

India's Political Economy of Foreign Aid for Education

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ABSTRACT- In many nations, the topic of development assistance has been contentious for a variety of reasons. In the increasingly worldwide globe of the twenty-first decade, controlled by marked factors, the age of moral vision in worldwide relations had gone; help may become more important in the more global will of the 21st era, controlled by indicated issues contentious while also assuming greater significance. One of the main reasons for its current importance is that, around the turn of the century, nearly all developing nations across the globe were in the midst of structural adjustment, with loans from the World Bank and the International Monetary Fund (IMF). As the tide of globalization increases, conflicts between national interests and global interests grow more strong and severe, making it more contentious. In emerging nations like India, external assistance to education becomes a more complex issue, as an auxiliary to structural adjustment operations that emphasize that 'society can no longer sustain social democracy, therefore costly social and education programs must be reduced.' More loan programs, such as social safety net programs, have been established, including more particularly education initiatives with outside help.

KEYWORDS- Economy, Education, Foreign Aid, Indian Education, Sarva Siksha Abhiyan, World Bank Aid.

1. INTRODUCTION

The stabilization IMF adjustment loans had inflicted too severe reductions in financial supplies across the board, particularly in schooling, particularly elementary schooling, They had done so in Delhi, as they did in many other nations in comparable situations [1]. Following offers of help made during the 1990 World Congress on Learning for All in Jomtien, this was also the appropriate moment for foreign aid institutions such as the World Banks to show their devotion to plain schooling[2]. As a consequence, using World Bank/IMF funds, a social security net programme, a compensating program aimed at minimizing the effect of structure adjustments measures, was established to safeguard weak but crucial sectors such as primary schooling from the severe effect of industrial restructuring programs, as it has been in many other countries[3]. Thus started the foreign aid for elementary education in India, which the Indian government had not sought for a long time for other levels of education in the Since liberation, it has been four and a quarter years. From the mid-1980s forward, a number of

foreign assistance organizations were keen to join the Indian primary education sector[4].

The Indian government, on the other hand, saw no need for foreign aid in elementary schooling. The 1989 global exchange crises, shadowed by the implementation of so-called "necessary evil" structural adjustment measures, altered the whole situation and, as a result, the government's attitude[5]. The elementary educational industry were restructured for the second occasion. grudgingly allowed to large-scale participation by eager foreign assistance organizations[6]. Beginning with World Bank support for elementary schooling in 10 regions in Uttar Pradesh and UNICEF assistance in Bihar, a slew of foreign aid organizations both multilateral and bilateral entered the education aid industry in India. Almost all of the major assistance organizations, including UNDP, UNICEF, In a very short period of time, representatives from the German Committee, the Dutch National Aid Authority, the Sweden Foreign Developmental Organization , and the British Directorate for Foreign Cooperation came in India [7].

When the Government of India grudgingly consented to The World Bank provided elementary education support in Uttar Pradesh in 1992–93 after considerable lobbying, but it had no clue that this could unleash the gates for foreign aid to stream into the Indian school system, with all the consequences [8]. In spite of many on the scene, the Globe Bank has established as the solitary most significant source of education assistance in Indian, as it has in the remainder of the global, exercising a high amount of significant impact even on various foreign players and their programs in the sector in India[9].

With the expansion of the externally supported primary education initiative from the World Bank's initial 10 districts to a huge number of districts covered by a variety of foreign organizations, coordination of their operations with various state administrations developed a major concern. Indeed, a number of external help organizations joined the education field before a well-defined structure for external education support was developed[4]. The DPEP was established by the Indian government as a large covering program for all overseas assistance programs in elementary schooling in the region, in order to ensure better coordination between the On the one side, the State of India and the administrations of several provinces, and on the another, a slew of foreign assistance groups [10]. Several additional externally supported initiatives that existed before to the establishment

