Chapter 3

Raising quality and strengthening equity: why governance matters

Many countries have introduced far-reaching governance reforms in education. This chapter looks at governance problems and reform measures in four important areas: finance, school management, teacher recruitment and allocation, and education planning. Two key findings emerge. The first is that there is no blueprint for good governance: each country has to develop national and local strategies. The second finding is that governments across the world have attached insufficient weight to equity in the design of governance reforms.
Introduction

Governance is a word that conjures up an image of abstract political, administrative and management processes. It is easy to lose sight of the real impact that governance practices in education can have on the lives of ordinary people, the hopes and aspirations of parents and children, and the human development prospects of nations.

To understand why good governance matters in education, consider the alternative. Bad governance leaves parents and communities facing education provision that is unaccountable and unresponsive to their needs. It contributes to education systems that are ineffective in raising learning achievements. It leaves communities and regions with children sitting in classrooms lacking basic teaching materials, and in the charge of untrained and demotivated teachers. In some cases, bad governance also means that financial resources allocated to schools do not arrive.

Poor governance practices in education affect the whole of society. But invariably it is the poor who bear the brunt. Good governance implies not just transparency and accountability, but also a commitment to equal opportunity for all citizens. Unlike the wealthy, who can opt for private provision, poor households depend on governments to deliver education services. When those services are of poor quality, inaccessible or unaffordable, it is the poor who lose. Indicators for bad education governance include large financing gaps between rich and poor areas, provision that is unaffordable for the poor and a lack of attention to strategies for reaching the disadvantaged. Failure to tackle corruption, another hallmark of bad governance, has particularly damaging consequences for poor households. When resources do not reach schools, or when schools levy unauthorized fees, it is the poor who are least able to pay.

The good governance agenda

Governance describes the institutions, rules and norms through which policies are developed and implemented – and through which accountability is enforced. Governance reform in its broadest sense is concerned with changing the rules of the game – that is, changing the processes through which decisions are made and implemented on behalf
of members of an organization or a society (Rodrik, 2008). However, governance is not just about abstract institutional processes or formal rules. It is also about power relationships in society. At its most basic level, governance systems define who decides on policies, how resources are distributed across society and how governments are held accountable.

Good governance is now a central part of the international development agenda. Beyond education, it is seen as a condition for increased economic growth, accelerated poverty reduction and improved service provision. The most widely used data on governance indicators show that objectives range from strengthening multiparty democracy to reducing corruption, strengthening the rule of law, increasing the accountability of public institutions and enhancing the participation and voice of citizens (Kaufmann et al., 2007).

Few people would take issue with the intrinsic importance of improving governance in these various dimensions – and most would argue that progress is intrinsically important to development (Rodrik, 2008). As one set of commentators put it: ‘Good governance is an ideal in which political processes translate the will of the people into public policies and establish the rules that efficiently and effectively deliver services to all members of society’ (Crouch and Winkler, 2007, p. 1). More controversy surrounds the choice of policies to achieve the desired end of good governance. Achieving good governance may require far-reaching political reforms and the reordering of institutional arrangements. This has often been forgotten by donors, who sometimes present their aid partners with lengthy shopping lists for good governance reform, with little regard for prioritization or political feasibility (Grindle, 2004). More broadly, the good governance narrative is often silent on the power relationships and vested interests that may be affected by governance reform.

There has been a parallel failure to acknowledge that national and local contexts are important. When it comes to governance reform, what works in one setting may not work in another. And there is no guarantee that progress towards good governance, as measured by the standard indicators, will resolve wider problems in development.

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**Education governance: the Dakar Framework and beyond**

Education governance is not simply the system of administration and management of education in a country. In its broadest sense, it is concerned with the formal and informal processes by which policies are formulated, priorities identified, resources allocated, and reforms implemented and monitored. Governance is an issue not only for central government but also for every level of the system, from the education ministry down to the classroom and community. It is ultimately concerned with the distribution of power in decision-making at all levels.

As with any service, education provision is affected by wider governance conditions. When democracy, transparency and respect for the rule of law is weak, accountability and participation suffer. Within the education sector, governance structures link many actors and define the terms of their interactions. The ability of parents to participate in school decisions, hold schools and teachers to account, and secure access to information is conditioned by the allocation of rights and responsibilities under governance systems. Governance rules also define the terms on which governments recruit, allocate and train teachers. They have an important bearing on the skills and motivation that teachers bring to the classroom. Beyond the classroom, governance systems shape the relationship between school bodies, local government and central government. They define who sets priorities and makes decisions in key areas ranging from the curriculum to teacher management, and the monitoring and supervision of schools. In the area of finance, education governance is about how priorities are set and how resources are mobilized, allocated and managed.

As this non-exhaustive list suggests, governance involves a broad array of actors and many layers of government, affecting virtually all decisions made in education. Within any country, the relationships between actors and government agencies can be enormously complex and varied. Similarly, change in governance can mean very different things in different contexts. For example, decentralization might reallocate authority in one area (say, teacher recruitment) but not in another (say, teacher pay or curriculum design). It might devolve political authority but keep financial responsibility highly centralized.
The Dakar Framework for Action did not set out a comprehensive agenda on governance reform. However, it did define some broad principles. It committed governments to ‘develop responsive, participatory and accountable systems of educational governance and management’. Apart from being intrinsically important, progress in these areas was identified as a strategy for ensuring that governments ‘can respond more effectively to the diverse and continuously changing needs of learners’ (Unesco, 2000, Expanded Commentary, para. 55). While the Dakar Framework stops well short of offering a blueprint for good governance, it does advocate moving towards ‘more decentralized and participatory decision-making, implementation and monitoring at lower levels of accountability’.

Much of this is consistent with central themes in wider governance debates. The development of more accountable and participatory systems for delivering services has been a broad goal in public service reform. Decentralization – the transfer of political, administrative and fiscal authority to lower levels of government – is one of the most pervasive governance reforms of the past two decades. While decentralization has often been driven by fiscal motives, governments invariably present it as an exercise in bringing decision-making closer to the people affected. An underlying assumption in approaches to governance reform involving devolution of authority is that they are intrinsically beneficial for equity. Making service providers more accountable to the communities they serve, and giving those communities a greater role in decision-making, is widely presented as a source of empowerment. The widely held conviction is that moving decision-making away from remote government agencies, and making the process more localized and transparent will change incentive structures, prompting education service providers to be more responsive to the needs and concerns of the poor.

After some two decades of far-reaching governance reform in education the jury is still out on the results. Despite continuing enthusiasm, there is surprisingly little evidence that governance policies implemented thus far have actually improved education quality and led to greater equity. This is true not just of countries that have introduced reform on a piecemeal basis, but also of such widely cited models of radical governance reform as undertaken in Chile, South Africa and Uganda (Crouch and Winkler, 2007).

Evaluation of governance reform is a difficult exercise. The EFA Global Monitoring Report team has examined the locus of decision-making in 184 countries, looking at areas ranging from curriculum design and school infrastructure to teacher recruitment and pay to finance and resource allocation (see mapping exercise in annex, p. 252). The sheer complexity of governance systems makes the mapping of decision-making in these areas difficult, even within one country. Cross-country comparison is an even more hazardous enterprise. Nevertheless, despite the complexity of layers of decision-making, some broad patterns emerge. One of the most striking is that, notwithstanding frequent government declarations in favour of decentralization, many decisions in education are still taken by central government authorities.

While governance systems across the world vary, many have one thing in common. They are delivering education services that are often inaccessible, inefficient, unaffordable and of questionable quality. Changing such systems is crucial if countries are to accelerate progress towards the goals set out in the Dakar Framework for Action. Some countries have demonstrated what is possible, but current approaches to governance reform are often failing.

Why have outcomes to date been so disappointing? No generalized answer is possible, as every country faces different constraints and problems in governance reform. Two broad problems can be identified nonetheless.

First, there has been a tendency in many developing countries to apply governance reform ‘blueprints’ borrowed uncritically from rich countries – a practice that some donors have encouraged – and to extend wider public service reforms to education without paying sufficient attention to their appropriateness for education, or to real institutional constraints and local context for reform.

Second, many governments have failed to place poverty reduction and equity at the centre of governance reform. Too often the interests of the poor have been a rhetorical afterthought.
RAISING QUALITY AND STRENGTHENING EQUITY: WHY GOVERNANCE MATTERS

Introduction

If there is one clear lesson from experience with governance reform, it is that changes in administrative processes and shifts in the locus of decision-making do not automatically generate ‘pro-poor’ outcomes. Tackling the root causes of educational disadvantage requires political commitment and policy processes that take account of the problems and priorities of the poor and vulnerable. It also calls for an integrated, cross-sectoral approach to planning.

This chapter does not attempt to cover all aspects of education governance. It focuses selectively on some of the most important currents in governance reform and on themes neglected in wider education reform debates. It is divided into four sections.

1. Financing strategies for closing the equity gap. Many governments have increased their public finance commitment to education since Dakar. But many could – and should – be doing much more. Governance reforms have focused on improving efficiency, with scant regard for equity. Decentralization is a case in point. Devolving revenue mobilization in countries marked by large regional wealth gaps can lead to increased inequality in education financing. In many cases, decentralization has reinforced and magnified disparities in education. The lesson: while decentralization is important, central government should retain a strong role in equalizing the distribution of education finance.

2. Choice, competition and voice. Choice and competition are central themes in education governance reform. The idea is that competition drives gains in efficiency, with wide-ranging advantages for learning achievement and equity. Weak evidence of presumed benefits has not diminished the enthusiasm of many reformers for public-private partnerships involving an enlarged role for private schools and voucher systems to allocate public finance to such schools. ‘School-based management’, or the devolution of authority to school and community level, has been another powerful reform current. Its stated aim is to make education providers more responsive to local needs. Meanwhile, low-fee private schools are seen by some as a viable alternative to state provision. Positive outcomes associated with reforms in these areas have been muted. Public-private partnerships have a mixed and modest record on learning achievements and equity. And low-fee private schools are a symptom of failure in public provision, not a solution to the problem. The lesson: transferring responsibility to communities, parents and private providers is not a substitute for fixing public-sector education systems.

3. Teacher governance and monitoring. Teachers have figured prominently on the governance reform agenda. Problems to be addressed range from recruitment to motivation and deployment. Low teacher morale, often linked to poor pay and working conditions, is a major impediment to high-quality learning. In many countries, problems in teacher recruitment are compounded by large disparities in access to well-qualified teachers, with children from poor households and remote rural areas losing out. Monitoring of learning achievements can play an important role in informing policy design – but institutional capacity for effective monitoring is often limited. The lessons: improve teacher recruitment, deployment and motivation through appropriate incentives and accountability mechanisms to improve learning and enhance equity; and strengthen the use of regional, national and school-level assessments to support policy design aimed at these same ends.

4. An integrated approach to education and poverty reduction. The planning processes through which priorities are set are a key aspect of governance reform. Education-sector planning in developing countries has been strengthened in recent years, reflecting increased political and financial commitment. However, progress towards greater equity in education requires governance reform beyond the education sector itself. Broader strategies are needed to remove barriers to EFA associated with disparities based on wealth, gender, ethnicity and other factors. Coordination across sectors is needed to influence health, nutrition and livelihood opportunities. Poverty reduction strategy papers have potential in this effort, but most are not delivering. The lesson: integrate education with wider strategies for overcoming poverty and inequality.

Tackling the root causes of educational disadvantage requires political commitment and policy processes that take account of the poor and vulnerable.
CHAPTER 3

Financing education for equity

Introduction

In the Dakar Framework for Action governments promise to ‘enhance significantly investment in basic education’ (UNESCO, 2000, para. 8). Implicit in this pledge is the conviction that additional financing is needed if the world is to achieve UPE and the wider EFA goals. But resource mobilization is just one part of a broader set of governance challenges. How governments mobilize, distribute and manage investment in education has a crucial bearing on the efficiency and equity of their school systems.

Countries vary enormously in their capacities for financing education. Differences in wealth contribute to vast disparities in spending per student, which in turn fuel the global inequalities in access and quality discussed in Chapter 2. These inequalities have important implications not just for education, but also for the future distribution of wealth and opportunity in an increasingly integrated global economy.

While low average incomes and high levels of poverty impose obvious budget constraints, patterns of spending on education also reflect political choices. Some governments are far more committed to financing education than others. This has important consequences: higher spending does not lead automatically to improved or more equitable education outcomes, but sustained and chronic underfinancing is definitely not conducive either to the development of high-quality education systems or to equity.

Financial management figures prominently in debates on education governance. The issues at stake have important consequences for equity. Rules governing allocation of funds between students, schools and regions can determine whether the disadvantaged receive more or less financing than the more advantaged. Governance practices also affect the efficiency of government spending, strongly influencing the availability of classrooms, teachers and teaching materials. Failure to tackle corruption, a key governance concern, imposes a double economic burden on education: it penalizes efficiency and, because the burden of corruption falls disproportionately on the poor, it erodes equity.

Decentralization has been widely advocated and adopted as a governance reform. The main argument for decentralization is that it brings decisions closer to people. By devolving decision-making and financial management to local government agencies, the argument runs, decentralized structures offer greater accountability and responsiveness to local problems. However, decentralization can also weaken education provision and widen inequalities. Outcomes depend on the design of decentralization strategies and the commitment of central government to equalizing opportunity.

Government spending on education

In recent years, two contrasting viewpoints have emerged on the importance of increased financing for achieving the EFA goals. Some commentators treat increased spending on education as an automatic indicator of progress. Others point to the harsh lesson provided by analysis of cross-country data: namely, that the relationship between education spending and student performance is weak at best and sometimes non-existent (Hanushek, 2003; Pritchett, 2004; Wößmann, 2003). The latter group has stressed the importance of improving efficiency, viewing it as the best way to progress towards the goals.

Reality is less clear-cut. Dismal learning outcomes and high levels of inequality are possible at low, medium and high levels of spending. Rapid increases in spending do not necessarily lead to improved achievement levels. Yet financing thresholds are important. Students need access to a minimum level of resources and materials. Schools have to be built and buildings maintained. Teachers have to be recruited and paid. Even with improved efficiency, chronic financing gaps in many countries contribute to inadequate access, poor quality, insufficient teacher recruitment and low teacher morale.

Underfinancing is not neutral in its effects. Middle- and high-income groups can compensate for inadequate state provision. They can send their children to private schools and hire private tutors. They can also buy supplementary textbooks and teaching materials. Low-income households are likely to find these choices impossible. For the poorest groups, public investment and provision constitute the only viable route to an education that meets basic quality standards.
Patterns and trends in public spending around the world

Any country’s public investment in education is linked to four factors: national wealth, the share of wealth converted into budget revenue, the proportion of public expenditure dedicated to education, and external support. In addition, the distribution of spending on the various education levels has important implications for equity within countries. This subsection provides a brief snapshot of global, regional and national financing for education.

Education spending and national income: an irregular association. The share of national income devoted to education differs substantially among regions and income groupings (Table 3.1). On average, the share increases with national wealth, largely because tax revenue collection rises with per capita national income. Low-income countries in sub-Saharan Africa, and South and West Asia, where some 80% of the world’s out-of-school children live, tend to invest the smallest proportion of GNP in education. In sub-Saharan Africa, about half of all low-income countries (even of the twenty-one with relevant data) spend less than 4% of their national income on education. In South Asia, Bangladesh devotes only 2.6% of its national income to education and Pakistan 2.7% (see annex, Statistical Table 11). More surprisingly, India invests a smaller share of GNP in education – around 3.3% – than the sub-Saharan Africa median, even though average incomes are around one-third higher.

While low income countries spend significantly less on education than others, large differences exist within this group. For example, the Central African Republic allocates 1.4% of GNP to education while Ethiopia devotes 6%.

Public spending is rising, but not across the board. In the majority of countries with data, public spending on education as a share of GNP has increased since Dakar (Figure 3.1). Large increases in spending have been associated in some countries with substantial progress on EFA goals (though association is not causation). For example, Ethiopia, Kenya, Mozambique and Senegal have sharply increased the share of GNP invested in education and all have seen significant declines in numbers of out-of-school children (see Chapter 2, Figure 2.10). On a more negative note, the share of national income devoted to education decreased between 1999 and 2006 in 40 of the 105 countries with data. In twelve of them it dropped by more than a percentage point. Worryingly for prospects of achieving UPE by 2015, this group includes several countries with relatively large out-of-school populations, low levels of participation, or both, including the Congo (-3.5 percentage points), Eritrea (-2.9) and India (-1.3). The lack of significant change in Pakistan and Bangladesh, and in some sub-Saharan African countries, is equally worrying. These countries need simultaneously to increase the level, efficiency and equity of public spending on education.

National commitment to education varies.

To the extent that budget priorities reflect political priorities, how governments allocate resources says something important about their ordering of concerns.1 The share of education in total public expenditure is a more direct measure of government commitment to education than the share in GNP. The median share of government spending on education in sub-Saharan Africa is among the highest for any region (Table 3.2). On the other hand, South and West Asia devotes a smaller share of government resources to education than countries in the Arab States and sub-Saharan Africa. Whatever their resource constraints, many

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1. The share of national income devoted to education depends on governments’ ability to collect revenue. To devote the same share of GNP to education, a country with a higher revenue share in overall GNP can allocate a smaller share of government resources to education compared with a country with the same national income but a lower revenue share.
countries in South and West Asia would appear to suffer from a lack of political commitment to education. Once again, regional averages hide large differences across countries. For example, in sub-Saharan Africa, Madagascar devotes 25% of its government budget to education compared to only 10% in Chad (see annex, Statistical Table 11).

**Allocation of education finance**

Overall resource mobilization patterns are just one side of the financing equation. How governments allocate resources within the education sector is also important. The selection of priorities often says something important about education governance.

**Allocations to primary education vary with enrolment patterns.** The allocation of funds to a particular education level is influenced by enrolment patterns. Countries with low levels of post-primary enrolment tend to have higher proportions of their overall budget allocated to primary. In thirteen of the twenty-nine sub-Saharan African countries with data, the proportion of government spending allocated to primary education is over 50% (Figure 3.2). Countries in other regions with low post-primary participation rates – Guatemala, Mauritania and the Philippines are examples – demonstrate a similar concentration of resources towards primary education [see annex, Statistical Table 11]. The lowest allocations to primary education are

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**Table 3.2: Total public expenditure on education as a percentage of total government expenditure, by region and income group, 2006**

<table>
<thead>
<tr>
<th>Region/Country Group</th>
<th>Minimum (%)</th>
<th>Median (%)</th>
<th>Maximum (%)</th>
<th>Countries with data (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>4</td>
<td>15</td>
<td>31</td>
<td>57</td>
</tr>
<tr>
<td>Developing countries</td>
<td>4</td>
<td>16</td>
<td>31</td>
<td>52</td>
</tr>
<tr>
<td>Developed countries</td>
<td>6</td>
<td>12</td>
<td>17</td>
<td>73</td>
</tr>
<tr>
<td>Countries in transition</td>
<td>9</td>
<td>17</td>
<td>20</td>
<td>58</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>4</td>
<td>18</td>
<td>30</td>
<td>51</td>
</tr>
<tr>
<td>Arab States</td>
<td>10</td>
<td>21</td>
<td>31</td>
<td>55</td>
</tr>
<tr>
<td>Central Asia</td>
<td>9</td>
<td>...</td>
<td>19</td>
<td>33</td>
</tr>
<tr>
<td>East Asia and the Pacific</td>
<td>9</td>
<td>...</td>
<td>25</td>
<td>36</td>
</tr>
<tr>
<td>South and West Asia</td>
<td>11</td>
<td>15</td>
<td>19</td>
<td>78</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>9</td>
<td>15</td>
<td>26</td>
<td>59</td>
</tr>
<tr>
<td>N. America/W. Europe</td>
<td>9</td>
<td>12</td>
<td>17</td>
<td>81</td>
</tr>
<tr>
<td>Central and Eastern Europe</td>
<td>6</td>
<td>13</td>
<td>20</td>
<td>71</td>
</tr>
<tr>
<td>Income group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low income countries</td>
<td>10</td>
<td>17</td>
<td>26</td>
<td>40</td>
</tr>
<tr>
<td>Lower middle income countries</td>
<td>4</td>
<td>13</td>
<td>31</td>
<td>74</td>
</tr>
<tr>
<td>Upper middle income countries</td>
<td>8</td>
<td>16</td>
<td>30</td>
<td>53</td>
</tr>
<tr>
<td>High income countries</td>
<td>9</td>
<td>13</td>
<td>28</td>
<td>69</td>
</tr>
</tbody>
</table>

Note: Country groupings in the first part of this table follow the classification used in the statistical tables in the Report’s annex. The income classification in the second part of the table follows that used by the World Bank.

Source: Annex, Statistical Table 11.
found in countries and regions where secondary enrolment is almost universal and tertiary enrolment high. As always, averages obscure important variations: of the 108 countries with data in all regions, 60 spend more on secondary education than on primary education.

Spending on teachers dominates, especially in the poorest countries. About half the countries with data for 2006 spent more than three-quarters of their primary education recurrent budgets on teacher remuneration in public institutions (see annex, Statistical Table 11). The share of teachers in budget allocations sometimes leaves little space for the financing of other inputs, including learning materials and the professional development of teachers. In Zambia, 93% of the primary recurrent budget goes to teacher salaries and less than 4% to textbooks, and other teaching and learning materials – and this example is no anomaly. The large share of teacher remuneration in education financing is not, as is sometimes assumed, an indicator that teachers are overpaid; many have salary levels close to the poverty line (see section below on teachers and monitoring). Rather, it indicates that the primary education sector is under-resourced, suggesting a need for increased commitment from governments and aid donors.

Weak commitment and inequitable allocation have consequences. Financial governance decisions reflected in resource mobilization and allocation
matter for the experiences of children in classrooms. The case of Nigeria is illustrative. In 2005 between 3.5% and 4.2% of GDP was allocated to education. However, education represents only 11% to 13% of total government spending, which compares unfavourably with the regional average for sub-Saharan Africa (World Bank, 2007b, 2008f, Table 3.2). The consequences of underfunding are powerfully captured in the following assessment: ‘Spending on essential inputs, such as textbooks, instructional materials, in-service teacher training, and operations and maintenance are inadequate. About half of primary schools require major rehabilitation, with an additional 251,000 classrooms needed countrywide’ (World Bank, 2008e, p. 15). Raising government spending on education in Nigeria to the regional average would release substantial additional resources to address the many difficulties the sector faces.

Global and regional inequalities in the distribution of public education expenditure

Wealth inequalities among countries are mirrored in disparities in education spending. These disparities are closely associated with the large global differences in opportunity for education documented in Chapter 1. The links between national wealth and education financing operate in both directions. Differences in national wealth reflect the impact of education attainment and quality on growth and productivity. And differences in education attainment and quality reflect the financing capacities of countries with different levels of national wealth.

Huge gaps in per-student spending between developed and developing countries. In terms of spending per student, children in developed and developing countries live in different worlds. In 2006, per-student expenditure in primary education varied between US$39 in the Congo and US$9,953 in Luxembourg, at purchasing power parity (PPP) in constant 2005 dollars (Figure 3.3). While the transmission mechanisms between education spending and education quality are complex, the very low absolute spending in many developing countries is implicated in the abysmal learning outcomes and dilapidated school infrastructure that Chapter 2 documents. When per-pupil spending is less than PPP US$300 a year and largely absorbed by teacher salaries, the consequences are registered in classrooms with leaking roofs, no books and no chairs.

Global public expenditure on education is highly skewed. Differences in per-student spending translate into an extremely uneven global distribution of public expenditure on education (Figures 3.4 and 3.5). In 2004, North America and

Figure 3.3: Inequality among countries in public expenditure per primary school pupil, 2006

Source: Annex, Statistical Table 11.
Western Europe alone accounted for 55% of the world’s spending on education but only 10% of the population aged 5 to 25. At the other extreme, sub-Saharan Africa was home to 15% of 5- to 25-year-olds but accounted for just 2% of global spending, and South and West Asia for 28% of the age group but 7% of the spending (UIS, 2007). For the poorest countries, increased aid flows could play an important role in reducing the public education expenditure gap (see Chapter 4).

Both finance and governance matter
Governance reforms can unlock efficiency gains that can expand access and improve quality. The previous subsection showed the wide variation by country in education financing. The extent to which differences in levels of financing explain disparities in outcomes such as those outlined in Chapter 2 is partly determined by education system efficiency. Raising efficiency to increase the flow of benefits,

Differences in per-student spending translate into an extremely uneven global distribution of public expenditure on education
measured in terms of access, attainment and quality, is an important public policy goal.

Improving efficiency and reducing corruption

Efficiency in public spending is about how effectively governments use revenue to advance social welfare. Defining efficiency is not straightforward. Education outcomes cannot be measured simply in terms of numbers, whether of children in classrooms, books or teachers. Qualitative indicators are critical. There are also important questions about how much weight should be attached to equity-related goals. Should an additional year in education for a high-income child in secondary school count for the same as an additional year in primary school for a low-income child? There are no simple answers – but no government can afford to neglect efficiency.

Technical efficiency, at its most basic level, can be thought of in terms of rates of conversion. What level of financing is associated with a specific output? Consider the following example. Senegal and Ethiopia both had primary NERs of 71% in 2006 and 2007, respectively. However, Senegal spent PPP US$299 per primary pupil, compared with Ethiopia’s PPP US$130 (2005 dollars). On this simple indicator, Ethiopia’s education system is more efficient in translating resources into school places. If the costs of a school place were similar in the two countries, Senegal could easily provide sufficient school places for all primary school-age children with its current levels of public spending. In this comparison differences in efficiency may be driven by many factors, including teacher salary levels and class size. Higher levels of efficiency on the narrow technical indicator of an expenditure/enrolment ratio may not indicate better quality provision. The real question for policy-makers, therefore, is whether better qualitative outcomes (e.g. attainment of basic literacy) can be achieved for less.

Classroom construction provides an example of where efficiency gains can make a big difference. In the Nigerian state of Kano the average building cost per classroom in 2007 was US$14,000, while the average cost estimated by the World Bank for Africa was US$10,000 [FTI Secretariat, 2006; Kano State Ministry of Education, 2008]. If improvements in efficiency could reduce the cost in Kano to the average for Africa, an additional 40 classrooms could be built for every 100 currently being constructed. The efficiency saving could result in more school places and reduced overcrowding, within current levels of education spending.

Comparisons of this type do not provide grounds for sweeping conclusions. Classroom construction costs may vary across countries in sub-Saharan Africa and other regions for many reasons. These include the cost of materials, wage levels and the quality of the classrooms constructed. Even so, it would be wrong to understate the critical importance of efficiency. In low-income countries facing tight budget constraints and with large deficits in classroom availability, efficiency is one of the most critical requirements for expanded access to education and enhanced equity. Cross-country evidence can provide education planners with insights into policies for achieving the central goal of maximizing the number of good-quality classrooms available, within their resource envelope.

