

Does Education Aid Promote Educational Development in Lower-Middle-Income Countries?

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Abstract

A substantial body of scholarship has debated the impact of education aid on educational outcomes in developing countries. This paper drew on this debate but focused on the time following the Millennium Declaration when aid became increasingly geared towards human development to explore whether, and under what conditions, education aid contributes to educational development in 55 lower-middle-income countries. To determine this, the research drew on the pooled OLS, fixed and random effects regression techniques and used panel data from the OECD, UNDP, and World Bank. The study's primary findings indicated that in most cases, there was no credible evidence in the data to prove that education aid has catalysed educational development in LMICs since the Millennium Declaration. This result was confirmed when group-level effects by country were accounted for, and when a second, independent data set on educational outcomes was employed. As such, the research emphasised the continued need to strengthen accountability mechanisms in aid processes in LMICs to ensure the effectiveness of education aid. The study contributes to the ongoing debate on aid effectiveness and provides insights for policymakers and practitioners on the use of education aid in LMICs.