of the DPEP were also grouped together under one umbrella. A district-level project-centered program focusing on elementary education eventually emerged. Only recently, As the administration wished to decrease relying on international aid for schooling by bringing all nationwide and worldwide projects on basic school schooling under framework of the new all-encompassing Sarva Shiksha Abhiyan (SSA) introduced by the Govt, the amount of aid began to decline after the completion of stages I and II of the DPEP. In addition, In 2003, India's administration decided to cease taking bilateral developmental aid from countries outside than the British Britain, the Euro Zone, the American Kingdom, and the Russia Republic, as well as any new connected aid. Between 1993–94 (the first year of support) and 2004–05, aid increased at a pace of 29.4% in nominal terms and 22.6 % in real terms. A significant portion of the money received came from World Bank loans channeled via the Intercontinental Growth Connotation. Grants that do not have to be returned make up just approximately a quarter of the total thus far[11]. Concessional and semi-concessional support obtained from the World Bank/IDA for schooling is referred to as such. The average repayment time for IDA credits is 35–40 decades, with a 5 years time limit[12].

They may be repaid in real money as well. They don't have any interest, but they do have a yearly commitment fee (0.5 percent of the unpaid debt) and a service fee. But the IDA educational credits, on the other hand, is seen as a gift in India. This is why, although the reality that it is a debt to the united administration, it is treated as a grant to the regions as part of the union govt 's basic educational assistance program [11]. As a result, it's only logical that state governments regard this as a gift, with no expectation of return. However, it should be remembered that a significant portion of the assistance is in the form of an IDA loan, which India must return, regardless of how low the interest rate, how lengthy the payback and grace periods are, or how little the actual value of the money. Severe economic conditions on the one side, and an exuberant International Banks on the other, led in considerable changes in educational support programmes in Indian, as well [13]. In some ways, The economic crisis struck unexpectedly, necessitating a quick reaction in the shape of adjustments loans[14].

The crisis came as a shock since, as recently as 1990, India was seen as a nation that did not need the World Bank and IMF's recommended adjustment steps; It wasn't even considered a "potential contender" for such financing[14]. The environment has completely changed in a year [15]. In July 1991, a package of substantial policy reforms was implemented, India had suddenly become an adjusting nation, and it was correctly feared that it would become "an intensively adjusting" country shortly, as it seems it did. Under these circumstances, the World Bank's efforts eventually paid off, The World Bank were managed to override the president's resistance to borrowing money for educational programmes, as well as start foreign assistance for education. The World Bank and IMF readjustment loans came with stabilisation and economic adjustments programs that cut too deeply into budgetary resources in many sectors, including schooling, and especially basic education, in India,

as they had in many other countries in similar circumstances[16].

2. DISCUSSION

Following the assistance pledges made at the World Conference on Education for All in Jomtien in 1990, this was also the appropriate moment for foreign assistance agencies, such as the World Bank, to show their dedication to basic schooling. As a consequence, using World Bank/IMF funds, a public security net programme, a compensating programme aimed at minimising the effect of fundamental adjustments measures, was established to safeguard weak but crucial sectors such as elementary schooling from the severe effect of industrial restructuring programmes, as it has been in many other countries. Thus started the foreign aid for elementary education in India, which the Indian government had not sought for a long time for other levels of education in the four and a half decades since independence. From the mid-1980s forward, a number of foreign assistance organizations were keen to join the Indian primary education sector. The Indian government, on the other hand, saw no need for foreign aid in elementary education. The foreign currency crisis of 1989, followed by the implementation of so-called "necessary evil" structural adjustment measures, altered the whole situation and, as a result, the government's attitude. For the initial period, the main teaching subdivision were grudgingly allowed to large-scale participation by eager foreign assistance organizations. Beginning with World Bank support for basic teaching in 10 regions in Uttar Pradesh and UNICEF assistance in Bihar, a slew of foreign aid organizations both polygonal and two-sided entered the education aid industry in India. Almost all of the major assistance organizations, UNDP, UNICEF, the European Committee, the Dutch International Aid Authority, the Swedish Foreign Developmental Organization (SIDA), and the UK Ministry for Foreign Development are among the organisations involved, arrived in India in a relatively short time. When the Government of India grudgingly consented to World Bank assistance for main education in Uttar Pradesh in 1992–93 after much lobbying by the World Bank, it had no idea that this will exposed the floodgates for foreign help to pour into the Indian education system with all its implications. Despite the presence of many on the scene, the Globe Bank has established as the solitary most significant source of education assistance in Indian, as it does in the remainder of the global, having a high level of significant influence even on other foreign players and their programs in the sector in India. With the expansion of the externally supported primary education initiative from the World Bank's initial 10 districts to a huge number of districts covered by a variety of foreign organizations, coordination of their operations with various state governments became a major concern. Similarly, while a well system for external education assistance was formed, a variety of outside aid groups entered the educational area. The DPEP was established by the Indian government as a wide ranging ultimate umbrella programme for all worldwide aid initiatives in principal education, in order to improve coordination among the Indian govt and numerous state gov'ts on the one hand, and a variety of worldwide aid

