. The inclusion (or not) of direct and indirect spending significantly affects the estimates derived. Indirect spending by all stakeholders can be substantial. In the case of Austria it is estimated that indirect spending alone on adult education was equivalent to about 1.2% of GDP in 2004 (Austria National Report, 2008). This includes foregone taxes, wage costs during training periods, and individual opportunity costs.

While limited to European countries, the above figures demonstrate that spending devoted to adult education constitutes a very small proportion of GDP, supporting the view that adult education remains a marginalised sector. Moreover, to put the above adult education percentages into perspective, average total public expenditure on all levels of education for a high-income country was about 5% of GDP in 2005. Although the 4.7% world average education spending was an increase from the 4% being spent in 1998, it is still less than the recommended 6% of GNP.

Only a few developing countries come close to achieving recommended targets for the financing of adult education programmes. Cape Verde is the sole developing country that meets the recommended investment levels, with estimates of government spending on adult education reaching 8.7%. Mozambique and Nigeria come close, with national budgetary allocations to adult education of 3.5% and 2.4%, respectively (Aitchison and Alidou, 2009). Even in these cases, it is clear that if the aim is for adult education to receive an “equitable share” (ie, 3%) of education budgets and for governments to ‘dedicate at least 3% of their national education sector budgets to adult literacy programmes’ (Global Campaign for Education, 2005), then investments levels are woefully short.

Appendix Table 4 provides country-level estimates of investment shortfall for adult education. It also includes estimates to finance programmes for eradicating illiteracy. These estimates are based on the assumption that government expenditure on adult education varies according to a country’s income level (that is, 0.25% = low income; 0.50% = lower middle income; 0.75% = upper middle income; 1.00% = high income: non-OECD; 1.25% = high income: OECD).

Based on these calculations, an estimated global shortfall of US\$72 billion must be found if investment targets in adult education are to be met. Shortfalls exist for countries in all income groups. In fact, high-income countries account for about US\$41 billion of the total shortfall (since all investments are projected in proportion to GDP). An important difference in high-

Table 6.1
Allocations to adult education as a share of the education budget

Country/ Region	Share of education budget allocated to (specific sector of) adult education	Year
Arab States		
Morocco	0.50%	2006
Yemen	1.4% (Literacy and adult education)	2007
Asia-Pacific		
Cambodia	Up to 2%	annually
China	1.87%	2005
Kyrgyzstan	16.9% (7.6% for elementary professional education, 3.4% for general professional education, 5.9% for higher education)	2007
Lao People's Democratic Republic	1% (Non-formal education) 5% (Vocational education and training)	2006/2007
Nepal	1.13% (Literacy and Non-formal education)	2005/2006
Pakistan	0.74% (Literacy)	1998-2003
Papua New Guinea	4.6% (Non-formal education)	2005
Vietnam	2.83% (Adult and non-formal education)	2005
Europe and North America		
Armenia	0.49%	2008
Austria	average of 2.3%	annually
Finland	11% (52% of this to vocational education and training; 20% to liberal education)	2008
Ireland	1.96%	2008
Portugal	6.3% (5.8% to young people education, 0.5% to adult education)	2008
Russia	1.4% (re-training)	2008
Serbia	1.63%	2006
Turkey	2.5% (Non-formal education and apprenticeship)	2008
United Kingdom	29% (Post-compulsory education and training, mostly for young people)	2005/2006
Latin America and Caribbean		
Bolivia	3.22%	annually
Costa Rica	0.024%	annually
Dominican Republic	2.72%	2008
Guatemala	less than 1% (Literacy)	annually
St Lucia	14%	annually
Sub-Saharan Africa		
Botswana	1.2% (Non-formal education) 4.1% (Vocational education and training)	2007/2008
Cape Verde	8.71%	2005
Chad	0.96% (Literacy)	2007
Equatorial Guinea	19.5%	2008
Gambia	0.30%	2008
Guinea	0.02%	1990-2000
Kenya	less than 1%	1998- 2008
Malawi	0.15% (Literacy)	2008
Mali	1.40%	2008
Mozambique	3% (Literacy and adult education)	2006/2007
Nigeria	1.41%	2008
Rwanda	0.5% (Literacy)	2008
Senegal	0.7% (Literacy)	2008
South Africa	Average of 1%	Annually
Zambia	2% (Literacy)	Annually

Source: National Reports prepared for CONFINTEA VI

income countries, however, is that private spending on adult education (including expenditure by individuals and firms) far outstrips this figure.

Critically important is the fact that the estimated global shortfall does not include the financial resources needed to eradicate illiteracy in the world. Given the size of the literacy challenge (see Appendix Table 5), meeting this target would require significant additional investments, particularly for low- and middle-income countries, and especially those in South and West Asia. For the Asia and the Pacific Region alone, about US\$9 billion per year for five years would be needed to reach the EFA literacy target – that is, reducing adult illiteracy rates by 50% by 2015) (Asia South Pacific Bureau of Adult Education, 2009). For most Asian countries, these investments fall within the range of 3% to 6% of their respective national education budgets.

Table 6.1 illustrates the wide variation in the share of education budget allocated to adult education (according to countries' own varying definitions): from 0.02% to 29%. Quite clearly, adult education remains a non-priority for many countries as it receives less than 3% of the education budget.

With data caveats in mind, the general assessment is clear: in the vast majority of countries current resources remain wholly inadequate for supporting a credible adult education policy. In 44% of the submitted National Reports, countries recognised the need to increase finances for adult education. The acute shortage of resources reinforces conclusions emerging from the National Reports submitted for CONFINTEA V in 1997 and in the Synthesis Report of the CONFINTEA V Mid-Term Review Meeting in 2003: there appears to have been little improvement in the quantity of resources allocated to adult education since the mid-1990s. The current global financial crisis and the slow growth outlook will exacerbate this dire financial situation.

At the national level the limited trend data give a mixed picture of how funding for adult education has developed (see Table 6.2). Of the 36 countries providing time series data, only Belgium (Flemish) Bhutan, Cambodia, Eritrea, Laos, Palestine, Republic

of Korea and Vietnam indicate that their expenditures for adult education have been consistently on the rise, whereas Senegal shows a steady decline in the reported period. For the remaining 26 countries, trends are mixed: in some years there were increases; in others funding decreased. This unpredictability in funding translates into major problems for both providers and learners on the ground.

