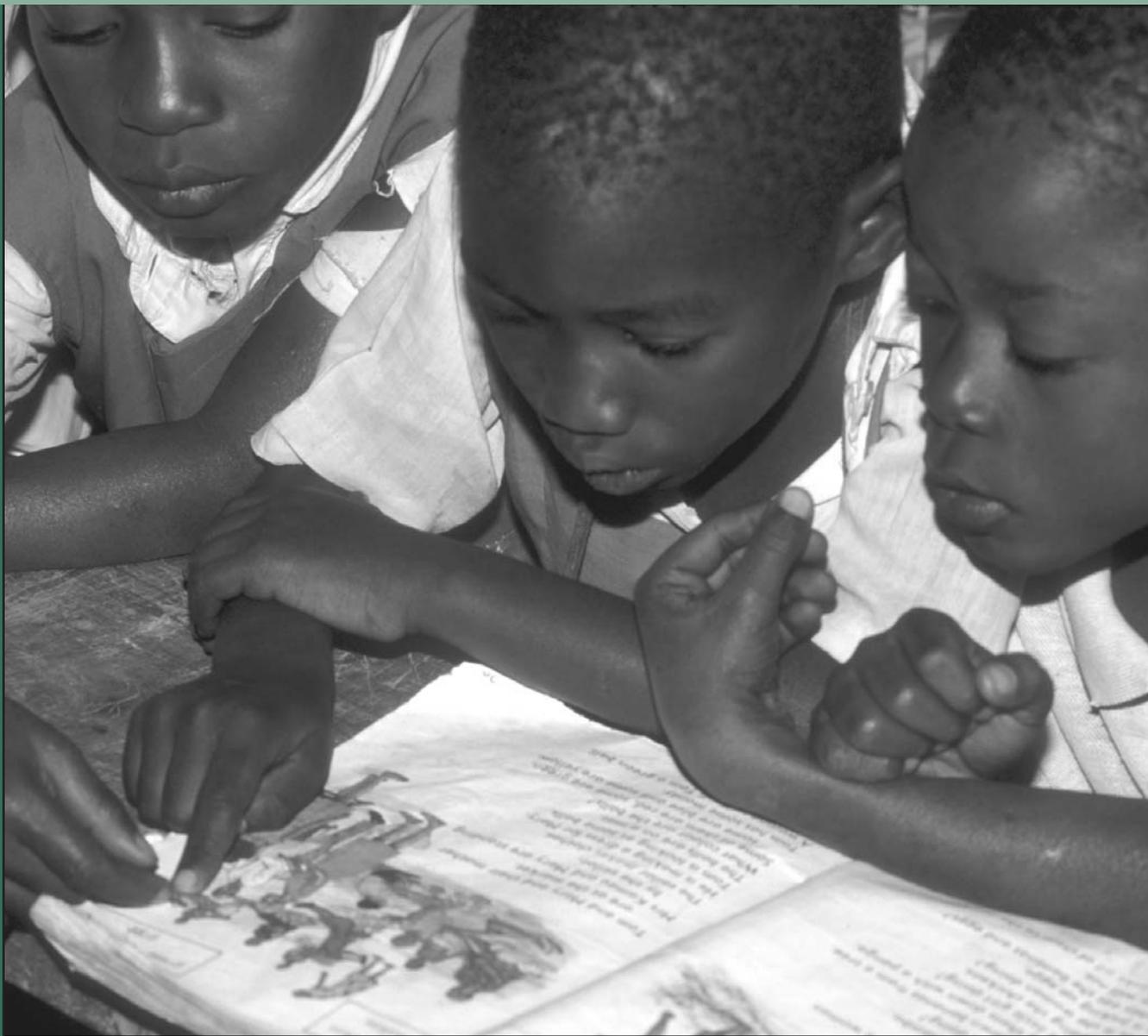


# Strengthening Basic Education Through Institutional Reform

*Linking Authority, Accountability, and Transparency*

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This *Issue Paper*, one in a series that USAID produces regularly to explore solutions to the challenges of international development, provides analytical input to a forthcoming revision of USAID's education strategy.

