

**Abstract**

Higher education has resurfaced as a key pillar for delivering the Sustainable Development Goals (SDGs) and tackling global challenges; however, international support to higher education systems and students in low- and lower middle-income countries remains misunderstood and poorly documented. With a marked increase in unreported funding from emerging donors, self-serving “aid,” and SDG-linked research funding vehicles, we argue it is time to rethink what counts as international aid to higher education.

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## Rethinking International Flows of Aid to Higher Education

Lee Rensimer and Tristan McCowan

Recent decades have witnessed the rising significance of higher education in fulfilling the SDGs and addressing persisting global challenges. Unlike basic education, universities have broad institutional functions: teaching and learning, basic research, innovation and community engagement, in addition to provision of other services such as hospitals, professional training and consultancy, delivering a range of public and private goods which directly or indirectly contribute to the SDGs. However, higher education systems in most low- and lower middle-income countries are persistently underfunded, especially in light of structural adjustment agreements, and struggle to retain their PhDs, impeding fulfillment of higher education’s rich array of functions. While the importance of higher education can be seen in the evolving discourse of key multilateral agencies over the past two decades, funding for higher education coming from these agencies and bilateral donors has decreased as a proportion of total official development assistance (ODA) since 2002, despite the steady increase in aid to higher education in absolute terms. The majority of this aid is also directed to countries with well-developed higher education systems rather than those with the most precarious infrastructure, and widely targets individuals through international scholarships and training over institutions and systems.

Given the importance of higher education and the relatively large body of scholarship on aid to basic education, research on, and consequently our knowledge of aid to higher education, is surprisingly limited. Scarce literature on international aid to higher education offers analyses of specific programs, critical commentaries on the roles of international organizations, and some evaluations of aid effectiveness and impact. Last year saw the release of a flagship publication by UNESCO’s International Institute for Higher Education in Latin America and the Caribbean, which attempted to take stock of global flows of aid to higher education. It identified important trends and confirmed those of previous studies: i.e., that aid to higher education is fragmented, oriented towards middle-income countries and, for many donors, heavily concentrated in international scholarships to individuals. For us, however, the crux of the matter is rather the data themselves used to produce most studies on aid: the OECD’s Creditor Reporting System. These data, as we argue in a [recent paper](#), form only a small part of the aid picture, and worse, present a potentially misleading one. Part of the problem with OECD data is its internal validity, as donor agencies self-report their aid activities in often inconsistent ways. The bigger issue—and where a rethinking of what counts as aid to higher education is most needed—are the multiple changes in the aid landscape over recent decades.

### New Donor Actors

Part of this changing landscape is the emergence of new donor actors engaging in international support to higher education, including private philanthropic foundations and recently industrialized countries. Private development finance to higher education is steadily rising, led by Mastercard, Open Societies, Carnegie, and Conrad Hilton Foundations, among others. Philanthropic flows from these actors concentrate on increasing access and quality in higher education in low- and lower middle-income countries through domestic scholarships, financial support, and program enhancement activities. Bilateral aid from the BRICS (Brazil, Russia, India, China, and South Africa) and other emerging economies is also on the rise, marking their shift from aid recipients to donors. In some cases, countries remain both with respect to higher education aid. Similar to the aid coming from the Arabian Gulf states and other countries outside of the OECD, their support for higher education is primarily international scholarships and maintenance grants to study in the donor country. The geopolitics of these flows are evident in their strategic choices of recipient partners, as has long been the case with traditional donors.

What distinguishes these flows from those of traditional donors is their visibility and form. While bilateral donors within the OECD are required to report their aid activities following a transparency framework, new donors may opt in (in the geopolitical interest of transparency and cooperation) but have no obligation to do so. Philanthropic foundations, similarly, do so where there is capacity, making contributions from only the largest private organizations visible and enumerable to the OECD. With both groups of donor actors steadily increasing their support to higher education, the gap between the OECD dataset and reality grows, critically impairing the singular and most heavily used source of data on international aid. Further complicating the matter is the dataset's somewhat rigid and outdated classifications of aid which are incompatible with some of the nuances of South-South cooperation and East-South foreign investment. Some flows from new donors, including complex loan packages from China to Africa or transnational higher education initiatives between Brazil and the Lusophone South, defy traditional classification. Most of these flows do not appear in OECD data, and must therefore be pieced together through investigative documentary research (by organizations like [AidData.org](http://AidData.org)), producing at best a patchy mosaic of financial flows loosely conforming to our understanding of "aid."

### New Forms of Aid

Inversely, however, the transparency of activity reported to the OECD by traditional donors does not necessarily equate with substantive support. The majority of higher education aid from many of the largest OECD donors, including Germany, France, Japan, Austria and the United Kingdom, goes to their own international scholarship schemes which effectively funds their own universities and economies. Higher education research funding is also increasingly packaged as aid and counted against national ODA commitments, using complex vehicles like the United Kingdom's Global Challenges Research Fund and Newton Fund to foster partnerships between British and international universities and researchers. Like scholarships, much of this funding is self-serving, staying onshore and fueling domestic research with aid money.

While donors classify scholarships as aid to higher education, ODA-funded research is typically classified variously by its targeted sectors. Nevertheless, this form of research funding commonly involves, trains or enhances academics and universities in the Global South, operating as an indirect form of aid to higher education. As these vast sums are not reflected in conventional indicators of higher education aid, we argue that this aid *through* higher education is equally important to understand the bigger picture of flows of aid to higher education.

Such developments prompt necessary and critical questions of what counts as aid and who exactly is being aided. In the wider practices of international aid, these are certainly not new critiques. What they do enable, however, is fertile ground for rethinking how we classify and quantify aid to higher education, taking into consideration its impact on the capacities of higher education systems and academics. How this is realized in practice is an altogether different challenge, but preceding it is the necessary taking stock of the available data and its critical omissions. ▲

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