Improving efficiency is not just an issue for the very poorest countries. Nor is it just about infrastructure and inputs. Efficiency gains can also be reflected in learning achievement indicators. A recent study explored differences in public education spending efficiency across regions in Argentina and Mexico. The study used NERs and test scores as output indicators. It measured efficiency after controlling for levels of regional income, literacy rates and education spending per capita. For Mexico, the analysis estimated that improvements in efficiency alone could increase the primary NER by five percentage points and the secondary NER by fifteen percentage points. For Argentina, it estimated that improving efficiency had the potential to increase mathematics scores by seven percentage points in primary school and by nine percentage points in secondary (Jayasuriya and Wodon, 2007).

Corruption is a source of inefficiency and inequality. Analysis of public education expenditure accounts provides insights into the official picture of resource flows. It reveals the level of resource mobilization and the flow of funds through national budgets to lower levels of government and down to schools. In some countries there is a gap between budget provision and delivery of real inputs to education. Corruption is often implicated.

Tackling corruption in education is important for the sector and for society in a broader sense. Education receives a large share of total public expenditure – in most countries it is the largest
Corruption is difficult to measure and its effects are hard to evaluate. Because it is illegal it is not recorded in official data and, with government agencies often implicated, its full extent may be hidden. Corruption has adverse consequences for efficiency and equity. Efficiency suffers because corrupt practices mean part of the benefit of public investment is captured in the form of private rent. Equity suffers because corruption acts as a regressive tax that hurts the poor the most.

Notwithstanding the problems with monitoring corruption, cross-country and within-country research has provided interesting insights. One example comes from Nicaragua. Monitoring of six major school upgrade and repair projects that were undertaken by the education ministry demonstrates how corrupt practices diminish resource flows to education [Transparency International, 2005]. Comparison of the buildings before and after project completion revealed widespread irregularities. Substandard materials and overpricing contributed to substantial financial losses.

In Brazil, the otherwise highly effective FUNDEF programme [Fund for the Maintenance and Development of Basic Education and Valorization of Teachers] was affected in the past by illegal appropriation of funds meant for teacher salaries and training [Transparency International, 2005]. On average, around 13% of the total was lost in the course of transfer from the federal budget to municipal bank accounts, rising to 55% for some municipalities. The governance problem was linked to the inability of local councils charged with monitoring the grants to ensure that they were properly received and used.

Measuring cross-country corruption is intrinsically difficult. However, one study using a data set of fifty-seven countries reached a conclusion that has important implications for EFA. It found that increased public spending on education was associated with a significant increase in primary education completion rates only in the least corrupt countries and those with better-quality bureaucracies (Rajkumar and Swaroop, 2008). Corruption creates setbacks for equity because the efficiency losses linked to corruption are not distributed equally across society. The greatest burden falls on the poor and disadvantaged, for three reasons. First, the poor tend to be more reliant on public services. Lacking financial resources, they may not have the luxury of responding to corruption by opting out of the public system and putting their children into private schools. Second, the poor are more likely to be susceptible to corrupt practices because they have limited recourse to formal or informal channels through which to seek redress and they often lack a strong enough voice to hold service providers to account. Third, when informal payments are required to secure access to education, the cost is likely to represent a higher proportion of household income for the poor, making it difficult for them to send children to school. In Mexico, every two years the National Survey on Corruption and Good Governance records informal payments by households for thirty-eight public services in all thirty-two federal states, making it possible to quantify what amounts to a tax [Transparency International, 2005]. Estimates based on the survey indicate that households pay almost US$10 million in bribes to secure access to public education, which is legally free. In 2003 households paid an average of US$30 each to meet illegal demands from service providers. In a country where around one-quarter of the population was living on less than $2 per day, this is a significant financial burden. There are also indications that informal payments for access to basic services may be charged more frequently to poorer households.

Tackling corruption through information, institutional reform and monitoring. Because corruption represents a regressive transfer of public funds away from the poor and powerless, reducing it is intrinsically good for equity – in the education sector and elsewhere. In rich and poor countries alike, corruption is rooted in political cultures of non-accountability. Rooting out corruption may be a long-term process, but rapid progress is possible in the short term.
Governments acting with resolve can put policies in place that make an immediate difference.

An important first step is to acknowledge the scale of the problem and develop a commensurate institutional response. Information has a key role to play because governments and the public alike are often insufficiently aware of the scale of the corruption problem. A recent study in Bangladesh provides a detailed tracking analysis of the flow of resources through the system – an approach that other countries could usefully follow [Box 3.1]. The analysis reveals a broadly positive picture while identifying areas requiring greater scrutiny.

Another positive example comes from Indonesia. Here the School Improvement Grant Programme (SIGP) provided cash grants to primary and junior secondary schools between 2000 and 2004, targeting in particular those in the poorest districts and with large populations of children from households displaced by conflict or natural disaster. A large programme, it covered some 8,000 schools in 130 districts and had a budget of around US$60 million, of which 70% was for physical rehabilitation of school buildings. Recognizing that corruption was a systemic problem, government and donors created an institutional structure aimed at strengthening governance. Among the central features:

- Decision-making was decentralized: district and local committees including non-government representatives selected beneficiary schools.
- School committees were involved in determining needs and construction work involved local people.
- Details of block grants were announced publicly and finance was directly transferred through the banking system, thus avoiding interference from intermediaries.
- Comprehensive guidelines were issued for programme procedures.
- The programme was independently monitored through a Central Independent Monitoring Unit (CIMU).

The monitoring report of the CIMU, which was publicly released, sparked an intense national debate on corruption. It documented forty apparent cases of corruption, from construction consultants illegally charging for services to diversion of funds by local government officers, attempted bribery and collusion on prices between officials and building contractors or textbook suppliers. Measured against past practices, overall levels of corruption in the SIGP were modest – institutionalized transparency made a clear difference. The CIMU report transformed corruption in the education system from a well-hidden activity to a highly visible subject for public debate (Baines, 2005).

Institutionalized public-expenditure tracking is one of the most effective anti-corruption devices. Monitoring real delivery of funds compared with...
budget provisions can turn a spotlight on problem areas. Since the mid-1990s the World Bank and other donors have conducted Public Expenditure Tracking Surveys (PETS) to evaluate the effectiveness of financial management systems and identify where leakage occurs between ministries and the classroom (Reinikka and Smith, 2004; Winkler, 2005). Building on an exercise undertaken initially in the mid-1990s in Uganda, PETS are now a widely used monitoring tool (Box 3.2). Their impact is strengthened when it is combined with improved public access to information – a point illustrated by the experiences of Indonesia and Uganda.

Not all public expenditure tracking exercises have been successful. When corruption is deeply entrenched and political leaders do not create conditions for strengthened accountability, such exercises can deliver limited results. The PETS on education conducted in Peru in 2002 is an example. Opaque budget planning made it impossible to establish real allocation levels, providing extensive opportunities for corruption. Over 90% of the resources earmarked for education were devoted to payroll, but data lapses on teacher numbers limited the scope for assessing delivery (Reinikka and Smith, 2004).

As Transparency International puts it: ‘in many countries, anti-corruption laws and regulation have been in place for years, but citizens do not know about them – often because they are rarely applied. With no visible sanctions, people are inclined to believe that corruption cannot be resisted and therefore will not report it’ (Transparency International, 2005, p. 14). Part of the problem is that those who benefit from corruption have much to lose from information campaigns and much to gain from the maintenance of reporting systems that lack transparency. On the other hand, most citizens – particularly the poor and parents with children in school – stand to lose a great deal from failure to act.

**Box 3.2: Public expenditure tracking, information campaigns and the fight against corruption in Uganda**

Public information and budget monitoring are two of the most powerful antidotes for corruption. Uganda’s experience illustrates their effectiveness in strengthening public financial management systems.

In the mid-1990s official budget records were a weak guide to the financing of education in Uganda. In 1996, the World Bank conducted a PETS in 250 schools located in 19 districts. It showed that, according to school records, only 13% of central government capitation grants actually reached schools. Most schools reported having received no funds, and most teachers and parents were unaware that the grants existed. Financing earmarked for education was diverted to other sectors, used for political activities or stolen.

When Uganda introduced free primary education in 1997, donor support was required to replace parental contributions with public spending. Aid partners made support conditional on implementation of an anti-corruption programme, including measures to raise awareness about leakage and give parents a voice. Schools were instructed to publicly post detailed information about funds received from local government. Several national and regional newspapers published information about grant transfers from central to local government, including dates and amounts.

Institutional changes were also introduced. Instead of transferring funds for education and other sectors to districts as a single block grant, the government decided to transfer them as twenty-two separate conditional grants with payments linked to specific actions. A second PETS in 2002 showed that schools were receiving on average 80% of their capitation grant, and that all schools were receiving at least part of the grant.

Evaluations of the Uganda experience have provided some important insights. Detailed statistical analysis indicates that the reduction in grant leakage was greatest in schools that were closest to newspaper outlets – an indication that information had the effect of empowering communities. However, the benefits of information campaigns were not equitably distributed. Their impact was less marked in communities with the lowest literacy levels, thus underlining yet again the importance of education – and literacy skills in particular – to help people make informed choices and to create an enabling environment for responsible and accountable governance.

Sources: Crouch and Winkler (2007); Hubbard (2007).
Unequal spending reinforces disparities

Resource mobilization, efficiency and measures to tackle corruption have system-wide benefits for education. That is why governance in these areas is of such importance for achieving EFA. Equity also matters. Overcoming the disadvantages and disparities documented in Chapter 2 requires financing strategies that aim explicitly at equalizing opportunity, with public financing being used to counteract social deprivation.

Equitable financing is not an easy concept to define. It clearly means something more than equal per-student financing. Providing equivalent support to children in very unequal circumstances is not the same as equalizing opportunity. Children who are disabled, who lack home advantages associated with parental literacy, who are poor or are disadvantaged by virtue of their gender or ethnicity are not competing on a level playing field. For children in cases like these, achieving a particular outcome in education is likely to entail higher costs than for children from social groups that are not disadvantaged.

Whatever the precise definition of equity, government spending patterns around the world are often highly inequitable. Analysis of the distribution of benefits from public spending across populations suggests inequality is the rule, not the exception. A study of countries in sub-Saharan Africa, Asia and the Pacific, the Middle East and North Africa, and countries in transition, discussed in the 2008 Report, found that total expenditure on education was not pro-poor in any region. In many cases public spending was strongly ‘pro-rich’, with pro-poor expenditure on primary education outweighed by a bias towards higher income groups in secondary and tertiary education.

National data broadly confirm this picture. In some cases, public financing allocations fail to counteract poverty-related disadvantage. One illustration comes from Indonesia, where per-capita expenditure on education in the poorest 20% of districts amounts to only 54% of expenditure in the richest 20%. The gap in per-student expenditure is smaller because enrolment is lower in the poorest districts (Table 3.3). In a more equitable system the poorest districts, which face the most severe deprivation in education, would receive the highest per-student allocations. In some cases, the contours of unequal financing follow ethnic lines. In the former Yugoslav Republic of Macedonia, schools whose students are of Albanian ethnicity receive almost 20% less in per-student funding than the national average. In rural areas they receive almost 37% less than schools whose students are of Macedonian ethnicity (Table 3.4). In China, per student spending at the primary level varies by a factor of ten between the lowest spending and highest spending provinces, broadly reflecting differences in provincial wealth (Tsang, 2002).

Spending patterns are not fixed in stone. They change with patterns of enrolment and as a result of public policy decisions. During the 1990s, Brazil had one of the world’s most inequitable patterns of public spending. Per-student spending in the poorest states of the north-east averaged around half the level in the wealthier states of the south-east. More recently, redistributive financing programmes have significantly changed this picture. Many governments are attempting to redress social inequalities in education directly through new approaches to financial resource allocation, attaching more weight in allocation formulas to disadvantaged groups and regions, or to special programmes. Targeted interventions focused on specific inputs have also been used. For example, spending on free textbook programmes targeting the disadvantaged in three Central American countries was found to successfully redirect resources to the poor (Table 3.5).

Many factors determine how governments allocate resources in education. Technical financing formulas can be useful, but the real drivers of distribution patterns lie elsewhere. Governments with a weak commitment to equity in general are unlikely to attach a great deal of weight to the interests of disadvantaged groups or regions in

Table 3.3: Poverty and public education expenditure in Indonesia, 2004

<table>
<thead>
<tr>
<th>District quintile</th>
<th>Per capita (Constant 2006US$)</th>
<th>Per public school student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quintile 1 (poorest)</td>
<td>53</td>
<td>147</td>
</tr>
<tr>
<td>Quintile 2</td>
<td>75</td>
<td>132</td>
</tr>
<tr>
<td>Quintile 3</td>
<td>63</td>
<td>125</td>
</tr>
<tr>
<td>Quintile 4</td>
<td>71</td>
<td>151</td>
</tr>
<tr>
<td>Quintile 5 (richest)</td>
<td>99</td>
<td>189</td>
</tr>
</tbody>
</table>

Source: Calculations based on Arze del Granado et al. (2007, Table 10, p. 17).
education. Similarly, in situations where the educationally disadvantaged have a weak political voice, they are unlikely to exercise a strong claim on public financial resources. Political leadership can make an enormous difference. For example, in Senegal, Uganda, the United Republic of Tanzania and Zambia the decision of political leaders to abolish user fees in education while increasing spending at the primary level has strengthened equity in public spending and had important positive effects on enrolment.

**Strategies for greater equity in financing**

There are no ready-made formulas for equitable financing in education. Any strategy aimed at equalizing opportunity has to take into account specific patterns of disadvantage. Some of these patterns might be rooted in regional disparities. Others will involve factors such as the incidence and depth of poverty, or disadvantage based on gender, ethnicity and language. In an equitable system, allocation of education finance would be inversely related to current outcomes, with those in greatest need receiving the most support. Moving from statements of principle to practical measures raises multiple challenges for government.

For all the egalitarian rhetoric of public policy discourse on education, it is relatively rare to find a clear link between student needs, as determined by equity criteria, and per-student expenditure. Governance rules for resource allocation vary enormously. Most countries have funding formulas for allocating money, teachers and teaching materials across education systems. These formulas can include a per-student component, a fixed capital cost component and compensatory elements aimed at redressing disadvantage. Compensatory finance can address wide-ranging sources and types of inequality, such as:

- disadvantage associated with racial, ethnic, caste and other characteristics where cultural norms, political disenfranchisement and systemic discrimination hold back achievement;
- problems facing linguistic minorities or students whose native language is not the national or official language of instruction;
- restricted opportunities facing children from poor households whose parents may lack the resources to keep them out of the labour force, to finance transportation to school or to buy school supplies, textbooks, uniforms and school meals;
- lack of provision for students in remote schools, where small class sizes, transport problems, boarding and dormitory costs, and problems in attracting and retaining teachers restrict opportunity;
- the additional financing and specialized teaching that may be required to assist students who are disabled or have special needs.

One common application of formula funding in developing countries has been the introduction of school grants. Such grants represent a transfer of resources and spending authority from central, regional or district education authorities to local communities and schools (Fredriksen, 2007). They can address a wide range of equity-related goals. On the supply side, grants can be used to increase finance and the flow of teaching materials to schools in areas marked by high concentrations of poverty or with large numbers of disadvantaged students. On the demand side, they can be used to

### Table 3.4: Ethnicity and public education expenditure in the former Yugoslav Republic of Macedonia, 2005

<table>
<thead>
<tr>
<th>School ethnicity type</th>
<th>Municipality type</th>
<th>Rural</th>
<th>Small city</th>
<th>Large city</th>
<th>Skopje (capital)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Constant 2006 US$)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albanian</td>
<td></td>
<td>289</td>
<td>263</td>
<td>261</td>
<td>255</td>
<td>274</td>
</tr>
<tr>
<td>Dominant Albanian</td>
<td></td>
<td>341</td>
<td>367</td>
<td>298</td>
<td>238</td>
<td>301</td>
</tr>
<tr>
<td>Macedonian</td>
<td></td>
<td>457</td>
<td>347</td>
<td>384</td>
<td>290</td>
<td>359</td>
</tr>
<tr>
<td>Dominant Macedonian</td>
<td></td>
<td>467</td>
<td>386</td>
<td>295</td>
<td>380</td>
<td>372</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>454</td>
<td>…</td>
<td>375</td>
<td>296</td>
<td>395</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>391</td>
<td>352</td>
<td>332</td>
<td>285</td>
<td>342</td>
</tr>
</tbody>
</table>

*Source: Calculations based on World Bank (2008c, Table 2.7, p. 24).*

### Table 3.5: Free textbooks distributed by governments in selected Central American countries, percentage per income quintile, 2000–2004

<table>
<thead>
<tr>
<th>Country</th>
<th>Quintile 1 (poorest)</th>
<th>Quintile 2</th>
<th>Quintile 3</th>
<th>Quintile 4</th>
<th>Quintile 5 (richest)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(% of total free textbooks)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Salvador</td>
<td>29</td>
<td>26</td>
<td>24</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Guatemala</td>
<td>29</td>
<td>27</td>
<td>21</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>29</td>
<td>23</td>
<td>28</td>
<td>15</td>
<td>8</td>
</tr>
</tbody>
</table>

*Source: Porta Pallais and Laguna (2007).*

The link between student needs and per-student expenditure is often weak.
reduce barriers to access. Compensating schools for the loss of revenue that occurs when user charges are withdrawn is an example, as illustrated by Ghana’s Capitation Grant Scheme (Box 3.3).

Other countries have also introduced school grants into education financing. In Kenya, the government established a school grant of US$14 per student to enable schools to cover losses from the withdrawal of student fees and to increase spending on materials, maintenance and operations. The programme has improved availability of textbooks and other materials. It has also been used to fund boarding schools to improve access for children living in sparsely populated areas (Fredriksen, 2007). Similarly, the United Republic of Tanzania introduced school grants soon after abolishing fees in 2001. In 2002 its capitation grants for primary schools amounted to about US$10 per pupil for textbooks, teaching and learning materials, school operations and administration, and teacher training (Fredriksen, 2007).5

Formula funding and school grant design are often viewed as narrowly technical matters. They seldom figure in public debate or political programmes.

In Ghana, a government grant enables schools to cover losses from the withdrawal of student fees

Box 3.3: Supporting school fee abolition: school grants in Ghana

Under the Free Compulsory Universal Basic Education policy introduced in 1996, Ghana officially eliminated tuition fees for grades 1 to 9. Five years later, the policy had not had its intended effect on enrolment and retention. Policy reviews identified part of the problem as a substitution effect: faced with a loss of revenue, communities and parent-teacher associations authorized the introduction of informal fees.

School grants were introduced in 2004/2005 as a response. They targeted schools in the forty most deprived districts and were linked to school improvement plans. Intended to cover the cost of fee abolition, they were calculated based on student numbers, with a higher per-student grant for girls (the grants were equivalent to US$2.70 per boy and US$3.88 per girl per year). Central government funds were channelled through dedicated bank accounts in each district and then on to individual school bank accounts. Complaints and extensive lobbying from other districts led to the programme being extended to all primary schools from 2005/2006.

How successful has it been? Enrolment figures covering the school years 2002/2003 to 2006/2007 point to sharp increases in overall enrolment ratios (Figure 3.6). For example, the primary NER for girls living in deprived districts increased by twenty-four percentage points over this five year period. While these improvements have been impressive, it is too early to tell whether the programme will have an impact on two central problems facing education in Ghana: high dropout rates and low rates of transition to secondary school.

Figure 3.6: Trends in primary net enrolment ratios in Ghana before and after introduction of the Capitation Grant Scheme

5. Other sub-Saharan African countries experimenting with school grants include Ethiopia, Madagascar, Mozambique and Uganda.
This is unhelpful. Financial resource management is complex, but that does not mean it should be the sole preserve of technocrats and administrators. Formula funding design provides a strong indicator of whether governments are intent on translating commitments on equity into practical policies. Chapter 2 suggests that governments could attach more weight to the mapping and monitoring of disparities in education. Approaches to formula funding should be evaluated in the light of this exercise, with governments providing full public disclosure not just of the formula used but also of the equity rationale for its selection.

Decentralization: a potential driver of inequality

The decentralization of public services to local government control has been a major feature of governance reform worldwide. Arguments for decentralization extend from efficiency to equity. Bringing decisions closer to the people affected, and devolving authority to local governments they elect, is seen as a route to more responsive service provision.

Education has figured prominently in decentralization reform. In the developing world, a growing number of countries have transferred responsibility for education to lower levels of government, typically as part of wider public service reform. Decentralization in education redistributes authority not only from central to local government but also from political authorities to school providers (King and Cordeiro Guerra, 2005).

What this means in practice varies by country. Governments seldom devolve power wholesale and devolved education systems operate through multilayered governance structures that link many actors and agencies. Central governments may transfer authority in some areas and either retain authority in others or set rules putting limits on local government choice. Despite widespread advocacy for decentralization, central governments often retain high levels of control. Despite widespread advocacy for decentralization, central governments often retain high levels of control.

Policies in each of these areas can have an important impact on equity. It cannot be taken as axiomatic that the impact will be positive. The devolution of revenue-raising authority, for example, can give local government greater autonomy but also lead to the introduction of user charges and taxes that may hurt the poor. In Viet Nam, fiscal decentralization has gone a long way but central government controls revenue mobilization and transfers to local government (see below). The only form of revenue autonomy for district and commune governments is in the introduction of fees in areas such as education and health. User charges have been increased in both areas, with damaging implications for equity (Huong, 2006).

The experience in Viet Nam epitomizes some of the tensions inherent in decentralization. Part of the rationale for decentralization is to improve efficiency and strengthen autonomy by devolving real authority. But devolving revenue mobilization in countries with high levels of inequality comes with grave risks for equity. Governments can mitigate those risks by ensuring that intergovernment resource transfers equalize opportunity. The formulas used by governments in designing these transfers are highly technical – and highly political. The following cases are instructive because equity has been a primary concern in each:

- the assignment of spending authority, which defines the level of government responsible for making decisions on spending;
- the assignment of revenue-raising authority, which defines the powers of the various levels of government to impose taxes and charges;
- formulas for intergovernment resource transfers, which determine how revenue is allocated among regions and sectors.

Despite widespread advocacy for decentralization, central governments often retain high levels of control.
children. Since the shares of school-age children enrolled are lower in poorer provinces, this has increased equity. Similarly, the education norm for a child living in mountainous areas (which have the worst education indicators) is 1.7 times that of an urban child. The commitment to equity is reflected in spending: richer regions such as the Red River Delta have some twenty-five times the income of the poorest regions such as the North West, but budget spending per capita is roughly equivalent, reflecting large transfers from rich to poor regions (Adams, 2005; Huong, 2006).

**Uganda:** Decentralization reforms in Uganda have been among the most ambitious in sub-Saharan Africa. However, decentralized governance has proceeded faster in the sphere of service management and delivery than in finance. While district authorities are allowed to collect local taxes, they are not entitled to charge fees for basic services such as education. They are also constrained in defining spending priorities. Around 90% of revenue in most years comes from central government. Over two-thirds of the funding transferred is a conditional grant, linked to achievement of goals from the national poverty reduction strategy, including UPE, secondary education and teacher recruitment. Most of the rest is an unconditional grant calculated on the basis of population and land area. In addition, a small equalization grant is aimed at reducing the gap between richer and poorer districts (Obwona et al., 2000; Steiner, 2006; Uganda Local Government Finance Commission, 2000).

**South Africa:** The end of apartheid in 1994 brought a new democratic government and a radical move towards decentralization, with provincial and local governments taking on extensive new responsibilities in areas such as health, education and housing. The financing formula for fiscal decentralization incorporated a strong redistributive component aimed at overcoming inequalities inherited from the apartheid era. Around 95% of provincial government expenditure comes from central government. The largest component is known as an equitable share transfer, weighted to reflect levels of poverty and the costs of achieving minimum national norms in areas such as health and education. In education, financing is based on student numbers, with some additional weight given to poor and rural provinces. Provincial authorities are also required to rank schools by a poverty index, which is used to allocate funding for non-personnel inputs (Gershberg and Winkler, 2003; Momoniat, 2003). As a consequence of these reforms, resource allocations to schools have become more equitable (Crouch and Winkler, 2007).

**Colombia:** Decentralization of government finance in the 1990s significantly improved equity of intergovernment transfers. Before decentralization, transfers from central government were based on historic transfers – an arrangement that favoured wealthier provinces. Under the reforms, historic allocations were replaced by a formula allocating resources on the basis of population, with adjustments for health and education provision (Bossert et al., 2003).

The motivation for financial decentralization can be important. Where reform is prompted by fiscal pressures on central government, it can result in reduced central government financing. In these circumstances local governments, communities and schools are likely to seek supplementary funding from parents. This is broadly what happened in China in the 1990s (King and Cordeiro Guerra, 2005).

It is sometimes forgotten that decentralization is a highly political process. It is one thing to devolve authority in countries characterized by high levels of national cohesion, strong national, regional and local government institutions, and well-defined processes for conflict resolution. It is quite another to shift the locus of decision-making in countries marked by weak governance systems and high levels of tension. In a country such as Nigeria – where public confidence in institutions is weak, political relationships between regions are tense and democracy is still under construction – decentralization is a fraught political exercise (World Bank, 2008).

**Decentralized finance in education**

In education, as in other areas, decentralization has to be evaluated on its outcomes. However, in the context of financing EFA, two broad dangers can be identified. First, devolution of finance can act as a powerful driver for disparities in provision. Decentralization with equity requires central governments to retain a strong role in redistributing...
finance, with a commitment to equalizing opportunity. Second, financial and political devolution to weak local governance structures can have negative consequences for the coverage and quality of education, again with damaging consequences for equity. Here too, successful decentralization requires an active role for central government in building capacity.

China’s experience with fiscal decentralization provides a cautionary tale for education equity. During the 1990s the central government reduced its share in overall education financing, giving more responsibility to local governments, schools and communities. This decentralization effort had unintended consequences. Overall resource mobilization for education lagged behind economic growth, leading to a decline in the share of GDP allocated to education from 2.9% in 1991 to 2.2% in 1997. Decentralization also generated major geographic and income-based disparities in per-student spending. The ratio of highest-spending to lowest-spending province in per-student expenditure in primary education almost doubled from 5 to 9 (Table 3.6). Many schools and local authorities resorted to formal and informal household charges, so equity suffered: in effect, fiscal decentralization acted as a regressive education tax on the poor (King and Cordeiro Guerra, 2005; Tsang, 2002).

Recognition that the lack of a strategy to equalize financing has compromised equity and the quality of education in poorer areas has prompted the Chinese Government to rethink its initial strategy. It has removed some tax powers from local government, continued to finance teacher salaries and maintained responsibility for parts of the capital budget. Concerns over inequality are cited as a primary motivation. However, these efforts have met with limited success. While the central government formally prohibits the charging of fees, still many local governments informally encourage it (Wang, 2004) and large gaps in the quality of provision remain. More fundamentally, China still lacks a system of transfers between provinces, and between rich and poor areas within provinces, consistent with a more equitable pattern of expenditure while preserving the principle of decentralized decision-making.

