

EQUIP2 STATE-OF-THE-ART KNOWLEDGE IN EDUCATION DECENTRALIZATION

A Guide to Education Project Design Based on
a Comprehensive Literature and Project Review



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INTRODUCTION TO DECENTRALIZATION IN EDUCATION

Decentralization is a common theme in discussions concerning political, social, and economic reforms. Nonetheless, although often characterized as essential to strengthening democratization, cultural and indigenous rights, local accountability, and local governance, decentralization does not necessarily result in greater efficiencies, empowerment, transparency, civic engagement, or poverty reduction (World Bank, 2011).

Decentralization has become popular in the education sector because many governments have experienced problems providing centralized education services, including financial inefficiencies, inadequate management capacity, lack of transparent decision making, and poor quality and access to education services (King and Cordeiro-Guerra, 2005). The hope is that decentralization will result in educational improvements. While the promises surrounding early decentralization efforts were enticing—better and more efficient education reflecting local priorities—the reality of implementation has been uneven in terms of benefits. Nonetheless, while it is known that decentralization does not necessarily lead to improved quality of education and learning outcomes for children, it remains an important tool for education reform in developing and industrialized countries because it can:

- Accelerate economic development by modernizing institutions;
- Increase management efficiency at central, regional and local levels;
- Reallocate financial responsibility from the center to the regions;
- Promote democratization;
- Increase local control;
- Control and/or balance power centers, such as teachers' unions and political parties; and
- Enhance quality of services.

There are three generally recognized forms of decentralization: deconcentration, devolution, and delegation of authority and resources. Education systems typically lie somewhere along a “decentralization continuum” and may encompass elements of all three forms of decentralization depending upon the choices governments make, what governments choose to decentralize, and what the goals are for decentralization. Each form of decentralization is described briefly below.

1. **Deconcentration** is the reorganization of decision making within the ministry of education and the bureaucracy. In a deconcentrated system, the central

government retains full responsibility, but administration is handled by regional or district offices. Deconcentration of the education system may be the first step taken by governments in efforts to decentralize. Education systems in Armenia, Chile, and Tanzania have elements of deconcentration.

2. **Devolution** is the permanent transfer of decision-making responsibilities in education from the central government to lower levels of government such as provinces, municipalities, and districts. One example is Chile, where the central government provides 90 percent of education funds on a per capita basis but has transferred responsibility for providing education to the municipal governments (Winkler and Gershberg, 2003).
3. **Delegation**, or school autonomy, is the administrative or legal transfer of responsibilities to elected or appointed school governing bodies such as school councils, school management committees, and school governing boards. Schools in El Salvador, where communities manage schools, hire and fire teachers, maintain infrastructure and raise additional funds, are an example of autonomous schools.

Decentralization initiatives within these three types may be directed at providing education services, funding, or both. The reasons for decentralizing education services may include:

- Empowering under-represented populations;
- Increasing system-wide accountability and efficiency;
- Improving access to and quality of education; and

Along the Decentralization Continuum

Deconcentration: In Armenia, the central government finances all recurrent costs through a transfer of funds to school boards; in Chile, the responsibility for providing and partly financing education was transferred from the central government to municipal governments with the central government retaining responsibility for assessing student performance; in Tanzania, funds are disbursed directly from the central treasury to regional ministry offices who deposit funds into school bank accounts. School expenditures must comply with central government regulations.

Devolution: In Argentina, responsibility for financing and providing basic education was transferred from the central to the provincial governments. The central government role changed from oversight and control to support for education reform efforts. In Mexico, the central government sets national norms and standards, establishes the national curriculum and approves regional curricula. States are responsible for labor relations, school management and implementation of national reform efforts.

Delegation: The Nicaraguan Autonomous School Program is unique in the degree of control given to parents in allocating school resources. Much of schools' discretionary spending is raised through school charges and school-based commercial activities. In El Salvador, schools are managed by communities who are responsible for hiring and firing teachers, maintaining infrastructure and raising additional funds.

Sources: Winkler and Gershberg, 2003; Republic of Tanzania, 2005; Gershberg and Meade, 2003.

- Enhancing resources through support to schools from communities, parents, and the private sector.

