

Effects of Decentralization on Primary Education: Phase I:

A Survey of East Asia and the Pacific Islands

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Annexes available as a separate file. Full paper on request.

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Purpose

The purpose of this indicative comparative analysis is an initial identification of key issues for the education sector that arise from its implementation of government decentralization policies. The study aims to highlight some best practices and lessons learned from the experience of countries in East Asia and the Pacific. It also seeks to identify gaps in the current work of UNICEF in response to the challenges brought about by decentralization.

These preliminary and somewhat impressionistic results will need to be reviewed in each country in terms of their actual situations and related to concrete data on expenditures, trends, sub-national allocations and so called ‘market decentralization’ – which is effectively a requirement that parents, often poor parents, contribute to the costs of education. The study also covers selected aspects of political, administrative, fiscal and market decentralization.

The purpose of follow up studies – phase two of this initiative – will be to review the results of this modest research and to work out how UNICEF Country Offices can best assist Ministries of Education to ensure that requirements to decentralize education provision result in improvements in sector performance. A core benefit of

this survey and following case studies should be increased, and better informed, dialogue between UNICEF staff and governmental officials on the effects of decentralization and on solutions to problems that arise.

Review of literature, definitions and key issues

Decentralization is normally defined in terms of four types and three levels of completeness of the transfer of powers. The four types of decentralization are political, administrative, fiscal and market decentralization. The three levels of completeness of decentralization are deconcentration, delegation and devolution.¹

Box1. Some basic definitions

Centralized power: This designates the centralized organization of political and administrative decision-making, responsibility and authority in a country where executive and legislative powers are structured within the framework of a central government.

Types of Decentralization: Decentralization involves the transfer of all or part of the decision-making, responsibilities and authority vested in central government to regional, provincial or local authorities (districts, municipalities and communities) or even to schools themselves. Decentralization can have political, administrative, fiscal and market dimensions. There are some overlaps and interactions between these facets.

- **Political decentralization** is the devolution of policy and decision making power (such as over content of curricula) to local governments, sometimes democratically elected.
- **Administrative decentralization** refers to the transfer of planning and management responsibilities from central to local levels.
- **Fiscal decentralization** creates changes in the control over financial resources to local authorities, including distribution of central resources to local authorities, sometimes

¹ D. Rondinelli, J. Nellis, and S. Cheema, "Decentralization in Developing Countries : A Review of Recent Experience", World Bank Staff Working Paper 581, (Washington, DC, World Bank, 1984), cited in Klugman.

using needs-based formulae (which may include, for example numbers of households below the poverty line), and delegating or devolving revenue collecting powers to local governments.

- Market decentralization is the transfer of control over resource allocation to non-state actors, such as the private sector by supporting private sector schools through policy, tax breaks, or even subsidies. Requirements that parents contribute user fees (and that schools, to a matching extent, ‘sell’ their services to parents), can also be viewed as a form of market decentralization.

Extent of Decentralization: The extent to which power is transferred by each type of decentralization can be classified as:

- **Deconcentration** is shifting management responsibilities from the central to lower levels while the center retains overall control (center decides, local level implements).
- **Delegation** occurs when central authorities lend authority to lower levels of government, or even to semiautonomous organizations, with the understanding that the authority can be withdrawn (local level can decide, but decisions can be overturned centrally).
- **Devolution** is a transfer of authority over financial, administrative, or pedagogical matters that is permanent and cannot easily be revoked. Devolution may result in stronger local authorities and is one pathway to achieving community financed and managed schools.

Klugman, in a very helpful UNICEF Innocenti paper that was seminal to this study, noted that the appropriate level of decentralization is different for specific functions in the education sector. While the power to hire and fire teachers or choice of language of instruction may be appropriately devolved to headmasters, it may be desirable to maintain central control over examinations or the content of the core curriculum.²

² Jeni Klugman, “Decentralization: A Survey from a Child Welfare Perspective”, Innocenti Occasional Papers, Economic and Social Policy Series no. 61, Florence, Italy: UNICEF International Child Development Centre, 5-7.

Resources are always limited, so the education system must ensure equitable allocation of resources at all levels and an efficient and effective use of assets. To effectively and efficiently decentralize education, while preserving the programmatic goals of the sector, it is also essential that all administrative levels of the education system are integrated with clearly coordinated, defined lines of communication.