6.2 Under-investment in adult education

The previous section underscored the unpredictability in adult education investment, based on the limited time series data available. Globally there is a noticeable tendency to under-invest in adult education. Data limitations and poor information systems on the costs and benefits of adult education have reduced the capability for informed policy-making and have led to under-investment.

There are market-related reasons why individual learners and employers may under-invest in adult education. Individuals, for example, cannot use skills acquisition as collateral for borrowing to invest in learning. Banks, too, are risk-averse when it comes to issuing loans for educational investment purposes. Although the average return is high, there is considerable variation around the average, with an attendant risk that the return on investment could be lower than the average. Many employers may under-invest in worker skill development because of the risk that their employees may be 'poached' by other employers, either in the same country or in neighbouring ones.

Governments may under-invest because they are unable to measure fully the wider benefits to society. There is considerable evidence that the overall returns to education are substantial (at least as high as the return on investment in physical infrastructure), and some evidence indicating that more equitable participation in education improves overall economic development (OECD and Statistics Canada, 2005; Coulombe *et al*, 2004). Nonetheless, there are many unresolved debates about the nature and extent of these benefits. In the case of adult education, these issues are especially challenging given the difficulties of measuring not

Table 6.2
Trends in public spending on adult education

Country	Trend			Reference Period	Sub-sector of adult education
	Constant Increase	Mixed	Constant Decrease		
Angola				2004 - 2008	Education of young adults
Belgium (Flemish)	x	x		2001 - 2007	Adult education
Benin				1997 - 2007	Literacy/ Adult education
Bhutan	x	x		2004 - 2007	Non-formal education
Botswana				2004 - 2009	Non-formal education/ Vocational education and training
Cambodia	x	x		2002 - 2009	Non-formal education
Chad				1997 - 2007	Literacy
China		x		1997 - 2005	Adult schools
Egypt		x		1997 - 2006	Adult education/ Literacy
Eritrea	x	x		1997 - 2008	Literacy/ Vocational education and training/ Continuing education
Finland				1997 - 2008	Vocational education and training/ Polytechnics/ Universities/ Liberal education
Gambia*		x		1998 - 2008	Adult education/ Non-formal education
Germany		x		1996 - 2006	Continuing education
Greece		x		2003 - 2007	Adult education
Jamaica		x		1997 - 2007	Adult education/ Vocational education and training
Japan		x		1989 - 2005	Adult education
Kenya		x		1998 - 2008	Adult education
Lao People's Democratic Republic	x	x		1995 - 2007	Non-formal education/ Literacy
Malawi				2003 - 2008	Literacy
Mauritania		x		2002 - 2005	Literacy
Nepal		x		2000 - 2006	Non-formal education/ Literacy
Nigeria		x		1997 - 2008	Adult education
Pakistan		x		1955 - 2003	Literacy
Palestine	x	x		2003 - 2007	Non-formal education/ Literacy
Papua New Guinea				2001 - 2005	Non-formal education/ Literacy
Paraguay		x		2000 - 2007	Adult education
Portugal		x		2001 - 2008	Adult education
Republic of Korea	x	x		2005 - 2007	Lifelong learning
Senegal*			x	2003 - 2010	Literacy
Seychelles				1998 - 2007	Adult education
South Africa		x		2003 - 2007	Adult education
St. Lucia*		x		1997 - 2008	Adult education
Tajikistan*		x		2003 - 2007	Professional adult education
Thailand		x		2000 - 2007	Literacy
Vietnam	x	x		2001 - 2005	Adult education/ Non-formal education
Total	8	26	1	35	
Percentage	23	74	3	100	

Source: National Reports prepared for CONFINTEA VI

Note: Countries marked * give relative data, not absolute, in their National Reports

only the monetary benefits but also the non-monetary benefits of adult learning and education, which are thought to be significant (Schuller *et al*, 2004).

While the list of potential societal benefits resulting from adult education is long (McMahon, 1999; Schuller *et al*, 2004; Feinstein and Hammond, 2004; Reder, 2009), empirical studies of such benefits are few and far between. When societal benefits accruing from an investment in adult education are opaque or unknown, then investment levels tend to be lower. As a result, some governments remain sceptical of the wider social benefits of investing in adult learning (see the

Box 6.1 The wider impacts of literacy education

Beyond learning reading, writing and numeracy, what is the impact of literacy learning on everyday life? This is discussed in the final report of the COL Literacy Project (COLLIT). With support from the British Department for International Development (DFID), COL undertook a pilot project in India and Zambia to explore ways in which literacy programmes might be enhanced through the use of appropriate technologies.

Although learners used writing skills less than reading skills, being able to sign their name and do small writing tasks enhanced their self-esteem. People reported using writing skills to sign forms and applications such as ration cards, attendance registers, children's report cards, bank forms and government documents. Numeracy skills were used mostly for counting and handling money, maintaining household accounts, reading bus schedules and telling time. Learners involved in wage labour used numeracy skills for monitoring wage payments, saying that now nobody could cheat them.

Literacy classes had the most profound effect on people over the age of 40. These people had considered themselves too old to learn, but soon realised they could learn to read, write and use technology. They gained confidence and felt more self-reliant in everyday life. They also believed their status in the family and community increased as a result of their improved literacy. Many parents in the COLLIT project developed a more positive attitude towards education and became more involved in their children's schooling. They were better able to monitor their children's progress and started to interact more with teachers. The COLLIT project demonstrated that the benefits of improved literacy extend far beyond reading, writing and numeracy. In fact, many of the impacts that people described had to do with everyday life and how they earn a living.

Source: Commonwealth of Learning website

Box 6.2 Pilot study in Latin America and the Caribbean on the costs of illiteracy

Research had demonstrated a strong correlation between income and schooling levels in Latin America. In 2008 the Economic Commission for Latin America and the Caribbean (ECLAC), together with the UNESCO Regional Bureau of Education for Latin America and the Caribbean (OREALC), developed a pilot study on the costs of illiteracy for individuals and society as a whole in the Dominican Republic, Ecuador and the Brazilian State of São Paulo. The study correlated years of schooling with income levels, employment levels and employment quality of the economically active population.

The preliminary results show that higher education levels are more likely to be linked to well-paid employment. On the other hand, illiteracy significantly reduces the income that employees may earn during their working life. Losses in productivity were calculated for different types of illiteracy (absolute or functional) and shown to be considerably higher for the State of São Paulo (US\$209 billion) than for Ecuador and the Dominican Republic (US\$25 billion).

