

Mandatory Funding for Early Childhood Education: A Proposal in Brazil

Brazil has a mandatory education fund for primary education called FUNDEF¹ (Fund for the Development of Primary Education and Teacher Development). The scheme, which requires 60% of the local governments' – the states and municipalities – education budgets to be spent on primary education, helped increase net enrolment in primary education from 92.7% in 1994 to 96.4% in 2000. This increment of net enrolment, which brought the country closer to the ideal of universal primary education, is significant, given that the growth rate of enrolment normally slows down at the higher level. More importantly, the fact that it is mostly the children from marginalised populations who benefited from the initiative makes FUNDEF a politically important achievement.

Policy-makers, encouraged by FUNDEF's success, are now drafting a Congressional Bill to establish a mandatory funding scheme for early childhood education for 0-6-year-olds² with the hope of obtaining a similar result. If enacted, this Bill will eventually galvanise efforts to expand early childhood education in the country. But the effort faces challenges that are every bit as great as the goal itself. These challenges are the subject of this note.

First a few words are in order on the current funding system for early childhood education in the country. Brazil's government system is three-tiered, consisting of the federal government, states and municipalities. Under the constitution, at least 25% of the state's net tax revenues is to be spent on education. 60% of this state education budget is contributed to FUNDEF, supporting primary education, which is provided by the municipalities. The remaining 40% is reserved for secondary education.

Likewise, at least 25% of the municipal net tax revenues is to be spent on education. 60% of this municipal education budget is contributed to FUNDEF, combined with the contribution from the states.³ The remaining 40% is to be

spent on early childhood education, of which provision is the responsibility of the municipalities. However, municipalities tend to stretch the budget for primary education far beyond 60%, leaving very little for early childhood education.⁴

This state of affairs has been brought to the attention of national policy-makers. They first take note of the fact that since municipal spending on early childhood education is not mandatory, the current recommendation for early childhood education funding at the local level is not taken heed of. Second, they have observed that some municipalities cannot provide universal primary education by relying solely on FUNDEF, and so need additional resources, which usually come from the share supposedly reserved for early childhood education. They have also recognised that the states cannot be asked to spend more on early childhood education because of their responsibility for secondary education.

These observations led to two conclusions. First, funding for early childhood education must be earmarked and mandatory. Second, the additional resources needed for early childhood education must come from the federal government. This argument derives from the constitutional stipulation that the federal government is to provide technical as well as financial assistance to local governments in the field of education. Specifically, the proposed Bill for mandatory funding for early childhood education suggests that to complement the current scheme in which 40% of the municipal education budget is to be available for early childhood education, the municipal contribution should be kept at the level of 20%, while another 20% should come from the federal government.

Meanwhile, the constitution requires the federal government to spend 18% of federal revenues on education and this amount is given to the federal government as an earmarked budget. So, the question is whether the federal government will give priority to early childhood education within this education budget.

Obtaining an increase in the federal government's contribution to early childhood education, however, is a daunting challenge. First of all, responsibility for education is divided among the three levels of government,

¹ Fundo de Desenvolvimento do Ensino Fundamental e de Valorização do Magistério. The FUNDEF was set up in 1996 to help universalise primary education.

² The administrative responsibility for the entire age group lies with the Ministry of Education, though the Ministry of Social Assistance and the Ministry of Health are also involved in the provision of various other early childhood programmes and services. The proposed Bill is to support both day care services for 0-3-year-olds and pre-school services for 4-6-year-olds. But the Government is trying to mobilise other supplementary resources for day care services, which implies that the main target service of the proposed fund would be pre-school services.

³ The contributions from the states and municipalities are pulled together to form FUNDEF and re-distributed to the municipalities in proportion to the number of students enrolled.

⁴ As the provision of adult literacy programmes at the level of primary education is also the responsibility of the municipalities, the availability of fund for early childhood education is also affected by adult literacy programmes.

with the federal government responsible for tertiary education, while basic education – early childhood, primary and secondary education – is the responsibility of the states and municipalities. This division of responsibility will be hard to change. Furthermore, the federal government's current contribution to pre-primary education is merely 5%⁵, and it has decreased steadily over the last three decades. The federal government is unlikely to reverse this trend.

Moreover, the federal government's involvement in tertiary education, its own area of responsibility, has been exceptionally expensive. Brazil is one of few developing countries in which spending on tertiary education is phenomenally higher (about 14 times) per student than on primary education.⁶ Tertiary education normally costs more because of smaller economies of scale, among other reasons. In OECD countries, the ratio of per-student expenditure between tertiary and primary education averages around 2.3:1. The implication is that the Brazilian federal government's investment in education is very costly but will be extremely difficult to reform because of the vested interests of the existing beneficiaries.

In terms of the priority placed on early childhood education, the picture seems no rosier at the level of local governments, which are directly responsible for the actual allocation and execution of budgets for basic education including early childhood education. The concern that early childhood education may not be a priority for them is reflected in the current debate over whether a separate mandatory fund should be set up for early childhood education so that it does not simply remain dependent on an overall mandatory fund for basic education that covers primary and secondary education as well. Some prefer the integrated approach for administrative efficiency, but those who oppose to this point out that if early childhood education is included in the overall funds for basic education, it will again wind up being a lower priority than primary and secondary education.

Their apprehension is not groundless. The country's constitution mentions universal coverage of secondary education. It also states that 30% of the federal education budget must be spent on literacy and fundamental or primary education. Early childhood education has no such constitutional basis. Recently, with the launch of the UN Decade for Literacy, the President made a firm commitment to fight illiteracy, pledging that major investments would be forthcoming in the area. Literacy rates can be boosted when all young children attend good quality early childhood education services; and adult literacy programmes can be effectively combined with parenting education. But these policy and programme options have not been fully explored, while early childhood education continues to suffer from no political clout inviting government investment.

⁵ Public education expenditure, 1999. Source: *Financing education: Investments and returns. Analysis of the World Education Indicators 2002 Edition*. Paris: OECD/UNESCO.

⁶ Source: *Financing education: Investments and returns. Analysis of the World Education Indicators 2002 Edition*. Paris: OECD/UNESCO.

In the face of this rather grim outlook, Mr. Severiano Alves, a member of the Brazilian Congress who drafted and submitted the Bill,⁷ is keen to point out that "ignoring or belittling the problem of early childhood education, to me, is a serious mistake. Imagine a primary school classroom with children from rich families who have gone through private pre-schools and are well prepared for learning, and those from poor families who have little idea about learning, let alone having any developmental base to begin learning. Imagine the kinds of problems this situation can create for the teacher, for the children themselves, and eventually for the entire society. Instead of working on bills to remedy problems, I would prefer working on a preventive, more economical and effective, measure – investment in the early periods."

For the time being, the firm conviction of concerned policy-makers is the glimmer of hope for the future of the country's early childhood education; if this conviction resonates with the public, then perhaps the Bill will pass after all, against the odds.

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⁷ He also helped found the FUNDEF in 1996 when he headed the congressional Commission of Education and Culture.