act!onaid

Tax, privatisation and the right to education project:

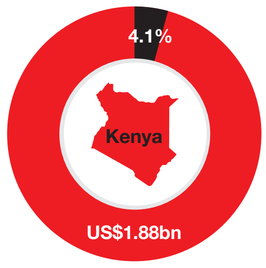
Influencing education financing and tax policy to transform children's lives

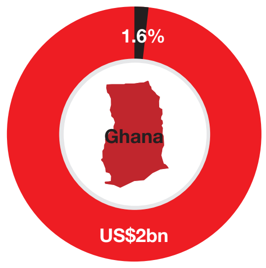
School children enjoy a break at the Kalas Primary School in Karamoja, northern Uganda.
PHOTO: © KIIBUUKA MUKISA OSCAR/ACTIONAID.

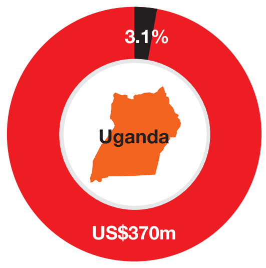
The Tax, Privatisation and the Right to Education project is a multi-country education and tax justice project funded by private donors. It brings together four countries working towards a common goal, which is to ensure that all children have improved access to public education of a high standard, financed through greater government support and increases in fair tax revenue. Phase 1 of the project ran from 2015-2017. Phase 2 runs from September 2017 to August 2020. The project is being implemented in Ghana, Kenya, Uganda and Pakistan.

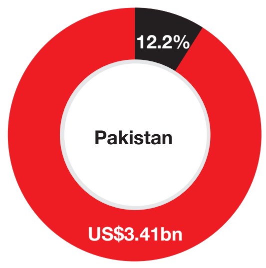
The problem

Globally, **63 million children are not in primary school** and many of those who do attend fail to learn basic skills. Due to a lack of funding, public schools are in decline in many countries. At the same time, there has been a rapid and **unregulated spread of 'low-fee' private schools**, which purport to fill a gap but often have a negative impact on the right to education. These private schools attract children from better-off families and lead to a reduction in public school funding, as budgets are often calculated per capita. This is creating a **spiral of decline in public school** provision and violating children's right to education. Those worst-affected by this situation are the poorest children, especially girls.









Increased tax revenues in these countries would transform their ability **to properly finance public education and reverse increasing inequality.** Poor countries currently lose between three and five times as much in tax avoidance as they receive in international aid. Without this revenue, overall budgets are reduced and governments struggle to finance education. What's more, without progressive taxation systems in place, those hit the hardest by tax are the poorest. Increasing tax revenue in some of the world's poorest countries would fundamentally transform their ability to properly finance their public education and reverse increasing inequality.

Project aims

Our ultimate aim is to ensure that **all children have improved access to public education of a high standard, financed through greater government support and increases in fair tax revenue.** The project goal is to increase the attention paid to the need for progressive use of tax revenue to improve the quality of public education, to increase the number of pledges to review existing regulations on tax and increase financing for education. ActionAid aims to provide a **credible, fair, sustainable, alternative solution to the current model: privatisation. The solution we propose increases good governance, promotes equality and social cohesion, while decreasing corruption and aid dependency.**

Participatory research carried out in Phase 1 of the project clearly shows that education is not free at primary level in Ghana, Kenya, Uganda or Pakistan. A myriad of fees hinders access for economically disadvantaged children. The most commonly cited charges were: examination fees, development levy, school reports, parent-teacher association fees and uniform fees. Most of these fees were compulsory and children whose families did not pay were sent home. Costs are even higher in private schools. Yet, because of a lack of adequate financing, the perceived inferior quality of public education in these four countries is pushing families to make hard choices. Private schools are growing as a result, entrenching social inequalities and leading to the stigmatisation of public education as many wealthier parents move their children out of the public sector.