Table 1. Dimensions of Decentralization (by type of decentralization)

Type of Decentralization	Dimensions of Decentralization		
	Administrative	Fiscal	Political
Deconcentration	Managerial decisions and managerial accountability are transferred to regional offices of central government and the MOE.	Regional managers are given greater authority to allocate and reallocate budgets.	Regional, elected bodies are created to advise regional managers.
Devolution	Education sector managers are appointed by elected officials at the local or regional level.	Sub-national governments are given power to allocate education spending and, in some cases, to determine spending levels (by raising revenues).	Elected regional or local officials are ultimately accountable both to voters and to sources of finance for the delivery of schooling.
Delegation	School principals and/or school councils are empowered to make personnel, curriculum, and some spending decisions.	School principals and/or school councils receive government funding and can allocate spending and raise revenues locally.	School councils are elected or appointed, sometimes with power to name school principals.

Source: 2003. Winkler and Gershburg

Transferring responsibility and authority for the delivery of education services to local or provincial governments may result in increased accountability and efficiency by shortening the distance between parent and policymaker or policymaker and the school. It may also strengthen parental demand for greater quality or improve the capacity of managers to implement programs.

Driving the decision to decentralize funding may be expectations of:

- Improved efficiency;
- Reduced costs;
- Increased quality; and
- Enhanced accountability to parents and other education stakeholders.

With decentralized funding, the central government usually retains some authority, such as the hiring and deployment of teachers, determining expenditures per pupil, and teacher pay scales.

In this paper, the definition of decentralization is the devolution of authority from central government agencies to actors at the lower levels of management or delegation of responsibilities to schools. Table 1 highlights the administrative, fiscal, and political dimensions of education decentralization by type of decentralization.

REFORMS ACCOMPANYING DECENTRALIZATION IN EDUCATION

Decentralization is not a panacea for improving educational quality and outcomes and, as noted in the introduction, these factors may not even be driving decentralization efforts. No matter the underlying reasons, a number of specific reforms typically accompany education decentralization. These include creating an enabling political and legal framework, downsizing the central education ministry, strengthening sub-national government capacity, establishing local financing, supporting stakeholder participation, and balancing autonomy with accountability.

Enabling political and legal framework. The efficient division of responsibilities among different levels of government requires explicit and transparent rules defining who has authority and who will be held accountable. Legislation needs to describe the role and tasks at each level of government; set limits on the authority and responsibilities at each level; and specify coordination mechanisms among the different levels to facilitate decentralized decision making.

Downsizing the central education administration. An important element of education decentralization is downsizing the central education administration to eliminate extra layers of bureaucracy by moving decision making and resources to local governments and/or schools. Hand in hand with the reduced size of the central government is a change in its role from implementer to facilitator, providing timely

support (targeted technical assistance, data analysis, strategic planning, etc.) to local governments and schools.

Strengthening sub-national government capacity. Managers at the sub-national levels (provincial, regional, etc.), need the skills to plan, implement, manage, and evaluate education policies, strategies, and programs. Simply transferring authority and financial resources to these levels to implement decentralized initiatives will not have the desired impact unless lower-level managers also have the human and physical capacity to do the work. Improving managerial capacity and systems can be facilitated through a combination of personnel development, information technology, and modified organizational structures that fit local conditions.

Local financing. Another common element of decentralization is increased local financing. Adequate funding for sub-national levels of government is essential for decentralization efforts to be successful. Some countries retain tight financial control at the central ministry (Tanzania) while others (El Salvador) do not. Depending on government decisions and local management capacity, financial packages can be tailored to local capacity and may include a combination of sources such as direct government funds, competitive grants, and fundraising. It is critical that decentralized financing systems develop financial control and monitoring mechanisms for transparency and accountability.

Supporting stakeholder participation. There is widespread agreement that stakeholder buy-in and participation are essential elements of decentralization. This is sometimes achieved by introducing school-based management (SBM). SBM results in greater school autonomy and shifts decision making to teachers, parents, and communities. The rationale for SBM is that the key to improved education systems is the engagement of those most directly affected by management and financing decisions. In any case, a community that is actively engaged with the education system improves the likelihood that decentralization efforts will be successful.

Balancing autonomy with accountability. Maintaining transparency and accountability is another element essential to improving the performance of decentralized education systems. For education decentralization to work, each level of the system must be accountable to those who fund its programs and activities and to those who benefit from them. In other words, there must be a reliable system of accountability at each decentralized level for all stakeholders. Political and legal oversight is key to promoting accountability.

TIPS FOR DESIGNING AND IMPLEMENTING EFFECTIVE DECENTRALIZATION PROGRAMS

Education decentralization is an increasingly important element in the delivery of education services in client countries. Yet, there is a lack of knowledge about how to conceptualize and design sustainable decentralization programs. The final section of this paper provides practical guidance on how to effectively conceive of and design programs and projects that include decentralization as one element for improved education. It does not provide tips on how to design discrete project activities, but rather focuses on preparing successful requests for proposals for education programs that are demand driven, educationally sound, and socially and politically viable.