Further research and development is required to address the social and economic costs of illiteracy in other areas such as health, education, social integration and cohesion, as well as intergenerational implications.

Source: CEPAL/UNESCO/OREALC (2009)

National Reports from the Czech Republic, Kyrgyzstan and Poland, 2008). Box 6.2 illustrates the start of a process to measure the societal costs of illiteracy.

The information available to make optimal decisions regarding the allocation, distribution and use of resources in the education sector is fraught with imperfections. For many governments, this lack of information means that they are unable to establish priorities, allocate adequate resources, and justify investments

in adult education. Likewise, lack of hard data prevents firms and individuals from assessing the costs and benefits, which can lead to reduced incentives and under-investment. Without political will, governments will not be able to take the first important step – developing accurate and reliable cost data on adult education or commissioning studies of the impact of these investments.

Given this lack of robust data on costs and benefits, it might be possible to use levels of investment in high-performing countries as a benchmark. While country circumstances differ, ideas and standards from the best-performing countries can inform adult education investment decisions even in poorer countries. Nonetheless, an important lesson is that high levels of GDP allocations to adult education reflect and derive from a strong social commitment to broad and equitable access to adult education (Chapter 4). It is necessary for governments to recognise explicitly adult education as a public good, since it promotes social cohesion, active citizenship and viable democratic institutions. Without this political commitment, investment at such levels is unlikely.

6.3 Stakeholder contributions: experiences and problems in determining who should pay

How should the large global shortfall in adult education investment be met, and what should be the appropriate share of costs contributed by different stakeholders – governments, employers, civil society organisations, donor agencies and individuals?

Economic principles suggest that who pays depends on whether the value to be gained is personal, social or economic and on who stands to benefit from this added value. The share of benefits accruing to different stakeholders varies by programme type. For example in work-related training programmes, if employees benefit in the form of higher wages, then employees should pay. If employers gain in the form of higher productivity and profits, then employers should contribute as well. If society stands to benefit – since industry and commerce become more competitive

and better able to attract investment and thus create more and better jobs – then there should also be a public contribution.

Unfortunately, such general principles provide only a weak basis for sharing the cost of adult education provision among partners. More often than not the benefits of each programme are not easily identifiable. Even if they were, it is difficult to identify an appropriate or fair share for each partner. What monetary value should be placed on a well-educated, skilled and participatory citizenry, or on the value of achieving equitable access to adult education for social cohesion?

In practice, therefore, governments use different criteria to decide on levels of resource allocation and cost-sharing arrangements. Three considerations are often involved: (1) adequacy – assessing the total resources needed for adult education; (2) equity – ensuring that the distribution of programme costs and benefits are fair; and (3) efficiency – employing funding mechanisms that maximise resource use. The efficiency with which the resources are used will determine their effectiveness, as well as the outcome and impact of adult education.

Information gleaned from the National Reports indicates that sources of funding for adult education are multiple and diverse. Of the 108 countries that provided funding information, only 26 (or 24%) mentioned a single source of funding. While governments still remain the main funding source, the private sector, civil society, international donor agencies and individuals also contribute substantially (see Table 6.3). Regional patterns can also be observed. In the Arab States, Asia and Europe, government is the main stated source of funding of adult education. In much of sub-Saharan Africa, international donors constitute the most common financial supporter of adult education, followed by civil society and then the public sector. In contrast, the private sector is the second most frequently mentioned source of funding in Europe, after the public sector.

The National Reports also describe a relationship between funding sources and programme type. In sub-Saharan Africa, for example, public funding is the

most frequently cited source for literacy, adult basic education and alternative schooling (non-formal education), though foreign aid or other donor funds may subsidise it (Aitchison and Alidou, 2009: 20). Substantial investment in workplace training tends to occur in countries with

larger industrial and commercial capacity (South Africa, for example), but data on this provision type is not easily collected (Aitchison and Alidou, 2009: 21). In the Arab States financing literacy and adult education is primarily a government responsibility. Civil society organisations contribute by

Based on responses to the following questions:

1.1. Financing of adult learning and education
Financing is often provided through a variety of channels. For a comprehensive picture, please give recent data on the following sections and describe trends that have emerged since 1997 (CONFITEA V):

1.2.1. Public investment in adult learning and education:
a) Share of the budget allocated to adult education within the education sector (indicate measures, activities, responsible bodies);
b) Share of the budget allocated to adult education from other sectors, made either directly or indirectly within their policies (indicate responsible ministries, describe activities);
c) Adult learning and education in decentralised/local budgets (local governments and authorities, municipalities, communities);
d) Other investment, e.g. from regional funds, transnational organisations, etc.

1.2.2. Foreign bilateral/multilateral donor investment in adult learning and education
• list annual amounts and key areas/activities.

1.2.3. Support to adult learning and education from private/corporate sector:
• provide data on annual expenditure from corporate sector; provide relations to e.g. overall national budget, overall expenditure from selected national and multinational enterprises.

1.2.4. Civil society support to adult learning and education (e.g. religious institutions, unions, NGOs).

1.2.5. Learners'/individuals' contributions to adult learning and education

1.2.6. Are there specific direct or indirect financial incentives in support of adult learning and education e.g. learning vouchers, scholarships, paid educational leave, special funds and funding schemes etc.? Are these specific to some programmes or general schemes? Please elaborate.

1.2.7. Are benchmarks (targets) in relation to financing of adult learning and education in place? In your context, what would be realistic benchmarks related to financing of adult learning and education?

