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IMPACT OF FOREIGN AID ON HIGHER EDUCATION OF THE DEVELOPING STATES

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ABSTRACT

Foreign aid is crucial in raising the standard of education in under-developed nations. Numerous organisations, including the UN, the World Bank, and other non-profit firms, have contributed to the promotion of high standards of education in a number of developing countries. Foreign aid has played a vital role in promoting education, and USAID is the main US education assistance agency that helps eradicate poverty and low literacy rates. The aim of this study is to analyse the role of Foreign aid in promoting higher education in developing nations. This research has used the method of secondary qualitative and has taken assistance from past literature and research. The findings of the study have revealed that foreign aid is a crucial element and helps in promoting higher education in underdeveloped nations such as the Middle East, North Africa, and Asia.

BACKGROUND

The current research discusses the single most important factor that determines the levels of economic development in a country, which is education. The level of education has a significant impact on the economic development of a country (Dellink et al., 2017). In today's global economy, the importance of education has been magnified. A country's competitiveness in the global economy largely depends on the quality of its workforce, which is determined by the level of education. The role of education in economic development has been widely recognised (Haryati, 2017). A large body of research has

documented the positive relationship between education and economic growth (Psacharopoulos and Patrinos, 2018). Educational attainment is one of the most important drivers of economic growth. Hence foreign aid is given to those countries whose levels of economic development are low as a result of their lack of access to education.

INTRODUCTION

Foreign aid is one of the most controversial and widely debated topics in both academia and policy (Asongu and Nwachukwu, 2016). There are a variety of opinions on whether or not foreign aid is effective in achieving its goals. One area that has received relatively little attention, however, is the impact of foreign aid on higher education. Higher education is an important sector in many developing countries, and it is often seen as a key driver of economic growth and development (Marginson, 2016). The relationship between foreign aid and higher education is, therefore, an important one to consider. The United States government gives out billions of dollars in foreign aid every year. A large portion of this money goes to funding various educational initiatives in developing countries (Riddell and Niño-Zarazúa, 2016). The goal of this foreign aid is to improve the quality of education in these countries and help reduce poverty and inequality. Moreover, the United States government often requires that a portion of the money be used to fund scholarships for students from developing countries to study at American universities. While there is no doubt that foreign aid can have a positive impact on higher education, there is also a risk that it could potentially have a negative effect. There is a great deal of debate surrounding the efficacy of foreign aid, with some critics arguing that it is ineffective and even harmful (Nye, 2020). However, there is evidence to suggest that foreign aid can be beneficial, particularly when it comes to education. In this paper, an examination of the impact of foreign aid on higher education will be conducted.

Research objectives

The aim of this research is to find the impact of foreign aid on higher education.

Following are the objectives of this research

- Investigate the impact of foreign aid on higher education in developing countries.
- Analyse the effectiveness of foreign aid in improving the quality of education in developing countries.
- Assess the impact of foreign aid on educational inequalities in developing countries.
- Evaluate the impact of foreign aid on scholarships for students from developing countries to study at American universities.

Research Questions

1. How to investigate the impact of foreign aid on higher education in developing countries?
2. How to analyse the effectiveness of foreign aid in improving the quality of education in developing countries?
3. How to assess the impact of foreign aid on educational inequalities in developing countries?
4. How to evaluate the impact of foreign aid on scholarships for students from developing countries to study at American universities?

Research Problem

Foreign aid plays an important role in the global economy. Every year developed countries give billions of dollars in aid to developing countries. A large portion of this money is used to fund various educational initiatives (Marginson, 2016). The problem is that there is little evidence to show that foreign aid actually improves educational outcomes in recipient countries (Viberg et al., 2017). There are a number of possible explanations for this. First, the money that is given as aid is often not used effectively (Riddell and Niño-Zarazúa, 2016). It is often siphoned off by corrupt officials or wasted on inefficient projects. Second, even when the money is used effectively, it may not be targeted at the most effective educational interventions (Masino and Niño-Zarazúa, 2016). Third, recipient countries may not have the capacity to make use of the aid effectively. This is particularly true in countries with weak educational systems. Hence it is important to investigate whether foreign aid augments higher education (Tran and Marginson, 2018). Therefore, the problem addressed in this research is to understand how effective foreign aid is in achieving its goals, specifically in the area of higher education. This is important because higher education is a key driver of economic growth and development. It is also important to understand the potential risks and drawbacks of foreign aid, as there is a risk that it could potentially have a negative effect (Zahariadis, 2019). Moreover, this research will also evaluate the impact of foreign aid on scholarships for students from developing countries to study at American universities. Finally, this research will also assess the impact of foreign aid on the quality of education in developing countries.