Tensions between the goals of equity and political decentralization are not limited to China. In the Philippines, where education financing has remained less decentralized, local authorities are permitted to raise revenue for education through a Special Education Fund (SEF) tax on property (King and Cordeiro Guerra, 2005). Spending per student from the SEF in the poorest municipalities with the lowest property values is only 13% of the levels in the richest municipalities and 3% of that in the richest cities. Here too, the absence of a strong formula for redistributive public finance has hampered efforts to strengthen equity.

In Indonesia, decentralization has gone hand in hand with a large increase in the share of GNP allocated to education, from less than 2% before decentralization to over 4% today (King and Cordeiro Guerra, 2005). It transfers resources from central to local government via a block grant system incorporating a strong equity component, with the poorer districts receiving the largest transfers. However, central government also requires local districts to mobilize their own resources – and it has devolved tax raising authority. This has an inbuilt danger for equity: in the richest provinces, such as Jakarta, per-capita GDP is some nine times greater than in the poorest provinces, such as South Sulawesi. Enrolment ratios at junior secondary level range from 68% in South Sulawesi to 93% in Jakarta.

The lesson from East Asia is that governments need to plan for equity. The push towards financial devolution has brought a risk of widening disparities between regions, with attendant dangers for the inequalities outlined in Chapter 2. Central government resource transfers hold the key to making financial decentralization work for the poor.

Evidence from Latin America is also instructive. The decentralization of education from federal to

### Table 3.6: Inequality in per-student education expenditure in China following decentralization

<table>
<thead>
<tr>
<th></th>
<th>Primary education (constant 2006 US$)</th>
<th>Lower secondary education (constant 2006 US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest-spending</td>
<td>157</td>
<td>357</td>
</tr>
<tr>
<td>Mean</td>
<td>66</td>
<td>90</td>
</tr>
<tr>
<td>Lowest-spending</td>
<td>30</td>
<td>39</td>
</tr>
<tr>
<td>Ratio of highest-spending to lowest-spending province</td>
<td>5</td>
<td>9</td>
</tr>
</tbody>
</table>

Central transfer mechanisms and targeted redistribution have proved helpful in redressing education inequalities. Provincial governments was an important feature of institutional reform in the region during the 1990s. In Argentina, the transfer of responsibility for secondary schools from federal to provincial level was accompanied by a system of federal tax transfers. Detailed evaluations of the decentralization process have identified many benefits. Nationally, decentralization appears to have improved local participation, strengthened monitoring and improved learning standards.

However, the results have not been uniform. Test scores point to a widening gap between wealthier provinces with strong government capacity and poorer provinces with low administrative and institutional capacity; the latter performed worse under decentralization. National efficiency has improved, but at the expense of equity (Galiani et al., forthcoming; Rhoten, 2000).

Experience in other regions is more limited. In sub-Saharan Africa, financial decentralization is less advanced than political decentralization. Some governments have integrated equity into decentralized financing (as in Uganda). In other cases, fiscal decentralization appears to have had damaging consequences for education equity. This is demonstrated by the experience of Nigeria, whose financial governance system combines a ‘worst of two worlds’ approach: low overall commitment and highly unequal financing (Box 3.4). In marked contrast, decentralization policies in Ethiopia attach far more weight to equity. Apart from highlighting innovative pro-poor financing approaches in education, Ethiopia’s experience demonstrates the importance of flexible policy responses to unanticipated problems (Box 3.5).

Many governments now recognize the importance of central transfer mechanisms to redress education inequalities arising from decentralization. These mechanisms can take various forms. The primary one is often the block grant. Its size can be linked to levels of deprivation, as in Uganda. Central governments can introduce a conditional element into such grants, requiring local governments to meet specified standards for overall sector financing and equity. In other cases, financing can be linked to specified inputs. Two examples from Latin America illustrate the scope for redistribution:

- **Brazil – targeted redistribution through FUNDEF.** When Brazil devolved authority from a highly centralized system to states and municipalities in the mid-1990s, it created FUNDEF to reduce the large national inequalities in per-student spending (de Mello and Hoppe, 2005; Gordon and Vegas, 2005). State and municipal governments were required to transfer a proportion of their tax revenue to FUNDEF, which redistributed it to state and municipal governments that could not meet specified minimum levels of per-student expenditure. FUNDEF has not prevented wealthier regions from increasing their overall spending more rapidly than poorer regions, but it has played a highly redistributive role. It has also increased both the absolute level of spending and the predictability of transfers, notably for poor states and municipalities in the north and north-east. There is strong evidence that FUNDEF has been instrumental in reducing class size, improving the supply and quality of teachers, and expanding enrolment. At municipal level, data show that the 20% of municipalities receiving the most funds from FUNDEF were able to double per-pupil expenditure between 1996 and 2002 in real terms (Gordon and Vegas, 2005).

- **Colombia – the use of compensatory financing.** In 2004 Colombia introduced allocation rules using a funding formula based on the number of students enrolled, with a basic cost component (covering teacher salaries and administrative costs per student) supplemented by a compensatory component which includes weighting for geographic dispersion, poverty and the share of rural households in the population. In 2006 the seven poorest and most rural departments received extra funding amounting to between 39% and 112% of the average basic cost. In addition, legislation provides for teachers in rural and remote areas to receive 15% more than the base salary (Meade and Gershberg, 2008). Preliminary evidence, while less than clear-cut, suggests that the move has strengthened equity on some indicators. Transfers to Bogotá, the capital, have increased at a rate below the national average. Meanwhile, in 2006 two of the poorest departments, Chocó and La Guajira, received 30% more than Antioquia, one of the most urban and developed departments (Meade and Gershberg, 2008).

Are there rules of good practice in decentralization that can be derived from experience to date? As in many other areas of governance, the diversity of country experience militates against drawing simple lessons with universal application.
Improved governance and the return of democracy to Nigeria have done little to narrow inequalities in education. One reason is that insufficient attention has been paid to the development of a more equitable financing system.

Primary net attendance rates (NARs) in Nigeria range from 85% in Anambra and Ondo states to less than 30% in Jigawa and Zamfara states (Map 3.1). These disparities are linked to substantial differences in poverty rates. In 2004 the poverty headcount ratio in Anambra was 20%, compared with 95% in Jigawa.

Under an equitable financing system more resources would be allocated to states with low levels of participation and high rates of poverty. In Nigeria the equity principle is turned upside down: the wealthiest states and regions with the highest education participation secure the lion’s share of federal resources. For example, Lagos receives around five times as much as Jigawa, which has attendance rates less than half of those in the commercial capital.

Fiscal decentralization has reinforced regional disparities in education. Since the return to multiparty democracy in 1999, an increasing share of federal revenue (predominantly from oil and gas) has been allocated to state and local governments. Since 2002 about half the federal budget has been allocated to states and local government areas (LGAs). Of this share, a third is reserved for the four oil-producing states in the Niger delta and the remainder is distributed under a complex formula that produces a simple result: large financing inequalities.

In 2005, Kano, a poor state with a low primary NAR and limited revenue-generating capacity, received 20% less in federation account revenue than Enugu state, with similar revenue raising capacity, lower poverty rates and a higher primary NAR. Unlike most states that depend on federal allocations, Lagos generates two-thirds of its revenue from local sources – an arrangement that reinforces regional financing gaps.

Not all the problems in Nigeria’s education financing can be traced to unequal fiscal decentralization. National planning is also weak. No statutory accountability mechanisms exist to ensure that state and LGA plans, where they exist, are aligned with national goals in education. As a result, the priority that LGAs give to primary education varies enormously, even within states. In Kano, 28% of the Dala local government budget was allocated to primary education, compared with 12% in Bichi.

Recognizing the need for additional financing in education, the federal government created the Universal Basic Education Commission (UBEC) intervention fund, which channels federal resources directly to basic education. Between 2005 and early 2008 about US$750 million was made available to states through the fund. Unfortunately, this has done little to enhance equity or efficiency:

- **Equal allocations lead to unequal effect.** Some 70% of available resources are allocated equally across states without regard for differences in need. Only 9% of resources are directed to the most disadvantaged states and to activities promoting education for physically and mentally challenged children.

- **Disbursements have been much lower than expected.** Only 60% of allocated funds had been disbursed by mid-2007. Problems range from inadequate policy coordination to complex bureaucratic procedures and weak capacity in state education bodies.

- **Use of funds is inflexible.** The UBEC has strict guidelines on the proportion of funds that can be spent on pre-primary, primary and junior secondary education, as well as the type of expenditure. For example, 70% of funds must be spent on construction, regardless of need. This makes it more difficult to use resources effectively to support state plans for the development of basic education.

Decentralization has been described as a process rather than a destination (Bird and Smart, 2001). The way the process unfolds is heavily influenced by public policy choices, institutional capacity and government commitment to deal with poverty issues. In the case of education, much depends on how governments use financing arrangements to equalize opportunity and improve service provision in poor areas. From an equity perspective, the important question would seem to be not whether to decentralize, but how and what to decentralize. Four broad rules would appear to be of particular importance for progress towards EFA.

First, revenue-raising powers for local government should be clearly defined. Subnational authorities should not be permitted to mobilize budget resources through user charges in basic education, which have regressive and damaging effects on the poor.
Second, central government should retain **redistributive capacity**. Intergovernment transfers are needed to prevent the growth of regional financing inequalities and the widening gaps in opportunity that can result.

Third, **equity goals** should be built into intergovernment financing formulas. Transfers should be weighted to provide larger per-capita transfers to regions marked by high levels of poverty and marginalization, with education indicators as a central part of the formula. In addition, national rules need to provide a framework for ensuring that lower levels of government prioritize equity in delivery of financing.

Finally, central governments should carefully assess the implications of decentralization for the achievement of **national goals in education**. Ensuring that local governments have the resources and capacity to manage progress towards inclusive education is critical.

**Conclusion**

Approaches to education finance will continue to exercise a critical influence over prospects for achieving the goals set out in the Dakar Framework for Action. Increased financing is not a sufficient condition for delivering on the commitment to education for all – but in many countries it is a necessary condition. In some cases, national governments are not demonstrating sufficient levels of commitment either to resource mobilization or to equity. Much of South and West Asia falls into this category. In other cases, stronger national commitment will need to be accompanied by scaled-up donor support.

Financial governance challenges vary enormously across regions and countries. Improving efficiency and facing up to corruption are two immediate priorities for many governments. It is also important for governments to take stock of the experience of decentralization. While the case for avoiding overly centralized decision-making and for devolving political authority under appropriate conditions remains strong, decentralization is not a panacea. In the area of financing, there is an urgent need to place equity at the centre of the decentralization agenda. That means central government retaining a strongly redistributive role consistent with commitments to inclusive education and equal opportunity for education.

Central government should retain a strongly redistributive role consistent with commitments to equal opportunity for education.
Choice, competition and voice: school governance reform and EFA

Introduction

Governments around the world repeatedly emphasize their commitment to providing good-quality schooling for all citizens. Outcomes often fall short of the commitment. Persistent problems with education equity and quality, even in countries with high levels of coverage and strong public spending, have brought the management of school systems to the centre of education governance debates.

The evident failure of current education strategies to provide high-quality school systems accessible to all in many countries has prompted calls for wide-ranging reforms. This section looks at some of the central currents in approaches to school governance reforms, with a focus on school-based management and reforms to promote choice in education through public policies. Looking beyond the formal public policy framework, the section also explores the implications of the growth of low-fee private schools for EFA.

‘Voice’, ‘participation’, ‘competition’ and ‘choice’ are buzzwords in debates on education governance worldwide. Devolving authority away from central government and towards schools – the core principle behind school-based management – is seen as a means of holding providers to account and increasing participation. Giving parents an opportunity to choose among education providers is widely portrayed as a way to strengthen education provision, with competition acting as a spur to improved quality. While no government treats the education sector as a pure market, many have introduced what have been called ‘quasi-market’ principles into provision. For some commentators, the entry of low-fee private providers into the education marketplace is important precisely because it provides an impetus towards greater accountability and competition [Tooley, 2007].

The motivation behind quasi-market reform has been to raise standards rather than to address inequality. However, advocates for reform often attach to their arguments claims of wide-ranging benefits for equity.

There is a bewildering array of approaches to school governance reform. Countries at very different levels of development have taken up the mantle of reform. The design, scope and depth of reform also come in a multitude of variations. Evaluating outcomes against this backdrop is inherently difficult. Even so, two broad conclusions emerge from the evidence presented in this section.

The first is that context matters. Governance debates are frequently characterized by bold assertions on the presumed benefits of school management reform for learning outcomes and for equity. Evidence to back these assertions is often lacking. Moreover, there is a widespread tendency to generalize findings and to assume that a policy that works in one context will deliver the same results elsewhere. Looking ahead, it is important that policy-makers develop more evidence-based approaches. It is also important that they identify the broader institutional conditions and enabling factors needed to strengthen education quality and equity.

The second conclusion is that competition and choice have the potential to reinforce inequality. Choice is important in education, as in other areas. The Universal Declaration of Human Rights [Article 26] enshrines the right of parents ‘to choose the kind of education that shall be given to their children.’ Under certain conditions, competition can act as a force to drive up standards and improve efficiency. But choice and competition are not abstract concepts. For people living in chronic poverty, choice is often constrained by a lack of purchasing power, limited access to information and, in many cases, by an absence of responsive providers. Introducing choice and competition into an environment characterized by high levels of inequality without effective public action to equalize opportunity is a prescription for widening disparities. As in many other areas, markets – and quasi-markets – in education are unlikely to prove effective in strengthening equity in the absence of pro-poor regulation.

The issues raised in debates over school governance go to the heart of wider questions about the role of government in education. To what extent should governments finance and provide education services? If private providers are to play an expanded role, how should governments manage and regulate their operations? The answers to these questions will vary across countries and across levels of the education system, with a distinction drawn between primary and post-
primary education. The critical issue facing policymakers is to work out strategies through which competition, incentives and accountability can be harnessed to enhance overall quality and equity.

The bottom line is that governments have the ultimate responsibility to ensure that everyone has access to basic education systems of acceptable quality. Discharging that responsibility effectively means different things in different places, but it invariably requires placing a premium on the equalization of opportunity across the education system.

**School-based management: a broad spectrum of approaches and outcomes**

Conventional education governance structures allow schools little control over their affairs. Principals, teachers, parents and even local education bodies have been bound by centralized rules and procedures, leaving them limited scope for influence over staff selection, teaching methods and wider practices. School-based management reforms are challenging this model.

School-based management in its broadest sense aims at increasing school autonomy and empowering teachers and parents to make decisions. It aims to strengthen incentives for schools to deliver services that are responsive to the needs of the communities they serve, and to address problems facing disadvantaged groups (Caldwell, 2005).

Advocates of school-based management point to a wide range of potential benefits. They argue that the devolution of decision-making authority to schools can facilitate and enhance participation – a core strategy in the Dakar Framework for Action. A stronger parental voice and more participation in school management, the argument runs, will lead to greater incentives for education providers to offer more efficient services (World Bank, 2007f). Moving decisions away from remote planners and closer to those who know the most about the learners and their educational needs, as well as about local values and realities, is seen as a route to a more responsive system. Equity is another important benefit cited for school-based management. It is assumed that poor households will have a stronger and more effective voice on school management committees and in local community institutions than under more remote centralized systems, empowering them to play a role in framing priorities and in holding school providers to account (World Bank, 2007f).

School-based management is not a recent innovation. Its origins can be traced to the United States in the 1980s and Australia, Canada and the United Kingdom in the 1990s. School-based management programmes have also been adopted in some developing countries. Most of these programmes are in Latin America and South Asia, though sub-Saharan Africa also figures with increasing prominence. While much of the reform impetus in developing countries is home grown, aid donors have played an important role. For example, some 11% of all education projects supported by the World Bank between 2000 and 2006 included school-based management components. These programmes represent around US$1.74 billion in education financing, or just under one-quarter of the World Bank’s education portfolio (World Bank, 2007f).

School-based management reform is an umbrella description for a diverse range of country experiences. In some countries the schools involved have broad coverage. El Salvador’s Educación con Participación de la Comunidad (EDUCO) schools are an example. They account for half of enrolment in public rural pre-schools and 37% in rural basic education. EDUCO is the main schooling option for about 80% of the municipalities with extreme poverty in El Salvador (Meza et al., 2006). In other contexts, the reforms operate on a smaller scale. In some cases, authority is delegated to principals and teachers, with weak community participation included as part of the design. In other cases, decision-making authority is also given to parents or school committees. Similarly, while some programmes transfer authority for hiring and firing teachers, others do not. Variations are found in the degree of devolution of budgetary authority as well. The experience of three Latin American countries with school-based management reform illustrates this diversity (Table 3.8).

The context in which community schools are formed is important. In some cases, the move towards school-based management has been driven from below. In Bolivia, indigenous schools emerged in the 1980s in the context of an intense political struggle over national education policies. The decision of the Quechua communities in some...
In Latin America and East Asia, school-based management has not greatly affected teaching practices.

**Table 3.8: Functions transferred to schools in three Latin American programmes**

<table>
<thead>
<tr>
<th></th>
<th>El Salvador EDUCO¹</th>
<th>Mexico PEC²</th>
<th>Nicaragua autonomous schools³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paying staff salaries</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hiring/firing teaching staff</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Supervising and evaluating teachers</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Pedagogy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setting school calendar, classroom hours</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Selecting some textbooks/curriculum</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Method of instruction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and infrastructure</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Building/maintaining school</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Buying school materials</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oversight</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Allocation</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

1. EDUCO - Educación con Participación de la Comunidad.
2. PEC - Programa Escuelas de Calidad.

Note: Empty cells indicate that the function was not transferred to schools.

Diversity of context is one obvious factor. More broadly, it is difficult to identify or isolate the ‘school-based management effect’ in achievement, not least because school-based management is usually part of a broader package of political, administrative or educational change. Selection bias is another problem. Schools and communities either self-select into school-based management programmes or are selected to participate by government authorities, often on the basis of specific characteristics that differentiate them from others. This makes it difficult to tell how, or whether, school autonomy in particular had an influence on outcomes.

Most detailed school-based management evaluations come from Latin America. The regional evidence points to some positive effects on attainment. Some studies have found an association between delegation of management functions and reduction of school repetition and dropout (Gertler et al., 2006; Jimenez and Sawada, 2003; Murnane et al., 2006; Paes de Barros and Mendonça, 1998; Skoufias and Shapiro, 2006; World Bank, 2007). Learning outcomes are more variable, with marked differences among countries. A study of mathematics and language performance among grade 3 students found that EDUCO schools in El Salvador scored lower than traditional schools. However, after controlling for background, the differences disappeared and EDUCO pupils actually scored slightly higher in language tests, on average (Jimenez and Sawada, 1999). On the other hand, evaluations in Honduras of schools in the Programa Hondureño de Educación Comunitaria (PROHECO) concluded that the delegation of decision-making was not associated with significant changes in learning achievement (Di Gropello and Marshall, 2005).

**Learning achievement: a mixed record**

Assessing the impact of school-based management reforms on learning outcomes presents serious methodological problems. Cross-country comparisons are of limited relevance and within-country assessments point in various directions. In some cases positive results have been registered but the association between school-based management and improved education quality is weak.

Several factors contribute to the difficulty in extrapolating clear lessons for education quality.
practices in schools with more autonomy do not differ significantly from those in other schools (Di Gropello and Marshall, 2005; Fuller and Rivarola, 1998; Gunnarsson et al., 2004; Jimenez and Sawada, 1999; King and Ozler, 1988; Parker, 2005). Why has improved motivation not led to new teaching practices?

Once again the explanation varies by country and context. An important factor is that school-based management reforms do not always increase the autonomy of schools and teachers in areas such as pedagogy, as Table 3.8 shows. Even where reforms do provide for greater flexibility, schools and teachers often have not had an opportunity to acquire the capacity and skills to introduce innovative practices. This is borne out by evidence from East Asia. In Indonesia, legislation allows schools to devote 20% of instruction to locally designed subject matter. In Thailand, 30% of the curriculum in basic education can be locally determined. Yet these windows of opportunity for greater flexibility are not fully exploited in either country, partly because teachers have no training or experience in developing innovative approaches to instruction and curriculum design (Bjork, 2004; Shoraku, 2008).

Enabling environments are important

Devolving authority to schools shifts the locus of decision-making and transfers new responsibilities to parents, teachers and principals. Such governance reforms can change incentives and influence relationships between key actors in the delivery of education. Under what circumstances is devolved authority likely to produce positive results? Outcomes invariably depend on local factors but case studies have identified four broad conditions influencing equity and efficiency (Cárdenas, 2008):

- voluntary participation of the school and the surrounding community;
- organizational and technical capacity in, or available to, the school;
- strong and committed school leadership;
- support from upper levels of government.

Voluntary participation. Public-sector schools managed by communities need the motivation and capacity to generate demand for schooling.

School-based management initiatives are likely to be most successful when they are driven by demand from below. However, community participation can be a double-edged sword from an equity perspective, especially when it involves competition for resources. Schools with committed principals and organized communities are in a stronger position to exploit opportunities. Evidence from Mexico’s Programa Escuelas de Calidad (PEC) illustrates the point: voluntary participation by itself resulted in a selection of schools that were neither located in the poorest communities nor among the lowest performers (Cárdenas, 2008). An important lesson is that voluntary participation has to be supported by measures that strengthen equity.

Organizational and technical capacity of schools. Schools must have sufficient financial and human resources to take on new responsibilities. Drawing up school plans, budgets, and requests for financial and material inputs from central government may require new skills. Evidence suggests that technical capacity of this kind on the part of the head teacher and staff is an important condition for overall school improvement (Abu-Duhou, 1999; Briggs and Wohlstetter, 2003; UNESCO, 2004). The delegation of management functions to schools in Central Asian countries in recent years has been hampered by a lack of programmes to develop school staff capacity for the additional responsibilities involved (Chapman et al., 2005). One danger for equity that comes with school-based management derives from the unequal capacities of schools. In some cases, schools that select themselves for school-based management may have stronger planning capacity than other schools and thus be better able to secure access to resources (Cárdenas, 2008; Reimers and Cárdenas, 2007). The upshot is that schools with weak capacity and the greatest needs may fall further behind.

Strong and committed school leadership. The EFA Global Monitoring Report 2005 argued that strong school leadership was a prerequisite for creating a culture of school improvement (UNESCO, 2004). Because school-based management increases their responsibilities, head teachers often end up spending more time on administration than on leadership to support pedagogical initiatives and quality improvements. In Nicaragua a common feature of autonomous schools that succeeded in reducing school failure and improving learning

Successful devolution to schools requires strong school leadership and high-level government support
outcomes was the principal’s leadership abilities (PREAL and Foro Educativo Nicaragüense EDUQUEMOS, 2008). Skilled head teachers can take advantage of the opportunities autonomy provides rather than getting buried in administrative burdens. But the skills needed to maintain a balance between such responsibilities are often lacking, pointing to a need for any move towards school autonomy to be accompanied by training of head teachers for their new roles.

*Sustained support from upper levels of government.* If the goal is to reduce disparities in learning, upper levels of government need to focus their efforts on schools with disadvantaged learners. This means strengthening the schools’ institutional and technical capacity and ensuring that teachers use their increased autonomy effectively. There should be feedback mechanisms that link monitoring through school supervision to the provision of pedagogical support, including staff training (an issue discussed in the section below on governance of teachers and monitoring).

**Building financial capacity:** the role of school grants

Autonomy without financial capacity is a general prescription for weak governance. To be effective, schools taking on new responsibilities need sufficient financial and human resources to meet those responsibilities.

Some countries have attempted to build school capacity through school grant programmes. Disbursed and allocated in a variety of ways, grants can be used to achieve a wide range of goals in areas such as education quality and equity. In some cases disbursement is tied to development of a strategic plan to achieve agreed goals in areas such as quality (Espinola, 2000; Nielsen, 2007). In others, grants are geared towards the provision of specific services and inputs.

Uses for school grants range from upgrading infrastructure to contracting additional teachers. Grants provided under the PEC in Mexico have been used mainly for improving infrastructure and acquiring school materials rather than changing teaching practices or working with parents (Yoshikawa et al., 2007). Participation in the programme is associated with overall improvement in school progression although differences in capacity have contributed to inequalities (Skoufias and Shapiro, 2006; Box 3.6). In Brazil there is evidence that the School Development Plan and School Improvement Projects under the Fundo

**Box 3.6: Planning for strengthened school autonomy in Mexico**

Introducing school-based management in an environment marked by deep capacity inequalities between schools is unlikely to enhance equity. The Programa Escuelas de Calidad (PEC) in Mexico has attempted to strengthen support for its most disadvantaged areas, but has encountered problems linked to weak capacity.

The PEC aims to increase school autonomy and strengthen performance. Schools compete for grants, which are provided for up to five years to improve pedagogical practices, encourage collaborative work between teachers, parents and school authorities, and improve planning in pre-schools and primary schools.

Though the intent is to encourage participation by disadvantaged schools, in practice the initial allocations were skewed against the poorest communities and the worst-performing schools. The schools were often the least equipped to make successful applications, even though they were in greatest need of support.

To apply to the PEC, a school must prepare a Strategic Transformation Plan. This requires a level of organizational capacity often lacking in schools with many disadvantaged students. Differences in the priorities set out in school plans also have important implications for outcomes. Rural and indigenous schools participating in the programme are likely to use the funds for infrastructure and materials instead of pedagogical improvement. As a result, the quantity and quality of physical inputs and materials have generally improved more than the quality of the education process.

The overall record of the PEC remains problematic. While it has made available technical and supervisory support that has improved quality in participating schools, the support has been greater in wealthier states and at more advantaged schools. Instead of reducing gaps between less and more advantaged children, the initiative risks amplifying inequalities.

Sources: Bracho (2006); Murnane et al. (2006); Reimers and Cárdenas (2007); Yoshikawa et al. (2007).
de Fortalecimento da Escola (FUNDESCOLA) are associated with increased availability of learning materials. For schools in FUNDESCOLA that have managed to increase spending, evidence indicates some improvement in learning outcomes (Carnoy et al., 2008).

School grants do not automatically produce positive results. To be effective, they need to be predictable, timely and large enough to cover the activities in the strategic plan. These conditions are not always in place. In Nepal, a school improvement plan is a condition for the release of government block grants, but funds are very limited. Inadequate grant transfers can have adverse implications for equity. In the case of Nepal, there is evidence that underfinancing has led to parents being asked for the funds to recruit teachers and meet other basic needs (Vaux et al., 2006).

**Involving parents and communities in school management**

In the Dakar Framework for Action, governments pledge to ‘develop responsive, participatory and accountable systems of educational governance and management.’ The devolution of authority to schools and local communities is seen by many as a means to this end. Whatever the intrinsic merits of devolution, its implications for parental and community participation are not straightforward.

Moves towards greater school autonomy are often accompanied by the creation of formal structures, such as school committees, village education committees and parent-teacher associations, to facilitate parental and community involvement in school management. The terms of engagement and the distribution of authority between schools and parents vary, with important implications for decision-making structures. But whatever the arrangements, formal devolution does not override deeply entrenched imbalances in power linked to wealth, gender and other factors.

