

Are scholarships good aid?

by Matthew Morris
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There needs to be a genuine discussion of scholarships as an aid instrument and how to improve their effectiveness. Markus Mannheim's story on [Development dollars are too precious to waste](#) moves the aid debate forwards from fraud to development effectiveness, arguing that unless scholarships can be shown to reduce poverty they should not be counted as aid. This is an interesting discussion to have, but his analysis of scholarships is incomplete and like other recent [stories](#) tends to sensationalise the issues.

As argued [before](#), the public deserves well researched analysis of the aid program and unfortunately we are short changed in the scholarships story. Instead we get yet another beat up of the aid program: we read about ministers 'doling the scholarships out', developing country 'elites' receiving 'lucrative awards' etc.

It is good to see that more journalists are accessing aid reports through the Freedom of Information Act. The 'confidential' and 'internal' report on the effectiveness of scholarships (2008 and 2009) that forms the basis Mannheim's story is now available on the AusAID website following an FoI request. (And according to the AusAID's draft [Agency Information Plan](#), we can expect more of this kind of information to be routinely shared—a very welcome move.)

A story about the effectiveness of scholarships would be more persuasive though if it made reference to AusAID's most recent assessment of scholarships programs contained in this [2010 update on scholarships](#) (which is publicly available on the AusAID website.)

It would also be more persuasive if it were based on the findings of a more recent audit or aid review. The story preempts an ongoing [audit of Australian support for tertiary education](#) that is due to be tabled in the Autumn sitting of Parliament, and the Independent Aid Review, chaired by Sandy Hollway, that is due to report back this week on how to improve the effectiveness of Australian aid, presumably including scholarships.

We don't yet know the findings of the ANAO audit report or the Aid Review, but in

the meantime, AusAID's own 2010 update report on scholarships is worth reading to get a better understanding of the objectives of the scholarships program, patterns and trends in funding, achievements, and the challenge of improving monitoring and evaluation.

According to AusAID's 2010 update:

Table 1: Scholarships expenditure 2008-09 and 2009-10 (\$m)

	FY 2008-09	FY 2009-10
Short-Term Awards	\$12.7	\$14.6
Long-Term Awards	\$132.9	\$139.1
Total	\$145.6	\$153.7

Table 2: Number of scholarships intake years 2009 and 2010

	2009	2010
Short-Term Awards	598	712
Long-Term Awards	1276	1370
Total	1874	2082

- Funding for scholarships increased from \$145.6m in 2008-09 to \$153.7m in 2009-10 (see table 1), increasing the number of awards from 1874 to 2082. Scholarships were provided to 48 developing countries in 2009 and, 56 countries in 2010.
- The last two years has seen an expansion of development scholarships into new geographic areas. The scholarships engagement for Africa has expanded, and long-term scholarships were offered to the Caribbean, Latin America and Burma for the first time in 2010. Scholarships to the Caribbean and Latin America are an important feature of the Australian aid program in these areas.
- The Government's 2010-11 Budget statement announced a doubling of scholarship to around 3,800 places annually in 2014. This includes an increase in scholarships for Africa from 260 in 2010 to 1,000 per year by 2013. At any given time there are between 2,500 and 3,500 people studying in Australia on development scholarships.
- By 2014, it is estimated that more than 6,000 people from developing countries will be studying in Australia on scholarships funded through the aid program. Based on current projections, it is expected that 16,000 scholarships will be provided over the next five financial years, at a total cost of around \$1.7 billion.

Monitoring and evaluating the impact of scholarships is not easy. The Mannheim story refers to a [2008 and 2009 study](#) that is available on AusAID's website. As mentioned above we don't yet know the findings of the audit and Aid Review, but M&E seems to be an area where AusAID has made good progress. The 1999 audit, the 2007 ARDE, 2008-09 study were all critical of AusAID's systems for tracking the effectiveness of scholarships. Since then, notable progress has been made in strengthening systems. According to AusAID's 2010 update:

- A total of five tracer studies, three independent completion reports and three joint

reviews (with New Zealand) of scholarships programs were completed over 2009 and 2010. These reviews provide valuable information on scholarships and have led to redesigned scholarships engagements and closer relationships with partner governments and other donors.

- A mid term review of the Australia Leadership Awards was completed in September [2010] and a review and redesign of the leadership development program will be completed in early 2011. Lessons from these reviews will inform further work on strengthening the leadership development opportunities presented by AusAID's scholarships engagements. AusAID is also trialling a new tool – Sensemaker – to assess scholarships impact. Results of the trial will be available in March 2011.

It seems then that there is rich array of evidence and analysis for the Aid Review to draw on to assess the effectiveness of the Australia's scholarships program, including looking at the geographical targeting and need for scholarships, their cost effectiveness and ongoing monitoring and evaluation.

We need a genuine discussion on the future of the aid program. Markus Mannheim has moved the debate forward from fraud to development effectiveness, but not delivered a balanced analysis of the scholarship program. For now I will reserve judgement and look forward to reading a more informed analysis in the ANAO and Aid Review reports.

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