Several elements have been identified as crucial to the design of an education decentralization project that meets the stated objectives (Hanson, 1997; USAID, 2011). It is important to note that because countries vary in their political, economic, and social makeup, the impact of a decentralization strategy introduced in one country is not necessarily predictive of what will happen in another; and lessons learned from implementing decentralization will vary depending on what is driving the decision to decentralize (Hanson, 1997). Generally speaking, decentralization programs will be more effective if the following features are incorporated into the program design:

Devote time to analyze the current system and to define the responsibilities of all stakeholders. When designing a reform strategy and the subsequent education decentralization program, it is critical to understand the strengths and weaknesses of the existing system and to address them in program conceptualization and design. Some areas where assessments should be carried out include management efficiency, evaluation capacity, effectiveness of information systems and budgeting, research productivity, the adequacy of the curriculum, the quality of classroom teaching and learning, and

Build on the existing system.

The Decentralized Basic Education Program 1 (DBE1) in Indonesia helped to facilitate transparent, constructive relationships and communication between stakeholders, including national and district governments, civil society, the private sector, NGOs, and the broader community. Using existing data, DBE 1 focused on providing more effective decentralized education management and governance at the school and district levels. DBE1 helped schools create a wide range of reports for use by the Ministry, schools and communities that improved transparency and accountability, and improved planning efforts without overburdening the schools.

For more information see <http://www.dbe-usaid.org> and <http://indonesia.usaid.gov/en/programs/education>

community involvement. Once the analyses are complete, responsibilities and authority should be outlined and essential training should be incorporated into the design to create the capacity to implement the financial and technical aspects of decentralization.

Understand the driving force behind decentralization. If a program is to have the desired impact on the reform effort, it must distinguish between stated and unstated goals as well as recognize the importance of each goal to stakeholders. Developing an effective decentralized education program in an environment of differing stakeholder missions and goals and varying public opinion, can be a challenge. Understanding the interests driving decentralization and planning the program accordingly are keys to successfully integrating these disparate goals and achieving meaningful and measurable results.

Politically driven decentralization

Education decentralization in Ethiopia took place as part of a wider government decentralization effort. After the end of the civil war, decentralization of education served to give voice and power to the country's largest ethnic groups and prevent further discord. Since ethnic groups were located by regions, decentralization to the regional level of government was a natural fit for reform. Other examples of politically driven education decentralization may be found in the Philippines, Spain, and Sudan.

Source: Gershberg & Winkler, 2003; Bray, 2003.

Create a common vision for reform. This is essential if collaboration, rather than conflict, is to become the driving force behind decentralization actions. For Education Ministries and schools that have not had a history of working collaboratively, developing a common vision for decentralization may serve as the foundation for a collaborative culture. To this end, it is important to initiate an open flow of ideas and information and engage key actors in program design and implementation from the beginning.

Develop a clear and realistic plan for implementation. The program's decentralization plan should specify the crucial and sometimes difficult preliminary steps before authority is transferred. These steps include training regional and local leadership; modifying and defining lines of authority and decision-making roles; and developing financing mechanisms at the national, regional, and local levels so that each actor can effectively and efficiently carry out assigned tasks, such as curriculum development and school maintenance.

Successful decentralization requires that national and sub-national levels of government be restructured and that they be willing to share power. Even with changes in laws and regulations, some central ministry of education officials may

be reluctant to relinquish their authority to sub-national officials and schools. “While power sharing rarely poses a challenge to implementation, it does require a culture change at the center from one of control to one of facilitation and support. Furthermore, while decentralization to sub national governments does not in itself empower parents, decentralization of real decision making power to schools or school councils can significantly increase parental participation in schools which is linked to improved school performance” (USAID, 2011). Therefore, during the design phase, consultation with all levels of government is essential to foster buy-in and ensure sustainability.

Decentralization is a long, evolutionary process that can take a decade or longer to fully implement.

Furthermore, the short-term impact may be difficult to measure. Decentralization often begins with a legal step—a new law or decree—that outlines the reform followed by implementation regulations and the transfer of authority to sub-national levels, communities, and schools. The speed with which this process occurs depends on political will and capacity at the different levels. Some regions may be better prepared to take on the responsibilities of decentralization while others may need more extensive support and time to fully implement initiatives.

Program design should recognize and take into account the long timeframe needed to measure program impact. For this reason, the initial focus should be on specific program outcomes or on the intermediate results of a program or project. While it is important to have a vision of desired long-term change, the relatively short-term horizon of most programs and projects (three to five years) makes management and meaningful evaluation of outcomes challenging. Therefore, management for results across all levels of the education system, with a consistent focus on building capacity of local stakeholders, partnerships, and collaboration, is required.