The transfer of decision-making responsibility from central governments to ‘user groups’ has been a recurrent theme in areas such as health and water provision as well as school management. Numerous development programmes have aimed to empower the poor by transferring authority to village-level associations. In many cases, the effect has been to concentrate power in the hands of affluent and powerful members of society, with local elites dominating decision-making and capturing the lion’s share of resources (Mosse, 2004). Education has not been immune to the effects of ‘elite capture’.

**Parental participation: some voices are louder than others**

While schools may officially have formal structures designed to facilitate community and parental involvement, there is often a large gap between intent and outcome. Membership of these bodies may or may not be representative. And they may or may not facilitate influence over decision-making.

To the extent that cross-country evidence is available, it suggests that in both developed and developing countries the direct involvement of parents in school affairs is limited (OECD, 2007b; Zhang et al., 2008). Even when parents nominally participate in school management, they may have a limited say. In some contexts ‘participation’ is confined to raising money, with limited influence over how it is used. Research in some West African countries is instructive. It shows that parent associations have only nominal control over the use of financial resources – much of which they have contributed – because they lack the capacity to exercise control (Lugaz and De Grauwe, 2006).

Evidence from Cambodia points in a similar direction. There the devolution of authority to schools is backed by the creation of local school support committees. Comprising community members and the school principal, the committees are charged with monitoring children’s progress, increasing enrolment, developing school improvement plans and monitoring the management of operational budgets allocated by the Priority Action Programme. However, a Public Expenditure Tracking Survey reveals that the committees have not been effective, that few parents know about the funds and that parental representation is limited (Shoraku, 2008; World Bank, 2005a).

Representation is an important component of participation. Having a voice on a school management committee implies either a direct presence or the delegation of authority through a democratic process. In practice, community representation is often just one of the considerations shaping the committee profile. Formal and informal eligibility rules can create a barrier to equitable representation. In Pakistan’s
Parents may lack the expertise and confidence to evaluate approaches to teaching or curriculum design.

If participation is to enhance equity, the poor, marginalized and disadvantaged need to be not just adequately represented but actively engaged. They have to be able to articulate their concerns and to influence decisions. In many cases this implies a change in power relationships. It also requires the design of governance structures that empower poor households. Unfortunately, school-based management reforms seldom address this issue of ‘voice’ explicitly. Programme design often just assumes that devolved authority is inherently more equitable.

Evidence from several countries suggests that far more attention needs to be paid to the conditions for participation. Many factors influence ‘voice’, including parental socio-economic status, education level, race, caste and gender (Dunne et al., 2007; OECD, 2002; Khan, 2007).

The terms of dialogue on school management boards can reinforce the marginalization of the poor. One study reviewing parental participation in the management of rural schools in South Africa found that the language employed, the use of technical jargon and ways of addressing the parents all affected participation. This might explain why a survey in Gauteng province found that, despite a general view that parental participation had increased, real participation remained limited: only 10% of parents had voted in elections for the boards (Naidoo, 2005).

Any assessment of the role of participation has to start by asking what is being assessed. Participation is viewed by many as a goal in its own right. But for most parents the ultimate aim of any involvement in school management is to improve children’s education. Formal participation and consultative arrangements may not facilitate achievement of this goal. Participants may have limited knowledge about issues under discussion, such as school performance and teaching practices. Parents may lack the expertise or confidence to appraise approaches to pedagogy or curriculum effectively. Poor, illiterate parents with limited school experience are at a particular disadvantage. One possible approach, when many parents lack the time and basic literacy skills to participate effectively, is to train community volunteers to support children’s learning (Box 3.7).

If real participation, rather than the creation of formal participatory structures, is the ultimate aim of policy, then many current approaches to school

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**Box 3.7: Community involvement in Uttar Pradesh**

The Sarva Shiksha Abhiyan (Universal Elementary Education) programme in India gives a prominent role to village education committees. Each committee comprises three parents, the principal of the village school and the head of local government. Its tasks include monitoring school performance. Despite the committees’ prominence in education policy, most parents are either unaware that the committees exist or do not realize that they can be involved in school affairs. Furthermore, many committee members are not aware of the options they have to improve school quality.

Would improved access to information make a difference in their effectiveness? A project by the Indian NGO Pratham in Uttar Pradesh suggests that information is only part of the story. Pratham carried out interventions aimed at encouraging greater participation by village members in the monitoring and improvement of education. It reported, however, that even mobilizing communities, spreading information about the village committees and informing people about their potential to improve the quality of schooling, were not enough to induce effective participation and improve children’s learning. Far more effective was the training of volunteers to conduct reading classes for village children.

Sources: Banerjee et al. (2006); Banerjee et al. (2008); Pritchett and Pande (2006).
management have to be rethought. The idea that the devolution of authority to parents, schools and communities is inherently pro-poor is not well grounded. One of the defining characteristics of poverty and marginalization in many contexts is precisely that those affected lack an effective voice. That is why central and local governments should ensure that moves towards devolution are backed by measures aimed at facilitating real participation. Such measures might include affirmative action in areas such as representation of, say, women or people of low caste. At the same time government agencies should manage devolution to ensure that powerful groups with a strong voice do not introduce policies – on school fees, for example – that might have damaging implications for equity.

**Choice and competition in education provision**

In standard economic theory, choice and competition are two of the most powerful drivers of efficiency, with the spur of the market acting to raise productivity and enhance welfare. Few people see education provision as directly comparable with the production of market goods and services. But competition and its corollary, choice, are increasingly viewed as antidotes for the failings of public education systems in relation to learning standards and equity gaps.

This theme is at the centre of some of the most heated controversies about education governance reform. In the United States, much of Europe and parts of the developing world, the topic divides political parties and can generate polarized debates. Underlying the debates are strongly held views and questions about the proper role of government in education provision, the place of non-state providers and the rights of parents to choose.

What do choice and competition in education mean in practice? In almost all countries, the ultimate responsibility for school systems resides with the state. Governments set policy, curriculum and standards, and are responsible for assessment and the regulation of the system as a whole. Within this framework, however, many approaches are possible. In broad terms, education service delivery can be broken down into four types, depending on who owns and manages schools, and who finances them (Table 3.9).

Governments play a key role in defining the parameters of choice. They can provide financial support to private providers, either directly or in the form of financing arrangements that allow parents to send children to private schools. Since the early 1990s Sweden has used a voucher-type system to give parents the right to take children out of state schools, put them in independent schools and take state funding with them. In some states in the United States, authorities distribute vouchers to parents who can use them to finance the transition of their children to private schools. Another approach is to contract the management of government provision to the non-state sector. For example, other American states have sought to increase competition by encouraging the development of charter schools. Several European Union countries, including parts of the United Kingdom, also follow this model, in effect substituting private management for state management while retaining public finance.

In all these cases, governments have developed public-private partnerships to facilitate choice and competition. Not all competition involves such partnerships (see the discussion below of low-fee private schools that operate independently of state control or support), but they are a powerful force in governance reform. To what extent is this good news in terms of improving the overall quality of education and enhancing equity?

As in the case of school-based management, there is no simple answer. Experiences and outcomes have varied. Once again, context is important. It is one thing to introduce vouchers in Sweden, which offers high-quality public education for all, and quite another in Pakistan, which does not. What makes sense in Chile may be entirely inappropriate for Burkina Faso. Institutional capacity, levels of

**Table 3.9: Responsibilities of the public and private sectors in provision and financing of education service delivery**

<table>
<thead>
<tr>
<th>Public provision</th>
<th>Private provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purely government schooling</td>
<td>* Vouchers to parents</td>
</tr>
<tr>
<td>User fees for government schooling</td>
<td>* Purely private schooling: low-fee to elite</td>
</tr>
<tr>
<td>Public finance</td>
<td>* Subsidies to private schools</td>
</tr>
<tr>
<td>* Contracting management to private operators (e.g. charter schools)</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Adapted from Patrinos and Sosale (2007).*
inequality and the effectiveness of education planning all play an important role in defining governance reform options.

One problem with the current debate on education governance is that insufficient attention is paid to evidence and context. There is a widespread tendency to draw far-reaching public policy conclusions from a weak evidence base (Lubienski, 2008). The importance of national circumstance is often forgotten. Advocacy for increased competition and choice in the developing world makes repeated reference to programmes in high-income and some middle-income countries – voucher systems, charter schools and other public-private partnership arrangements (Patrinos and Sosale, 2007). Quite apart from the fact that such governance reforms have been highly contentious in rich countries and that the evidence on their impact is uncertain, little attention is paid to key questions of institutional capacity in poor countries.

School choice and achievement – strong claims, weak association

The idea that increased parental choice leads to improved learning outcomes has intuitive appeal but is not well supported by evidence. While there may be good reasons to allow parents greater flexibility in selecting schools, the assumption that this will raise standards is questionable.

The evidence in favour of public-private partnerships is not clear-cut even in the developed world. One study using data from thirty-five countries claimed that private providers using public funding delivered the largest gains in learning outcomes (Wößmann, 2006). However, interpretation of this exercise is open to question since the results were largely driven by scores in just a few countries, notably Belgium, Denmark and the Netherlands.

Another study, based on analysis of data from the PISA 2006 assessment, found that around 60% of students in mainly OECD countries had a choice between two or more schools. Results of a modelling exercise showed that students at the schools competing with other schools in the same area did perform better in terms of average test scores. The effect disappeared when demographic and socio-economic factors were accounted for, however; and effects on both equity and quality were muted. As the PISA analysis puts it: ‘Whether students are in competitive schools or not does not matter for their performance when socio-economic factors are accounted for. … None of the factors related to parent’s pressure and choice were found to have a statistically significant association with educational equity’ (OECD, 2007b, p. 236). One of the most detailed reviews of the impact of choice and competition for part of the United Kingdom reaches a broadly similar conclusion. Focusing on primary schools in the South-East of England, the study assessed test scores on the basis of parental choice (defined in terms of location) and school competition for a fixed pool of students. It found that neither choice nor competition had a bearing on test results (Gibbons et al., 2006).

Some of the most detailed evidence on school competition and learning achievement comes from the United States and Chile. Both countries have been in the forefront of governance reforms aimed at expanding choice. Measured in terms of learning achievements, the outcomes have been mixed.

Assessing these learning achievements is difficult. Consider first the charter school experience in the United States. Such schools represent a hybrid approach to provision in which the public sector gives funds to private organizations to establish and manage schools independently of state administration while meeting certain conditions set by the state (Lubienski, 2008). During the 2004/2005 school year charter schools served around 1 million students in forty states and the District of Columbia (Education Commission of the States, 2008; US Department of Education, National Center for Education Statistics, 2007), or just over 2% of total American public-sector school enrolment (Center for Education Reform, cited in Lubienski, 2008). The broad aim is to improve performance by removing many of the rules binding regular public-sector schools and by introducing competition. Because the schools’ characteristics are determined by state law, the diversity of arrangements is immense – making comparison far from straightforward. Although charter schools cater disproportionately for African-American students in several states, the percentage of those from better-off households is also higher than in regular public-sector schools.

Evaluations of the impact of programmes aimed at increasing choice, including through charter schools, have found widely disparate results. Some commentators have identified positive effects on learning in some states (Hoxby and Murarka, 2008). Other research finds little benefit.
Using a national data set to examine mathematics achievement at grade 4, one evaluation found charter school students to be performing significantly below their public-sector school counterparts (Lubienski and Lubienski, 2006, cited in Lubienski, 2008). Another study found similar results for reading (Braun et al. 2006, cited in Lubienski, 2008). Still another found the overall charter school effect on African-American students to be negative (Carnoy et al., 2005). To the extent that any conclusion can be drawn, it is that generalizations are not warranted on the basis of the available evidence. Findings are heavily influenced by localized contexts and by the evaluation methodology used.

Flagship programmes aimed at expanding choice have also produced little compelling evidence that choice makes a difference. The 2001 No Child Left Behind Act (see section below on teachers and monitoring) contains a federal mandate in favour of school choice: parents can transfer their children from schools that repeatedly fail to meet targets of academic progress to non-failing public-sector schools in the same district. Students who opted to change schools under this provision showed no significant gains after two or more years (Zimmer et al., 2007).

The United States experience with school vouchers is also ambiguous. Research has identified positive effects on student achievement in some subjects after children switched schools, but not in others, with effects usually emerging after some time (Molnar, 1999; Rouse, 1998). Meanwhile, small private voucher programmes introduced in Dayton (Ohio), New York City and Washington, DC, in the late 1990s resulted in improved test scores for African-American students but not for other groups [Peterson and Howell, 2006]. One review of the Washington, DC, district-wide voucher programme, conducted two years after its initiation, found no significant impact on the academic achievement of public schools (Winters and Greene, 2007).

It might be argued that the outcomes of small voucher programmes are sensitive to levels of competition and to time horizons. Such programmes could generate small initial effects, with benefits increasing with the level of competition and over time. Evidence from the Milwaukee Parental Choice Programme, the longest-running voucher scheme in the country, lends some weight to the proposition that there are long-run competition effects. In this case, there is some evidence that public-sector schools with high levels of student eligibility for vouchers have raised their standards—an outcome interpreted by some as evidence that the risk of losing students has created incentives for more efficient teaching (Chakrabarti, 2007; Hoxby, 2003). Evidence from other states, however, is inconclusive: partly positive in Florida, negative in Michigan, insignificant in California, North Carolina and Texas (Arsen and Ni, 2008; Miron et al., 2008; Ni, 2007). At best, the overall results are muted. As one commentator put it: ‘If any general finding is available it is that advantages to academic outcomes stemming from voucher programmes are at most notably modest, and also certainly do not rise to the level anticipated by the early optimistic assumptions’ (Lubienski, 2008).

In the developing world Chile is often viewed as a standard-bearer for choice-based governance reform. It has had a nationwide system of school vouchers for over two decades. Yet here, too, the results have been disappointing (Box 3.8).

The United States and Chilean experiences provide no definitive evidence in favour of choice and competition. Experience in Sweden has been more positive (Box 3.9). There, increased choice and competition have led to expansion of independent private schools, albeit from a low base. Importantly, though, reform in Sweden was not prompted by a chronically underperforming public system. Moreover, it was introduced in a country with relatively low levels of inequality and strong regulatory institutions. While the Swedish model provides useful insights and lessons, there are limits to its exportability to developed countries with greater social polarization and failing public education systems—and even stronger limits to its relevance for developing countries.

**Choice, competition and inequality**

Choice and competition are often presented in education governance debates as drivers not only of efficiency improvements but also of enhanced equity. The fact that competition by its nature creates losers as well as winners is sometimes forgotten. This has specific consequences in education where losers are students remaining in underperforming schools while the winners are those with parents who have the motivation, information, resources or connections to secure transfers to schools of better quality (Arsen and Ni, 2008). One obvious question that arises is whether...
Box 3.8: Chile’s experience with choice and competition: no advertisement for the governance reform blueprint

Increased competition between schools has been just one element in Chile’s education governance reforms. A partial list of wider measures includes devolution to municipal level in many areas of management, increased use of exams and assessment to monitor performance, increased funding (since the return of democracy in 1990), performance-related incentives for teachers and the lengthening of the school day. The reforms have led to large gains in education coverage, especially at secondary level, and they have made Chile a widely-cited ‘model’ for governance reform.

Outcomes for learning achievement and equity have been far from impressive. Private schools with public subsidies do register an advantage over municipal schools on the yardstick provided by fourth-grade standardized tests. However, the findings are reversed when the socio-economic characteristics of schools are taken into account. In other words, there is no equalizing effect. Municipal schools do a better job than private schools of lifting the achievement of students in the lowest group. Only among students in the middle socio-economic group do private subsidized schools have higher associated test scores.

Analysis of international assessment data over time also calls into question Chile’s credentials as a governance success story. Governance reforms have certainly done little to close the gap between Chile and the developed world. For example, while the PISA reading assessment shows 32% of 15-year-old students in OECD countries scoring in the top two levels, only 6% of students in Chile do so. National standardized achievement tests show little improvement over time, even in primary education, where enrolment has been near universal since the early 1970s. The TIMSS assessment of 2003 told roughly the same story of poor performance as in 1999, with Chile failing to catch up with countries such as Egypt and Thailand – neither of which has been in the front rank of reformers. And Chile retains some of the starkest education disparities in Latin America, with large gaps in test scores persisting between students in municipal schools, which serve students primarily from socio-economically disadvantaged backgrounds, and private school students.

While Chile’s experience with education governance reform is often held up as a model, Chileans themselves have been more circumspect. The government is embarking on a new wave of reforms with a more explicit focus on equity. Secondary school students have responded not with enthusiasm for past governance reforms, but with street protests over poor quality and highly unequal education provision. After more than fifteen years of education reform under a democratic government and ten years before that under the military government, Chile remains a weak advertisement for the governance reform blueprint favoured by many governments and aid donors.

Inequalities associated with school choice interact with wider inequalities in society. People who are poor, marginalized or illiterate may lack access to information to enable them to make choices. Research in the United States shows that parents with wider social networks and more access to information are more likely to take advantage of choice policies and that they are better able to ensure that their children enter the higher-quality schools they select (Goldring and Rowley, 2006; Lacireno-Paquet and Brantley, 2008).

Where private school enrolment is expanding and attracting a large share of children from the middle class, which can include many of the most motivated students and most active parents, public education stands to lose a powerful constituency with a strong political voice in claiming financial resources. The economist Albert Hirschman identified the phenomenon of middle-class exit from public education systems as a threat to school quality and equity as a major problem some four
Box 3.9: Swedish lessons in competition: not readily exportable

The Swedish school system is marked by strong achievement in international learning assessments and high levels of equity. Since the early 1990s, the country has introduced radical and wide-ranging education governance reforms, with more extensive power devolved to the local level as a core objective. The ‘Swedish model’ is frequently held up as a blueprint for others to follow. Is this justified?

Expanded parental choice is a central pillar of reform in Sweden. Since the early 1990s parents have had the right to send their children to independent schools. Public funding follows the children. Independent schools are closely regulated: they cannot select pupils by ability or charge fees and they follow national curricula.

Independent schools have been spreading in some parts of the country. By 2007 there were nearly 1,000 of them, providing for about 9% of children aged 7 to 16 and 17% of those aged 16-plus. At lower levels, many of these schools provide for children with learning difficulties. Higher-level schools often provide vocational training. Initially a source of intense political controversy, independent schools today enjoy broad support.

Private school providers have clearly responded to parental demands in important areas of education. Evaluation results on the standard academic curriculum suggest that growth in independent school enrolment has been associated with improved achievement in mathematics. The impact on equity is less clear-cut. Positive achievement effects have not been observed for students with less educated parents, or for foreign-born students.

The Swedish experience of governance reform provides valuable insights and lessons. There have clearly been important benefits. However, none of this means that the ‘Swedish model’ is an exportable blueprint, or that the model itself is as far-reaching as is sometimes assumed.

Despite the incentives for the private sector provided by the reforms, independent schools still cover only a minority of students and their presence varies widely by municipality. Many municipalities have no independent schools; their presence is most visible in urban centres. The transferability of the reforms is questionable. Sweden has relatively low levels of inequality: an emphasis on equality is deeply embedded in society. Governance reform and competition were not introduced in the context of a national crisis in public education but rather were driven by a desire for diversity in the school system. Public schools continue to offer all children the option of a good education. The country also has a highly developed institutional capacity for regulation and oversight of private providers at the central level. Many of these conditions are absent in other developed countries, let alone much of the developing world.

Sources: Björklund et al. (2004); Böhlmark and Lindahl (2007); Sandström and Bergström (2005); Swedish National Agency for Education (2008).

There is a real danger that an enlarged role for choice and competition will leave public education systems in a downward spiral of underinvestment, poor quality and widening inequalities.

The evidence and issues at stake need to be carefully weighed up. While analogies with markets may have some effect in the context of political debate, their relevance to the real world of education is questionable. Schools are not allowed to go ‘bankrupt’ and no government can allow schools to fail – the social, economic and political stakes are too high. Similarly, no government with a concern to protect basic citizenship rights can allow disadvantaged children to be further marginalized through competitive choice. Assertions to the effect that school competition creates ‘a rising tide that lifts all boats’ (Hoxby, 2003, p. 288) are not substantiated by cross-country evidence. Simultaneously raising achievement and strengthening equity needs good governance supported by strong institutional arrangements – and it requires political leadership in tackling poverty and inequality.

decades ago (Hirschman, 1970). Evidence from many countries suggests that he was right. Today there is a real danger in many countries that poorly managed ‘quasi-markets’ in education with an enlarged role for choice and competition will leave public education systems trapped in a downward spiral of underinvestment, poor quality of provision and widening inequalities.

There are important respects in which choice and competition have enjoyed an exaggerated press. In most countries, governments continue overwhelmingly to dominate education provision, finance and management, especially at the primary level. However, advocates of choice and competition continue to exercise a marked influence on education governance reform debates in the developed world and – increasingly – the developing world.
CHAPTER 3

Low-fee private schools: symptom of state failure

Debate over the role of public-private partnerships can divert attention from pressing concerns. Unplanned growth in private schooling for the poor in some parts of the world is symptomatic of an underlying malaise: underperformance, or outright failure, of public providers.

The previous subsection looked at choice within the formal education governance structure. In developing countries, however, millions of households are exercising choice outside that structure. While private schools affordable only to middle-class and high-income groups continue to play an important role, new patterns of private provision are emerging.

Even a cursory observation of education provision in slums from Hyderabad to Nairobi demonstrates that private provision in some developing countries is no longer the sole preserve of the rich. Private primary schools charging modest fees and operating as small businesses, often with neither regulation nor support from government, are changing the education landscape. Whatever the formal education policy may be, a growing marketplace in education provision is appearing by default. The rapid emergence of low-fee private schools is reflected in wider education governance debates.

Some observers see the growth in this sector as a potentially powerful force for greater equity and expanded opportunity. Guidelines written for USAID to inform its investment in private primary schooling provide an illustration: ‘The private sector... has played a critical role in meeting the needs of disadvantaged groups and has the potential to further increase access and equity. Private provision of education is more effective in terms of student achievement on standardized tests and is an effective alternative to publicly provided education’ (Chandani et al., 2007, p. 6).

In a similar vein, the World Bank’s 2006 Education Sector Strategy Update signals a commitment to promote an enlarged role for the private sector in reaching the poor: ‘Increased competition among public and private education institutions (for example, through new methods of public finance that shift education decisions to private households) is providing more incentives to improve quality.

The Bank can help countries investigate the market for education, develop an enabling environment for private participation and competition, and align private provision whenever possible with equity principles laid out in national education strategies’ (World Bank, 2005b, p. 34). Some advocates of more radical privatization options have called on governments and donors to use public financing, vouchers and other public-private partnership arrangements to open the door to a large-scale exit from public provision (Tooley, 2007).

As in other areas, sweeping recommendations have been weakly grounded in evidence. Clearly, unplanned growth in low-fee private primary schools is responding to real demand. Many poor people are voting with their feet and their meagre incomes to leave public provision. The important question for public policy is whether governments should use financial resources to accelerate that trend, or resolve the underlying problem driving it: namely, the failure of public education systems to meet the needs of the poor. Given that nine out of ten primary school children in developing countries attend public-sector schools, the overwhelming priority should be to improve their standards and accessibility rather than to channel public finance into the private sector.

Provision expanding but difficult to measure

Estimating the size of the low-fee private sector is intrinsically difficult because documentation is poor, institutions are typically unregistered and national administrative data provide only a very partial account. Even so, observation and anecdotal evidence suggest the sector is growing rapidly in many developing countries.

The extent of its expansion varies. Evidence from countries as diverse as Ghana, India, Kenya, Nigeria and Pakistan points to rapid growth. In urban India, around 96% of the total increase in primary enrolment between 1993 and 2002 is estimated to be due to growth in private schools unaided by government. While growth in private enrolment was slower in rural India, it still accounted for 24% of the increase in rural areas (Kingdon, 2006). In Pakistan’s Punjab province, one in every three children enrolled in primary school studies in a private school (Andrabi et al., 2006). Nigeria has also witnessed prolific growth in low-fee private schooling. It is estimated that in parts of Lagos state, three-quarters of the children in school are enrolled in registered and unregistered private
schools. According to one (admittedly speculative) study, incorporating students enrolled in unregistered private schools into administrative data would reduce the proportion of those out of school from 50% to 26% (Tooley and Dixon, 2007).

These figures should be interpreted with caution. The fact that a country has many low-fee private school providers in slums is not a sound basis for extrapolation to rural areas with more dispersed, and often much poorer, populations. National averages can also give a distorted picture of coverage. One study in India finds that 28% of rural people have access to a private school in their village, and that half of the schools are unrecognized. Variation among states, however, is considerable: fewer than 1% of villages have a private school in rural Gujarat and Maharashtra, compared with over 50% in Rajasthan, Bihar, Uttar Pradesh, Punjab and Haryana. In general, richer states are more likely to have rural private schools (Muralidharan and Kremer, 2006).

**Questions of quality, accountability and affordability**

Whatever the precise dimensions of the phenomenon, low-fee private schools are clearly an important element in education provision for many poor households. And the sector is expanding. Advocates of a bigger role for the private sector see in these two observations evidence that such schools are cost-effective, affordable, less prone to teacher absenteeism than public schools, better equipped to provide a good-quality education and more accountable to parents (Tooley and Dixon, 2007). Evidence to support these wide-ranging claims is less emphatic than the claims themselves. Available data does not provide a robust base for meaningful large-scale comparisons across or even within countries. The findings of the most credible assessments point to large grey areas in which parental motivation, perceptions of quality and the availability of alternative providers intersect to inform choice.

**Parental perceptions and motivations.** Parents clearly would not pay to send children to private schools if they believed government providers offered better provision at an equivalent or lower price, let alone for free. Parents send their children to low-fee private schools because they perceive an advantage, whether in the form of reduced teacher absenteeism, greater pupil and teacher discipline, and smaller class sizes. These are not the only attractions, however. The choice of low-fee private schools may also be associated with aspirations for social mobility, especially if the schools use English as the medium of instruction (Rose, 2006; Srivastava, 2007). Detailed work on attitudes in Uttar Pradesh state, India, shows parental motivation to be complex (Box 3.10). Other research in the same state finds that recourse to private providers is not

**Box 3.10: Why poor households choose low-fee schools in an Indian district**

Why do low-income households, many with children who are first-generation learners, choose for-profit, low-fee private schools even where a less costly state alternative exists?

The reasons are complex, according to a qualitative study on low-fee private schools in Lucknow District of Uttar Pradesh state in India. Not all parents, particularly in rural areas, are convinced of the quality at low-fee private schools. While such schools are seen as a better option than government provision, they were not necessarily seen as being of acceptable quality. Rather than basing choice on the quality of education provided, however, some families seek access to a low-fee private school in order to distinguish themselves from others within their communities. Lalita Bai, a rural migrant and wife of a labourer, whose family belongs to a scheduled caste, explained why she sent her daughters and sons to a low-fee private school: ‘Only those who are absolutely penniless, the lowest of the low in society, can send their children to government schools. Most people cannot bring themselves to send them there.’ Some higher-caste families had a similar explanation for why they found low-fee private schooling important. Rambha Devi, a rural grandmother of four, said: ‘Only low-caste children attend government schools so no real schooling takes place there.’