Box 2 The various reasons for education decentralization

There are numerous reasons given for undertaking decentralization.

- **Education finance** addresses the issue of how resources for education are raised. National governments can allocate resources to sub-national levels through block grants (that local government may or may not be able to reallocate between sectors). The amounts allocated may be based on a number of different considerations: political considerations, numbers of population, the target population (children of school age), and on needs based criteria (numbers of households below the poverty line. Local resources can be raised for education by delegation or devolution of tax authorities to local government, or by imposing user fees.
- **Increased Efficiency/Effectiveness** deals with how educational resources are used. The unit costs of basic education provided by a centralized government may be higher than those that could be achieved by local governments, if local governments had the authority to manage their own systems. Eliminating bureaucratic procedures and the need to refer decisions to central government may increase efficiency and motivate officials to be more productive. Allowing local government units to allocate resources where they are most needed, or to deal with specific administrative issues, can increase efficiency if local authorities better understand the needs of their area and system. (Winkler, 1991)
- **Redistribution of political power** aims to enhance the legitimacy of institutions by redistributing power and often by giving citizens a greater management role. Political

decentralization can empower local communities. There are some risks that this may result in some fragmentation of the system, non-compliance with national policy initiatives (for example on life skills education) or misused to promote local interest groups (local majority ethnic group self-interest at the expense of local minorities).

- **Improved quality** can result from moving decision-making closer to the needs of each school and may focus also on local cultural differences and learning environment. It is also possible that quality can improve by increasing local accountability and local incentives for quality performance to teachers and school officials.
- **Increased innovation** can result from having a wider range of providers of education. This can lead to a wider variety of experiences and innovations through increasing the “competitiveness” of the system by encouraging providers to act to satisfy the wishes of the citizens and local stakeholders.

Most governments surveyed are initiating, embracing, or have already engaged in some education decentralization. But the literature warns that equity is often a casualty, particularly in the early stages of decentralization efforts.³ Many governments are decentralizing services to reduce central public sector expenditure with few, if any, provisions to ensure equity in access or quality. Local governments in wealthier regions may be able to replace reduced central resource allocations with local tax revenues or user fees. Local governments in poorer regions may not.⁴

³ Bray, Mark. “Decentralization of Education: Community Financing.” Directions in Development. Washington, DC: World Bank, 1996.

⁴ Special considerations will apply to countries with regions that have experienced medium or long term conflict situations. A participatory planning process at the lower levels can provide them with an experiential learning opportunity through which citizens begin to understand their rights, even if capacities to assume deep management responsibilities may be limited. In such situation, in the short term, decentralization may inadvertently increase disparities by investing resources in areas that are less disadvantaged. This may result simply because the more stable areas have a stronger institutional and human resource capacity base from which to lobby for and obtain resources. Adapted from southern Sudan Ministry of Education Organizational Design, unpublished, Suzanne Bond Hinsz, 2004.

This study assesses effects of decentralization on education in the East Asia and Pacific Islands in terms of many of these key issues. It proposes that in-country case studies be conducted to obtain the local knowledge needed to ensure that decentralization policies will be formulated and implemented in a way that maximizes respect for the rights of all children to a high quality education

Methodology

The UNICEF EAPRO prepared and pilot tested a check-box paper questionnaire and guidelines for a telephone interview in March 2006 with the Thailand Country Office. The Thailand Country Office provided guidance for changes and those changes were incorporated into the final questionnaire and interview protocol. EAPRO initiated data gathering from the UNICEF education officers in Country Offices for the finalized questionnaire via email in March 2006 and this was completed in April 2006.

Country	Questionnaire	Interview
Cambodia	X	X
China	X	X
DPRK	X	No
Fiji	X	X
Indonesia	X	X
Lao PDR	X	X
Malaysia	X	No
Mongolia	X	X
Myanmar	X	No
PNG	X	X
Philippines	X	X
Thailand	X	X
Timor	X	X
Vietnam	X	X

Figure 1 Countries participating

The Regional Office emphasized that participation was voluntary and that government officials should be involved as much as possible. UNICEF Country Office and Ministry of Education partner respondents filled out a check-box style questionnaire (see Appendix B)

and returned it. The consultant conducted follow-up telephone interviews.⁵ Detailed interview notes were e-mailed to interviewees for revisions. In two instances,

⁵ The telephone interview protocol is Appendix C.

respondents wrote their responses to the telephone interview structured guidelines and e-mailed them to the Regional Office.