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## Introduction

International support for basic education is on the rise. This trend reflects growing recognition of basic education's contribution to all aspects of development. For example, broader access to better schooling not only helps ensure that the gains from economic growth are widely shared, it also strengthens support for democratic governance and civil liberties. Raising educational quality promotes faster economic growth, while encouraging parents to keep their children in school rather than sending them to work. Likewise, eliminating barriers to girls' education provides important additional benefits, including reduced infant and child mortality and improved social status for women. A few examples illustrate this growing support.

- Under the Education for All (EFA) initiative, the industrialized nations have pledged increased funding to reinforce the efforts of poor countries that demonstrate a commitment to achieving universal primary education by 2015.
- Donors have conditioned debt relief under the Highly Indebted Poor Countries (HIPC) initiative on increased spending on basic education and basic health services.
- The United States has increased aid funding for basic education by nearly 50 percent between the 2001 and 2003 fiscal years.
- In addition, President George W. Bush recently announced a doubling of U.S. funding for the multiyear Africa Education Initiative, which will provide textbooks, support teacher training to address the devastation of the HIV/AIDS epidemic, fund scholarships to help girls remain in school, and support the formation of parent-teacher associations to increase the participation of parents and communities in their children's education.
- The United States is increasing its support for improved educational quality in Latin America and the Caribbean through the creation of three Centers of Excellence in Teacher Training,

announced by President Bush at the Summit of the Americas meeting in April 2001. The centers will focus on improving the teaching of reading, especially to disadvantaged children.

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*Educational progress depends not only on funding, but equally on how effectively the human and material resources devoted to education are used.*

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Increased donor funding can help poor countries spend more on basic education. However, educational progress depends not only on funding, but equally on how effectively the human and material resources devoted to education are used. Much depends on personal effort and motivation: teachers honing and applying their teaching skills, principals actively managing teachers and school budgets to maximize learning, central administrators choosing effective curricula and even-handedly allocating funds to schools, and so on.

Despite their limited management capacity, many developing countries attempt to deliver basic education through a highly centralized system. This combination generally blunts the incentive for employees at all levels to apply themselves in ways that ultimately contribute to learning. The resulting problems reduce the contribution of domestic and donor funding to educational progress. Correcting these problems requires investments to improve management capacity, but also institutional reforms to increase accountability to those with the most direct interest in ensuring children's academic success—their parents. President Bush recognized the need for institutional reform in announcing increased funding for the Africa Education Initiative, stating that the United States would seek to “make sure that the school system is more open and more transparent, so African moms and dads can demand needed reform.”<sup>1</sup> The same concern is equally relevant to school systems in other parts of the developing world.

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<sup>1</sup> Remarks by President Bush to the Third Biennial Leon H. Sullivan Summit Dinner, June 20, 2002.

This *Issue Paper* highlights two closely related areas of reform with the potential to improve educational performance: 1) institutional reforms that place greater control over schools in the hands of local communities and parents, and 2) the adoption of mechanisms that produce and disseminate more and better information on the performance of schools and school systems. Together, these reforms can help increase the accountability of teachers, school principals, and other officials for educational outcomes, thereby strengthening their incentive to do their jobs properly. In both areas, the prospects for success depend heavily on local political will. This reform agenda also offers important roles for donors: supporting collaborative research and pilot efforts to test new ways of doing business, funding scale-up of successful approaches, and promoting broader awareness of the results of past efforts along these lines, including false steps as well as successes. ■

## The Problem

Most developing countries devote a substantial share of their national budgets to basic education.<sup>2</sup> Domestic tax revenues are often supplemented by additional funds from donors, and, in many cases, by school fees imposed on parents. Teachers, principals, and other employees of education ministries typically account for a large share of public employment. Unfortunately, in many countries these human and financial resources contribute far less toward helping children gain useful knowledge and skills than might reasonably be expected (Glewwe 2002; Hanushek and Luque 2002). In some cases, problems take the form of outright corruption, including