The concerns expressed in these views are revealing. They point to a disconcerting lack of confidence in public provision on the part of the poor, coupled with a concern to maintain social divides on the part of some households. The overall findings suggest that there is an urgent need to examine more closely the role of low-fee private schools in the context of achieving India’s EFA goals, including the wider social impact of household choices within increasingly socially and economically segmented schooling arenas.

the same as trust, or an indicator for preferences between providers. Interviews with parents reveal a high level of mistrust of the private sector. The most widely stated parental preference in this case was for a properly functioning government system; parents resorted to private school because they felt they had no alternative (Härmä, 2008).

Assessing quality. Do low-fee private schools offer an efficient route to improved education quality? Data constraints rule out a general answer to the question, but country evidence suggests that caution is in order. There is evidence that in many contexts private schools are outperforming state schools. In parts of India and Pakistan, children enrolled in low-fee private schools perform better, on average, than those in government schools, once adjustments are made for socio-economic status and other variables (Andrabi et al., 2008; Aslam, 2007; Das et al., 2006; Muralidharan and Kremer, 2006; Schagen and Shamsen, 2007). This does not mean government provision is necessarily worse than private provision across the board. Even in Pakistan, where the poor condition of government education in general is widely recognized, the top-performing public-sector providers outperform private schools. The problem is that there are many more poorly performing government schools, in which learning outcomes are considerably lower than in the worst private schools. As one study concludes: ‘The only reason the private schools look so good is that the poorly performing public schools are so disastrous: if at some future date, children actually started demanding something more than the most rudimentary education, the semi-educated teachers in the private schools would actually find it hard to cope’ (Andrabi et al., 2008, p. xiii).

Teacher accountability and parental participation. It is widely argued that dependence on parental finance makes low-fee private schools and their teachers more accountable. Available evidence does not lend clear support to this view. In Pakistan, a survey in Punjab has suggested that teacher absenteeism (one indicator for accountability) is less of a problem in private schools than in government schools. The study found that head teachers reported 13% absenteeism in the former and 8% in the latter. By contrast, a more rigorous analysis of teacher absenteeism in rural India, based on data collected during unannounced visits to schools, reported very little difference in teacher absenteeism – around one-quarter of teachers were absent from both types of school (Muralidharan and Kremer, 2006). In addition, a qualitative study in Lucknow District of Uttar Pradesh, India, found low parental participation and interest in the private schools, which proprietors and households attributed to parents’ low education levels and inexperience with schooling. Interaction with the school was limited to fee-related complaints rather than dealing with concerns to do with education (Srivastava, 2007).

Affordability in perspective. Advocates for low-fee private schools claim that they are affordable to the poor. However, affordability is not a straightforward concept. When poor households pay for education, they divert income from other areas, including nutrition, health, shelter and savings for emergencies. Education expenditure by poor households for low-fee private schools can be viewed, as it is by some, as a market preference freely expressed. Alternatively, it can be seen, with more credibility, as an entry charge to education paid by vulnerable households with two options: paying for education through severe sacrifices in other areas, or accepting that their children have no opportunity for an education meeting minimum quality standards. Evidence from a variety of contexts illustrates the real trade-offs facing poor households when they have to pay low-fee providers:

- In Hyderabad, India, a city with a fast growing market for low-fee private primary schools, it is estimated that a family living on the minimum wage would have to spend roughly one-quarter of its income to put three children through such a school, even before taking account of additional related costs for nutrition and other household needs (Watkins, 2004).
- In rural Uttar Pradesh, India, one survey puts the total cost of educating four children (the average family size) in a low-fee school at half the mean annual salary for households in the lowest two income quintiles. Unsurprisingly, most of these households send their children to government schools. Choice is limited to better-off households. Those in the richest 20% of the sample were almost eleven times more likely to choose private schooling than families in the poorest 20% (Härmä, 2008).
- In urban Malawi, even the relatively modest fees cited by owners of low-fee private schools...
(around US$3 per term in 2004) are beyond the reach of poor households, even before taking other costs of education into account. For the two-thirds of the population living below the poverty line, fees at this level would translate to over one-third of available resources per person per household (Kadzamira et al., 2004).

In Ghana’s capital, Accra, around 17% of total enrolment in primary education is in the private sector. But households in the rural north and other areas where enrolment is already low are far less likely to opt for private schools, since school costs are already the major reason their children are out of school. While private schools are spreading in rural Ghana, it is mainly in areas where fishing and trading are the main occupations, not areas dependent on subsistence farming (Akyeampong, 2008).

Households with livelihoods in the latter area tend to be poorer.

Access and equity. Recourse to private schools on the part of the poor is not an indicator for equitable access. As noted, chronically poor households may not be able to finance even relatively low fees without suffering adverse consequences. Locality is also a limitation on equity. By definition, low-fee private schools will be established only where enough parents are willing to pay fees. As such markets are far more likely in high-density urban areas than remote rural areas, the schools could exacerbate the rural-urban divide. In addition, significant gender disparities have been observed with low-fee private schooling. Parents lacking the resources to send all their children to private school often choose to send only some of them. Studies in India and Pakistan find significant pro-male bias in this choice (Aslam, 2007; Härmä, 2008; Mehrotra and Panchamukhi, 2007). In India’s Bihar state, 10% of all enrolled scheduled-caste girls are in private schools that receive no public funds, compared with 21% of upper-caste girls. In Uttar Pradesh the respective shares are 16% and 37% (Mehrotra and Panchamukhi, 2007).

Where there is no choice. While many poor households are rejecting public provision by switching to private providers, the extent of choice is often exaggerated. People in some slums of the Kenyan capital, Nairobi, do not have the option of sending their children to government schools for a very simple reason: there are none. The residents of these informal settlements lack formal property rights, so the government provides no basic services in education (Box 3.11). State failure in education provision in slum areas across many countries has created a strong impetus for the development of private school markets. Even where children can travel to a school in a neighbouring area, they often cannot enrol as they lack the

Box 3.11: Government schools for the rich, private schools for the poor in Kenya’s slums

Does the high incidence of low-fee private schools in slum areas reflect the power of choice in a competitive market? Not in the Kenyan capital, Nairobi.

Over 60% of Nairobi’s population lives in slums. This population is crowded into just 5% of the residential area of the city. Slums are marked by high levels of poverty and deprivation, and are not at first sight an obvious location for private education provision. Yet a longitudinal study covering two slum and two non-slum areas, with a total sample of over 13,000 children, finds that children living in slum areas are more likely to attend private school. Conversely, children of higher socio-economic status were more likely to attend a government school: the richest 20% of households were more than twice as likely as the poorest to send their children to a government school.

The Kenyan study suggests that government schools are the preferred choice for richer, non-slum residents, while private providers are the only viable option for the poor. From the perspective of the poor, however, the choice is highly constrained. There are no government providers in some slums. Where there are government schools on the periphery of the slums, they require an official residency title for entry. Because most slum dwellers lack legal property status, their children are excluded.

In this context, ‘choice’ is an inappropriate description of the parameters for decision-making. Parents ‘choose’ low-fee private providers because there is no alternative. It is not a positive choice based on an assessment of the relative merits of different providers. Indeed, household surveys show that parents complain about the private schools, with staff shortages, congested classrooms and lack of teaching materials identified as common problems.

Source: Mugisha et al. (2008).
necessary paperwork and residential eligibility. Thus poor slum dwellers may find the only schooling available to them is a low-fee private school, while richer households have the choice of attending a government school.

**Governing low-fee private schools**

Low-fee private schools are the subject of an often polarized debate. Some advocates of increased competition and of an expanded role in education for the private sector see them as an alternative to publicly financed and delivered provision. Critics see them as a symptom of state failure. Whatever the perspective, it is clear that the low-fee private school sector is a response to demand and that it is unlikely to shrink rapidly, let alone disappear, in the foreseeable future. Governance of the sector to advance the EFA goals is therefore a priority.

In many countries low-fee private schools currently operate as a governance-free zone. The schools have increased in number far faster than the capacity of regulatory and management regimes to ensure that their activity is aligned with national policies. Malawi has only one person in the education ministry responsible for school registration, so small private schools effectively remain outside the system (Kadzamira et al., 2004). In India, compliance of low-fee private schools with the rules and norms governing teacher qualifications, teaching practices, the curriculum and infrastructure is haphazard at best, non-existent at worst (Kingdon, 2006). Even where governments do regulate low-fee private providers, the focus is often on assessment at the time of school registration rather than regular monitoring of performance and outcomes.

More effective management and regulation are easier to advocate in principle than to deliver in practice. Low-fee private providers tend to expand most rapidly in areas where many government schools are struggling to meet standards and levels of poverty are often high. Nigeria, for example, has stringent legislation on private-sector regulation, including fines and even imprisonment if providers do not comply with regulations. Yet the states in which private provision is most prevalent, such as Lagos, find it almost impossible to enforce the legislation, not least given the government failure to provide alternatives for children whose schools would be closed (Rose and Adelabu, 2007).

Public-private partnerships offer another regulatory option. In principle, education authorities can use financing and other measures to generate incentives and enforce rules while addressing concerns over equity. Pakistan’s programme of public-private partnership is an example. The government, with support of donors, has embarked on a range of public-private partnership projects aimed at addressing long-standing problems in access and equity. The problems are acute: Pakistan’s NER is 73% for boys and 57% for girls. Not only are overall enrolment levels lower than in poorer countries such as Nepal and the United Republic of Tanzania, but Pakistan is near the bottom of the international league table for gender parity. Large disparities between states, between urban and rural areas and between richer and poorer households are at the heart of Pakistan’s slow progress in basic education. Low-fee private providers are widely presented as a dynamic force for change, though experience and evidence point to the case for a more cautious appraisal (Box 3.12).

Countries with more developed institutional capabilities might be well placed to oversee effective partnerships with low-fee private schools. But the countries in which such schools are flourishing are those with weaker institutional capacity and tighter financial constraints. For these countries, it is not obvious that public-private partnerships involving management relationships with large numbers of small private providers will deliver progress towards a national system based on uniform standards and equal access for all. The question remains: why are governments not using their capabilities to deliver equitable and affordable public education?

There is no ‘one-size-fits-all’ model for effective governance of low-fee private schools. The overarching challenge for governments is to develop strong national strategies for achieving EFA and to ensure that all providers operate within these strategies. The bottom-line obligation of all governments, especially at the primary school level, is to develop a publicly financed and operated education system that offers the option of good-quality, free education to all citizens.
Choice, competition and voice: school governance reform and EFA

Box 3.12: In Pakistan, a questionable public-private partnership

The Government of Pakistan, with support of aid donors, has made public-private partnerships the ‘anchor’ of its strategy to address the challenges of education access, quality and equity. A 2004 policy paper spelled out the premise underpinning the current policy framework: ‘Government has officially recognized that the public sector on its own lacks all the necessary resources and expertise to effectively address and rectify low education indicators.’

Low-fee private schools figure prominently in this strategy. Such schools are expanding rapidly in parts of Pakistan. Coverage is variable: there are more of the schools in the relatively prosperous Punjab province (where enrolment is already higher) than in rural Sindh or Balochistan, which have the lowest enrolment rates overall and particularly wide gender gaps (Figure 3.7). Although equity concerns have figured in the design of public-private partnerships, experience in Punjab illustrates just how difficult it can be to achieve more equitable outcomes.

The Punjab Education Foundation has been running two different but overlapping public-private partnership models. Under an education voucher programme for selected slums, parents can use state funding for entry to low-fee private schools. Meanwhile, a Foundation Assisted Schools programme provides a per-child subsidy for children enrolled directly in private schools in selected high-priority areas. While there is some initial evidence of positive influence on enrolment and learning outcomes, serious problems have been identified:

- **Fragmented authority and inequality of financing.** Responsibility for running public-private partnerships rests not within the Ministry of Education but with semi-autonomous education foundations that depend on their ability to raise external funds. Provinces such as the Punjab that are already in a stronger position in terms of education can benefit more because they have the possibility to recruit qualified staff, have more potential NGO and private sector partners, and are a priority client for most donors.

- **Financial sustainability.** Public-private partnership models have been an important component of education-sector World Bank loans in Punjab and Sindh. Their continuation and expansion is contingent on sustained donor support, as the Ministry of Education has so far not decided to mainstream the models. That support cannot be taken for granted.

- **Limited scope.** Notwithstanding the international attention Pakistan’s public-private partnership programme is receiving as a potential model for other countries to follow, the school voucher programme reaches only 10,000 students and the Foundation Assisted Schools programme only 50,000 (Punjab Education Foundation, 2008). This is in a country with 2.7 million boys and 4.1 million girls out of school.

Whatever the course of public-private partnership projects, the majority of children from poor households in Pakistan rely on government provision – and will continue to do so. Reaching children who are not in school will require expansion of the public education system, with a far stronger focus on wealth, gender and regional inequalities. Chronic underfinancing of education is an immediate problem, with just 2.7% of GNP (12% of total government expenditure) allocated to education.


Figure 3.7: Primary gross enrolment ratios in Pakistan by location and gender, 2004/2005

![Figure 3.7: Primary gross enrolment ratios in Pakistan by location and gender, 2004/2005](image)

1. North West Frontier Province.
CHAPTER 3

Conclusion

Governance reform in school management has been widely cited as a positive force promoting a wide range of important goals in basic education, including improved quality and enhanced equity. Strengthened choice, competition between schools, devolved authority and increased public participation have all been identified as drivers of more accountable education provision. Disadvantaged households are commonly presented as first among equals in the list of beneficiaries.

Evidence presented in this section calls into question some of the more optimistic assessments of school governance reform, particularly with regard to the ability to promote free, good-quality, equitable education for all citizens. Increasing accountability and participation are important ends in themselves in the design of education policy. But devolving authority to schools does not automatically confer increased voice in school management on parents or communities, especially if they are poor and marginalized. Similarly, while choice and competition between providers may have the potential to play a role in improving education quality, there is little evidence of that potential being realized on a significant scale. For marginalized, vulnerable and impoverished households, choice remains highly constrained – and access to basic education remains contingent on public education provision. The rapid emergence of low-fee private schools may be a response to real demand, but there is little evidence to suggest that low-fee providers offer a genuine choice of affordable, accessible, quality education.

All this points to a strong case for governments to focus their energies and resources on public provision of quality basic education for everyone. Private finance and private providers have a role to play, and governments need to ensure that they are integrated into properly managed national strategies. However, transferring responsibility to schools, parents, communities and private providers will not address the underlying problems faced by education systems in providing equitable opportunities for quality education. These will only be revealed through governance systems that combine strong institutional arrangements with a commitment to equity.
Strengthening teacher governance and monitoring

Introduction

Getting children into school, through a full primary education cycle and into secondary school is a priority for public policy. But education is about more than putting bodies in classrooms. It is about engaging minds, expanding horizons and ensuring that students have access to real opportunities for learning. The ultimate aim of any education system is to ensure that children develop their cognitive, emotional and social capacities – and that they acquire the skills they need to realize their potential (UNESCO, 2004). Schools are the primary institution for achieving this aim. And teachers are on the front line of delivery.

Chapter 2 documents serious problems in the quality of education. In many countries absolute levels of learning are so low as to raise questions about the value of primary schooling. There is disconcerting evidence that the gap in average performance between rich and poor countries may be widening. Moreover, that average gap obscures large disparities in learning achievement within countries. In short, many school systems are failing to deliver services that meet even the most basic standards for quality and equity.

Improved governance in teacher management is vital for changing this picture. Education systems need to attract qualified people into the teaching profession, retain them, provide the skills and knowledge they need, and ensure that they are motivated. But how should poor countries with limited financial resources set about achieving these goals? And what mechanisms are available to ensure that disadvantaged children living in marginalized areas have access to good teachers?

Recruitment, deployment and motivation

If the world’s poorest countries are to achieve UPE by 2015, millions of additional teachers have to be recruited, trained and deployed, the majority of them in marginalized areas characterized by high levels of poverty. The problem is not just a quantitative one of recruitment. A recent cross-country survey on teacher motivation in sub-Saharan Africa and South Asia concludes: ‘Very sizeable proportions of primary school teachers, particularly in sub-Saharan Africa, have low levels of job satisfaction and are poorly motivated. Many tens of millions of children are not being taught properly and are not receiving even a minimally acceptable education. … [T]he unavoidable conclusion is that most schooling systems are faced with what amounts to a teacher motivation crisis’ (Bennell and Akyeampong, 2007, p. 25).

Increasing recruitment, strengthening motivation and improving qualifications are issues at the heart of the teacher governance challenge. Equity concerns are also paramount. The distribution of more experienced, better-qualified teachers is often skewed towards the best performing schools and students from higher socio-economic backgrounds. Marginal rural areas and low-income urban settlements are more likely to attract unqualified teachers or to experience large deficits in teaching staff. This subsection looks at four important governance themes relating to teachers:

- salaries and living standards;
- recruitment and contract teachers;
- deployment patterns;
- motivation and performance-related pay.

Salaries and living standards

Teacher salaries figure prominently in education governance debates. This is for good reason. Remuneration for teachers absorbs the lion’s share of education budgets, especially in low-income countries. Pay levels also influence recruitment. Salary has an important bearing on the number of people entering the profession and their qualifications. Higher salary levels are likely to be positively associated with levels of recruitment, experience and morale. By the same token, the higher the recruitment costs, the fewer teachers can be recruited within a fixed budget.
There is no simple formula for determining an appropriate level for teacher salaries. As in any labour market, costs are determined partly by supply and demand, and partly by political factors. Decisions on recruitment levels, qualification requirements, and pay and conditions are all important. Average teacher wages as a multiple of GNP tend to decline as a country develops economically (Bruns et al., 2003). But the ratio of teacher salaries to GNP is of questionable relevance in determining what salary corresponds to the attainment of specified goals in areas such as recruitment and motivation. In any country, policies on teacher pay and recruitment have to take into account average incomes, relative pay with comparable professions and wider labour market conditions.

Whatever the national ratio of pay to GNP, it is clear that many teachers in developing countries have very low income levels. In some countries pay levels do not cover basic living costs and this is a major factor in the teacher motivation crisis. In much of sub-Saharan Africa and South Asia teacher pay levels are perilously near, or even below, the poverty line (Bennell and Akyeampong, 2007; Benveniste et al., 2008; Sinyolo, 2007). In some cases salaries have fallen precipitously. In Malawi, average teacher salaries were 30% lower in real terms in 2004 than in 1992. At the equivalent of just US$3.50 per day, a teacher’s average pay is below the amount needed to cover the most immediate household needs (Kadzamira, 2006). Late payment, a widespread problem in many countries, adds to the pressures associated with low salaries (Benveniste et al., 2008; Sherry, 2008; VSO, 2007).

It is not just absolute salary levels that are important. Relative pay matters in terms of both recruitment and morale. In Latin America, teacher salaries are generally well above the poverty threshold but compare unfavourably with pay in other professional and technical occupations (Morduchowicz and Duro, 2007). Similarly, teacher salaries in much of Central Asia are considered unattractive. This is true even in countries such as Armenia and Tajikistan where teacher salaries increased markedly between 2003 and 2007 (Steiner-Khamsi et al., 2008). One consequence of low relative pay in Central Asia has been an increase in the number of teachers seeking to supplement their income through a second job – a phenomenon that has been extensively documented in most Central Asian countries (Education Support Program, 2006). This practice can have damaging consequences for the quality of education, with some teachers withholding curriculum to pressure students into private tutoring (Bray, 2003). The students least able to pay for private tutoring stand to lose the most.

Debates over teacher pay have to be viewed in a broader context. Governance reforms have often increased teachers’ level of responsibility and workload. In many countries teachers are being asked to use demanding new ‘learner-centred’ curricula which entail major changes in teaching practice, and frequently increased preparation and marking time. Yet these new responsibilities are seldom reflected in pay and conditions, helping explain why many teachers lack enthusiasm for reform efforts (Bennell and Akyeampong, 2007).

**Contract teachers: increasing recruitment at the expense of quality and equity?**

All governments operate under real budget constraints in education. The constraints are particularly severe in many of the poorest countries. The fact that these countries need to increase recruitment on a large scale poses an obvious public spending problem: namely, how to increase the supply of teachers within a sustainable budget framework. Many governments have attempted to resolve the problem by increasing the recruitment of contract teachers.

Teachers have traditionally been recruited as civil servants. This influences the structure of their pay and benefits – and the costs of recruitment. Recruiting teachers on a contract basis, outside the civil service scale, has the potential to reduce costs. It also gives education authorities greater flexibility with respect to hiring and firing. One feature of civil service employment in many countries is that teachers have a high level of immunity when it comes to being fired. According to one study in India, only one in 3,000 head teachers surveyed has ever fired a teacher (Chaudhury et al., 2006). Such findings confirm that education authorities have trouble dismissing tenured teachers for substandard performance. This is seen by some as a factor in the high levels of absenteeism in many countries noted in Chapter 2. Contract teaching arrangements are seen by some as a vehicle for greater flexibility. While civil service employment is a long-term arrangement, contracts are time-bound and can be revoked swiftly. Increasing the
opportunity for communities and head teachers to hire and fire teachers is widely cited as a governance benefit of private schools, discussed earlier in this chapter.

Recruitment on a contract basis has increased the supply of teachers in many countries. This is particularly the case in West Africa (Göttelmann-Duret and Tournier, 2008). Over a third of teachers in Guinea, the Niger and Togo are contract teachers (UNESCO, 2007a). Many other countries have also stepped up recruitment of contract teachers, among them Cambodia, China, India, Nepal, Nicaragua, Pakistan and Sri Lanka (Duthilleul, 2005; Göttein-Duret and Tournier, 2008; Govinda and Josephine, 2004). To what extent has this enabled governments to achieve EFA goals?

The evidence on contract teachers is mixed. The increase in the supply of contract teachers has enabled governments to reduce pupil/teacher ratios (PTRs) in many countries. However, that superficially positive outcome has to be weighed against concerns that there may be a trade-off between the supply of contract teachers and overall education quality. For example, contract teachers in Togo appear to provide lower-quality education. That is not entirely surprising since they have less experience and training than civil service teachers (Box 3.13). There is also evidence from West Africa that recourse to contract teaching may in some cases compound problems of teacher morale. The testimony of one contract teacher in Cameroon provides an eloquent account of the impact of contract teaching arrangements on self-esteem in one particular context (Box 3.14). The broader concern with contract teaching is that what might appear as an advantage from one perspective (more flexibility and reduced cost) might be seen from another perspective as a threat to livelihood security and a source of low morale.

Evidence from other regions also varies. In some cases, increased recruitment of contract teachers can have positive effects on equity. This is especially true where contract teachers are recruited from regions and communities that are not well served. There is also some evidence – admittedly mixed – that contract teachers are less likely to be absent. This appears to be the case in India, where the practice of employing contract teachers has expanded rapidly since 2002 (Box 3.15). Most contract teachers in the country work in rural areas, often teaching in schools used by very poor communities. However, even here the implications for equity are ambiguous. An obvious concern is that contract teaching arrangements will leave some of India’s most marginalized children to be taught by its least qualified and experienced teachers.

The issues raised by contract teaching are far from straightforward. All governments need to assess carefully the potential risks, in terms of equity and education quality, of a recruitment strategy that lowers the standards for recruited teachers. From an EFA perspective, increasing teacher supply while lowering quality standards is a false economy. The first objective of teacher governance should be raising learning achievement. At the same time, governments have to operate within a defined resource envelope. In the poorest countries, increased national effort and increased aid to meet recurrent costs in education may be needed for meeting recruitment goals.

One way of reducing the pressure for recruitment is to strengthen teacher retention. In many countries, large numbers of teachers are leaving the profession not just because of poor pay and conditions, but also because of inadequate support,
In Cameroon, recruitment of contract teachers is allowing an expansion in enrolment at the expense of teacher morale.

**Box 3.14: ‘Marginal and frustrated’: a contract teacher’s view from Cameroon**

In Cameroon, contract teachers make up more than half of the teaching staff at primary level. The experience of one teacher, Mr Bikono, who works in a government school in Yaounde, illustrates the potential trade-off between teacher supply on the one hand and teacher morale on the other.

Unable to get a job after qualifying as a lawyer, Mr Bikono took the qualifying exam to enter the teaching profession. After eight years of experience as a substitute teacher, he achieved contract teacher status. Being a contract teacher in Cameroon makes Mr Bikono ‘feel marginal and frustrated’. His monthly salary amounts to 99,000 CFA francs (about US$158), a long way from the starting salary of 140,000 CFA francs for a teacher with a civil service job. He also lacks benefits attached to civil service posts, such as a pension. Mr Bikono sees it as discrimination. ‘We’re doing the same job and we have the same amount of work. In fact, contractors are sometimes better qualified than civil servants.’ He is indignant about his paltry salary, which forces him to live in his father’s home. His wife has left him, tired of waiting for a ‘supposed improvement of the situation’.

The mass recruitment of contract teachers has provided a short cut to expanding the teaching force. This is in a national context where one-third of teachers are untrained and there is a need to more than double teacher numbers to achieve UPE by 2015. While the recruitment of contract teachers is allowing an expansion in enrolment, the effect on the morale of teachers such as Mr Bikono is damaging. The danger is that contract teaching will lead to further deterioration of quality, which in turn would have worrying implications for the number of children successfully completing the primary cycle.

Sources: Ekwè (2007); UIS (2006b).

**Box 3.15: Contract teaching in India: reaching the underserved**

The recruitment of contract teachers in India aims to address the dual challenges of teacher shortages and high absenteeism in some states. Outcomes for access, equity and quality have been mixed.

Contract teachers have been a feature of the education system in several Indian states since the 1990s. The practice has expanded rapidly since 2002, when states were permitted to recruit such teachers through central government grants. By 2004 half a million contract teachers had been hired. Their recruitment is aimed at reaching villages not served by regular government schools and increasing the number of teachers in single-teacher schools. Most contract teachers, accordingly, work in remote rural schools, particularly in the states of Madhya Pradesh (which accounts for 46% of all contract teachers) and Rajasthan (21%); contract teachers make up half the teaching force in the former and a third in the latter. Their pay averages around one-fifth to half of what civil service teachers make. The least qualified, lowest-paid contract teachers are concentrated in rural tribal areas serving deprived children.

What impact has the increased recruitment of contract teachers had on education? There is insufficient evidence to provide a clear answer to that question. Contract teachers are often recruited from marginalized communities, increasing the supply of teachers in areas where civil service teachers often do not want to work. Indeed, the policy of hiring teachers under contract has been supported in some cases by civil service teachers, who benefit by not having to transfer to less attractive areas. Clearly, many children being taught by contract teachers would not otherwise receive an education. The fact that these teachers may be of a similar background to the children they are teaching may help to address problems of caste stigma. There is also some evidence that contract teachers are less likely to be absent, thus helping schools open more regularly and for longer hours; and that learning outcomes are at least as good for children taught by contract teachers as for those taught by civil service teachers.