During the telephone interview, respondents answered the eight questions in the telephone interview guideline (see Annex) and clarified their responses to the check-box questionnaires when interview results appeared to differ with questionnaire results. The response rate for the questionnaire was 100% and 11 of 14 countries completed follow up interviews.⁶

The consultant reviewed each country's data by matching telephone interview responses with the written questionnaire results, and then deconstructed the interview data by question rather than country. The categorical questionnaire results were aggregated and grouped according to category (such as protection of poor and political decentralization). Then the results were analyzed and converted into a presentation that was delivered by the Regional Social Policy and Economic Analysis Adviser at the Regional Education Officers Network Meeting in May 2006. Comments received there were recorded and used to revise the presentation and to produce this paper.

Findings

Effect of decentralization on education

In order to gauge the significance of decentralization on education in each country, the questionnaire poses the question⁷ “the effect of decentralization on education in the country so far is...” and respondents choose one of the following: insignificant, minor, medium, significant, or major. Myanmar has no decentralization initiative

⁶ The telephone line to Papua New Guinea was too poor to conduct a telephone interview. Vietnam sent written answers.

⁷ Questionnaire item 2.

going on presently and Malaysia reports that their system is centralized. However, as will be shown below, even countries that have no decentralization initiatives currently in place, often still have some decentralization of power in specific areas.

Table 1 Effect of decentralization on education to date

NONE	INSIGNIFICANT	MINOR	MEDIUM	SIGNIFICANT
Malaysia	Lao PDR	Cambodia	Mongolia	China
Myanmar	Timor-Leste	Fiji		Papua New Guinea
		Indonesia		Philippines
				Thailand
				Vietnam

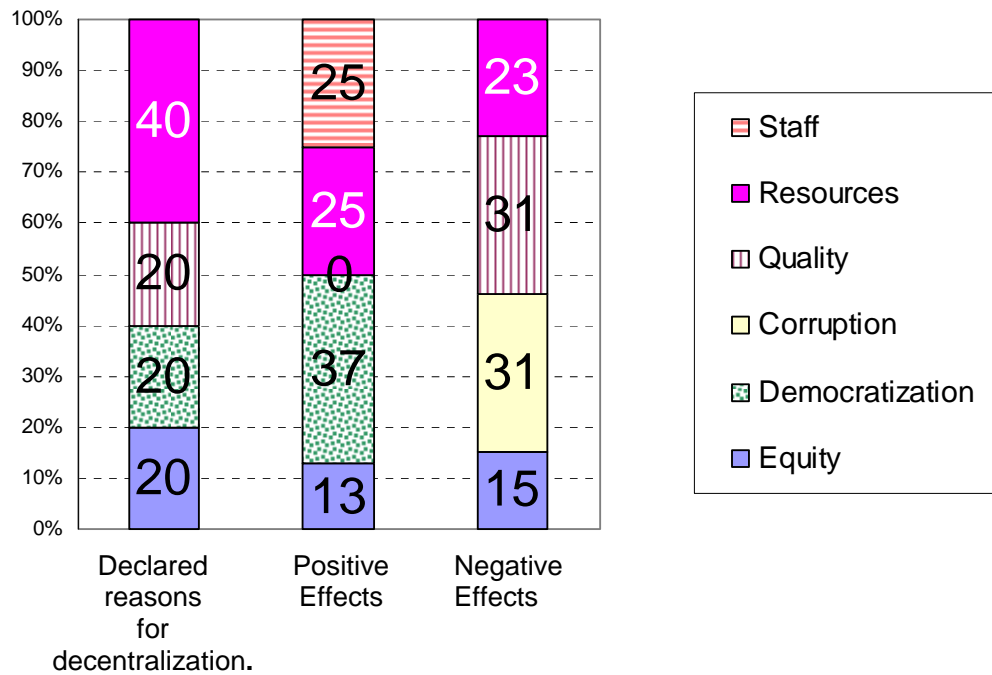
Of the 14 countries studied, 9 are trying to reduce central public sector expenditures. It is important to note that effective decentralization actually requires additional funding – at least in the short term - as jobs, people, and organizations change and need to function in new ways.