Table 6.3
Sources of adult education funding, by region

	Arab states		Asia - Pacific	
Reports submitted		19		29
Public financing	Egypt, Kuwait, Lebanon, Mauritania, Morocco, Oman, Palestine, Saudi Arabia, Syria, Yemen	10	Australia, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, India, Iran, Japan, Kyrgyzstan, Lao People's Democratic Republic, Mongolia, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Tajikistan, Thailand, Uzbekistan, Vietnam	22
Private financing	N/A		Australia, China, India, Mongolia, Philippines, Republic of Korea, Thailand, Vietnam	8
Civil society financing	Jordan, Lebanon, Palestine, Sudan, Syria	5	Afghanistan, Bangladesh, Fiji, India, Japan, Philippines, Republic of Korea, Tajikistan	8
Donor financing	Egypt, Jordan, Kuwait, Lebanon, Morocco, Palestine, Syria	7	Afghanistan, Bangladesh, Bhutan, Fiji, Iran, Kyrgyzstan, Mongolia, Nepal, Tajikistan, Thailand, Uzbekistan	11
Learners' contribution	N/A		Australia, China, Fiji, India, New Zealand, Philippines, Republic of Korea, Vietnam	8

Source: National Reports prepared for CONFITEA VI

mobilising support and organising specific programmes under their guidance. However, the private sector's contribution is very small. All the National Reports in the region confirm that existing provision is insufficient (Yousif, 2009: 16).

a. The role of government

Countries differ widely in the degree of state responsibility for adult education. The Nordic countries are justly regarded as leaders in giving adult education a high priority for state action. Elsewhere public policy is perceived as having little to do with

Europe and North America Region		Latin America and the Caribbean		Sub-Saharan Africa		
	38		25		43	154
Armenia, Austria, Belgium (Flemish & French), Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Latvia, Lithuania, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America	35	Argentina, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Panama, Paraguay, Peru, St. Lucia, St. Vincent & the Grenadines, Suriname, Uruguay, Venezuela	18	Angola, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Equatorial-Guinea, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Swaziland, Togo, Uganda, United Republic of Tanzania	33	118
Armenia, Austria, Belgium (Flemish), Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Estonia, France, Georgia, Germany, Greece, Hungary, Ireland, Israel, Latvia, Montenegro, Netherlands, Romania, Russian Federation, Slovenia, Switzerland, United Kingdom	24	Argentina, Belize, Chile, Colombia, Dominican Republic, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Suriname, St. Lucia, St. Vincent & the Grenadines, Uruguay	15	Botswana, Burkina Faso, Cameroon, Gambia, Ghana, Kenya, Malawi, Mali, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Swaziland, Uganda, United Republic of Tanzania, Zambia, Zimbabwe	18	65
Armenia, Bulgaria, Croatia, Cyprus, Estonia, Germany, Hungary, Ireland, Israel, Lithuania, Montenegro, Norway, Poland, Romania, Slovakia, Switzerland, The Former Yugoslav Republic of Macedonia, United Kingdom, United States of America	19	Argentina, Belize, Bolivia, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Paraguay, St. Vincent & the Grenadines, Suriname	12	Benin, Botswana, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Eritrea, Ethiopia, Gambia, Ghana, Guinea-Bissau, Kenya, Liberia, Malawi, Mali, Namibia, Nigeria, Rwanda, Senegal, Seychelles, Uganda, United Republic of Tanzania, Zambia, Zimbabwe	25	69
Belgium (Flemish), Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Montenegro, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia	22	Brazil, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, St. Lucia, St. Vincent & the Grenadines, Suriname, Uruguay	15	Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Democratic Republic of Congo, Eritrea, Gambia, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Malawi, Mali, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, Swaziland, Togo, Uganda, United Republic of Tanzania, Zambia, Zimbabwe	30	85
Armenia, Austria, Belgium (Flemish), Bulgaria, Canada, Croatia, Denmark, Estonia, Finland, Germany, Hungary, Ireland, Israel, Latvia, Netherlands, Norway, Russian Federation, Slovakia, Slovenia, Sweden, Switzerland, The Former Yugoslav Republic of Macedonia, Turkey, United Kingdom	24	Belize, Dominican Republic, Jamaica, St. Lucia, St. Vincent & the Grenadines, Suriname	6	Benin, Botswana, Cameroon, Cape Verde, Chad, Democratic Republic of Congo, Gambia, Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Madagascar, Mali, Nigeria, Senegal, Seychelles, United Republic of Tanzania, Zambia	19	57

adult education, the main responsibility falling to employers and individuals (for example, in the Czech Republic, Kyrgyzstan and Poland); and in Japan and the USA upgrading the skills of the labour force is considered the responsibility of employers and employee organisations. Between the two ends of this broad spectrum there are interesting trends and examples of good practice, which have important financial implications for adult education.

In countries where public services are decentralised, whether at the federal, provincial or local levels, the responsibility for investing in adult education remains a key issue. South Africa's is one of the few National Reports discussing provincial-level funding (see Table 6.4), noting that it is not necessarily the best endowed provinces

that allocate more resources to adult education (more precisely, in this instance, to adult basic education and training).

To compensate for market under-investment in skill development, governments can play an active role in meeting labour market needs, particularly under adverse conditions such as unemployment, or in helping to retrain those who are most vulnerable to structural dislocation. A number of high-income countries support active labour market policies – for example, Denmark, Sweden and the Netherlands. Such policies seek to get the unemployed back to work as quickly as possible through (re-)training and skill development rather than by providing passive support through payments of unemployment insurance and welfare benefits. In many high-income countries

Table 6.4
South Africa: provincial spending on adult basic education and training (ABET),
2003 – 2007 (millions of Rands)¹

	2003/04		2004/05		2005/06		2006/07	
	Amount (Rm)	% of education budget	Amount (Rm)	% of education budget	Amount (Rm)	% of education budget	Amount (Rm)	% of education budget
Eastern Cape	136.3	1.3	126.0	1.2	136.3	1.2	155.8	1.2
Free State	70.9	1.7	45.8	1.0	93.2	1.9	65.4	1.2
Gauteng	118.1	1.2	138.8	1.4	157.8	1.5	168.1	1.4
KwaZulu-Natal	39.6	0.3	49.7	0.4	85.8	0.6	72.6	0.5
Limpopo	28.6	0.3	36.7	0.4	54.1	0.5	50.2	0.4
Mpumalanga	48.9	1.1	53.7	1.1	76.0	1.3	75.5	1.2
Northern Cape	21.6	1.7	19.6	1.4	20.0	1.3	23.5	1.4
North West	54.2	1.1	44.3	0.9	63.6	1.1	83.3	1.2
Western Cape	18.5	0.4	21.2	0.4	23.1	0.4	23.5	0.3
Total	536.7	1.01	535.8	0.91	709.9	1.09	717.9	0.98

Source: South Africa National Report, 2008

¹ In January 2007, US\$1 was equivalent to R7

public policies have shifted, becoming more active and less passive than in the past.