From a broader public policy perspective the questions facing India are similar to those raised elsewhere. While contract teachers have brought real benefits for many communities, increased the equity of teacher deployment and cut average recruitment costs, they are often less qualified and experienced than civil service teachers. The obvious danger is that children who are poor, low caste and living in remote rural areas will be taught by lower-quality teachers – an outcome that will reinforce wider inequalities in India.

Sources: Govinda and Josephine (2004); Muralidharan and Sundaraman (2006); Pandey (2006).
large class sizes and low job status. Reducing the outflow requires an approach that looks beyond pay to the wider factors affecting the morale of teachers who, it must be remembered, provide a critical public service.

**Tackling equity gaps in teacher deployment**

Average PTRs can mask serious problems in deployment of teachers within a country. Areas that are remote, poor and homelystruggling racial or caste groups are often underserved, especially in having their share of experienced teachers. This is not surprising: where teachers have a choice, they may be unwilling to work in hard-to-reach locations offering poor housing, no water or electricity and few public services, especially if they must also be separated from their spouses. But the skewed allocation of teachers is a factor in the large equity gaps in access and learning outcomes discussed in Chapter 2.

Urban bias is a systemic problem. In countries where most teachers come from urban areas and there are few recruits from disadvantaged groups, filling posts serving rural areas and minority groups is often difficult. Most teachers want to be posted to urban schools for both professional and personal reasons, including the education of their own children. But the effect in many countries is to reinforce the rural-urban gulf in educational opportunity. In Pakistan, lack of transport, security problems and poor housing in remote rural areas form a major deterrent to equitable deployment of teachers, especially women (Khan, 2007). In Namibia, 40% of teachers in rural schools in the north are qualified, compared with 92% in the capital. Two-thirds of urban teachers in Uganda are qualified, but only half of rural teachers (Bennell and Akyeampong, 2007).

Public policies can create incentives that weaken the urban bias. One strategy is to change recruitment patterns so that more teachers from underserved areas join the profession. Another is to provide special incentive packages, such as accelerated career advancement, eligibility for study leave and better housing aimed at drawing teachers towards underserved areas. Giving teachers bonuses for accepting rural postings is another incentive that can change location preferences. All these measures are widely, if haphazardly, used in sub-Saharan Africa. The problem is that the incentives are usually insufficient to outweigh the perceived disadvantages of living in isolated areas (Bennell and Akyeampong, 2007).

Recruitment of teachers from under-represented groups offers several potential benefits. Most immediately, it helps target increases in teacher supply on the areas where it is most needed. There are also motivational benefits. Some evidence suggests that locally recruited teachers in sub-Saharan Africa and South Asia tend to be more satisfied with their jobs, which should help reduce attrition (Bennell and Akyeampong, 2007). In addition locally recruited teachers are more likely to be familiar with the cultural context in which they are working, with potential benefits for the quality and relevance of their teaching. Where teachers are part of the community, there is also greater opportunity for closer monitoring by parents, which can increase teacher effort and reduce absenteeism. In El Salvador, for example, parental oversight of teacher attendance and working hours resulted in increases in the time teachers spent on work (Di Gropello, 2006).

Various strategies have been developed to create incentives for the recruitment of teachers from under-represented groups. Some countries have set teacher training quotas, including for women and people from ethnic minorities or low castes. Further incentives can be generated by waiving fees for entry to training on condition that candidates agree to teach for a stipulated period in their local areas. Devolving authority for teacher hiring to communities or regional and district governments can also facilitate the recruitment of teachers from under-represented groups.

None of this implies that increased local recruitment is straightforward. Locally recruited teachers are often untrained initially and may have less education than other teachers – some may have completed only primary school. Increasing the cohort of secondary-school graduates in underserved areas is often a first step in ensuring that teachers from under-represented groups meet required national standards. This may be difficult in educationally disadvantaged areas, however. Experience in the Lao People’s Democratic Republic and Cambodia demonstrates the problems that governments face (Box 3.16). Both countries have succeeded in getting more teachers from ethnic minority groups into teacher training, partly by reducing eligibility requirements.
Box 3.16: Recruiting ethnic minority teachers in the Lao People's Democratic Republic and Cambodia

The Lao People's Democratic Republic and Cambodia are accelerating progress towards UPE, but teacher shortages in remote areas are holding back their efforts to expand access and overcome marked regional disparities. In response, authorities in both countries are trying to recruit teachers from ethnic minority groups.

In the Lao People's Democratic Republic initiatives emerged as a response to the failure of incentives to increase teacher supply in remote, mountainous areas. Under a previous policy, the government offered supplements equivalent to between 15% and 20% of salary, but these proved insufficient to outweigh teacher preferences for urban postings.

The emphasis has now shifted to a programme aimed at recruiting ethnic minorities into teacher training. Entry requirements have been adjusted and financial inducements provided. Numbers passing through the programme have increased. However, serious administrative problems have been identified. Some of the students recruited do not actually come from targeted villages but are enrolling to receive the benefits offered. Language problems in teacher training have resulted in high dropout levels for indigenous minorities. And many of the students who graduate do not go back to teach in their home area, suggesting that the pull of urban employment is stronger than the incentives on offer to return to the local area to teach.

Public policy in Cambodia has followed a similar trajectory. In the past, transferring teachers into areas of high need, coupled with incentives for rural hardship postings, met with limited success. Salaries were too low to support the transfer of teachers lacking an extended family, housing or land in the area. Special resettlement allowances also proved insufficient. There has also been an increased emphasis on local recruitment.

Entry requirements for teacher training (set at grade 12 for national recruitment) have been waived in districts and provinces where secondary education is not widely available. This has opened the door to students from those areas who have only a lower secondary education. Teacher training scholarships for students from poor and ethnic minority (non-Khmer) backgrounds have helped. Affirmative action targets have been set for the recruitment of minority students into teacher-training colleges, with one in four places reserved for non-Khmer students.

Evidence suggests that the strategy may be starting to pay dividends, although problems remain. Teaching posts in many remote areas remain unfilled. Moreover, it has not been possible either to fill all quota places with ethnic minority students or to prevent abuse of the quota system. Even so, local recruitment has helped rapidly expand the supply of teachers to isolated rural areas.

Source: Benveniste et al. (2008).

In Cambodia, local recruitment of ethnic minority teachers is helping tackle shortages in remote areas

they have faced problems in ensuring that trained teachers return to teach in their home areas. Cambodia’s approach, combining quotas for such groups in teacher training with local recruitment, has been more promising.

Some countries have developed national programmes aimed at overcoming disparities in teacher allocation through financing mechanisms to support teacher recruitment in underserved areas. One particularly striking example comes from Brazil. During the 1990s, high levels of inequality in education attainment and achievement in the country were linked to deep disparities in teacher allocation. The FUNDEF programme used national education financing strategies to change this picture. Under FUNDEF, a share of subnational tax revenue was pooled and used to supplement spending per student in poor states. Around 60% of these resources were used to hire and train teachers or to increase teacher salaries. The highest salary increases were in the poorer states of the north-east with the greatest education needs. After FUNDEF began in 1998, the percentage of teachers having completed more than a primary education rose sharply, especially in poor areas such as the north-east. The programme has been associated with sharp increases in school attendance, particularly in the upper grades of basic education (Gordon and Vegas, 2005).

Fragile states affected by conflict face particularly acute problems in teacher allocation. Restoring education systems is a critical part of post-conflict reconstruction. Yet teachers may have good reasons for wishing to avoid placement in areas recently or currently affected by security problems. The experience of Afghanistan is instructive. The country is showing signs of success in its programmes to improve school access, but large disparities in teacher allocation remain. Now that the governance system is being rebuilt, the country must ensure that qualified teachers are deployed to the areas where they are most needed. Bringing community-recruited teachers into the system is one response (Box 3.17).
Local recruitment is not a quick fix for inequalities in teacher deployment. Training and support programmes also have to be developed and made accessible. Several countries are using teacher resource centres\(^8\) to address this challenge and break the isolation of teachers in rural areas. Teacher resource centres offer an alternative to central or regional teacher training, enabling teachers to develop their capacity while remaining in the community. In India, Kenya, Malawi, Mali, and Uganda, teacher resource centres have been an important mechanism for rapid teacher upgrading, accreditation and professional development, and for generating local solutions to local problems (Giordano, 2008; Global March Against Child Labour and International Center on Child Labor and Education, 2006).

According to one review, teachers participating in teacher resource centres report increased professional dialogue and commitment, increased awareness of child-centred teaching methods and increased access to materials and resources. There is also some evidence of wider benefits, with teacher resource centres reportedly having helped to narrow the achievement gap between urban and rural schools (Chile and Kenya) and to reduce repetition and improve retention (Cambodia). Nevertheless, teacher resource centres are not universally effective. In the worst cases, they reproduce many of the problems of national teacher-training programmes. Often they are underfinanced and training is disconnected from teachers’ and pupils’ real classroom needs (Giordano, 2008).

Teacher deployment patterns are not just a reflection of incentives and teacher preferences. Weak management capacity and corruption also play a role. Bribery of politicians and officials by teachers to secure favoured postings is reported to be common in some countries (Hallak and Poisson, 2007). In a study in Bangladesh, for example, over 40% of secondary school teachers believed that teacher appointment procedures were unfair and that informal payments were needed to secure a post. Many head teachers also saw promotion and transfer procedures for government teachers as unfair and reported that informal payments were commonly required to secure a transfer (Financial Management Reform Programme, 2005). Contrary to some widely held views, devolution of authority to parent-teacher associations is not an automatic cure for such practices. For example, there is evidence in West Africa of school principals and parent-teacher association chairs appointing relatives or friends as teachers (De Grauwe et al., 2005). In Rajasthan, India, local recruitment combined with a lack of performance or duty incentives encourages teachers to network with political leaders and local bureaucrats to secure posts and awards (Ramachandran et al., 2005). As both these cases demonstrate, governance problems associated with teacher recruitment and deployment seldom have simple solutions.

**The limits to performance-related pay**

Teacher pay in most countries is tied not to learning outcomes but to qualifications and years of experience. The weakness of the link between pay and student learning achievement has prompted some to advocate a shift towards performance-related pay. Paying teachers for what they deliver rather than their qualifications and years of experience, the argument runs, could create new incentives that might significantly raise learning outcomes while improving motivation and retention among the best teachers (Sander, 2008).

The ideas behind performance-related pay are not new. Nor are they restricted to education. Teacher resource centres can help to make training accessible and break the isolation of teachers in rural areas.

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\(^8\) Also known as teacher development centres.
The concept has been widely applied in a variety of public sector reforms. The broad idea is that less weight should be attached to the fixed salary component of teacher pay (usually linked to qualifications and experience) and more to actual teacher performance payments (linked to student or school results). The issues at stake are highly contentious, with teacher unions frequently opposing what they see as market-based incentives that are inappropriate to education (Umansky, 2005).

Despite the controversy and the enthusiasm for performance-related pay in some quarters, evidence of the benefits claimed is limited. One reason is that the measurement issues involved are enormously complex. Measuring performance is challenging for many reasons, not least because of the difficulty in separating teacher performance from the multitude of other home-based factors, school-based factors and random events that influence learning outcomes. Another problem with performance-related pay systems is their potential for producing perverse outcomes in at least two areas. First, they can lead to a focus on the development of a narrow range of subjects and skills needed to pass tests, at the expense of creative thinking. Second, they can encourage teachers and schools to exclude from tests the children who are least likely to do well (Glewwe et al., 2003).

Introducing performance-related pay is not a simple administrative matter. In Mongolia, large bonuses, up to 25% of annual salary or three months’ pay, were introduced in 2006 with the aim of acknowledging outstanding teacher performance. In the first year of the reform, schools received central funding with which to give bonuses to selected teachers. In subsequent years schools were to raise their own funds or deduct money from salary supplements for some teachers to reward others. The idea of bonuses was abandoned a year after its inception, for several reasons:

- a strongly held belief in social redistribution that prohibits rewarding a few at the expense of others;
- concerns that the plan would emphasize a hierarchical structure between those who are monitored (teachers) and those who monitor (head teachers);
- the heavy load of documentation and paperwork that resulted from close and continuous monitoring over the course of a year.

Evidence of perverse incentives comes from several countries. In Chile a national performance-related pay system, the Sistema Nacional de Evaluación del Desempeño, awards the schools that show the greatest progress in student achievement, giving them a financial bonus for teachers equivalent to about half a month’s salary. Schools are stratified within regions by socio-economic status and other external factors that affect school performance. This ensures that competition is among comparable establishments. However, the design has some inherent flaws. It rewards schools that are already doing well rather than those that are improving yet still need to do better (Carnoy et al., 2007). Similar problems have emerged in Mexico. In this case, a long-standing programme, the Carrera Magisterial, allows teachers to move up a pay level based on assessment of a range of criteria, including their students’ performance. The approach encourages teachers to focus on the best-performing students (Vegas and Petrow, 2007).

The experience of Chile and Mexico is instructive in a wider sense. While the introduction of performance-related pay was highly controversial in both countries, the impact of the pay incentives on learning achievement has been minimal. This is partly because only a small minority of teachers has any real likelihood of receiving a reward in the form of a bonus in Chile or promotion in Mexico (Vegas and Petrow, 2007). Salary increments for performance have emerged as a popular governance reform in a number of post-socialist countries in Central Asia. Political and administrative obstacles, however, have often prevented their effective implementation, as Mongolia’s experience demonstrates (Box 3.18).

There is even less experience with performance-related pay in poor countries with very low teacher pay. Some small-scale randomized experiments have been conducted, mainly through NGOs, with...
Monitoring education systems for enhanced quality and equity

Broad-based learning and the acquisition of skills defined in national curricula are the ultimate education policy objectives. Monitoring these qualitative outcomes is more difficult than counting heads. Yet it is vital for policy-makers on four counts: to chart progress and identify disparities in learning; to influence and monitor policy measures aimed at improving learning (related to teacher training, curriculum development and textbook revision, for example); to determine the allocation of resources to support poorly performing schools; and to provide information to parents and policymakers, ensuring that schools are held to account for student performance.9

From classroom to system level, the weakness of existing monitoring mechanisms in many countries undermines efforts to address the learning needs of the most disadvantaged schools and students. Two strategies have been adopted to address this problem: more extensive use of large-scale learning assessments and reform of school supervision services.10 A key motive for large-scale assessments has been to track performance of education systems as a whole, while supervision reforms have aimed to improve monitoring and support quality at school level. This subsection discusses the role of these two strategies for improving quality and equity.

Learning assessments: more coverage, but weak links to planning

Recent growth in the number of large-scale learning assessments indicates an increased emphasis on learning outcomes

9. Monitoring is also important in building public confidence in the education system, and giving parents and communities an opportunity to hold schools to account – aspects of which are reviewed earlier in this chapter.

10. The terms ‘school inspection’ and ‘inspectorate’ are used in many countries.
African countries participated in the most recent round of the PIRLS, PISA or TIMSS assessments – Botswana, Ghana and South Africa. Regional learning assessments, more explicitly designed to address concerns in developing countries, have expanded. Thirty-seven African countries participate in SACMEQ and PASEC, and sixteen Latin American countries in LLECE (Lockheed, 2008). The limits to assessment have to be recognized: many developing countries have never carried out a countrywide learning assessment and many other have only recently done so (Benavot and Tanner, 2007). But there has been an exponential increase in the flow of information on learning outcomes.

How countries use information from different types of assessments varies greatly. At one extreme, yearly census-based test results in Chile are widely disseminated. Public access to information is seen as a mechanism for holding schools and municipalities to account, informing parental choice and creating competition between schools. By contrast, in Uruguay assessment results from individual schools are not made public and there are no school rankings. The government’s stated policy is to use assessments not to create competition in the education system but to inform policies and resource allocation, and guide the targeting of support to teachers (Benveniste, 2002). These differing approaches are rooted partly in different governance agendas. Some countries see testing as a mechanism for promoting an agenda that emphasizes competition, choice and public information to hold service providers to account. Others view testing results as an input to public policy design. The optimal design is to combine both.

Even where data from assessments are available, it does not follow that they are widely used. For example, South Africa has seen a proliferation of national and international assessments generated through large investments of human and financial resources. These assessments have provided a better understanding of how learning occurs by developing some key indicators. But the use of test results remains limited. Education authorities seldom use them to inform approaches to equity in addressing the learning needs of students from disadvantaged backgrounds. Reporting of information to schools as part of a strategy to improve their performance also remains uncommon (Kanjee, forthcoming).

South Africa’s experience is a microcosm of a common problem. While education policy-makers are equipped with an increasing amount of information, learning assessment data often have a relatively weak impact on policy design. One reason is weak institutional capacity, reinforced in some cases by institutional segmentation between assessment agencies and education planning. While the need for information on achievement is widely recognized, translating the lessons that emerge from assessments into policy design and implementation remains a pressing challenge (Postlethwaite and Kellaghan, Forthcoming).

**High-stakes testing**

Most recent national, regional and international learning assessments have been conducted to measure the performance of education systems as a whole. These sample-based assessments are often described as ‘low-stakes’ because they are not directly linked with incentives for participants (students or schools) to perform well, or with sanctions for those performing badly. In ‘high-stakes’ assessments, measured outcomes have direct consequences, most commonly for the pupil. Tests can also serve as accountability measures for schools and teachers, and the results used as the basis for rewards and sanctions.

High-stakes assessment is most frequently associated with consequences for student progression and certification. It is also used in some cases to inform approaches to performance-related pay for teachers (see above). Cross-country evidence on the implications for student learning is limited. Standardized exit examinations at the end of secondary school are the most studied accountability measure. Findings suggest that students perform significantly better in countries with such exams than in countries lacking them. On the other hand, this association is variable: taking demographic and socio-economic factors into account, exit exams are positively associated with an increase in average scores for students from both poor and rich households, but students from rich households improve their scores by a greater amount (Schütz et al., 2007). One implication, then, is that high-stakes testing may reinforce inequalities in learning achievement. Another problem is that high-stakes testing can have unintended consequences for the quality of education and for its equitable provision.

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11. Chapter 2 gives fuller description of learning outcomes from these assessments.
weaker students. Recent evidence on the impact of England’s rigorous testing system shows that the overall rise in test scores since the mid-1990s has been achieved at the price of a narrowed curriculum and extensive time devoted to test preparation. Particularly worrying is the finding by some researchers that the intensified focus on passing tests has lowered the self-esteem of poorly performing students [Harlen, 2007; Wyse et al., 2008].

Most developing countries have long-standing traditions of high-stakes testing through public examinations. Results are primarily used for student certification and selection. Here, too, there have been unintended effects for efficiency and equity. In some developing countries, such exams have contributed to increased grade repetition and lower levels of transition from primary to secondary school (Kellaghan and Greaney, 2004; N’chougan-Sonou, 2001). A study in Kenya, for example, found that the transition rate from grade 6 to grade 7 was reduced partly because poor-performing pupils were discouraged from taking the final primary examination. The reason: schools’ average scores were made public in league tables and school officials did not want the poorer pupils to pull down their average (Ackers et al., 2001).

As a mechanism for holding schools and teachers to account, high-stakes testing has strengths and weaknesses. The strengths include the generation of simple and comparable results. The weaknesses are also results-related. The assumption is that teachers and schools strive harder when they can work towards standardized goals, with incentives attached to meeting specified targets. But if the driving concern is to maximize average school scores, underperformers or hard-to-teach children may be viewed as potential liabilities (as in Kenya). There will be incentives in this case to support the students who are most likely to pass the tests and devote less time to their weaker classmates. Moreover, where selection to schools is related to socio-economic status, which in turn is closely correlated with performance, rewarding schools for test scores can be tantamount to penalizing the schools that enrol less wealthy students.

Recent international debate on high-stakes testing has been heavily influenced by experience in the United States. The 2001 No Child Left Behind Act, which was introduced expressly to close equity gaps in learning achievement, uses high-stakes testing as a device aimed at strengthening accountability, extending choice and improving school management (Box 3.20). There is a great deal of discussion and debate about the No Child Left Behind Act, as well as about the state tests that were introduced under the Act. For example, the 2001 legislation because implementation has coincided with other national and state level programmes.

**Box 3.20: No Child Left Behind in the United States: the jury is still out**

The No Child Left Behind Act has given a push to high-stakes testing in the United States. Legislation now requires all states to put in place accountability systems, including mandatory testing in mathematics and reading, annually for all pupils in grades 3 through to 8 (corresponding roughly to ages 8 to 13) and once in secondary school. Test results are used as the basis for decisions on a range of important questions, such as whether to adopt special improvement measures for a school or district and whether pupils receive subsidized tutoring. Sustained low performance can result in interventions that range from the replacement of teaching staff to the contracting out of school management to a private operator.

There are obvious difficulties associated with evaluating outcomes at this relatively early stage. One of the most comprehensive studies so far concludes that average learning achievements in mathematics and reading improved between 2002-2006. However, it notes that changes in this area cannot be directly attributed to the 2001 legislation because implementation has coincided with other national and state level programmes.

The study finds that achievement gaps between ethnic groups have narrowed in some states, though once again stopping short of attribution. Moreover, in twenty-four of thirty-eight states with comparable data, differences in reading test scores remained unchanged between white and African-American pupils. Given that closing equity gaps is one of the reform’s key objectives, this evidence suggests that it may be under-performing.

The No Child Left Behind legislation has generated extensive debate in the United States. For instance, 144 major education and labour organizations in 2008 called for major corrections to make the Act fairer and more effective. They questioned the overwhelming reliance on standardized test and advocated for wider measures to hold states and school districts accountable. More broadly, critics of the Act suggest that the tests are too narrowly focused, encourage ‘teaching to the test’ and exclude low-scoring children to boost test results. They also say implementation of the Act is underfunded.

of controversy surrounding the record to date. However, the evidence does not suggest that the legislation has been an unequivocal success story.

**Using monitoring to improve policy-making**

Whatever the problems associated with high-stakes testing, information from learning assessments can play a critical role in informing policy design. The following examples identify some key areas:

- **Defining minimum learning standards.**
  In Lesotho and Sri Lanka, national learning assessments have been used to establish minimum learning standards against which pupils’ achievements are monitored (Greaney and Kellaghan, 2008). Kenya has used SACMEQ results to set benchmarks for classroom facilities, such as textbooks and desks per pupil (Nzomo and Makuwa, 2006).

- **Informing curriculum reform.**
  An evaluation of the value of participating in PIRLS and TIMSS found that twenty out of twenty-four low- and middle-income countries participating indicated that taking part in the assessments had influenced changes in curriculum. In Romania, for instance, poor results in TIMSS were a ‘wake-up call’ spurring curriculum changes. Topics were added to the mathematics curriculum, an integrated science curriculum was approved, new teacher guides in science were developed for some grades, and several new chemistry and mathematics textbooks were written (Gilmore, 2005).

- **Reviewing policy.**
  High repetition rates have been cause for concern in Senegal. Data from the PASEC learning assessments from 1995 to 2000 were used to shed light on the effects of grade repetition for primary school outcomes. The results consistently showed that, on average, Senegalese students who repeated a grade did not perform better than those who did not repeat, taking aspects such as family background, school environment and initial achievement levels into account. This gave further weight to the education ministry’s desire to reduce repetition. As a result, the government has prohibited repetition for some primary grades since 2003 (Bernard and Michaelowa, 2006).

- **Contributing to education planning and reform.**
  Results from the SACMEQ cross-national learning assessments in sub-Saharan Africa have been used in national reviews and commissions on the status of the education systems in Mauritius, Namibia, Zambia, Zanzibar (United Republic of Tanzania) and Zimbabwe. These analyses of learning conditions have played a role in formulation of sector or subsector reform programmes (Greaney and Kellaghan, 2008).

Information from learning assessments can also play an important role in addressing equity goals. One example comes from Viet Nam. In 2001 the country conducted a national grade 5 learning assessment in mathematics and reading. The results provided a basis for understanding the problems and identifying ways to improve education quality in some of the country’s most deprived areas. After controlling for socio-economic background and school location, the assessment showed strong correlations between pupil achievements and both teacher qualifications and availability of school resources. In 2003 Viet Nam adopted new regulations for primary schools, specifying minimum levels for several education inputs, including learning materials, school infrastructure, teacher qualifications and in-service training. By 2005 the concerted efforts to raise the quality of the learning environment had begun to show results, with reduced gaps in quality inputs between the poorest and richest districts (Swinkels and Turk, 2006; World Bank, 2005f).

The experience in Viet Nam demonstrates a strong link between assessment and policy design. Such linkage is not always evident. By definition, ‘low-stakes’ assessments generate weak incentives to change. A survey covering Ethiopia, Malawi, the Niger, Nigeria, South Africa and Uganda showed that only one country had used the findings from assessment exercises as a basis for allocating resources to schools and only two had undertaken campaigns to inform teachers or schools about the assessment process (Kellaghan and Greaney, 2004). Limited public awareness is one factor that may have weakened incentives in these cases: nowhere were the assessment results subject to parliamentary debate.

Good quality assessment systems are no guarantee of effective integration into public policy. Institutional structures and capacity are also important. Bolivia, for example, has an evaluation system called SIMECAL that is of very high standard. It uses nationally developed test items...
that reflect Bolivia’s culture in both Spanish and indigenous languages. The SIMECAL staff has high levels of expertise. Yet despite the technical excellence, inadequate funding has resulted in sporadic and irregular testing. Moreover, weak links between SIMECAL evaluations and policy management units in the education ministry has meant that policy development in several critical areas, from pedagogy to curriculum development and teacher training, has not been tied to assessment results (World Bank, 2006a).

What conditions can facilitate better use of assessment results? An environment promoting close interaction between the various actors in the education system is important. So is an overall focus on supporting teachers’ professional development. Recent practices in Uruguay are instructive (Box 3.21).

As concern has shifted towards the poor quality of education in many countries, monitoring is emerging as a central governance theme. The experiences of two countries at the forefront of education reform are instructive. In post-apartheid South Africa, the school management and public financing systems have been transformed to expand access and address equity concerns. Yet the record on quality gains has been disappointing. A national assessment in 2004 revealed that learner performance on grade 6 tasks was worse than that on grade 3 tasks in 2001 and that proficiency levels were low in absolute terms (only 40% of answers were correct). In Chile, sweeping reforms during the 1990s produced disappointing outcomes with respect to quality. National assessments point to a very slow rate of improvement and international assessments suggest that Chile has not overtaken developing countries with more centralized systems. One key problem identified in both countries has been the lack of an effective pedagogical management system – extending from the setting of curriculum standards to supervision, information management, school inspection and support, and in-service training – to address problems identified in monitoring exercises (Crouch and Winkler, 2007).

**Combining national assessment with school-level monitoring**

To understand the realities facing schools, information from international, regional and national assessments needs to be combined with monitoring at school level. School supervision is an essential aspect of monitoring, not only to check teacher and school performance but also to identify and support needed quality improvements.