organisations on the several. Several additional externally supported initiatives that existed before to the establishment of the DPEP were also grouped together under one umbrella. A district-level project-centered program focusing on elementary education eventually emerged. Only recently, Following the finalization of stages I and II of the DPEP, the legislature desired to decrease relying on international aid for schooling by bringing all national and worldwide elementary education projects under the framework of the fresh all-encompassing Abhiyan (SSA) introduced by the Govt. In addition, in 2003, India's government decided to cease taking bilateral development aid from smaller organizations other than the United States, the Europe Community, the United Kingdom, and the Russian Republic, as well as any further connected aid. Between 1993–94 (the first year of assistance) and 2004–05, aid increased at a pace of 29.4% in monetary terms and 22.6% in real terms. Concessional and semi-concessional support obtained from the World Bank/IDA for education is referred to as such. IDA credits are typically repaid over 35–40 years, with a 10-year elegance dated. 20 They may be repaid in real money as well. They don't have any interest, but they do have a yearly commitment fee (0.5 percent of the unpaid debt) and a service fee. In India, however, even the IDA education credit is generally seen as a gift. This is because, while the reality that it is a debt to the united administration, it is treated as a gift to the regions as part of the union treasury's basic school assistance plan. As a result, it's only logical that state governments regard this as a gift, with no expectation of return. However, it should be remembered that a significant portion of the assistance is in the form of an IDA loan, which India must return, regardless of how low the interest rate, how lengthy the payback and grace periods are, or how little the actual value of the money is. The most significant effect of the DPEP is the easing of resource restrictions in India's planning education. For a long time, educational planning has been characterized by austerity (or severe resource limitations) in India, as it has been in many poor nations. For the initial times, India regions was told that every region partaking in the DPEP will get around Rs. 35–40 lakhs (about US\$11–12.5 million) during the course of the project's seven-year duration.

Though Rs. 35–40 CR are a significant extra sum for a region, Rs. 5–6 crores (roughly US\$1.1–1.3 million) per year is not that much when associated to the current equal of entire community expenditure on elementary education in India, which is around Rs. 100 crores per district on average. Foreign assistance has for the early 4 and a quarter years after independence, there was no source of funding for schooling in Indian, despite the fact that it is a very significant source of money for education in many other developing nations. Once India began accepting help for elementary education, it expanded quickly, increasing from less than 5% of the entire union government's budgeted spending on education in 1993–94 to more than 20% in 2001–02. It accounted for just 1.6 percent of overall government education spending and about 3% of total government spending on primary education in the nation. Aid was similarly modest in 2002–03,