In addition, many governments are creating basic infrastructures to facilitate adult education markets and promote public-private partnerships. Co-financing arrangements between different stakeholders exemplify this trend of government action, especially in the high-income countries. The picture is mixed as to how this trend and its concomitant tools are actually adopted in different national contexts.

A number of European countries, however, maintain a commitment to direct government involvement, which establishes shared responsibilities among various social partners including employers and trade unions. Social partnership models are common in Northern and Central European countries (as in Austria, Denmark, the Netherlands and Norway). In such cases public-private co-financing plays an important role, but negotiated tripartite agreements are favoured over the market mechanism. Collective labour agreements among social partners commonly include strategic training funds to assist the re-skilling of employees.

Other incentives to stimulate individual demand for adult education include tax credits, income maintenance provisions, paid educational leave combined with study loans or grants, and individual learning accounts. Sweden grants training vouchers to under-represented groups, which allow providers to reduce fees among specific target groups. Efforts to stimulate demand are also aimed directly at employers.

Among governments that decide to intervene by providing incentives, an important distinction is between supply-oriented and demand-driven approaches. Some countries are experimenting with shifting the targeting of subsidies from suppliers to learners, by giving subsidies such as training vouchers (for example, Austria and Germany) directly to individuals rather than providers. This (demand-driven) approach helps to create incentives for learners, their families, employers and other partners for mobilising investment for learning. In this scenario, the adult learner becomes an active consumer who chooses

where to spend earmarked funds, thereby creating the conditions, at least in theory, of fostering competition among providers and of improving the capacity to respond to diverse and local needs.

Supply-based approaches to adult education in which public funding goes directly to providers have been effective for developing advanced governance and provision structures in many high-income countries, especially in the Nordic countries. However, this institutionally-based model may be less suitable for areas where expansion of participation is a first priority. More coverage implies the need for diversification and greater complexity in provision, which becomes difficult under conditions of central-control.

b. Contributions from the private sector

Employers are major investors in adult education in many countries. In the industrialised countries, on average, about two out of every three persons who undertake any adult education activity do so with at least some employer support, implying that employers are the most common funding source for adult education (Chisholm, Larson and Mossoux, 2004; Desjardins *et al*, 2006). A dramatic trend in adult education over the past 25 years has been the growing role of employers in providing education and training for adults, and as a source of demand for adult learning and education (see Chapter 2). In Sweden, for example, the proportion of adults receiving employer support for adult education has nearly tripled in the 1975-2000 period (Boudard and Rubenson, 2003: 267).

Employers are increasingly investing in upgrading the skills of workers so as to remain competitive in globalised product and service markets. These trends point to the pervasive impact of broader changes in the labour market and the forces that encourage people to take up adult education. Some studies suggest that adult education is strongly associated with competition, innovation and globalisation. In addition, the presence of trade unions is strongly linked to formalised approaches to training within firms (Boudard and Rubenson, 2003: 268). This is especially so in large firms, involved in highly competitive global markets, which are undergoing

significant technological shifts and/or changing work practices (OECD, 2003a: 51-53).

This is not, however, a straightforward increase and important differences in employer training practices are worth noting. In some cases, there is reluctance by employers to invest at all in employee education and training (see Slovakia National Report, 2008). The Georgia National Report (2008) acknowledges that, until recently, employers and other social partners did not fully comprehend the importance of adult education for the improvement of productivity and competitiveness.

Small employers are much less active in employee training. This is related partly to their scale of operations and workforce but also because of the fear of losing their trained workforce to competition. To address these problems, some employers are pooling their training resources across many small establishments to establish an industry-wide training programme. Italy and Australia provide good examples of such initiatives. In the latter case, the government played a facilitative role, through investment in infrastructure and financial incentives. Co-financing arrangements are another example where governments mobilise contributions from different partners by providing the necessary institutional and legal infrastructures as well as financial incentives.

Some governments choose to impose a training levy on firms of a particular size. The levy goes into either a national training fund or is earmarked for training employees who work at the contributing firms (as in France, Hungary and South Africa). Training issues have become so prominent in some countries (for example, Hungary), that their National Reports focus almost exclusively on work-based education, training, and qualification levels, rather than on societal and cultural development aims, when referring to adult education. Likewise, skill validation to develop adult competencies more efficiently and effectively has almost completely taken over the adult education policy discourse in some countries (see Portugal National Report, 2008).

Public-private partnerships (PPPs) represent an emerging trend in the field, similar to co-financing schemes in high-income countries. They are primarily promoted to share the costs of adult education and reduce government expenditure. Tata Consultancy Services in India is a good example of a PPP, where the firm has launched a computer-based literacy programme and donated 450 computers to continuing education centres. In other examples from Kenya, Seychelles and South Africa, private sector companies, as part of their corporate responsibility agenda, directly sponsor community adult education programmes and the production of learning materials.

c. Contributions by non-governmental and civil society organisations

Non-governmental organisations (NGOs) and other civil society organisations (CSOs) play important roles in the delivery of adult education. They are particularly active in low- and middle-income countries, but are also present in some high-income countries. Australia reports over 1,200 non-profit community-based providers (Ahmed, 2009). In Cameroon, Gambia and Senegal, NGOs fund a substantial part of the programmes. In Africa, faith-based organisations (FBOs), trades unions and NGOs have been key actors in adult learning and education for years (Aitchison and Alidou, 2009: 21).

Contributions can range from offering space, volunteers, materials and other in-kind contributions to organising and delivering courses. Not least, FBOs and other community groups help disadvantaged groups gain access to adult education. The impressive success of India's literacy campaign can be attributed primarily to the mobilisation of large numbers of volunteers and civil society organisations. The same is true for Bangladesh, Brazil and many other developing countries. At the same time, many countries report that NGOs are finding that it is increasingly difficult to get grants or that funding dries up after an initial period. In the Arab States CSOs not only support government efforts in mobilising and teaching learners, but also organise their own literacy and adult education programmes (Yousif, 2009: 12).