External assessment can be reinforced by school-level assessment as part of broader quality improvement strategies. This is an area in which South Africa’s District Development Support Programme has been attempting to strengthen national commitment to equity. The programme aims to improve education quality in grades 1 to 9 at the weakest schools. Since its inception in 2000, the programme has focused on improving classroom learning, and school and district management. To improve classroom assessment practices, resource materials have been developed, and extensive training and support provided to teachers. External supervision and learning assessments further underpin these school-level efforts. Evaluations of the programme are largely positive. They suggest that a gain in learning achievements between 2000 and 2003 resulted partly from the increased supervisory support available to schools and teachers, and partly from increased use of classroom assessments (Schollar, 2006).

**Box 3.21: Assessments inform teacher support in Uruguay’s schools**

Uruguay has managed to improve learning outcomes rapidly in recent years. Its quality improvement efforts have been informed by sample-based assessments aimed at strengthening pedagogical management in schools.

By combining the assessments with cluster-based teacher training and support, spread over the whole school year, education authorities have turned information into policy practice. Evidence suggests that learning outcomes improved in certain grades by 30% over six years. Special measures have been taken to improve the functioning of weaker schools. Important moves to redress learning disparities have included targeting financial resources primarily on the basis of poverty rather than test results and using test results to provide targeted support to teachers in weaker schools and districts.

Sources: Crouch and Winkler (2007); Ravela (2005).

As the only direct institutional link between classrooms and education ministries, school supervision plays a crucial role in education system management.
CHAPTER 3

the attention of policy-makers. School supervision systems in developing countries are under-researched, though anecdotal evidence suggests they are overstretched. With demanding mandates, and limited human and financial resources, few developing countries have supervision services that are fit for the task at hand. However, in their quest for quality education, many countries have changed and clarified the role and structure of supervision in recent years (De Grauwe, 2008). The experience of Uganda shows that supervision can be used to foster more cooperative approaches aimed at raising learning achievement and reducing inequality (Box 3.22).

The very large gaps in learning outcomes between schools in many developing countries mirror other inequalities in education and in society at large. Supervision has a key role to play in closing these gaps. What weak schools need is not just inspection but also consistent pedagogical support, including regular visits by support-oriented supervisors. This implies radical institutional change, with supervisors finding the right balance between allowing schools sufficient autonomy and intervening to identify performance problems (De Grauwe, 2008).

One model based on a more collaborative and supportive approach has been developed in Chile, where each supervisor visits a limited number of carefully selected schools, giving priority to the weakest ones. To improve teaching and school functioning, school plans and projects are developed in collaboration with the supervisor. Learning assessments allow the education ministry and the supervision service to know which schools to focus on. The most intricate challenge has been changing the culture of the supervision service from one of control over many schools to one of supporting a few selected schools. That challenge has been addressed through training, new job descriptions with removal of all control functions and the elaboration of new working tools. Supervisors have found it difficult nonetheless to abandon their tradition of control and to adopt a support-oriented approach (De Grauwe, 2008).

Conclusion

Delivering high-quality education for all will require far-reaching governance reforms in the areas covered by this section. There are no ready-made solutions to the problems identified. Clearly, governments need to recognize that declines in teacher pay and conditions have the potential to damage morale, quite apart from reducing quality in recruitment and the quantity of applicants seeking to join the profession. It is important that governments recognize the potential risks for equity and education quality of scaling-up contract teacher recruitment. In the case of teacher allocation, far more emphasis has to be placed on the development of incentives for greater equity, in some cases through a stronger commitment to the training and local recruitment of teachers from marginalized groups and areas.

Learning assessments provide a valuable and increasing flow of information. That information could — and should — be used to identify the factors behind low levels of learning achievement and to map disparities in achievement. The limits of high-stakes testing in strengthening accountability, performance and equity have to be recognized. At the same time, it is important for governments to reinforce the institutional links between assessment exercises, on the one hand, and public policy development, monitoring practices and school supervision on the other.

Box 3.22: Reforming school supervision in Uganda

Uganda’s recent strides towards improving the quality of education have included a strengthened inspection service. After a slow start, the Education Standards Agency began operating in 2001, replacing an outdated inspectorate in the education ministry. Efforts have been made to tailor the service to what is feasible with limited resources. Where the former body covered such disparate areas as policy, curriculum development, exams, troubleshooting, staff development and independent school registration, the new one focuses on school visits.

The inspection service reform drew on experience in Masindi, one of Uganda’s poorest districts, with many internally displaced families from conflict-affected northern Uganda and refugees from neighbouring countries. In 2000 Masindi scored among the lowest districts in the national primary-school leaving exam. An extensive district-based programme of school improvement, combining internal school evaluation and external district-based supervision, produced remarkable results: Masindi went from one of the poorest-performing districts in 2000 to one of the top five in 2007. Know-how from Masindi was fed into the revised national inspection approach, which was subject to a national consultation in 2005.

Sources: Penny et al. (2008); Roebuck (2007).
An integrated approach to education and poverty reduction: the missing link

Introduction

Accelerated progress towards EFA requires more than increased public investment, more and better equipped schools, and an increase in the number of well-trained and motivated teachers. It also requires progress towards poverty reduction and a reduction in social disparities. Education reforms can make an important contribution in both areas. But good policies in the education sector cannot compensate for weak policies on poverty reduction or for the failure of political leaders to tackle extreme inequality. Achieving EFA requires an integrated approach to planning for education and poverty reduction.

When they met in Dakar, governments recognized that their ambition could not be achieved through education reform alone. That is why they called for EFA policies to be promoted within ‘a sustainable and well-integrated sector framework clearly linked to poverty elimination and development strategies’. The engagement and participation of civil society in the formulation, implementation and monitoring of strategies was seen as an important means to this end.

This section asks whether governments have acted on their Dakar commitment. More specifically, it examines how education has been integrated into wider strategies for overcoming poverty and inequality. The issues involved are highly political. They relate directly to the power relationships that sustain social inequities. Chapter 2 documents the barriers to EFA created by disparities based on wealth, gender, ethnicity and wider disadvantages. In principle, the Dakar Framework commits governments to rapid removal of these barriers. Yet the disparities themselves indicate past and present failure to address the underlying causes of unequal educational opportunities. In short, government tolerance of extreme inequality has been, and remains, part of the problem.

This section explores the link between education planning and wider policies for combating poverty and inequality. It focuses on the treatment of education within poverty reduction strategy papers (PRSPs). These documents set out governments’ broad development priorities and provide a framework for international cooperation. Clearly, PRSPs are not the only measure of policy coherence. But they do reveal something important about the degree to which education is being integrated into the wider public policies that shape prospects for attaining the Dakar goals. PRSPs are a vital link in the governance chain for education. Apart from providing a broad framework for poverty reduction policies, they represent a vehicle for dialogue between a wide range of actors.

Planning is about more than producing technical documents. National plans provide an opportunity for governments to set out their goals and their strategies for achieving them. They define a purpose against which governments can be held to account. Hence, plans – and planning processes – are a vital part of the governance architecture. The stated intent is to give civil society opportunities to shape priorities and strategies, in the expectation that this will assure greater responsiveness to the marginalized. But have PRSPs provided a coherent framework and facilitated real dialogue?

The central message of this section is that education remains poorly integrated into poverty reduction planning. With some exceptions, governments have not acted on their commitments. PRSPs in general fail to articulate clear strategies either for overcoming poverty-related barriers to education or for reducing inequalities. Most take a narrow and reductionist approach to education, rarely reflecting the broad EFA agenda. There are promising experiences that PRSPs could draw on. The development of integrated social protection programmes in several countries shows that interventions aimed at tackling social inequality and reducing vulnerability have large potential benefits for education. The record on participation in planning processes is more encouraging: PRSPs have widened the space for dialogue with civil society. However, participation and ‘voice’ are not the same as influence and outcome – and there have been distinct limits to the policy influence of the poor and marginalized.

Education planning: stronger, but still not strong enough

Since the Dakar Forum many countries have strengthened their education planning capabilities. The 2008 Report provided an overview of achievements in this area. It highlighted the greater
clarity evident in many national education plans with respect to the formulation of clear objectives and time-bound targets. Strategic priorities are also more apparent: UPE is a well-defined core priority and there is a strengthened focus on gender parity.

The development of sector-wide approaches (SWAps) has played an important role in strengthening national education planning. Experience with SWAps over the past decade indicates they are potentially more effective than previous planning approaches in addressing education quality and equity problems. Sri Lanka provides an illustration (Box 3.23).

While much has been achieved in education planning, continued systemic challenges remain in three areas. One of these is finance. Education plans may set out medium-term targets but they rarely include plausible cost estimates for achieving them. That partly explains why education goals are commonly absent from the medium-term financial frameworks that shape real budget allocations (FTI Secretariat, 2007b). One lesson from the lengthy and not particularly encouraging history of goal-setting in development is that targets that are not backed by finance are seldom attained.

Another weakness has been the tendency of planning documents to follow a highly generalized blueprint. One recent assessment of forty-five national education plans found remarkable similarity in policy approach, with limited attention paid to social and political context or to the constraints faced by marginalized groups (UNESCO-IIEP, 2006). This is unhelpful because overcoming marginalization requires the delineation of practical strategies within a particular context.

Cross-sectoral planning weaknesses constitute another area for concern. Education planners know they are not operating in an insulated sector; they recognize the enormous importance of poverty, public health, child nutrition, social marginalization and other factors in shaping prospects for education. Yet the cross-sectoral planning processes needed to address these problems continue to be characterized by high levels of fragmentation and weak political leadership. The standard education-plan blueprint also tends to downplay the importance of progress in some key areas. For example, early childhood education, literacy and non-formal education are often EFA ‘orphans’ (UNESCO, 2007a).

**Poverty reduction strategies: new generation, old problems**

When they were launched in 2000, PRSPs were seen as a bold innovation in development cooperation. The aim was to provide a comprehensive integrated framework for placing poverty reduction strategies at the centre of macroeconomic policy. Each country was expected to identify clear goals, which would be reflected in short-term budget allocations and long-term financial planning. In line with a broader shift away

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**Box 3.23: Strengthening equity through sector-wide approaches: Sri Lanka’s experience**

Sri Lanka has a long-standing commitment to equity in education planning. Even so, persistent widespread poverty (estimated to affect one-quarter of the population) and the impact of ethnic conflict in the north and east remain challenges. The devastating effects of the 2004 tsunami are also still being felt.

The development of the Education Sector Development Framework and Programme for 2006-2010 has helped strengthen Sri Lanka’s approach to tackling inequality. This SWAp recognizes that equity is a matter not just of access but also of quality and resourcing, and it attempts to mainstream various aspects of equity from the outset. It provides a clear strategic approach and monitoring framework, linked to a medium-term budgetary framework allowing resources to be aimed at the most disadvantaged schools.

One important aspect is that the SWAp also sets quantifiable goals for reducing disparities. Equity-based targets extend from the number of disabled students enrolled in regular schools, the number of special education centres and centres for street children, and the presence of professionally qualified teachers in difficult schools to learning outcomes by school, district, urban/rural area and gender.

Source: Jayaweera and Gunawardena (2007).
from loan conditionality and project-based approaches, PRSPs defined a new set of core principles. They were to be country owned, developed through dialogue with civil society, results oriented, long term, and comprehensive and multidimensional in their approach to poverty.

PRSPs remain a core poverty reduction planning document. While some commentators downplay their importance in public policy, PRSPs play a key role in setting and reflecting national priorities and strategies. They also define the terms and broad goals of the ‘aid partnership’ between developing country governments and aid donors – an issue explored in Chapter 4. Fifty-four countries now have operational PRSPs. Most are low-income countries, twenty-eight of them in sub-Saharan Africa.

It would be a mistake to overstate the significance of PRSPs or to exaggerate the level of country ownership they imply. Donors retain a strong influence in framing PRSP priorities in many countries. However, given their scope and the intensity of the dialogue surrounding their development, PRSPs provide important insights into the place of education in national poverty reduction processes.

The implementation period for second-generation PRSPs is now well advanced. Have the lessons of the first generation been absorbed? Has there been a significant improvement in quality? In some countries both these questions can be answered in the affirmative. In Uganda, the first country to adopt a PRSP, the PRSP built on the existing Poverty Eradication Action Plan to set out well-defined goals and budget commitments aimed at accelerating progress in health, education and the development of rural infrastructure, with positive results (see Chapter 4). These strong foundations have been built upon, facilitating a marked increase in programme-based aid from many donors. Moreover, in countries with well-developed education sector plans, there is evidence that education planning and poverty reduction strategies are mutually supportive. For example, the United Republic of Tanzania has steadily strengthened its institutional capacity, resulting in better integration of education within a poverty reduction framework (Box 3.24).

Wider experience is less encouraging. Cross-country evidence suggests that second-generation PRSPs suffer from many of the same problems as their predecessors. They continue to focus on a narrow range of education goals and targets, often limited to those associated with the MDGs. Attainment of UPE heavily outweighs wider education goals in priority-setting. Moreover, surprisingly little attention has been paid to the interaction between deprivation in education and other areas in explaining the intergenerational transmission of poverty. Detailed evidence relating to the types of policies that might break the vicious cycle of education deprivation and poverty is in similarly short supply [Rose and Dyer, 2006]. As a result, many PRSPs fail in their core purpose. There is also little evidence to suggest that the development of second-generation PRSPs has helped break down the fragmentation in planning between education and other line ministries. Such fragmentation has real consequences for poor and vulnerable people – and for progress towards the goals set in the Dakar Framework for Action.

In exploring the link between education planning and poverty reduction, this EFA Global Monitoring Report has carried out a detailed review of eighteen second-generation PRSPs. Part of the aim was to examine whether there has been a change from the approaches set out in the first PRSPs. In particular, the review considered whether the latest PRSPs...
were less prone to blueprint approaches and more geared towards addressing the underlying causes of disparity in education. Table 3.10, at the end of this chapter, summarizes some of the key findings. The conclusions to emerge from the review are not encouraging. They point to a broad failure on the part of governments and donors to articulate a more integrated approach to education planning. With some exceptions, PRSPs also downplay the issues raised by extreme inequalities in opportunity. Four areas stand out as meriting an urgent rethink of current approaches:

- the weak link with the EFA agenda;
- problems in defining credible equity-based targets;
- the separation of education from broader governance reforms;
- limited attention to wider drivers of education disadvantage.

**Weak link to the EFA agenda**

The point of reference for most first-generation PRSPs was the MDGs and associated targets for 2015 (Caillods and Hallak, 2004). This focus appears to have strengthened over time. One practical consequence is that most PRSPs attach far more weight to the quantitative target of UPE by 2015 than to other EFA goals. Where education equity is identified as needing attention, it is almost exclusively associated with strategies for improving access to primary schooling.

While UPE is undeniably important, this is a highly limited approach. The need for particular attention to disadvantaged learners is rarely recognized in PRSPs. Meanwhile, wider EFA goals are either downplayed or separated from a broader poverty reduction agenda. To the extent that the eighteen second-generation PRSPs mention ECCE at all, it is still frequently seen as a means of improving learning in primary schools rather than as a source of progress in child health, nutrition and cognitive development with potential benefits for primary and secondary education – and for wider opportunities (see Chapter 2). Strategies concerning technical and vocational education and training (TVET) and skills development are often considered principally in relation to the role of the private sector. The distribution of benefits in TVET provision is rarely considered – and the linkage to poverty reduction is often vague. Other intersectoral links between education and employment strategies are barely visible. Literacy is another part of the EFA agenda for which vital intersectoral links are absent.

This is surprising in view of the critical role of literacy in overcoming poverty, inequality and political marginalization.

One consequence of the overwhelming weight attached to primary education is the neglect of secondary schooling. This is counterproductive at many levels. As primary school completion rates increase, demand for secondary school places will grow. Indeed, improving access to secondary school is one of the conditions in many countries for creating incentives to complete primary education. Some recent PRSPs pay more attention to equity considerations at secondary level, although the focus is primarily on building schools (Table 3.10). The barriers facing poor households in getting children into and through secondary school seldom figure in PRSPs. This is despite the fact that public policies in this area can have a powerful impact on gender equity – as witnessed by the experience of Bangladesh (see Chapter 2).

Fragmentation is at the heart of many of these problems. To take one example, progress in literacy requires coordination across a wide range of government bodies. PRSPs rarely acknowledge this, even though most successful policies explicitly address the problem of institutional fragmentation. Madagascar’s programme on non-formal education is an example. It is based on cooperation between different parts of government and various United Nations agencies, and integrates literacy into several specialized areas of development. The programme is noted for contributing to a ‘strong literacy lens’ in the national PRSP (UNESCO, 2008, p. 10, cited in Robinson-Pant, 2008). Such experience is, however, extremely rare.

**Problems in target-setting**

For targets to be meaningful guides to policy, they must be both credible and consistent. Those set in many PRSPs are neither. For example, Senegal aims to achieve a primary school NER of 90% according to an MDG follow-up document, while its PRSP puts the objective for this indicator at 98%; the United Republic of Tanzania sets a target of primary school NER at 99% by 2010, but aims for only 30% of orphans and vulnerable children enrolled or having completed primary education by that year (UNESCO-IIEP, 2006). Such inconsistencies send confused signals to budget planners and other policy-makers involved in the development of national strategies.
Another concern is that few countries provide specific targets to enable monitoring of equity in education (Figure 3.8). Among the eighteen countries with two PRSPs, only Nicaragua, in its first PRSP, included a poverty-disaggregated education indicator; the United Republic of Tanzania includes a focus on orphans and vulnerable children in its second PRSP; and, most unusually, both PRSPs of Viet Nam include an indicator related to ethnicity, linked with the attention to strategies to provide support within the education sector and beyond. Target-setting is stronger with respect to gender (see below). This may be due to the attention generated by virtue of the MDGs. Even so, six of the eighteen countries still do not include gender-disaggregated targets in their second PRSP. Where equity targets are set, they invariably address access rather than learning, revealing a limited focus on education quality. There is no discernible improvement between the first and second PRSPs in this area.

The mismatch between targets, strategies and financing commitments is another area in which progress has been limited. One detailed review of four second-generation PRSPs identified problems at several levels. In Ghana and Nepal budgets were not aligned with planned activities. Cambodia and Ethiopia manifested a clear mismatch between stated planning intentions and budgetary feasibility; a World Bank-IMF assessment found that in Ethiopia the assumptions of economic growth underpinning national financing projections were unrealistic (Giffard-Lindsay, 2008).

A separation between education strategies and governance reform

Many PRSPs emphasize the importance of governance reform, often presenting it as a separate pillar of poverty reduction. Governance reform has also become increasingly prominent in education sector planning, where it commonly reflects strategies on the broader governance agenda, particularly decentralization and participation.

Since governance strategies, such as decentralization, usually originate outside the education sector, PRSPs provide an opportunity to strengthen the linkage between education and broader governance reform. Governance reform is seldom neutral in its implications for people who are poor, marginalized and disadvantaged in education. In principle, the PRSP process could be used to look at how emerging approaches to governance might help – or hinder – efforts to reduce disparities in education. In practice, the opportunity for strengthening coherence is rarely pursued. One evaluation of seventeen PRSPs identified a marked bias towards technocratic planning approaches (Grant and Marcus, 2006). One consequence – ironically, given the nature of the documents – is that the implications of governance reform for distribution and poverty reduction are largely ignored (Grindle, 2004).

The treatment of governance suffers from wider problems. One aim of PRSPs was to move away from development blueprints and focus on country-specific problems. Yet many PRSPs reflect a blueprint approach to governance. This is apparent from the education governance agenda set out in the eighteen second-generation PRSPs reviewed by this Report. The review identified decentralization and participation as common PRSP themes in education. However, the governance reforms in education were typically delinked from the wider governance agenda, with scant regard directed to their implications for equity in education. As shown earlier in this chapter, financial decentralization can have a major impact on equity. Yet PRSPs seldom consider the potentially negative outcomes of devolving finance to subnational government.

In terms of the education sector itself, the governance priorities in PRSPs closely resemble those frequently provided in education planning documents. A recent review of forty-five education plans identifies three recurring themes. First,
decentralization, accompanied by aspirations for grass-roots participation, features prominently in thirty-six plans, including all those in Latin America and in South and West Asia, and all but one in sub-Saharan Africa (Zimbabwe being the exception). The second theme, school-based management and school autonomy, figures in seventeen plans, most notably in Latin America. The third theme, appearing in thirty plans, is increased recourse to and support for private providers, particularly in South and West Asia and in sub-Saharan Africa (UNESCO-IIEP, 2006).

Apart from this striking uniformity, some obvious equity-related questions arise from the governance content of PRSPs. How will decentralization be pursued without widening financing gaps between richer and poorer regions? If authority is devolved to regional and local governments and schools, what measures will be taken to facilitate participation by marginalized groups? If the private sector is to play an expanded role, what regulatory measures will be put in place to prevent the development of a two-tier system and to keep poor households from being priced out of provision? How will the education ministry fulfil its mandate of assuring EFA if it lacks control over a wide variety of private providers and no institutional mechanism for monitoring them exists? These are some of the challenges raised in earlier sections of the chapter that PRSPs have the potential to address – but they are not doing so.

The experience of Nepal draws attention to the importance of country-specific circumstances. As Chapter 2 notes, Nepal has made great strides in education planning within a sector-wide framework, resulting in improvements in access and equity. However, governance challenges remain. Drawing up uniform ‘good governance’ blueprints is a simple enough exercise but, under the conditions prevailing in Nepal, decentralization and devolution can have adverse consequences linked to a lack of capacity or imbalances in political power and can as a result have the effect of disadvantaging certain groups [Box 3.25].

**Box 3.25: Decentralization in Nepal: a difficult journey**

Central to the education strategies in Nepal’s PRSP (which corresponds to its tenth national plan, 2002-2007), and education planning in the country more generally, is the devolution of school management, including teacher recruitment, to communities. Initiatives are being funded through District Development Councils but implementation has not been straightforward for a number of reasons:

- Line ministries’ reluctance to relinquish control of budgets and programmes is stalling the process.
- Political uncertainty, resistance from some groups, security constraints and weak monitoring have also hampered implementation.
- Many schools lack the necessary financial and technical capacity.
- Parents have trouble judging school quality and influencing government decisions, which affects school management committee activities and weakens accountability by government decision-makers.
- Because the central government handed down a fixed programme framework and budget allocation, communities feel burdened rather than empowered.


**Real progress in education depends on addressing the underlying causes of poverty and inequality outside the school**

The experience of Nepal draws attention to the importance of country-specific circumstances. As Chapter 2 notes, Nepal has made great strides in education planning within a sector-wide framework, resulting in improvements in access and equity. However, governance challenges remain. Drawing up uniform ‘good governance’ blueprints is a simple enough exercise but, under the conditions prevailing in Nepal, decentralization and devolution can have adverse consequences linked to a lack of capacity or imbalances in political power and can as a result have the effect of disadvantaging certain groups [Box 3.25].

**Education missing in cross-sectoral approaches**

Recognition that poverty is multidimensional is at the heart of the PRSP concept. Yet strategies for tackling multidimensional poverty are often conspicuous by their absence. An earlier review of PRSPs carried out in 2003 found that the education component was little more than a ‘copy-summary’ of education ministry plans. More broadly, education sector planning was weakly integrated into poverty reduction strategy formulation and, to an even greater degree, into budget planning [Caillods and Hallak, 2004]. One more recent review finds that PRSPs continue to present a summary of education plans [Giffard-Lindsay, 2008]. While this has the advantage of ensuring that priorities developed in the education sector are aligned with those in PRSPs, it means the potential of PRSPs to address causes of education disadvantage originating outside the sector is not being realized. This is arguably the most serious of all PRSP failings. While education policy can make a real difference in extending opportunity, progress in education depends critically on addressing the underlying causes of poverty and inequality outside of the school.
The problem can be illustrated by reference to six areas highlighted in Chapter 2, in which initiatives outside education are critical to EFA progress:

- tackling gender equality;
- reducing child malnutrition;
- responding to HIV/AIDS;
- addressing disability;
- overcoming marginalization;
- responding to problems associated with conflict.

Gender equality features less prominently than gender parity. Gender is more visible in PRSPs than other dimensions of education inequity. Attention to gender parity has been growing: twelve of the eighteen countries in this Report’s analysis have a second PRSP that includes gender-disaggregated targets (Figure 3.8). There are also promising signs that some of these countries’ strategies now go beyond targeting headcount parity in school and are seeking to address wider issues of inequality, such as violence and abuse in schools (Table 3.10).

Nevertheless, gender equity in PRSPs focuses on improving girls’ access to education. This narrow approach can be traced to education plans, and, to some degree, the MDG framework. A review of twenty-eight education plans by the EFA Fast Track Initiative (FTI) showed that half lacked a strategy for girls’ education. Where ‘strategies’ were included, they took the form of a list of unprioritized interventions (FTI Secretariat, 2007b).

Restricted approaches to gender have important analytical and wider policy consequences. Consider the interface between female education and the position of women in labour markets. In Bangladesh, a range of education policies – including increased spending, stipends for girls’ secondary education and recruitment of more female teachers – have played an important role in strengthening gender parity. However, one of the most critical drivers of change has been the income and empowerment effects associated with mass female employment in the garment industry (Hossain, 2007; Schuler, 2007). In this context, it could be argued that change in education has been driven to a large degree by changes in employment and labour markets. From a policy perspective, one conclusion might be that education planning should consider the potential benefits of policy interventions in areas that shape women’s lives and aspirations, including the strengthening of employment rights and minimum wage provision.

The relevant conclusion that can be drawn for PRSPs is that what happens in employment is an education issue.

Malnourished children. EFA cannot be achieved while mass childhood malnutrition continues at current levels (Chapter 2). In countries where stunting affects 30% to 40% of the population, the goal of UPE by 2015 is out of reach. This is a challenge that cannot be addressed through compartmentalized policies. Achieving breakthroughs requires secure access to adequate food, a sanitary environment, adequate health services and education. It also requires political commitment from a variety of sectors, including agriculture, local government, health, water and sanitation, environment, public works and education, as well as links with finance, economic planning and justice.

Most PRSPs point to a combination of neglect and highly fragmented approaches to malnutrition (Grant and Marcus, 2006; Shekar and Lee, 2006). The neglect is related to the insufficient attention that has been directed towards malnutrition under the MDG framework, which often guides priorities in PRSPs. In turn, this problem can be traced to the absence of a visible constituency in a position to put malnutrition on the political agenda (Benson, 2004). The malnourished are not just widely dispersed – they are overwhelmingly poor and marginalized. Yet the neglect of policy options associated with nutrition affects the lives of young children and the educational opportunities of those who survive. This neglect was captured in a recent review of forty PRSPs for countries where malnutrition is particularly acute:

- Only thirteen countries included activities to address vitamin A deficiency and anaemia, despite recognition that they are public health problems in the vast majority of the forty countries.
- Only 35% of the PRSPs allocated budget resources specifically for nutrition. Yet more than 90% mentioned food security interventions, even when food security was not necessarily the main problem (Shekar and Lee, 2006).

PRSPs often identify malnutrition as an important symptom of poverty yet fail to include actions or budgets for improving nutrition. Where budgets are included, they may cover only micronutrient...
programmes or specific interventions. School feeding is one common intervention, although such programmes are not always found to have much impact on nutrition – particularly for children who are too ill to attend school in the first place (Shekar and Lee, 2006).