Is the government trying to reduce central public sector expenditure?

Yes	Cambodia , China, Fiji, Indonesia, Mongolia, PNG, Philippines, Thailand, Viet Nam
No	DPRK, Lao PDR, Malaysia Myanmar, Timor-Leste

Declared reasons for and effects of decentralization

While 20 percent of countries responding note quality improvement as an *objective* of education decentralization, 0% report that quality had actually improved as a *result* of decentralization. Further, 31% report quality decreases as a *negative effect* of decentralization (that education quality diminished as a result of decentralization).



Governments often cite enhanced resource mobilization as an important objective of decentralization; 40% of country responses note this. But only 25% of respondents consider that resource allocations increased while almost an equal number of countries, 23%, report that resources decreased as a result of decentralization. Different countries have had different experiences.

On the positive side, while 20% of the EAPR governments had declared that they were seeking to increase democratization through decentralization, an even greater proportion of 37% of respondents noted increased democratization as a result of decentralization. Another positive response was that 25% of respondents considered that numbers of staff have increased as a useful positive effect of decentralization.⁸ Effects on equity were mixed. Increased equity was noted by 20% of respondents as one of the reasons governments initiated decentralization processes. While 13%

⁸ It would be useful to know whether these staff increases were in numbers of teachers at local levels.

noted increased equity as a positive result, 15% noted decreased equity as a negative effect.

UNICEF promotes both quality and equity and should consider its programmatic support in this light. For countries just starting to decentralize, what support should UNICEF give based on the experiences of other countries in the region? Similarly, how can negative consequences be mitigated for countries in the midst of decentralization? It would be useful to share lessons learned in countries that did well, and to learn how countries doing less well can improve, especially in terms of quality and equity issues.

Are the poor protected?

UNICEF is concerned with equity, particularly during decentralization, since vulnerable groups can easily be further marginalized. The questionnaire seeks information on four types of protection of the poor. They include: 1) pro-poor transfers, 2) whether pro-poor transfers are based on a formula such as population, poverty, or a sectorally specific formula, 3) whether there is a specific transfer of funds for education that is based on the number of children enrolled, and 4) whether poor or vulnerable children are excluded from the need to pay for school.

Lao PDR shows no protection any of in these four categories of pro-poor policy. DPRK and Myanmar offer protection on only one of the four pro-poor issues. In contrast, Cambodia, China, Indonesia, Malaysia, Mongolia, Papua New Guinea, and Viet Nam report protection in all four categories. Again, in-country validation of these results could be quite important in countries where UNICEF considers equity to be a serious issue.

Equity	Cambodia	China	DPRK	Fiji	Indonesia	Lao PDR	Malaysia	Mongolia	Myanmar	PNG	Philippines	Timor-Leste	Thailand	Viet Nam
Pro-poor transfers?	■	■		■	■		■	■		■	■	■	■	■
Transfers based on formula?	■	■	■	■	■		■	■	■	■	■			
On children enrolled?	■	■			■		■	■		■	■	■	■	■
Poor need not pay?	■	■			■		■	■		■		■	■	■

Figure 6 Pro-poor policy presence is shown by dark boxes

Right to free education versus responsibilities to contribute

Governmental guarantees of the right to free education can exist in the constitution, in legislation, and in policy. If education is a constitutionally guaranteed right, that suggests that the country is highly committed to it. A constitutional right cannot formally be taken away without revising the constitution. If the right to free education is only guaranteed in policy, the right seems less robust – policy can more easily be changed than a constitution – and is perhaps also less binding. Legislation is normally somewhere in between. At the same time, it would seem necessary to reinforce constitutionally (and CRC) guaranteed rights to free basic education with appropriate legislation and policy in some countries.