- *Teacher absenteeism*, which appears to be widespread in all regions, especially in rural areas. To cite but a few examples: India's 1999 Public Report on Basic Education (PROBE) found teachers working four-hour days, far less than the statutory requirement. Michael Kremer (1999) reports finding 41 percent of teachers

<sup>2</sup> Among 56 low- and lower-middle-income countries, primary education accounted for a median 7.0 percent of public spending in 1997–2000 (most recent published year). Secondary and higher education absorbed an additional 7.4 percent (World Bank 2002).

absent from their classrooms during random visits to Kenyan schools. Nicholas Bennett (2001) estimates absenteeism in Nepal at around 70 percent prior to recent reforms.

- *Petty corruption at the school level*, including charging families for publicly provided textbooks, imposing a variety of ad hoc fees for school attendance, and salary topping by teachers offering after-school paid tutoring—a practice that clearly detracts from the effort such teachers put into their classrooms.<sup>3</sup>
- *Gross financial corruption*, usually further up the line, where officials have access to larger flows of funds. The resulting diversion of funds budgeted for schools compounds the problems of scarce textbooks, workbooks, and other purchased inputs to the learning process, and thereby undermines educational quality. In some cases, financial corruption is concentrated in the education ministry, in the form of “sweetheart” contracts for textbooks or school construction. In others, funds transferred from the central government to local schools are subject to leakage at intermediate levels of the system (Bennett 2001).

Along with such specific abuses, basic education in developing countries suffers from a broader set of problems arising from the lack of incentives for many education system employees to apply their own skills and to manage the financial resources entrusted to them in ways that maximize educational progress. These subtler sources of inefficiency include the widespread tendency to overbudget for salaries and underbudget for textbooks and learning materials (Pritchett and Filmer 1999), continued reliance on ineffective teaching methods, and failure to collect and use information on key aspects of educational performance (Berryman 1997). Weak incentives within the education system are by no means confined to developing countries—indeed, the best evidence for their importance comes from the rich countries.<sup>4</sup> Efforts to quantify the extent and impact of such problems in poor countries are

<sup>3</sup> Based on interviews with USAID education officers and consultants.

largely blocked by the lack of reliable data on many dimensions of educational performance in those countries. Indeed, the lack of reliable data is a major factor contributing to the educational governance problems seen in many poor countries.

The available evidence suggests that without improvements in the governance of basic education, the contribution of increased donor funding to progress in basic education will fall far short of its potential (Hanushek and Luque 2002). The same applies to investments in teacher training and central management capacity, as vital as those investments are in their own right. Realizing the potential impact of those investments requires institutional reforms—especially reforms linking expanded decisionmaking authority at the classroom and school level with stronger accountability for educational results—along with complementary reforms to increase transparency throughout the system. Helping poor countries achieve such reforms thus takes on particular significance for the donor community. ■

## Institutional Reform in Principle

Several features of public education make it vulnerable to the kinds of problems cited above, especially in poor countries.<sup>5</sup>

- As already mentioned, many poor countries place educational delivery under the control of a centralized bureaucratic structure, despite weak capacity to manage such a structure effectively.
- Like most public service providers, schools and school systems face little or no competition,

<sup>4</sup> See Gundlach, Woessmann, and Gmelin (2001) for evidence on the OECD countries; Gundlach and Woessmann (2001) on East Asia; Hoxby (2001a) on the United States; and Hanushek and Luque (2002) on a broad sample of rich and middle-income countries.

<sup>5</sup> These problems are not confined to education. Deon Filmer, Jeffrey Hammer, and Lant Pritchett (2000) document some of the same underlying constraints in public health programs, highlighting various “weak links in the chain” from spending to actual health outcomes. Shahid Javed Burki and Guillermo Perry (1998) examine the impact of institutional weakness in public administration, financial markets, the judicial system, and education in Latin America and the Caribbean.

limiting pressure to deliver either the best service possible with the available human and financial resources or “standard-quality” service at the lowest possible cost.