accounting for just 0.06 percent of GNP. It has been further decreased in recent years, both in terms of absolute numbers and as a percentage of overall education spending, owing to a growing belief that foreign assistance for elementary education damages The impression of Indian as a rapidly growing industrial entity. Despite the program's geographic growth and, contrary to popular belief, the amount of the assistance, it cannot be considered as a huge, large-scale initiative to enhance primary education across India, since these monies represent a relatively small percentage of the government's overall education spending. Considering the relative sizes, one may wonder whether India required assistance for elementary education at all, and if the above-mentioned modest proportions could not be met with local resources. While the nation may need foreign assistance for overall financial support, now known as "general budget support," the justification for foreign aid for education, particularly elementary education, has never been apparent. Thus, instead than a specific local academic necessity, it seems that the Indian administration was forced to seek foreign support for schooling owing to a general economic requirement and maybe certain social and politically financial obsessive in the global system. The help will be in supplementary to the national funds allocated to schooling, according to the DPEP's terms, though it is unclear what that term means whether it means extra to the public sector's spend level in the basis period, or addition to predicted regular expenditure increase, or simply for new projects and schemes. The program funding were to be additional resources to those provided by state authorities for elementary education, according to most interpretations. However, the macro patterns in overall public education expenditures make us wonder if foreign assistance has supplemented or replaced local education investment. As a result, one of the direct consequences of the foreign assistance program has been a reduction in domestic efforts to fund elementary education. The union government may encourage states to join DPEP and opt for external funding so that it can decrease (or eliminate) payments from central funds to states to fund primary education. The realized total rise in the union government's intended spending on elementary education is referred to as "borrowed growth" or "externally assisted growth" for the same reason. After all, foreign assistance made for more than a third of the union government's primary education budget (2001–02/2002–03). Similarly, states have been ready to seek outside funding since it relieves constraints on them to (a) undertake particular efforts to mobilize extra resources on their own and/or (b) more efficiently reallocate budgetary resources to primary education. Furthermore, states have been attracted to foreign aid since, as previously mentioned, the union government distributes external assistance to states as grants rather than loans. The outside organization pays for 85 percent of the project expenses that travel via the union administration to the relevant local, with the remaining 15 percent to be covered by the state administrations, according to the project's agreed-upon terms. Not only is 15% a modest

percentage, but given the ambiguity surrounding the concept of additionally, the state may simply provide 15% to DPEP by reallocating funds from its regular primary education budget. The union government's attempts to collect resources via taxes have been accompanied by a decline in foreign assistance in recent years, partially in acknowledgment of the facts that the 86th modification to the Constitutional, which defined primary education an essential right, made it obligatory in 2002. Since 2004–05, the union government has imposed a 2% education on all taxes collected by the union government, It imposed a 1% schooling for second and higher education in 2007–08, the earnings of which are to be utilized primarily for elementary schooling, and it implemented a 1% learning for intermediate and further education in 2007–08. In the union budget for 2007–08, efforts were made to significantly boost expenditures to elementary education, as well as to provide a midday meal plan, with the goal of increasing children's involvement and attendance in school. The fact that these measures were not considered while foreign assistance was growing indicates that aid has supplanted the government's attempts to invest domestic resources on education.

3. CONCLUSION

I don't believe there's any need to summarize the major points I've made thus far in my talk. I acknowledge that my coverage of the problems surrounding foreign assistance to India's elementary education has been incomplete. Overall, I've attempted to demonstrate that some of the impacts of educational external help are very severe and have hazardous long-term consequences for educational growth and society as a whole. The failures and fallacies connected with assistance are much too significant to be overlooked by not just India, but also all additional unindustrialized nations, especially those in Asia, who depend heavily on foreign help for basic education development. India's example also shows that with strong political will, the country may reduce its dependence on foreign assistance for basic education. Second, if the nation seeks assistance, the creation of an umbrella program to coordinate the programs of different relief organizations, similar to the one established in India, has already been deemed worthy of replication by others who are in a similar position with a plethora of aid organizations. Third, strong, stable, and forward-thinking administrations can inspiration many of the aid organizations' policies and practices, as well as resist and reduce the negative impacts of assistance conditions.

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