There are exceptions to this picture of fragmentation. Nutrition is among the six pillars of Bangladesh’s PRSP, which has helped institutionalize nutrition in the country’s development agenda, building on the earlier Bangladesh Integrated Nutrition Project and National Nutrition Project. In Madagascar nutrition is being mainstreamed and scaled up after project experience. The Ethiopian government has developed a national nutrition strategy with coordinated support from development partners (Shekar and Lee, 2006). Nevertheless, the more common institutionalized failure of PRSPs to address the crisis in malnutrition points to a deeper obstacle to progress towards EFA.

HIV/AIDS: the high price of uncoordinated responses. The devastating impact of HIV/AIDS on education systems in highly affected countries has been extensively documented. Yet many of these countries have not developed an effective planning response to prevent new infections and to limit the effect of HIV/AIDS on families, communities and schools. In many cases the focus has been on curriculum reform in education to include teaching on HIV/AIDS prevention rather than an integrated response aimed at addressing the multiple disadvantages faced by children affected by HIV/AIDS (Table 3.10). There are exceptions to this rule, as the experience of Cambodia shows (Box 3.26).

The approach to HIV/AIDS and education in PRSPs is closely associated with wider failures in education planning. A review of twelve FTI-endorsed education plans found considerable variability in how HIV/AIDS was addressed: five made no mention of it and only four had specific cost estimates (Clark and Bundy, 2004). Follow-up research found that the FTI appraisal and endorsement process was still uneven despite amendments to the guidelines following the first report (Clark and Bundy, 2006). Three of the eight plans endorsed had no HIV/AIDS component, even though two of the countries involved have a generalized HIV epidemic (HIV prevalence above 1% in the general adult population); and two had only a limited set of interventions. More promisingly, the other three – Ethiopia, Kenya and Lesotho – were moving towards a comprehensive response and provided good examples of what could be achieved.

Disabled children: little evidence of inclusive approaches. Disability is a significant source of inequality and marginalization in education (see Chapter 2). If governments are to get the remaining out-of-school children into school, removing barriers facing disabled children is one priority. Another is the creation of inclusive education systems that respond to varying needs. A shift towards more inclusive systems is supported by the Convention on the Rights of Persons with Disabilities, which came into force in May 2008. It not only recognizes that inclusive education is a right, but calls for an improved educational environment for the disabled and measures to break down barriers and stereotypes related to disability (United Nations, 2006).

Progress in recognizing disability as an area needing policy attention has been limited. Only ten of the twenty-eight education plans endorsed by the

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**Box 3.26: Intersectoral planning on HIV/AIDS and education in Cambodia**

Cambodia’s Ministry of Education, Youth and Sports (MOEYS) established an Interdepartmental Committee on HIV/AIDS in 1999 to coordinate mainstreaming of HIV/AIDS issues in the education sector. The committee, chaired by the MOEYS secretary of state, comprises representatives of fifteen departments and institutes. It has ensured that priority is given to HIV/AIDS, which since 2001 has been referred to as a key cross-cutting priority in Education Strategic Plans (2001-2005 and 2006-2010), in the annual Education Sector Support Programme and in the PRSP (the National Strategic Development Plan, 2006-2010). In terms of the curriculum, HIV/AIDS is integrated as a regular topic in primary and secondary schools, and in non-formal education settings, and is part of pre- and in-service teacher training. MOEYS has a strategic plan on HIV/AIDS (2008-2012) and recently became the first Cambodian ministry to adopt a workplace policy on the issue. Political commitment is reported to have contributed to a rapid decline in the prevalence of HIV, from 3% in 1997 to 1.9% in 2005.

FTI between 2002 and 2006 included a strategy for children affected by disability. While thirteen others mention disability, there is little detail of strategies for the inclusion of disabled children in education, and five make no mention at all (World Vision, 2007).

Ensuring that disabled children receive an inclusive education demands a multisector approach. PRSPs could play an important role in coordinating health and social welfare issues that affect educational opportunities and outcomes for disabled children, such as nutrition, access to health services, early childhood care and social assistance. The United Republic of Tanzania, with its 2003 National Policy on Disability, is a rare example of a country that includes targets and strategies aimed at increasing educational opportunities for children with disabilities in its second PRSP (Figure 3.8) (World Vision, 2007). PRSPs that include strategies aimed at supporting children with disabilities tend to focus on school infrastructure and sometimes curriculum relevance (Table 3.10). Few PRSPs and education plans address the interlocking forms of social exclusion that children with disabilities often face.

The ‘invisible’ marginalized. Chapter 2 shows that simply living in a particular part of a country can reinforce disadvantage in educational opportunities. An Oxfam review of first-generation PRSPs found that only a few had education strategies for the special needs of marginalized or impoverished areas of countries (Oxfam International, 2004). Second-generation PRSPs continue to pay sparse attention to geographic factors limiting the visibility of particular groups (Table 3.10) (Chronic Poverty Research Centre, 2008). Uniform strategies are commonly identified, with insufficient attention to the ways in which forms of disadvantage vary for different population groups geographically; targets are usually not differentiated by location (Figure 3.8).

Where PRSPs do address geographic imbalances, they usually focus on disadvantaged rural areas, often failing to recognize the plight of slum dwellers (Chronic Poverty Research Centre, 2008). There is, moreover, almost no mention in recent PRSPs of the educational needs of child migrants (whether with their families or alone) (Black, 2004). Given that children of both domestic migrants and, in many cases, cross-border migrants are among the most disadvantaged in education, this is a serious omission. Similarly, children living on the street are seldom considered as a distinctive group facing disadvantage.

Also neglected are ethnic minorities. Where they do appear in PRSPs, the main strategy aimed at overcoming inequalities is associated with educational access (Grant and Marcus, 2006). But children from minority groups face exclusion beyond the school environment. Kenya provides a rare illustration of an integrated approach to the needs of marginalized people with its Pastoralist Thematic Group, which influenced the PRSP (Box 3.27). Attention to religious minorities is rarer still – none of the eighteen second-generation PRSPs refers to education of religious minority groups (Table 3.10).

Children in conflict-affected states are too often an absent constituency. Many of the world’s children without any opportunity to attend school live in fragile states. In some cases, their lives are directly affected by violence and civil conflict. In others, their countries are undergoing post-conflict reconstruction. Either way, with weak institutions, limited resources and often restricted government authority, fragile states face distinctive problems in planning for education and poverty reduction.

**Box 3.27: Getting pastoralist concerns onto the PRSP agenda in Kenya**

The pastoralists of Kenya’s arid and semi-arid regions make up about a quarter of the total population. In 2000 only 20% of their children had the opportunity to attend school. Yet the interim PRSP totally neglected pastoralist issues.

This picture started to change from early 2001 when a Pastoralist Thematic Group was included in PRSP consultations. There was wide-ranging discussion on whether to present these concerns as a cross-cutting theme in a separate chapter or fit them to each ministry’s priorities. In the final PRSP (Investment Programme for the Economic Recovery Strategy for Wealth and Employment Creation, 2003–2007), pastoralist issues were discussed under the theme of human resource development. The discussion combined a number of interlinked aspects, including closing the gap with the rest of the country by developing a creative schooling programme for pastoralist children, strengthening community-based health care systems and preventive medicine, and improving food security through community-based early warning systems. A target of increasing primary enrolment among pastoralists to 40% was adopted.

Source: Abkula (2002).
Many lack the technical capacity to develop plans. Political commitment is often constrained and likely to result in particular groups being ignored in the planning process. Recent experiences with PRSPs developed in Afghanistan and the Democratic Republic of the Congo show nonetheless that, even in particularly challenging contexts, it is possible to develop conflict-sensitive education strategies, to varying degrees of success.

Afghanistan demonstrates the importance of developing an education plan that can provide the basis for conflict-sensitive strategies in the PRSP. The development of the country’s Education Strategic Plan under the leadership of the education minister is a considerable achievement associated with a series of key changes in management of the sector. The plan is incorporated under Social and Economic Development in the 2008 Afghanistan National Development Strategy, the country’s PRSP. Given the technical work already undertaken for the sector strategy, the education sector was well advanced for inclusion in the national development strategy.

Conflict and reconstruction define the context for education planning. Afghanistan faces some of the world’s highest estimated rates of disability and gender inequality. It is estimated that half the school-age population is out of school; thus, the government’s aim to achieve primary NERs of at least 60% for girls and 75% for boys by 2010 is laudable. However, as the PRSP notes: ‘threats to schools, destruction of school buildings, killing and maiming of students and teachers is increasing, particularly in the southern provinces’. Schools are not always considered safe, a fact affecting the enrolment of girls in particular. Against this backdrop, Afghanistan still has far to go to achieve EFA and to narrow the gender gap. While the Education Strategic Plan and PRSP provide a clear basis for moving in the right direction, along with clear signals of political commitment, some commentators have pointed to the need for greater consideration to be given to strategies that can address the impact of security issues on the education sector (Greeley, 2007a).

The specific challenges posed for education by conflict vary across countries. In the Democratic Republic of the Congo, education is at the heart of a reform process whose urgency is underscored by recognition that broader state legitimization depends in large measure on the perceived strength of government commitment to improving education provision (Greeley, 2007b). As a marker of such commitment, the government elected in 2006 has developed a PRSP, the Poverty Reduction and Growth Strategy Paper. Education appears under the pillar of improving access to social services and reducing vulnerability. The paper identifies core problems in the sector, including deterioration in the primary GER from 92% in 1972 to 66% in 2002 and a stagnant secondary GER at 30%. However, while there are some similarities to Afghanistan in terms of the formal PRSP approach, the substantive differences are also marked. In contrast to Afghanistan, the government has not yet developed a more detailed education sector strategy that takes into account the realities in the country. Thus the PRSP deals with governance, provision of free education and equity issues, but lacks details of how to achieve the goals set out. Given the devastating impact of conflict on nutrition, health, poverty and security, there is an urgent need for policies that address the real problems facing the Democratic Republic of the Congo.

Integrated social protection for the poor and vulnerable

The compartmentalized approach to planning evident in many PRSPs contrasts strongly with emerging approaches to tackling poverty and inequality. One example is social protection. Many of these approaches place an emphasis on linkages between education, health and employment – and on policy integration across sectors. They also stress the importance of equipping poor households with the capabilities they need to break the cross-generational transmission of poverty.

Recognizing that poverty is multidimensional, many governments are introducing programmes that target reductions in risk and vulnerability at several levels in health, nutrition, education and employment. ‘Social protection’ describes a broad set of policies that can help poor and vulnerable households manage risk through transfers of cash, food or entitlements to key services during critical periods (Marcus, 2007). For households lacking assets or insurance, a drought, a flood, a shift in labour market conditions or an illness can give rise to coping strategies that lead to long-run cycles of deprivation. For example, in East Africa drought is often the catalyst for reduced nutrition and withdrawal of children from school. Poor households may also withdraw children from education for all global monitoring report
school in difficult times, partly to save on schooling costs but also to send them to work.

Successful programmes in several Latin American countries combine social protection and enhancement of investments in children’s education and health with alleviation of pressure to send children to work. The objective is to go beyond traditional social welfare transfers by equipping vulnerable households with assets that will break the cycle of poverty. Cash transfer has played an important role in the design of social protection programmes, some of which now operate on a national scale. For example, the Bolsa Familia programme in Brazil reaches around 11 million families. It provides a cash transfer of up to US$35 per month to poor families with children, conditional on their keeping the children in school and taking them for regular health checks (Lindert et al., 2007).

Social protection programmes have far-reaching aims. Rather than responding to poverty through welfare payments, they aim to meet immediate needs and break the intergenerational transmission of poverty through their impact on education and child health. Evaluations point to some positive results. A recent study of targeted social protection programmes in Honduras, Mexico and Nicaragua found them effective not only at increasing school attendance and but also at keeping poor children in school when households faced shocks to their livelihoods (de Janvry et al., 2006b). They have also had significant positive effects on children’s health and nutritional status, particularly in the early years (Gertler, 2004). In Nicaragua, the Red de Protección Social programme increased visits to health centres and improved diet, resulting in a five percentage point decline in the stunting of children under 5 compared with control areas (Maluccio and Flores, 2004).15

The Oportunidades programme in Mexico, which provides poor households with a cash transfer of up to US$55 per month if they send their children to school and visit nutrition monitoring centres regularly, is often held up as a successful cross-sectoral social protection programme. A recent study showed that unemployment or illness of the household head reduced the chances of poor children enrolling in school by some two percentage points. For Oportunidades beneficiaries, however, the drop was almost completely non-existent (de Janvry et al., 2006a).

Social protection programmes are also having an impact on child labour. The employment of children is both a consequence of poverty and a cause of restricted opportunity in education. Few PRSPs pay explicit attention to the trade-off between education and child labour (World Bank, 2005d). Yet social protection programmes have demonstrated that the links between poverty and child labour can be broken. Bono de Desarrollo Humano in Ecuador illustrates what can be achieved. Under this programme, households identified as extremely poor receive a cash transfer of US$15 per month. Unlike Oportunidades, the programme does not make the transfer conditional on changes in household behaviour. A recent evaluation based on an experimental research design found that the programme had a large positive impact on school enrolment (by about 10%) and a large negative impact on child labour (a reduction of around 17%) (Schady and Araujo, 2006).

Other programmes that provide unconditional cash support targeting families of poor children have also led to marked improvement in the children’s educational and nutritional status. For example, a recent study of the child support grant in South Africa found that children who had been in the programme for a large part of their childhood had significantly higher height-for-age ratios, a measure of improved nutrition (Agüero et al., 2006). The programme has also had a significant impact on school enrolment (Case et al., 2005).

Part of the success of social protection programmes in improving educational outcomes for the poor and disadvantaged comes from their effectiveness at channelling resources to target groups. A recent study on programmes in Brazil (Bolsa Família), Chile (Solidario) and Mexico (Oportunidades) found that about 60% of transfer funds flowed to the poorest 20% of the population. Conditional cash transfers have materially increased equity in the income distribution (Soares et al., 2007). The success of social protection programmes is increasingly recognized. Mexico’s Oportunidades programme even offers a rare example of policy transfer from a developing country to a developed country (Box 3.28).

These examples provide a practical demonstration of how integrated approaches to reducing vulnerability benefit education. The good news is that social protection has emerged as a greater

15. Stunting is defined as a height-for-age z-score two or more standard deviations below the reference median (see glossary).
CHAPTER 3

Priority and is increasingly forming part of the PRSP agenda. One review of eighteen recent PRSPs found that seventeen included sections on social protection and those of Bolivia, Nepal, Pakistan and Senegal made it a core pillar. However, formal endorsement in PRSPs for social protection sometimes obscures what remains a piecemeal, project-based approach (Grant and Marcus, 2006). Pakistan’s experience demonstrates the point: social protection is used as an umbrella for a wide range of unconnected strategies, to limited effect (Box 3.29).

Positive lessons from the more successful social protection programmes include the importance of sustained political commitment, large-scale programmes with allocation of significant and predictable resources, careful targeting and the coordination of planning across sectors. Social protection is not a panacea for the poverty and inequality that are holding back progress towards EFA. Outcomes depend on policy design, financing and implementation. By focusing on the development of a policy framework that integrates health, education, employment and wider concerns, social protection has facilitated more effective, integrated planning of the type envisaged – but not delivered – under the Dakar Framework for Action.

Strengthening participatory planning for the most vulnerable

The Dakar Framework calls on governments to engage in consultation on policy with ‘learners, teachers, parents, communities, non-governmental organizations and other bodies representing civil society’ (UNESCO 2000, Expanded Commentary, para. 53). PRSPs are widely seen as having made a positive contribution in this area by extending consultation to civil society organizations and coalitions, some of which explicitly aim to represent the disadvantaged (Chronic Poverty Research Centre, 2008).

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Box 3.28: New York City is learning lessons from Mexico’s Oportunidades programme

Ideas for combating extreme deprivation in education usually travel a one-way street, from North to South. Now one of the most successful programmes is moving in the opposite direction, from Mexico to the United States.

In an effort to help some of its most deprived people escape poverty traps that cross generations, New York City is experimenting with a model based on Mexico’s Oportunidades programme.

The Opportunity NYC programme was introduced in late 2007 after the city’s mayor led a team of officials to Mexico to study Oportunidades. While its Mexican counterpart covers 25 million people, Opportunity NYC is currently a small pilot programme covering just over 5,000 families in parts of the Bronx, Harlem and Brooklyn. The districts included are marked by high levels of social deprivation. Poverty rates average around 40%, compared with a 21% average for the city as a whole; and unemployment rates are 19%, compared with 5% for the city.

Families covered by the programme are drawn mainly from the Latino and African-American communities. They can receive as much as US$4,000 to US$6,000 per year in transfers every two months, as long as they meet conditions in health (including regular medical and dental visits), job training and education. Education targets include regular school attendance, parental attendance at parent-teacher conferences and the obtaining of a library card. Improvements in test scores and secondary school graduation attract additional bonuses.

The overall approach is to provide financial transfers not just to address immediate hardship, but to create incentives that will induce behavioural change. Opportunity NYC is an innovative attempt to apply this model. The two-year, US$53 million programme is privately funded by the Rockefeller Foundation and other donors. Will it succeed? It is too early to tell: the first payments were made at the end of 2007. Half the families covered will be part of a control group and implementation is designed to facilitate a random assignment evaluation. By building evaluation into the implementation of the project from the outset, policymakers should have access to a steady flow of data and information that can inform future policy design.

Whatever the outcome in New York, there is sufficient evidence from programmes of this kind to draw two broad conclusions for education. The first is that integrated poverty reduction planning is far more effective than the compartmentalized models evident in many PRSPs. The second is that, if governments are serious about achieving the goals in the Dakar Framework and the MDGs, they are heavily underinvesting in cash transfer programmes.

Sources: Jack (2008); MDRC (2007); Seedco (2007).
Whether consultation translates into action depends on political actors’ willingness to listen and respond, which is affected in turn by the influence of the electorate on political priorities and by the extent of support from elites. A convergence of interests among a range of stakeholders on access to primary schooling has helped keep this topic high on the agenda in many countries. In some contexts, concerns about the need to develop a skilled workforce have also raised awareness of the stakes. However, where priorities are set according to whose voices are heard, other areas of the EFA agenda are at risk of being further sidelined.

Amplifying the voice of civil society including the unheard poor

As the EFA Global Monitoring Report 2008 noted, civil society organizations are increasingly influential in the formulation of national education plans, a trend further strengthened by the formation of national coalitions of such organizations since 2000 in many countries, in response to commitments made at Dakar. However, as the Report observed, challenges remain:

- Opportunities to participate systematically in agenda-setting and final drafting remain limited.
- New concerns have arisen as a result of broadening consultation, including rising...
stakeholder expectations that plans will reflect their concerns more prominently.

- Some civil society organizations lack the analytical capacity to engage in consultation productively and confidently.

- Consultation can serve to validate decisions already taken rather than to facilitate genuine engagement.

As in any process of political dialogue and consultation, issues of representation are important in education planning. A detailed analysis of civil society participation in Burkina Faso, Kenya, Mali and the United Republic of Tanzania identified a wide range of actors interested in participating, including national and international non-government organizations, faith-based groups, national parent-teacher associations, teachers’ unions, private provider groups and research networks. The analysis found a lack of transparency in the processes for selecting which actors to invite to the policy dialogue table. Those most likely to represent critical viewpoints are excluded. Teachers’ unions, many of which oppose education reforms that affect employment and pay conditions, are often not invited to participate in policy dialogue (Mundy et al., 2007).

The shortcomings of participation in education sector planning are also evident in PRSP consultation exercises, with participation by civil society organizations and coalitions working on education remaining restricted (Commonwealth Education Fund, 2007).

Despite the important role of civil society organizations and coalitions in mobilizing public concern over the policy decisions most likely to affect the disadvantaged, such groups do not usually include the voices of the poor directly. To address this deficiency, participatory poverty assessments have been undertaken in many countries as part of the PRSP consultation process. There have also been attempts to involve the marginalized more directly in consultation.

These are laudable aims. There have also been some important results. National participatory poverty assessments have given new insights into the underlying causes of poverty and vulnerability. In some cases – Uganda is an example – the evidence collected has had a direct bearing on the framing of national poverty reduction priorities. Efforts have been made to increase the accessibility of PRSP documents (for example, by making them available in national languages). And there have been efforts to extend consultation. Nepal’s recent PRSP process provided opportunities for extensive consultation in the fragile economic and political context of an ethnically, geographically and linguistically diverse country emerging from years of conflict between government and Maoist forces. It went far beyond the consultation process for education plans, which has been top-down with little real involvement of minority rights groups (Giffard-Lindsay, 2008; Vaux et al., 2006).

For all these advances, the limits to consultation have to be acknowledged. Some of the limits relate to representation. PRSP consultation exercises have led to engagement with national and civil society organizations on a very large scale. Engagement with organizations of the poor, as distinct from organizations claiming to speak on their behalf, has been far more limited. Marginalized groups face many barriers to meaningful engagement, including lack of time, literacy and organizational capacity. Even when their views seem to be invited, information asymmetry can mean that they remain weakly involved (Goetz and Jenkins, 2005). Marginalized groups may simply lack access to the information they need to develop policy inputs. There is also a wider point to be made. PRSPs do not override everyday political realities that perpetuate deep inequalities in society. Governments that turn a deaf ear to the concerns of the poor in everyday public policy formulation are unlikely to undergo political transformation as a result of PRSP exercises. Tackling poverty and reducing inequality require policies and public spending priorities that are likely to call into question prevailing power relationships in many countries. That is precisely why many political elites prefer to ensure that PRSPs are pitched at a very high level of generality with a restricted process of dialogue and consultation.

PRSPs are part of a wider process of public policy development and political debate – a process that involves donors as well as national governments and political constituencies. Outcomes will be shaped by the interactions and power relationships between actors. In many cases,
PRSPs may give rise to tensions. Take the twin commitment to national ownership and equity. These goals might be attainable. But what if national governments are not committed to equity, or if they are less committed than sections of their society – or aid donors – might desire? (Booth and Curran, 2005).

Priorities in poverty reduction strategies are not set in a political vacuum. They are formulated by governments that assess constraints, opportunities and political pay-off. Experience in education is instructive. Undertaking highly visible reforms such as the abolition of user fees often generates a high and fast political return. The Kenyan Government announced the abolition of secondary school fees at a moment that coincided with the controversy surrounding the 2008 election. In Burundi, school fees were abolished in 2005 following a controversial one-party election. Elsewhere, too, user-fee abolition has been seen as a quick route to enhanced political legitimacy (Rose and Brown, 2004).

Interventions in other areas with a longer payback period have been less enthusiastically taken up. For example, the development of strategic policy frameworks to strengthen education standards and monitoring has not received a great deal of prominence in political discourse (Giffard-Lindsay, 2008). The same is true in areas that are likely to raise questions of social division, such as the narrowing of regional inequalities or transfers from higher-income to lower-income groups and areas. Reforms that have less immediately visible outcomes, such as improvements to education quality, or ones that might challenge political authority and patronage systems, such as those supporting girls’ education, might gain less popularity in election processes (Rose and Brown, 2004).

Moving towards integrated and more equitable education planning poses challenges at many levels. Potentially, many of the issues involved are highly divisive. This is especially the case in societies marked by high levels of social polarization. Part of the challenge is to create a political discourse that looks beyond narrow self-interest to national interest and to shared goals – including the goals of equal citizenship and shared opportunity. One reason Bangladesh has progressed so rapidly in primary enrolment is that the return of multiparty democracy in the 1990s was marked by a broad-based consensus in favour of education. Another important factor was a recognition by national elites of the benefits of education for poverty reduction and development (Hossain, 2007).

The starting point for political consensus is a shared recognition that greater equity in education is not a zero-sum game. No section of society has to lose out – and society as a whole stands to gain from progress towards UPE and wider education goals. As Chapter 1 argues, equitable education is a powerful force for economic growth and rising living standards, as well as gains in other areas. Viewed from a different perspective, large-scale disparities are a source of inefficiency. This can also hamper advances in areas such as public health and fuel social polarization.

Conclusion
There is evidence that education planning has improved since Dakar. Education planning within a sector-wide framework is leading to greater coherence in priority-setting. However, serious problems remain. Far more has to be done to integrate education planning into wider poverty reduction strategies and to back priorities with budget commitments. Particular attention has to be paid to the interlocking disadvantages that are holding back progress towards EFA. Social protection programmes provide important lessons. They demonstrate that broad-based strategies for reducing poverty and vulnerability can generate important gains for education, creating new opportunities for the poor. Achieving this outcome will require the development of high-level political commitment, supported by strong national consensus, in favour of education for all.
Table 3.10 presents information on PRSPs for the eighteen countries that have prepared two plans. Most of the first PRSPs were prepared around 2000, with the second prepared in most cases between 2004 and 2007. Based on the information provided in the PRSPs, the table indicates the number of countries that propose strategies aimed at addressing educational inequalities in the areas of ECCE, primary and secondary education, TVET and adult literacy, as well as the forms of disadvantage addressed.

The table identifies ten broad sources of inequality identified in PRSPs. It then summarizes the number of plans with proposed actions, comparing the first- and second-generation PRSPs. The broad headline message is that PRSPs pay insufficient attention to addressing educational inequalities and the change between the first- and second-generation PRSPs was limited. Among the findings to emerge from an analysis of the information in the table:

- Attention to primary education strategies aimed at tackling disparities increased slightly between the first- and second-generation PRSPs, with a total of seventy-one strategies presented in the first and eighty in the second. This increase is due to the inclusion of a wider range of strategies aimed at achieving gender parity and equality.
- In total, twenty-five gender-related strategies are mentioned in the more recent PRSPs, compared with eleven in the early ones. Encouragingly, this is due in part to a focus on strategies aimed at addressing gender inequality within the school environment (including recruitment of female teachers and addressing gender abuse in schools) – an area that did not appear in early PRSPs.
Some countries include strategies in both first- and second-generation PRSPs to increase participation by poor and vulnerable households, notably through stipends and school feeding programmes. Given the potential of such strategies in supporting educational opportunities, the number of countries including them remains low. For example, stipends for the poor and vulnerable are mentioned in only six of the eighteen PRSPs. Moreover, there is limited emphasis on fee abolition (five of the eighteen second-generation PRSPs mention it as a strategy), even though informal fees continue to be an important barrier to enrolment of poor and vulnerable children.

Approaches to supporting children with disabilities are mainly focused on improving accessibility of school infrastructure rather than paying attention to curriculum reform.

Strategies aimed at tackling regional and rural-urban marginalization have declined, mainly because less attention is given to school construction. Strategies aimed at supporting ethnic or religious minorities remain extremely limited.

More positively, greater attention is being given to education strategies aimed at overcoming inequalities at secondary level. As with primary schooling, the focus is on school infrastructure and curriculum relevance.

Inequality in ECCE continues to receive limited attention. Even where strategies are mentioned, they often do not specify how they intend to address particular forms of disadvantage.

Similarly, there is limited attention in PRSPs to addressing inequalities in TVET and adult literacy (the main focus of the latter is on women's literacy).