The rationale of the study

The rationale of this study is to understand how foreign aid affects the higher education sector in developing countries. This is significant since higher education is a major source of economic growth and development. Moreover, this study will also look at how foreign aid affects scholarships for students from developing countries who wish to attend American universities. Finally, this research will also assess the impact of foreign aid on the quality of education in developing countries.

Limitations

This study has a few limitations. First, it is difficult to get accurate data on foreign aid. This is because aid is often given in the form of loans, which are not always reported. Second, this study only looks at the effect of foreign aid on higher education. It does not look at the effect of aid on other sectors.

LITERATURE REVIEW

The main working operation is the impact of foreign aid on the considerations of higher education in developing countries. For that sense of operation, the literature has been included to evaluate how foreign aid has been working for an augmented approach to higher education in developing countries.

Impact of foreign aid on higher education in developing countries

Foreign aid has been very effective in developing the major structure for helping different countries in the management and diversity of operations. The approaches for the management of various problems also include the literacy rate, and in that proportion, foreign assistance has been much more effective for providing a reasonable approach to working independently (Altbach et al., 2019). Another article regarding the education feasibility and its standards for meeting the development scale has provided that the main proportion of working the foreign aid is making the added value for effective education delivery to the required students (Masino et al., 2019). Foreign aid has been seen to bring sustainability and effectiveness to the operations of higher education in developing countries, as MCA (Millennium Challenge Account) has been seen to donate around 50% of the increased revenue for foreign aid to developing countries (Cook, 2019).

Effectiveness of foreign aid in improving the quality of education in developing countries

Quality is an important concern in the case of higher education, and in that consideration, the research provided by Masino et al. (2019) on increasing the quality of higher education is important to note. It has been approached that proportionally in the post-war era, the beneficial approaches have been the primary observation for various standards along with the foreign aid has been the functional sector for increasing the quality of higher education. In another article, the effectiveness of foreign aid has been discussed, and in that consideration, it has been seen that the aid is working good for the development of better standards. But there is a need to develop more suitable measures for understanding the impact of foreign aid and making the best possible use of the foreign aid (Riddle et al., 2019). It provides a contrast of understanding which states that foreign aid has the potential to bring effectiveness and increase quality, but there is a need to implement better strategies for excellent use of the facilities. But there is another study which promotes a contrasting approach to the use of foreign aid, as it has been seen that foreign aid is working more effectively for the educational sector in comparison to the remaining sector for which the foreign aid is generally

provided in developing countries (Lim, 2021). On the overall understanding, it can be said that foreign aid is impacting education, but there is an inclusion of a few variables which are causing the differentiated approach for the management of diversified approach management.

Impact of foreign aid on educational inequalities in developing countries

The educational inequalities have been making a quiet difference between the enrolment of students and the graduating from the educational institutes. But there is a considerable change in the operations of education with foreign aid. The findings show that there is an increase in the overall association of enrolment rate and completion per capita education aid. An additional \$1,000 of per capita education aid is significantly associated with a 1% increase in enrollment rates (Lim, 2021). The inequalities of education are important to reduce, but with the considerations regarding the development of a better structure for effective use of foreign aid. The research highlighted that in Africa, there is a need to develop some rationales and standards for effectively using foreign aid in developing countries (Asungu et al., 2016). Thus from these observations, it can be said that there is a need to develop more approach consideration for the development of controls in order to have beneficial approaches to foreign aid. For the consideration of effective use of foreign aid and its impact on the quality, it has been approached that beneficial approaches are much required. It has been seen that in Haiti, the political context has been causing the lack of better quality education, and there is a need to plan and implement it more effectively (Buss and Gardner, 2015). Thus it can be said that effective approaches are much important to develop for the betterment of quality education.

