Improving Education Governance through
School-Based Management

(Input for EFAWG and EFAHLG in Oslo 2008)

Governments around the world are introducing a range of strategies aimed at improving the financing and delivery of education services, and have recently added an emphasis on improving quality as well as increasing quantity (in terms of enrollment rates). The decentralization of educational decision-making is one such strategy. Advocates of this strategy maintain that decentralizing decision-making encourages demand and ensures that schools reflect local priorities and values. By giving a voice and decision-making power to local stakeholders who know more about the local education systems than central policymakers, decentralization can improve educational outcomes and increase client satisfaction. One way to decentralize decision-making power in education is popularly known as School-based Management (SBM). There are other definitions and names for this concept, but they all refer to the decentralization of authority from the central government to the school level. SBM emphasizes the individual school (as represented by any combination of principals, teachers, parents, students, and other members of the school community) as the primary unit for improving education and the redistribution of decision-making authority over school operations as the primary means by which this improvement can be stimulated and sustained.

Why SBM?

SBM-type reforms have been introduced in countries such as Australia, Canada, Israel, and the United States, some going back 30 years. There are many reasons for this popularity. SBM has the potential to be a low cost way of making public spending on education more efficient by increasing the accountability of the agents involved and by empowering the clients to improve learning outcomes. And by putting power in the hands of the end users of the service (education), SBM eventually leads to better school management that is more cognizant of and responsive to the needs of those end users, thus in creating a better and more conducive learning environment for the students.

The potential benefits of such a system are tremendous at only marginal cost. These benefits can include:

- More input and resources from parents (whether in cash or in kind);
- More effective use of resources since those making the decisions for each school are intimately acquainted with its needs;
- Better quality education as a result of the more efficient and transparent use of resources;
- A more open and welcoming school environment since the community is involved in its management;
- Increased participation of all local stakeholders in decision-making processes, leading to a more collegial relationship and increased satisfaction;
• Improved student performance as a result of reduced repetition rates, reduced dropout rates and (eventually) better learning outcomes.

Increasing autonomy, devolving responsibility, and encouraging responsiveness to local needs, all with the objective of raising performance levels, are the trend across all OECD countries (OECD 2004). Most countries that perform well in international student achievement tests provide local authorities and schools with substantial autonomy in terms of adapting and implementing educational content and/or allocating and managing resources. With a few exceptions, most students in OECD countries are enrolled in schools in which teachers and stakeholders play a role in deciding what courses are offered and how money is spent within the school. There is a strong positive relationship between school autonomy and student performance. Moreover, greater school autonomy is not necessarily associated with greater disparities in school performance, as long as governments provide a framework in which poorer performing schools receive the necessary support to help them to improve. In fact, Finland and Sweden, which are among those countries with the highest degree of school autonomy on many PISA measures, have (together with Iceland) the smallest performance differences among schools (OECD 2004).

There are many SBM reforms in developing countries. A review of the World Bank education portfolio for fiscal years 2000-2006 reveals that about 10 percent of all projects support school-based management, a total of 15 among about 157 projects. This represents $1.7 billion, or 23 percent of the Bank’s lending for basic education or 18 percent of its total education financing.

Most SBM projects involve some sort of transfer of responsibility and decision-making, usually the responsibility for school operations to a combination of principals, teachers, parents, and other school community members. SBM projects try to empower principals and teachers, or to strengthen their professional motivation, thereby enhancing their sense of ownership of the school, and they emphasize decentralization and meaningful community participation. Moreover, these projects aim to increase the speed and relevance of school-level decision-making.

Most SBM projects work through some sort of school committee (or school council or school management committee). The school committee may: (1) monitor school performance as well as teacher and student attendance; (2) raise funds and create endowments for the school; (3) appoint, suspend, dismiss, and remove teachers and ensure that teachers’ salaries are paid regularly (usually only in the most radical interpretations of SBM, usually in post-conflict or post-natural disaster countries such as EDUCO in El Salvador, or PRONADE and PROHECO in Guatemala and Honduras in the current World Bank portfolio) and, albeit rarely, (4) approve annual budgets including the development budget and examine monthly financial statements.
Different Forms of SBM

SBM reforms are far from uniform and encompass a wide variety of strategies. Programs are shaped by the objectives of the reformers and by the broader national policy and social context. There are two main dimensions in which devolution of decision-making occurs: the people to whom the decision-making authority is devolved (who) and the degree of autonomy being devolved (what). The many various combinations of these two dimensions render most SBM reforms unique. It is estimated that there are more than 800 SBM models in the United States, and around the world, SBM reforms vary even more widely.