Parental Contribution	Country	Security of Right		
		Const.	Legis.	Policy
	Cambodia			
	China			
	DPRK			
	Fiji			
	Indonesia			
	Lao PDR			
	Malaysia			
	Mongolia			
	Myanmar			
	PNG			
	Philippines			
	Timor-Leste			
	Thailand			
	Viet Nam			

Figure 7 Parental contribution requirements contrasted with the right to free basic education

Survey responses⁹ showed that only DPR Korea guarantees free education at all three levels: constitution, legislation and policy. At the other extreme, there are two countries (Malaysia and Myanmar) in which this right is not guaranteed in any way. The degree of formalization of the right to free education, as indicated by the extent of its presence on the right hand side of the figure, can be contrasted with the existence of parental responsibilities¹⁰ to contribute toward education.¹¹

The length of the bar on the left of the diagram is a composite score reflecting the number of different types of parental contributions to education. Parental contributions for primary education include tuition, exam fees, textbooks, materials, accommodation (if boarding), entrance fees, instruments, transportation, teacher salaries, and 'other'.

These data may be misleading because parents may only contribute a small amount in total, even though the number of types of parental contributions is high. Conversely,

⁹ Questionnaire item number 6.

¹⁰ Questionnaire item number 32.

¹¹ Existence of parental payments means that education is not free, in violation of the ratification of the Convention on the Rights of the Child and, in many cases, national constitutions, legislation or policy. Still, it is important to know if the requirement for parental contribution has the *effect* of excluding poor children from access to education.

parents may contribute a large monetary sum but to only one category (such as for tuition) - so it may appear, incorrectly, that parental contributions are relatively low.

Given these drawbacks, the information obtained can only be considered as a comparative indicator, rather than a measure, of the relative extent of parental contributions. We might well expect that, in most countries where parents are asked to make many types of contributions, the amounts being contributed are probably generally greater – that correlation between percentage of costs paid and number of types of payments is likely to be positive, rather than negative. Still, this information is only indicative rather than conclusive. In-country studies of total amounts of parental contributions would be needed to obtain more solid results.

The responses indicate that there could also be a relationship between the ‘strength’ (degree of formalization) of the right to free education and numbers of parental contributions. For example, DPR Korea has a high ‘strength’ of the right to education and no parental contributions at all are required. Mongolia is similar. In contrast, Myanmar has no right to education guaranteed anywhere and the parental contribution required is high.

Conversely, contrasts appear in Papua New Guinea and Philippines, between the strength of the right and parental responsibility to contribute. The degree of formalization of the right is low, yet parents contribute toward only a couple of items. And China has a high level of pro-poor protection, but also reports that parents contribute to educational expenses in many categories.¹²

¹² There are several notes and exceptions in responses. Ethnic minorities do not have to pay in Vietnam and do not have to pay accommodation in China. Additionally, China ensures free tuition for the poorest. In Indonesia, sometimes parents need to contribute toward teacher salaries. Parents pay for school uniforms in Timor-Leste.

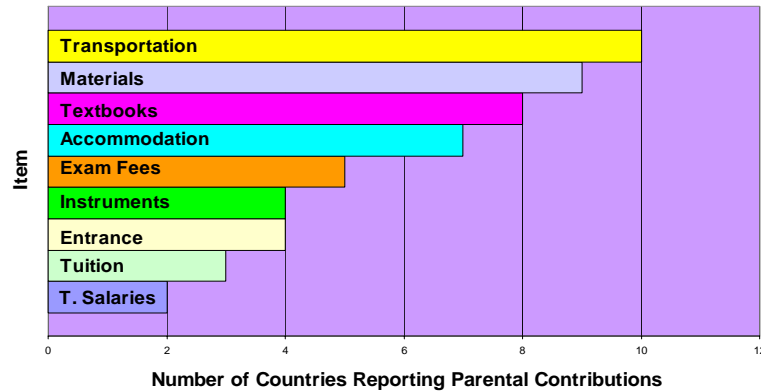


Figure 8 Questionnaire item 32 Parental Contributions

Categorical analysis of results shows that parents in almost every country contribute towards either transportation, materials, textbooks or accommodation. Only few countries report required contributions to teacher salaries or tuition.

Decentralization of expenditure control

The level of decentralization of expenditure control is analyzed using an index based on responses to the following questions: 1) from which level are teacher's salaries mostly paid, 2) at which levels can teacher salaries be set, 3) at which levels can school construction be independently contracted, 4) from which level is school maintenance usually paid, and 5) which entities have authority to open and close schools. The questions are scored as follows: 0 if it is centrally controlled, 1 if subnational, 2 if local and 3 if controlled at school level. These scores are added for a composite country-by-country score for level of decentralization of expenditure control. See the full paper for the results in this area.