Impact of foreign aid on American Universities scholarships for students

In the identification of a better structure of higher education, American universities scholarships are much important to consider. It has been seen that in the USA, the American foreign policy is helping to provide a sufficient approach for making the connection with different countries. In that approach, the foreign policy has been very considerate with the permit of students to get financial help and support for students to have the beneficial approach (Cox and Stokes, 2018). In the approach of Middle West students to come to the USA, so it provides the approach for which directly influence and foreign policy have been much effective (Fawcett, 2016). The research by USAID (2022) in this regard has stated that America is taking effective measures to eliminate the illiteracy ratio among the people by offering students from underdeveloped nations scholarship and providing a reduction in their fee structure which also aid in the delivery of peace and exceptional education help. Thus in this way, it can be said that the scholarships are being provided to the students to take enrolment in international universities.

The literature review has discussed the observations of different studies, and in that case, the impact of foreign aid on higher education in developing countries, its effectiveness, and the development of quality in higher education

has been discussed. The American Universities' approach has also been approached for the international students.

METHODOLOGY

Research philosophy

The Research philosophy is an integral part of the research and highlights the various principles and viewpoints that highly influence the decision-making. The Research philosophy also has various types, such as interpretivism, positivism, and realism (Ryan, 2018). In addition, the philosophy that has been selected for the research is interpretivism, and the main justification is that it helps in interpreting actions and can be immensely beneficial for the research. Another justification is that interpretivism also sheds light on the beliefs and reasons in depth and can play a vital role in decoding useful information when assessing the role of foreign aid in higher education systems.

Research approach

The past study by Feng et al. (2019) has demonstrated that the research approach is another key component of the research and helps in highlighting the core assumptions regarding the research problems and is also divided into various types such as abductive, inductive, and deductive. For the given research, the research approach that has been selected is inductive, and the main justification is that it helps in presenting information from an extensive range, and the reasoning can play a vital role when tackling the given research problems. In addition, another justification is that the acquired data from detailed interpretations assists in generating a wide variety of generalisation ideas and can help in analysing foreign aid and its role in promoting higher education in developing nations.

Research design

According to the research by Sileyew (2019) that research design is a crucial aspect, and mostly the foundations are laid on its basis and are primarily categorised into types which are qualitative, quantitative, and mix-method. This research has utilised the qualitative research design, and the prime reason for opting for this research design is that it generates authentic ideas and also widens the scope, which can help in yielding fruitful outcomes. Another justification is that qualitative research design also focuses on the factor of "why" and "how" and can assist in getting detailed insights regarding foreign aid and its augmentation in higher education.

Data collection

As emphasised by Kobelt et al. (2017), data collection is another important aspect of the research and is divided into two types which are secondary and primary data collection. This research has used secondary data collection, and the core justification for using this data collection is that it assists in extracting

information from past studies, journals, and peer-reviewed articles and can be beneficial when assisting the impact of foreign aid on education institutions.

Data analysis

As demonstrated by Rahi (2017), data analysis is mainly the procedure of altering information and generating meaningful data. The data analysis technique that has been chosen for the research is the content analysis, where information from past papers has been reviewed, and the main justification is that content analysis helps in determining themes and helps the researcher of the study produce fruitful outcomes.

ANALYSIS

The impact of foreign aid on higher education in developing countries

The research article by the Congressional Research Service (2021) has demonstrated that education is a basic right, but many people are deprived of it, and the policymakers have agreed that education holds great significance and also plays an immense role in improving the economic stability of a country specifically the developing countries. The past research by Congressional Research Service (2021) has also found that having adequate education can increase livelihoods and can also lead to higher incomes. The researcher of the article has also stressed that about 257 million people do not attend school, and about 99 million people who are aged between 15-24 are not educated. The US congress has played an effective role in promoting education around the globe and has set a US aid for the promotion of higher education in developing countries. The article by Congressional Research Service (2021) has asserted that the USAID is the largest US education assistance program and also takes effective measures to promote education in countries where poverty is immense, and the literacy rate is extremely low. In addition, foreign aid is also helping in the provision of higher education in developing countries and also highly focuses on the factors of access, enrolment, and retention, curriculum development, and teacher support. According to the research article, foreign aid has a positive impact on the educational institutions of developing countries as foreign aid helps about 11% of education institutions in the Middle East and North Africa, about 43% of Sub-Saharan Africa, and about 9% in the south and central Asia.

On the contrary, another research by Cook (2019) has further cited that foreign aid is a life-saving factor for many countries, including Ghana, and the Millennium Challenge Account (MCA) by the United States of America provides about 50% of aid to the developing nations and also helps in increasing annual revenue by about \$5 billion. In addition, the article has also indicated that the foreign aid by the USA has donated about \$7.4 million to the educational program in Ghana, and the researcher has further demonstrated that the MCA, which is foreign aid, helps in providing stability, peace, and also plays an immense role in eradicating poverty and illiteracy.