Many government-funded programmes in developing countries are heavily reliant on civil society organisations. Enabling such organisations to operate using public facilities can be considered an example of good practice in sharing, coordinating and employing available resources. States that strengthen capacity-building by providing the necessary infrastructure development and incentives can leverage more commitment from organisations and communities. However, the commitment to these organisations needs to be long-term. Temporary and ever-changing provision can be counter-productive in terms of motivation. Additionally, as mentioned in Chapter 4, civil society organisations have to contend with their own marginality and their inability to sustain a cadre of professional adult education staff to ensure high-quality teaching and learning. If civil society organisations are to operate effectively they need to be well-resourced and secure in their operations.

d. International aid and assistance

Low-income and post-conflict countries greatly depend on external assistance, and multilateral and bilateral aid can make up a large part of the budget for adult education. Earlier in this chapter, Table 6.3 showed that international donor assistance is the most common form of financial support in sub-Saharan Africa, and the second most cited in Asia. Sometimes external funding may be accompanied by technical support. Afghanistan's state budget for adult education, for example, only covers salaries for core staff (Ahmed, 2009). Literacy programmes in Afghanistan are thus primarily funded by donors such as the Japan International Cooperation Agency (JICA), USAID, UNESCO and UNICEF. While Mongolia has no budget for adult education, it has received about \$US9 million for adult education activities from international agencies and NGOs in recent years. In Senegal, 93% per cent of the adult literacy budget comes from external sources (Aitchison and Alidou, 2009).

Recent data show that overall development assistance (ODA) rose in 2008 after two successive years of decline. Closer examination of allocations by sector reveals that the share of the education sector has remained unchanged at roughly 12% since 2000. The health sector, on the other

hand, has benefited from an increase in the eight-year period under review. While 2007 figures indicate a doubling of overall aid to education of OECD-Development Assistance Committee members in five years (from US\$ 5.2 billion in 2002 to US\$ 10.8 billion in 2007), the allocation to basic education has decreased from 41% to 38% during the same period. Those who continue to support basic education are limited to a small number of donor countries (OECD-DAC, 2009; Benavot, 2009). It is against this backdrop of inadequate levels and unpredictability of development assistance to education – with declining levels of aid to basic education and the diminishing number of countries who donate to education – that one is able to put into context the acute and precarious financial situation of adult education.

Even when education aid is pledged by donors to support the EFA and MDG agendas, adult education and lifelong learning receive inadequate commitments. According to UNESCO (2008a), US\$2.5 billion a year is needed every year until 2015, if the literacy target alone is to be achieved. But there is no equivalent for literacy and adult education in the World Bank Fast Track Initiative (FTI) to support EFA primary education goals. FTI does not even include alternative second-chance and non-formal complementary approaches to primary education, despite evidence of the effectiveness of such frameworks for those who remain outside the formal system (Ahmed, 2009: 42).

However, there are a few encouraging signs. Official development assistance has been dominated historically by project-oriented and narrow profitability requirements. The social development sectors have been neglected. Since the 1990s, priorities have noticeably changed with the shift to poverty reduction strategies, sector-wide approaches to aid modalities and the emergence of the MDGs and EFA. Recent studies that document education's contribution to economic growth and the benefits of adult education investment are slowly influencing donor priorities.

The total aid package itself remains less than the 0.7% of *per capita* income in rich countries, which was the benchmark

set nearly four decades ago (Ahmed, 2009). In addition, it appears that donors are reluctant to invest in adult education because of inadequate mechanisms and infrastructure to administer the funds as well as the difficulty of ensuring that such investments contribute to the target goals. While foreign aid has, in many cases, been a most welcome contributor to funding for literacy, basic education, non-formal education and various forms of community education, it is usually distributed on a time-fixed basis, which does not help sustainability. Instead of consolidating programmes into an overall adult education infrastructure that includes appropriate and sustainable governance and provision structures, governments often terminate programmes when external funding ceases because of their own weak and conditional commitment to the funding of adult education. Moreover, progress that is made often disintegrates because of competing agendas and a general lack of coordination among various actors, including international donors and local authorities.

e. Contributions by the individual

Individual contributions to adult education raise considerable controversy, primarily because such contributions are regarded by adult educators as inequitable for provision where disadvantaged or marginalised groups are the focus of activity. Equity considerations suggest that employers should pay for employment-related training because such training benefits the firm, while individuals should bear the cost of general skills training because of perceived labour market rewards. Even in such cases, however, it is not so straightforward. Participation by adults may be hampered if they are unable to meet the up-front cost. Employment-related training involves short-term salary loss, for example, for which an individual needs to be subsidised. Similarly, rewards flow only over a long period of time and are subject to market fluctuations. Thus, where the benefits to the individual adult are identifiable, achieving the right level of investment by the individual requires incentives from the government or the employer, a condition that has led to various co-financing mechanisms, as discussed above.

For much of adult education provision, a contribution from individuals would not only be inequitable, but also seriously limit participation. The benefits accruing to society at large, not least greater social cohesion, suggest that individuals should not be expected to pay for them. Charging fees for literacy and citizenship programmes would be highly inequitable and seriously constraining, especially in poor countries.

In practice, individuals living in industrialised nations contribute a significant part of the cost of the programmes that they attend. Available data show that on average self-financing is the second most common source of financial support and, in some cases, the dominant source (Chisholm *et al*, 2004; Desjardins *et al*, 2006).

In Asia, sub-Saharan Africa and elsewhere, user fees, which partly cover programme costs, are common for work-related courses. Kyrgyzstan, for example, offers vocational and technical courses to job-seekers or job-holders who need skill-upgrading or re-training to improve their employment prospects. However, such courses are solely on a payment basis, without subsidies for the unemployed, or those from low-income or socially excluded groups (UNESCO, 2008b), and thus unaffordable to those who may be most in need (Ahmed, 2009: 41). In 2000, urban families in Cameroon spent about 6% of their budget on adult education, while rural families spent about 3.7%. In Senegal, a comparable figure for all families is estimated to be about 5% (Aitchison and Alidou, 2009). Tanzania charges fees up to US\$150 for courses that lead to specialised certificate programmes (for example, the Certificate of Distance Education) and up to US\$700 for diploma-oriented courses such as the Diploma in Youth in Development Work (Tanzania National Report, 2008).

6.4 Moving forward In mobilising resources

The data received exposes the substantial shortfall in funding for adult education. Funding gaps exist in countries throughout the world. It is estimated that some \$72 billion is needed, of which \$41 billion is for the developed world, to meet internationally-agreed targets of equitable

spending of public education budgets on adult education, with the understanding that the education sector is allocated 6% of GNP. This shortfall constitutes a critical obstacle to the successful implementation of adult education programmes and policies that could contribute to economic and societal development across the world.