Decentralization of administrative control

Decentralization of administrative control is measured similarly to expenditure control and includes two of the same questions since there is some overlap.¹³ (Administrative decisions can have financial consequences.) Administrative decentralization includes responses to the following questions: 1) decisions to hire and fire primary school heads are made at which level(s), 2) decisions to hire and fire primary school teachers are made at which level(s), 3) budgets for in-service training mostly exist at which level(s), 4) content of in-service training can be decided at which level(s) 5) at which levels can teacher salaries be set, and 6) from which level is school maintenance usually paid, and 7) which entities have authority to open and close schools.¹⁴ The questions are scored as follows: 0 if it is centrally controlled, 1 if subnational, 2 if local and 3 if school. Scores are added for a composite country-by-country score for level of decentralization for control of expenditures. See the full paper for the results in this area.

Political decentralization and civil society empowerment

The survey poses political decentralization and civil society empowerment questions on a “yes” or “no” basis. These questions reflect UNICEF’s policy interests, including local political issues as well as participatory decision making.

This last category includes the responses to the questions:¹⁵ 1) can a decision to teach in the local language be made at a subnational level, 2) is it illegal to speak the local/maternal language in a school, 3) can some of the non-core curriculum elements be decided/added locally, 4) can teaching material be adapted to local religious beliefs,

¹³ Questions 34 and 35.

¹⁴ Questionnaire questions numbered 17, 20, 22, 23, 34, and 35 comprise this category.

¹⁵ Questionnaire questions numbered 10 - 15 comprise this category.

5) parent-teacher associations (or similar) influence decisions in most schools, and 6) do most secondary schools have some form of student government.

Overall results show Fiji and Indonesia with very high levels of political decentralization and civil society empowerment. Mongolia, Philippines, Thailand and Vietnam are also high. Political decentralization is low in Lao PDR and Timor-Leste and absent in Myanmar.

Two specific questions are worth closer investigation. Only in Lao DPR is it illegal to

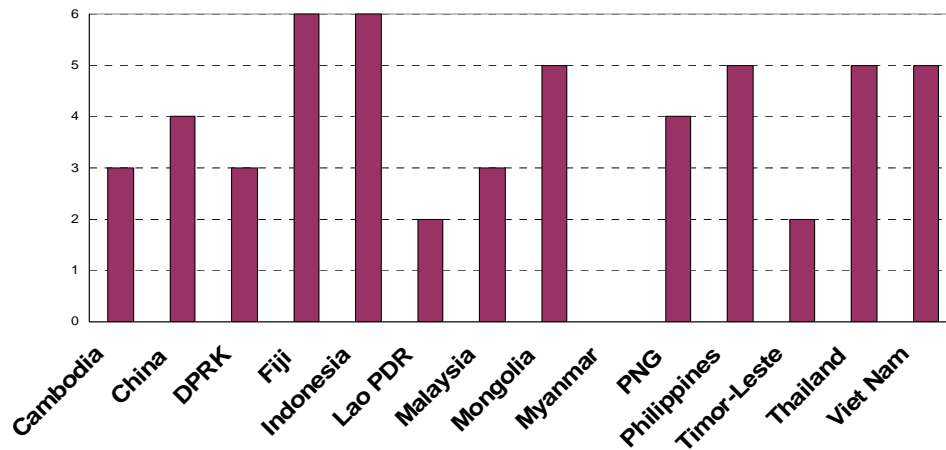


Figure 11 Political decentralization and civil society empowerment

speakers of the local/maternal language in school, although it appears no one has been charged with this offence. All countries except Myanmar and Timor-Leste allow non-core curriculum elements to be decided or added locally. This is effectively limited, however, in a number of countries. In Indonesia and Cambodia, for example, only life skills classes can be governed locally. In DPR Korea, schools can decide on extra-curricular activities and secondary schools can select optional subjects from a central list. In Lao PDR and Mongolia, local control over curriculum is set via percentage.¹⁶ Lao PDR is 20% and Mongolia is 25%. Lao PDR notes that putting this provision into practice is difficult.

¹⁶ Lao PDR is 20% and Mongolia is 25%.

Comparing administrative to political decentralization, country results tend to be similar. There are two exceptions, notably Fiji and Papua New Guinea with low administrative decentralization yet high political decentralization. The reasons for this anomaly would seem worth investigating.