It is clear that governments of Ghana, Kenya, Uganda and Pakistan are **not fulfilling their obligations** to provide free and compulsory education. At the same time, governments are **giving away excessive and unnecessary tax incentives**, foregoing significant revenues which could be used to increase the provision of free, quality education. It is essential to improve the financing of public education by **increasing the size, share, sensitivity and scrutiny of the education budget to achieve inclusive and quality education** for all. Governments have the ability to raise more revenue to finance education, for instance by curbing costly tax incentives for investment and by cracking down on tax avoidance and evasion, and should do so.

Our plans

Working in more communities will provide a wider sample for our data collection and a stronger base for mobilising demand for reform. The additional data will evidence the impact of the underfunding of public education, and the impact of fees on children's school attendance, equity, completion and progression. This will enable us to push key decision makers to explore tax reform to improve public education. Our research will be used to advocate change from international governments, donors and financial institutions such as the World Bank and IMF.

#EducationBeforeProfit #RighttoEducation #KeepYourPromises #taxpaysfor #FundEducation #EducationNow #taxjustice #FundTheFuture

Further reading

- **Country briefing** prepared for 2018 Global Action Week for Education: Ghana, Kenya, Uganda, Pakistan
- **Infographics** calling on governments to end harmful tax incentives and increase funding for education: Ghana, Kenya, Uganda, Pakistan
- **International report** for Phase 1 of the project: Full report, Summary report.

Theory of change

Aim

Children in Ghana, Kenya, Uganda and Pakistan have improved access to public education of a high standard, financed through greater government support and increases in tax revenue.

Outcomes

Children, parents and other stakeholders have an increased awareness of their right to education and the need for progressive taxation to pay for public education.	Children, parents and other stakeholders are able to hold their school to account and to demand free, quality public education at a local level.	The national education coalition and other key stakeholders are able to demand tax justice and increased financing for public education.	Greater demand for policy and legislative mechanisms to regulate private providers and increase public financing of education.

Interventions

- Raise awareness about the RtE - Improve understanding of the need for progressive tax to finance education. - Carry out research on the cost of education in local schools. - Disseminate research on the impact of extra costs on families and children.	- Empower communities to develop and follow up School Improvement Plans. - Track school budgets (national-local) to identify issues and solutions. - Support advocacy for increased funds for local schools.	- Research what revenue is lost to regressive tax measures. - Identify what education resources the lost tax could pay for. - Advocate for tax justice and increased education financing.	- Review policies and legislation relating to private schools and promote improved regulation. - Produce and disseminate a CER based on the project's findings - Carry out advocacy work based on the findings of the CER.

Problem

Insufficient financing is driving the decline of public schools in many countries, leaving children without access to quality public education. This is accompanied by the rapid and unregulated privatisation of education which is entrenching inequalities.

Ghana	Kenya	Uganda	Pakistan
Proportion of household income spent on education 19.5% in public schools 48.7% in private schools	**Proportion of household income spent on education** 23.6% in public schools 69.2% in private schools	**Proportion of household income spent on education** 33.7% in public schools 173% in private schools	**Proportion of household income spent on education** 6.9% in public schools 25% in private schools
Estimated annual revenue foregone from tax incentives $1.2 billion	**Estimated annual revenue foregone from tax incentives** $1.1 billion	**Estimated annual revenue foregone from tax incentives** $272 million	**Estimated annual revenue foregone from tax incentives** $4 billion
20 per cent of this sum would amount to: $240 million	**20 per cent of this sum would amount to:** $220 million	**20 per cent of this sum would amount to:** $54.4 million	**20 per cent of this sum would amount to:** $800 million
This money could pay for: A place in a primary school for the 319,000 out-of-school children + An extra 10,000 qualified teachers + Free school meals for 1 year for 557,892 children	**This money could pay for:** A place in a primary school for the 956,000 out-of-school children + An extra 10,000 qualified teachers + Free school meals for 1 year for 300,999 children	**This money could pay for:** A place in a primary school for the 477,000 out-of-school children + An extra 20,000 qualified teachers + Free school meals for 1 year for 412,047 children	**This money could pay for:** A place in a primary school for the 5,612,000 out-of-school children + An extra 100,000 qualified teachers + Free school meals for 1 year for 1,796,632 children