The effectiveness of foreign aid in improving the quality of education in developing countries

Another research by Kemal (2016) has asserted that foreign aid plays an important role in improving the quality of education in developing countries. The researcher highlighted the developing country-Pakistan and further demonstrated that the literacy rate is extremely low when compared with the modern world. Many organisations such as the UN, the World Bank, and many non-profit organisations have played their role in promoting quality education in the country since 1947. The researcher of the article has further demonstrated that USAID, which is a foreign aid, has been immensely effective and has helped in reviving quality education. The US government has given over 45 billion for civil assurance and about 41 billion for emergency humanitarian since 2009. In addition, USAID has also made partnerships with the higher education commission of Pakistan and is helping in providing affordable and quality education to individuals in about 110 universities.

Whereas another research by Nsanja, Kaluwa, and Masanjala (2021) has demonstrated that the effectiveness of foreign aid is also extensive in Africa and has also assisted in improvising the overall quality of education. The researchers of this article have stressed that education is an integral part and can also help in enhancing economic growth and can be beneficial for its future development. In addition, foreign aid has also been extremely helpful in helping third-world countries and increasing the literacy rate through educational assistance programs. Boosting the growth of the educational sector can also help in broadening the social and economic stability, and the researchers further indicated that low-income countries are highly dependent upon rich countries.

DISCUSSION

The first objective of the study is to explore the impact of foreign aid on higher education in developing countries. The past research by Cook (2019) in this regard has stated that foreign aid has been able to solve the education problem of the developing countries, and (MCA) has immensely helped to increase annual revenue by roughly \$5 billion while simultaneously providing about 50% of aid to developing countries. In addition, foreign aid has also promoted stability and peace. The second objective of the study is to assess and evaluate the effectiveness of foreign aid in improving the quality of education in developing countries. The past research by Yogo (2017) highlights this objective and demonstrates that foreign aid, which is usually obtained by the developed nations, plays a progressive role in order to improvise the overall quality, specifically in Sub-Saharan Africa, which obtains the largest aid in terms of humanitarian and education. The policies as developed by the education aid can help in achieving the Sustainable Development Goal (SDG).

The third objective of the study is to analyse the effect and impact of foreign aid on educational inequalities in developing countries. As emphasised by Omar and Inaba (2020), educational inequalities are greatly found in the

developing countries due to the limited resources, and Africa has suffered the most due to poverty, corruption, and inadequate resources, which have also affected their overall growth and production. Foreign aid plays an immense role in eradicating illiteracy among young adults and children, which also contributes to the economic prosperity of underdeveloped nations. The last objective of the study is to assess the impact of foreign aid on scholarships for students from developing countries to study at American universities, and the research article by USAID (2022) in this regard has stated that America is taking effective measures to eradicate the illiteracy ratio among individuals by offering people from underdeveloped nations with scholarship and cut down in their fee structure which also helps in the provision of peace and excellent education assistance.

CONCLUSION AND RECOMMENDATIONS

It has been concluded that foreign aid is immensely beneficial as it promotes ease and economic stability in developing nations. In addition, it is also highlighted in the study that the illiteracy rate in developing nations is extensive and receiving good education can improve livelihoods and enhance income. The US Congress has been instrumental in advancing education around the world and has established a US aid programme to support higher education in developing nations. USAID is the largest US education assistance agency and employs effective strategies to advance education in nations with extreme levels of poverty and low literacy rates. In addition, Foreign aid has also been effective in assisting developing nations and raising the literacy rate through educational assistance initiatives. Increasing the educational sector's growth as it helps to increase the social and economic stability of low-income nations. From the above literature, the following recommendations can be endorsed;

- From the above literature, it has been witnessed that the developing countries keep a limited budget for education which does not fulfil the requirements of its citizen. Therefore, the developing nations are recommended to take effective measures by increasing their educational budget and keeping a proportion while including other aspects so that the literacy rate can be enhanced and economic stability can also be achieved.
- The developed nations can also play their part by assisting the developing nations with their educational structure by offering free programs and introducing effective learning programs so that the literacy rate on a global scale can be improvised and every individual can benefit from it.
- Another recommendation for the developing nations can be the eradication of corruption that assists in the provision of improved resources for educational institutions and for increasing socio-economic stability.

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