Another key issue, inadequately covered in this study, is local control of the balance of expenditure between education and health. At first sight, it would seem useful that local government could take such decisions and allocate resources where they are most needed. However, one of the authors, while engaged in a study of decentralization of government responsibilities, interviewed a regional level political leader who influenced the allocation of resources. She stated that she had campaigned on increasing attention to education in the last election and that she now needed a different issue. In the currently forthcoming election, she planned to campaign on an increased allocation of resources to the health sector.

Lessons learned

The key quotations below are taken from country responses to the telephone interview question, “given what the country has experienced, what are the lessons learned so far.”¹⁷ The full text of the feedback for this question is available in Appendix D, Interview Highlights by Question.

- “The degree of commitment of government at all levels to this decentralization process - for now and in the years to come - is going to be critically important for the effectiveness and sustainability of the basic education reform particularly in terms of adding value and significantly improving the quality, relevance and outcomes of the basic education process in Indonesia.” Indonesia
- “There should have been proper planning for the reform.” Papua New Guinea

¹⁷ Interview question 5.

- “It is important to make *teachers* understand the benefit of transferring to local government.” Thailand
- “Orientation, advocacy, capacity building on decentralization, and creating an enabling environment for it to happen are very important.” Vietnam
- “Making central policies and regulations is not enough and does not work unless there are local systems and local capacity in place.” China
- “There is a need to strengthen capacity of staff at school and subnational level in budget planning, monitoring, and implementation.” Mongolia
- “If the structure is going to change, we need additional resources in the interim to make the change happen. We need funding for capacity building of lower-level education staff, training throughout the ministry for people to perform their new roles, and funding to assist people to change their mindset.” Philippines
- “Financial decentralization without accountability is counter productive.” Lao PDR

The key thematic areas overall were adequate advance planning, capacity development, adequate funding, management with performance monitoring and accountability, and a balanced approach to local decision making involving an appropriate mix of deconcentration, delegation and devolution of the political, administrative, fiscal and market components of decentralization.

Given that some governments may be using decentralization to achieve reduced central public expenditures (though, significantly not in public declarations of the purposes of decentralization), it is important to note that to decentralize effectively, governments will need to spend more money, at least in the short-term, to decentralize capacity effectively. Effective decentralization involves retraining people, changing job descriptions, re-engineering data, communication, and budget flows between the

different levels of government, and changing the working relationships between ministries. Additionally, to manage decentralization well, governments will need a communication strategy to reduce resistance to change. In short, effective decentralization is not less expensive, at least in the short-term.

Best practices

The following are key quotations taken from the responses to the interview question “Are there any best practices the country is using in its decentralization of education? If so, what are they?”¹⁸ The full text of the feedback for this question is available in Appendix D, ‘Interview Highlights by Question’.

- “There should be a strong master plan for capacity building of the critically important management systems and human capacities at all levels of government, not least at the district level...” Indonesia
- “...Central government invites [provinces] to make their own decisions, except for national guidelines.” China
- “...getting good headmasters and teachers locally and capacity building of school managers and teachers.” Mongolia
- “Work performance evaluation encourages government management teams to work hard to improve their performance on education work.” China
- “Mass media advocacy helped mobilize unutilized resources and paved the way for establishing community learning centers.” Vietnam

A number of countries report a lack of best practices. This is clearly an area where further sharing of problems and experiences may be valuable.

¹⁸ Interview question 6.

Discussion

So, is decentralization good or bad? In terms of political decentralization, it is generally positive. It can promote participation by the poor, nurture national cohesion, and bolster civil society. On the other hand, political decentralization can also result in the capture of power by local elites standing on ethnic, regional, or religious platforms, particularly if a country is also embarking on political democratization. Fledgling democracies easily fall prey to the divisive politics and decentralization can exacerbate this tendency. Undue local political influence on resource allocations between sectors such as education and health has also been mentioned.

Administrative decentralization can be positive or negative and is normally both. It is designed to ensure appropriate social service provision and good monitoring. Interventions include capacity and organizational development, area-focused approaches and information systems. UNICEF has focused most of its support to decentralization processes on administrative capacity development, often through providing training in planning, sometimes micro-planning, and capacity development of head teachers. This has clearly been very useful but, depending on local conditions, it may also be worth considering broadening our support to training in the human resource and financial dimensions of management, including helping to reduce corruption in the education system. It may also be useful to broaden our MIS support to other management information systems we are already familiar with, such as audit recommendation production and tracking and performance monitoring.