Create a common vision and plan for decentralization.

In Peru, the USAID-funded Innovations in Decentralization and Active Schools (Aprende) project enhanced policy and institutional frameworks by strengthening decentralized management of primary education. It also worked to improve learning, promote participation and foster democratic behavior in multi-grade schools. At the national level, working with the Ministry of Education, the National Education Council, the office of the Presidency of the Council of Ministers, the National Assembly of Regional Governments, and other civil society organizations, Aprende helped draft the National Education Plan and a new law that outlined responsibilities under decentralization. At the regional level, Aprende worked to convert educational policy to practice by assisting in the development of medium-term education plans and the design of Public Investment Projects focused on delivering higher quality education.

Source: Bernbaum, Herrera & Schielebein. 2010.

Ethiopia Improving Quality of Primary Education Program

Ethiopia has been working to improve educational quality, equity, and access to its rapidly expanding and decentralizing education sector since 1995. From the start, emphasis was placed on securing buy-in and cooperation from all stakeholders at all levels, working with them to develop solid long-range and annual plans with well structured follow-up mechanisms aligned with the Ministry of Education's General Education Quality Improvement Program. Achievements have included building the capacity of woreda education officers, school principals, and Kebele Education and Training Board members; establishing a Personnel Management Information System and training participants in how to collect, enter, and use data for decision making; and strengthening the Management Information System at regional State Education Bureaus and the Ministry of Education.

Source: USAID, 2010.

Hold implementers accountable. Education efficiency and effectiveness in decentralized systems are more likely to be achieved if those charged with providing the services—regional and local governments and schools—are given the authority to implement reforms and are held accountable. Accountability requires an explicit delineation of authority and responsibilities, clear lines of communication, and transparent information about expected results. These elements should be incorporated into program and project conceptualization and design.

Transfer of financial authority is critical to success. Decentralization of central funding mechanisms is critical to success, but is often the last function to be decentralized. If local governments or schools have the authority to make decisions, but are unable to execute them due to lack of funds, implementation can slow down or stop.

Several best practices have been identified to guide the decentralization of financing to local levels or schools and should be built into the design of a project. First, decentralization should not transfer financial responsibility to regions and local schools that do not have the necessary resources to fund the new responsibilities. Second, funds should be provided by central authorities in the form of block grants so that each region can establish its own funding priorities. Third, funding should be balanced between rich and poor regions to promote fairness. Fourth, regional governments must be able to raise funds to contribute to the development of their educational systems beyond government funding. Fifth and finally, financial transfers to sub-national and school levels require good monitoring systems to track the flow of funds and to ensure accountability and efficiency in their use.

Spain – two decades to successfully decentralize.

In January, 2000 Spain completed its 20-year the transfer of educational decision-making authority to all 17 of its autonomous communities (regional governments). As the functions carried out by the central government were transferred to the regions, the funds to carry out the activities were also transferred in the form of unrestricted block grants. Additional sources of income for education include service fees, property taxes, the Inter-territorial Compensation Fund (FCI), and direct borrowing. The decentralized autonomous communities establish their own public expenditure budget priorities. As a result, some regions fund education at a much higher level than others.

No doubt there were numerous contributing factors to the shifts of educational expenditures in both the centralized and decentralized regions (e.g., student population growth, regional economic development). But the likelihood is that the ability to set public expenditure priorities in the decentralized regions accounted for a significant measure of the educational spending fluctuations in those regions.

Source: Hanson, 2000.

CONCLUSION

The USAID Education Strategy for 2011-2015, Education, Opportunity through Learning “calls for Missions to embrace the U.S. Global Development Policy principles of selectivity, focus, country responsibility, division of labor, and innovation in their program design and development. [...] It also reaffirms principles related to evaluation, sustainability, gender equity and public private partnerships” (USAID, 2011).

While decentralization is not specifically mentioned in the USAID Education Strategy, its elements are clearly expressed under the rubric of sustainability. The sustainability principle seeks to achieve sustainable development outcomes through:

- Strengthening public education through building the capacity of national- and community-level public sector institutions to provide and fund education;
- Developing policies on curriculum, employment, professionalization, and financing; and
- Forming networks of government, parents, community organizations, and the private sector.

Through its sustainability principle, USAID is harmonizing and rationalizing elements of decentralization that have proven effective at improving efficiency, transparency, accountability, and sometimes the quality of education when implemented in concert.

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