SBM programs lie along a continuum of the degree to which decision-making is devolved to the local level. This can be limited to a single area of autonomy to programs that devolve the power to hire and fire teachers and those that give schools control over substantial resources, to those that encourage the private and community management of schools as well as allowing parents to create schools.

The other dimension of SBM is who is given responsibility for the devolved functions. There are four models that typify the various arrangements that have been included in SBM reforms: (a) Administrative control SBM—in which the authority is devolved to the principal; (b) Professional control SBM—in which the main decision-making authority lies with teachers with the aim of making use of their knowledge of the school and its students; (c) Community control SBM—in which parents have the major decision-making authority (d) Balanced control SBM—in which decision-making authority is shared by parents and teachers. In practice, SBM is usually a blend of the four models. In most cases, a formal legal entity (a school council or school management committee) consists of the principal, teachers, and, in almost all cases, community representatives.

By making individual schools the focus of educational policy change, SBM does not assume that governments will be completely out of the decision-making picture. Public schools will always exist in some larger policy and administrative context that affects their operations. The key is to identify precisely what the government role in decision-making should be, given the political and social context.

There are some caveats. Decentralization or devolution do not necessarily give more power to the general public. For example, local democracy and political accountability are often weak in developing countries, and this could mean that elite groups monopolize control of SBM. Another problem might arise in places where some manifestation of central authority would be needed to ensure that the poor or minorities are given fair and full access to services (in this case, education). Also, there might be no culture of accountability in communities, in which case local stakeholders might not question those running the school under the SBM reform. Alternatively, the local authorities or agents made responsible for school decision-making under the SBM reform might not have the capacity to do so, which means that without large-scale capacity building at the local level, the SBM reform would be likely to fail.
Can School-based Management Work?

There are a few well-documented cases of SBM and some documented cases of success, but the sample of carefully documented, rigorous impact evaluations of SBM since 1995 is very small compared with the large number of known SBM programs around the world. This situation is improving, but at this time we know very little. Moreover, the few rigorous studies that we review have various problems. For example, the lack of randomized experiments has meant that researchers have had to make retrospective analyses. Also, depending on data availability most researchers have been forced to search for instrumental variables to identify the intervention, as well as other econometric techniques, which raises questions about the validity of the chosen instruments. Those studies that used over-time differences between beneficiary and non-beneficiary groups or tried to match beneficiaries with a similar non-beneficiary group were limited by a lack of data, either because the baseline data were not rich enough or because the pre-program trend information did not exist. These shortcomings undermine the conclusions of the literature that has been produced so far on the impact of SBM. It is nevertheless possible to make some conclusions about the impact of SBM based on the more rigorous analyses.

- Some studies found that SBM policies actually changed the dynamics of the school, either because parents got more involved or because teachers’ actions changed.
- Several studies presented evidence that SBM policies have had a positive impact on repetition rates, failure rates, and dropout rates.
- The studies that had access to standardized test scores yielded mixed evidence.

A number of initiatives and projects are underway that include a component of SBM. These are mainly concentrated in both, Africa and South Asia. Most of these are supported by the World Bank, and a number of these are in the process of being rigorously evaluated. A thorough review of such initiatives is underway. Ideally, any study attempting to assess the effects of SBM would use some form of randomization. However, if randomization is not an option, two other strategies can be useful. First, when the program is targeted using some continuous variable as the entry criterion, it may be helpful to use a Regression Discontinuity Design (RDD) procedure. With RDD, the estimation will yield the true effect of the intervention without the need for randomization. This makes RDD a more flexible procedure especially when it is used to evaluate programs that are already in place. The second promising strategy is a non-random phase-in strategy. For this evaluation method to be technically sound, it is critical to show that the second group to be studied is the right counterfactual for the group that initially entered the program, which means that they need to have similar pre-treatment observable characteristics. This means that it is essential to have good pre-intervention data on both groups to use this procedure. Good post-intervention data are also needed to carry out the analyses.