Fiscal decentralization is intended to promote expenditure efficiency and relevance. By keeping some part of regional revenue collection within the region, fiscal decentralization may help to reduce the corruption that sometimes accompanies vertical revenue transfers from central government to regions. But if central control is

lost, the system is vulnerable to local abuse with little or rudimentary central oversight. So the net direction of this effect is uncertain. And, once a government has devolved taxation authorities, it can be difficult to implement further national level tax reforms. If done in a pro-poor way, wealthier regions will also transfer some of their funds to poorer regions. But these transfers may work better in theory than in practice. Delayed receipt of inter-regional transfers has created difficulties for some poorer districts. At local level, budgetary priority is given to immediate problems with severe impacts. If resources are constrained at the start of the year due to delayed transfers, education may lose out.¹⁹ Knowledge of budgetary processes and advocacy during crucial periods can have a significant impact on education resource availability.

Market decentralization has two main thrusts. These are encouragement of private sector provision of education and requirement that parents contribute to the costs of education by requiring user fees. Encouragement of the private sector will result in wealthier urban parents sending their children to private schools. This may free up some state resources for schools elsewhere, at the cost of creating a two-tier system. Worthy proposals to tax schools in wealthy urban areas and transfer those resources to poorer districts have met with little success as that would affect the school fees paid by the elite of society. This leads to the other important political dynamic here. Once the children of the elite are in private schools it becomes more difficult to sustain the interest of senior members of government in promoting the state system.

The issue of user fees is perhaps more familiar to us. Again, political dynamics interact with economic imperatives. User fees can reduce cost to the state *or* free up state resources to be deployed elsewhere in the education system – but the same resources cannot be used twice to perform both functions! User fees may create a

¹⁹ David Chapman, “Educational trends in Developing Asia,” *Educational Administration Quarterly*, Vol. 36, No. 2 (April 2000): 292.

barrier to entry to the poor. This can be reduced, but generally not eliminated, by providing exemptions to the poor. Unfortunately, exemptions can be hijacked and there have been claims that the rich benefit from such exemptions disproportionately. At the same time, while the whole of a society may be personally interested in maintaining a system of free education for all, only some will feel personally involved in sustaining exemptions for the poor in a contributory system. Over time, the value of exemptions may be eroded by inflation. In times of crisis, they may be withdrawn. From a more macro perspective, decentralization requires organizational support that sometimes includes redesigning and relocating parts of the education system and setting up appropriate linkages across sectors and between levels. The decentralization process needs to be managed and phased with appropriate institutional planning, legal and financial frameworks and to include a pro-poor budget framework. The government needs management, administrative, financial, human resource systems that support its new objectives in addition to training regarding how these systems work. A communications plan and mass media advocacy strategy to enlist support and to manage change resistance is also needed. Capacity building of all the key players in these activities is necessary but insufficient on its own, to achieve success, protect the poor, and maintain quality.

All the countries surveyed reported some degree of decentralization of several functions of their basic education system. Clearly, specific country situations vary widely. At the same time, there are strong similarities between the concerns reported – that education decentralization could adversely affect the quality and equity of the basic education system and that UNICEF programmes are effective in some, but not all, of the necessary areas of technical support.

Conclusions

Results obtained were from a rapid survey of key informants, rather than country data. But the key informants were well informed and so the patterns discerned are likely to be valid. Key gaps in the UNICEF response to decentralization, as well as many positive responses, were noted. Feasibility of broadening the UNICEF response should be assessed. To do that, it would be useful to have some in-depth country studies. These would include a situation analysis of decentralization in education. They would also entail a financial analysis covering especially household level pro-poor policies such as fee exemptions and pro-poor district resource allocation formulas, trends in these expenditures and an analysis of the fiscal space available to governments to increase total public expenditure on education. Analysis of local staffing levels and capacities, gaps and trends would also be needed.

The goal should be to work out what, in each country, should be decentralized and what functions would best be left at central level in each country. Then, instead of asking the question “Is decentralization a good thing?” we could start to say “This is what will help to make the system work better.”

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