Governments have a major responsibility for reducing funding gaps and mobilising the necessary resources. Since adult education has multiple funding sources, governments have a two-fold role: they need to augment their own contribution to adult education as well as mobilise contributions from other stakeholders, including the private and commercial sector, NGOs and CSOs, and the international community. As Aitchison and Alidou (2009) note, country policy documents and development plans typically assume that sufficient funding will be available from public, private and corporate sectors as well as from bilateral and multi-lateral development partners. They state that funding is a collective responsibility of government in conjunction with agencies and organisations across all sectors. In many cases, however, assumptions go unmet and the adult education mandate remains unfunded or under-funded (Aitchison and Alidou, 2009).

The next section looks at how the case for closing these funding gaps can be made and the steps that need to be taken to make that case.

a. Providing the necessary information base

Policy debates on adult education and informed decision-making by stakeholders are severely handicapped by a serious lack of data. Developing comprehensive databases is particularly problematic since it involves compiling information from multiple organisations and partners, as well as many government levels and jurisdictions. Few, if any, efforts have been made to set up administrative or survey data that would permit the measurement of costs for all the different provision areas, or the staff and other resources such as foregone production and leisure time. However, the example of the Republic of Korea in tracking contributions from different ministries shows that this is not an impossible task (see Table 6.5).

Without stronger databases progress cannot be measured and challenging comparisons between countries cannot be made. Adult education policy-makers and practitioners need to work with governments to ensure robust data is collected without resulting in a bureaucratic burden that deflects limited funding from provision.

b. Raising the value of adult education

In contrast to the level of resources needed, the overwhelming reality is that resources allocated to adult education represent a marginal element in most government budgets, not only in the South, but also in many countries of the North. In addition, funding streams are often uncertain and temporary. In some cases, even if budgeted, adult education funds are only released after other priorities have been met and adult education resources are often diverted to compensate for shortfalls in the primary or secondary education budget (Aitchison and Alidou, 2009: 20).

The low and inconsistent budgeting currently applied to adult education partly reflects the low priority that society places on adult education. As reported in Chapter 4, resource levels for adult education depend as much on the value society attaches to a well-informed, skilled and participatory citizenry as on the level of GDP per capita. A first priority for governments and adult educators is to take steps to raise the perceived value and actual visibility of adult education.

Perhaps the most important thing to achieve is the mainstreaming of adult education policy by showing its contribution to other socio-economic and developmental policies. A major deficiency of current adult education policies is their narrow association with the educational portfolio. Finance ministries will allocate more resources to adult education if it seen as contributing to other policy areas. Chapter 2 of this *Report*, on policy, gives examples of the linkages that are sometimes made between ministries. These need to be built on and extended.

Publicly-funded adult education can help to prevent and alleviate unemployment, and large-scale displacements associated with structural changes in the economy, by

Table 6.5
Republic of Korea: lifelong education budget by government office (2006)¹

Ministry	Total expenditure 2006 (a) (hundred million KRW)	Lifelong education budget 2006 (b) (hundred million KRW)	Proportion of lifelong education budget (c=b/a) (%)	Budget amount	Budget share
				(b) ranking	(c) ranking
Science & Technology	29,689	3,301	11.13	3	4
Education & Human Resources Development	291,273	3,060	1.05	5	14
National Defense	259,440	1,815	0.70	7	15
Labor	96,354	11,731	12.2	1	3
Agriculture & Forestry	222,000	326	0.15	13	19
Rural Development Administration	4,774	737	15.44	10	2
Culture & Tourism	33,782	3,235	9.58	4	5
Health & Welfare	169,087	3,418	2.02	2	11
Commerce, Industry & Energy	83,407	1,702	2.04	8	10
Gender Equality & Family Affairs	9,100	198.7	2.18	16	9
Finance & Economy	66,398	257.7	0.39	15	16
Information & Communication	72,858	2,019.7	2.63	6	8
Small & Medium Business Administration	87,946	1,140	1.30	9	13
Civil Service Commission	1,009	482.5	37.8	12	1
Government Youth Commission	1,375	130	3.03	18	7
Korean Intellectual Property Office	2,980	147.8	4.96	17	6
Maritime Affairs & Fishery	38,418	577	1.50	11	12
Government Administration & Home Affairs	342,866	258	0.33	14	17
Environment	36,419	90	0.25	19	18
Total		34,638			

Source: Republic of Korea National Report, 2008

¹ In January 2006, US\$1 was equivalent to KRW 1,006

training, retraining, skilling, up-skilling or re-skilling adult workers and communities. This is also applicable to community development in low- and middle-income countries. Rather than making transfers of aid to individuals or communities, adult education represents a mechanism for activating development, along personal, social and economic dimensions. In their National Reports, at least 24 countries made an explicit reference to the importance of adult education for the overall development of their country. The potentially pervasive impact of adult learning and education for economic and social development should be encapsulated as a central element of every sustainable development strategy.

c. Focusing greater attention on achieving equity

A major objective of adult education policy is to contribute to greater equity and social cohesion. However, programme design to address the serious inequity problems faced by most countries is an expensive process. At a time when governments throughout the world seek to increase efficiency through the adoption of market-oriented approaches and outcomes-based funding, there is a real risk that adult education initiatives will only reach adults who are easiest to recruit and most likely to succeed.

Government policies that provide incentives to the private sector are increasingly prominent as are co-financing mechanisms directed at both employers and employees. While market-based strategies can be effective in mobilising resources in many circumstances, they often have negative side-effects. Focusing on regulatory and institutional arrangements to enhance investments by firms and individuals can deepen inequalities in access to adult education. Data for several high-income countries show that, instead of reaching vulnerable groups – for example, women, older adults, the least educated, and those possessing few skills or in low-skill occupations – government support has tended to benefit those who already display high rates of participation. This tendency exacerbates socio-economic divisions as well as skill mismatching in the labour market.

The pressure to meet accountability criteria applied for use of public funds by NGOs can potentially become barriers for disadvantaged groups as the tendency is to give programme access to those most likely to reach the stated learning outcomes. Similarly, promoting decentralisation of authority can lead to a concentration of power in the hands of local elites who have an agenda other than securing equity and development for those most in need.

To maintain social cohesion and to ensure that those at a disadvantage are able to participate in society and the economy, governments need to be encouraged to see that such market-based incentives need to be coupled with equity-based implementation strategies. Existing funding regimes do not achieve this because they do not compensate for the higher costs of reaching vulnerable or marginalised groups. Government strategies need to include special outreach and guidance activities. Focusing on the rationale for such equity-based targeted approaches to addressing inequities can encourage prioritisation of such programmes in spite of the costs.

d. Mobilising resources from partners – the private sector and civil society

Mobilising resources from other stakeholders requires governments to understand clearly the motivation of different adult education providers, the comparative advantage they have in catering for particular groups of participants, the incentives that can best motivate them and the supporting infrastructures that they require. In addition governments must ensure their efforts generate a net increase in resources. Increased contributions from one stakeholder should not displace those from another. Finally, these efforts must be consistent with other government adult education objectives, such as ensuring equity of access and programme quality.

Governments can provide a broad strategic framework – legal, institutional, financial and technical infrastructure – within which various actors can find their specific role. Providing a set of financial incentives for particular partners can encourage investment, including tax and institutional arrangements that favour cost-sharing among individuals, firms and governments. Special subsidies can be given for specific

objectives such as programmes that promote equity. Stakeholder investment in adult education depends on understanding the benefits to be gained, and on whether it is viewed primarily as a public or private good. Provision of information therefore is itself a key input for informed stakeholder decisions.

A number of tools can encourage participation from the private sector. Employers have an incentive to invest in their employees to improve productivity and develop new products and services, but they are under constant pressure to control costs. Governments can provide strategic direction in industrial policies that support skill development by firms so that they do not fall into the trap of choosing low-skill strategies to compete in product and service markets (Brown *et al*, 2001). Co-financing schemes that channel resources from at least two partners can include tax arrangements, grant schemes, pay-back clauses, apprenticeships, working-time and training-time accounts, loan schemes, tax incentives for individuals, subsidies to individuals, individual learning accounts, training leave and leave for part-time study (OECD, 2001; 2003b; 2003c).

Arrangements for pooling of costs among employers, especially small-scale employers, can be an effective policy solution to the fear of company brain-drain. Favourable tax treatments in some countries and levy systems in others are helpful in promoting adult education. Comprehensive policy frameworks designed to address these incentive problems are needed.

Encouraging governments to mobilise buy-in from the private sector can be a cost-effective means of ensuring access for those in employment and who are able to contribute to their learning, freeing funds for a necessary focus on equity.

The NGO and civil society sector is an important provider of adult education, but requires public funding and support. This sector is more flexible and adapts to new demands faster than the formal system. It can reach adults who might otherwise not enrol. This form of adult education provision has potential for social and economic development. This sector can be integrated

successfully into a comprehensive adult education policy if public funds are available. Direct state intervention, however, may lead to bureaucratic barriers that prevent operation or access to funds. As long as the goals for which state funding is received are fulfilled, the sector must be given a measure of autonomy. At the same time, coordination mechanisms and information-sharing are essential. Effective coordination across many NGOs is often lacking, especially in developing countries, and can lead to inefficiencies and parallel provision structures, even though there might be clear advantages in sharing facilities and staff. Collaboration between providers can cut programme development costs, and may allow for a more efficient use of accommodation and equipment. Adult educators and governments need to work together to create the best conditions for partnership between the state and civil society in the provision of adult education.

e. Raising the level of international assistance

If the ambitious goals in the EFA agenda are to be met, including those relating to adult literacy and life skills, then bilateral and multilateral assistance needs to be scaled up. To reach the literacy target in the Asia and the Pacific Region alone, for example, it is estimated that US\$9 billion per year for five years is needed (Asia South Pacific Bureau of Adult Education, 2009). It is clear that some countries – specifically, Afghanistan, Bangladesh, Cambodia, India, Laos, Nepal and Pakistan – will need external assistance and sustained political will to meet their literacy commitments.

Just as recipient countries need to strengthen the value placed on adult education, so too do donor nations. Recipient nations have to make a better case for adult education in their funding proposals – for example, by integrating adult education policies into poverty reduction and sustainable development strategies. Studies of the impact of adult education, for example, can help increase the priority of the sector in aid allocations. The co-operation of donor nations that place high value on adult education can be harnessed in convincing other donor nations of the worthiness of their contribution.

For many donor countries, however, unless there is accountability and transparency on both sides, and aid can be shown to work effectively for the poor, funds are likely to be withheld. Without good governance and the accompanying commitment of recipient countries to providing consistent funding that is proportional to GDP along the recommended guidelines, the effectiveness and long-term sustainability of adult education programmes will remain problematic. Little will be gained and much will be lost if adult education becomes an unreachable goal that is accompanied by intermittent political rhetoric but no real action.

6.5 Conclusion

This chapter has exposed the seriously chronic lack of investment in adult education in most countries worldwide. There is a depressing spiral where weak investment means a low level and profile for activity that fails to interest possible investors. This in turn leads to a lack of dynamic policy and thus continued low investment. The challenge is to break through this *impasse* by convincing government and the multiplicity of funders and stakeholders of the relevance and importance of adult education to the achievement of broader goals and policies.

One of the most interesting recent developments is the increasing commitment of the private sector to adult education and training throughout workers' careers. Those involved in global competition have realised the intrinsic necessity of learning and knowledge production for success in world markets. There is some recognition of the importance of investment for the value of learning. What is seen as vital is to generalise beyond the lucky few so as to pay equal dividends for the disadvantaged majority across the world. Governments have not adequately considered the value given to learning by the private sector to be the means by which their own multiple goals can be met.

The chapter has pointed out ways to mobilise resources and identifies some of the threads that are essential for future progress: better knowledge of what is happening on the ground through better

data provision, more and better studies of cost-benefits in both economic and social terms, better partnerships and clearer views on what partners are best able to contribute. These ingredients can be used to make the financial case in terms of the effectiveness of adult education provision – one of the four key dimensions (relevance, equity, effectiveness, efficiency) identified earlier in this *Global Report*. It is a case that needs to be made robustly.

The main measure of progress in relation to funding has, due to the targets set by CONFINTEA V, been bounded within the framework of education budgets. However, placing adult learning within a lifelong learning framework and conceiving of learning within this as life-wide and part of a capability framework demands a broader perspective on progress. Given the critical role that adult learning plays in the attainment of wider targets – for example in improving health, reducing poverty and building stronger communities – the major task now is for governments to develop cross-departmental funding for adult education to support the very many different benefits that can be realised. This must be at the heart of investment and funding strategies for CONFINTEA VI.