- Schools in most poor countries rely on transfers from the central government for much of their funding, an arrangement that creates large opportunities for leakage of funds.
- Teachers and principals generally work without continuous supervision, and with considerable latitude in their day-to-day activities and overall level of effort.

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*These reforms can help increase the accountability of teachers, school principals, and other officials for educational outcomes, thereby strengthening their incentive to do their jobs properly.*

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- The teaching-learning process is inherently resistant to improvement through bureaucratic dictates. Children can learn something from a teacher who simply follows a prescribed script, but good teaching requires careful attention to subtle cues that some children are not “getting it,” along with the willingness and ability to restate key points in slightly different ways, listen carefully to children’s responses to help diagnose sources of misunderstanding, and provide examples that help reinforce learning. The gap between “going through the motions” and good teaching involves not only skills but sustained effort.
- Public school teachers and principals usually enjoy civil service protection as well as the support of vigorous unions. Both tend to insulate teachers and principals from disciplinary action.
- Measuring and tracking student learning—the central goal of the entire educational system—requires funds, technical skills, and systematic effort, and moreover can also produce information that threatens the interests of various

stakeholders in the system. For all these reasons, measures of student learning, in a format that lends itself to decisions on policy, personnel, and resource allocation, tend to be extremely scarce. Data gaps on other aspects of educational performance are almost as common.

Separately and in combination, these conditions make it difficult for poor countries to raise quality and efficiency in basic education. In many cases, the above-mentioned factors create opportunities for financial corruption and personal misconduct.

Increasingly, scholars and practitioners have concluded that the key to improving governance in basic education is to adopt institutional reforms that align the incentives of all participants—from ministers to students—to give each a stake in ensuring educational success for every child. The essential elements of such reforms are threefold:

- assigning decisionmaking authority within each area of education to the appropriate level
- ensuring accountability for effective use of that authority
- ensuring transparency on resource flows and educational outcomes

These three elements are mutually reinforcing. Authority and accountability must be closely linked to give all participants a direct and personal stake in making the appropriate choices within their respective range of authority. Transparency is needed to make accountability a reality: to ensure that information on the consequences of each participant's actions is routinely generated and made available to those charged with rewarding good performance and sanctioning improper conduct (Burki and Perry 1998).

The institutional changes needed to translate these principles into practice often face opposition from entrenched economic, political, and social interests. Developing the political momentum needed to enact such reforms may require broader improvements in democratic governance, including the

emergence of a free press and an active civil society, at both national and local levels. Likewise, realizing the full benefits of reform requires that teachers, principals, and administrators develop new skills, new attitudes toward their work, and a new understanding of the nature of educational success.

Complementary investments will often be needed: in management training, teacher training, curriculum development, learning assessment, and data collection and analysis. In sum, institutional reform should not be viewed as a “quick fix” but rather as a fundamental, ongoing process that requires changes in many aspects of the educational system, and whose benefits will unfold only gradually. ■

## Institutional Reform in Practice

Over the past two decades, the main thrust of institutional reform in basic education has involved shifting the locus of control over educational delivery from central ministries to local communities. In some cases, authority has been shifted to local governments, on the assumption that they are more responsive to local needs than are national governments. Experience with this form of decentralization has been mixed. In many cases, the resulting educational gains have been limited; in other cases, financial corruption has simply devolved to lower levels of government (Burki, Perry, and Dillinger 1998; Klitgaard 1988). One interpretation of this pattern is that the presumed responsiveness of local governments to local needs has not yet emerged in many countries, while the capacity of those governments to oversee school operations remains limited.

A second form of educational decentralization pushes substantial authority for educational decisionmaking all the way down to the school level, subject to oversight by local communities, especially in the form of parent committees. In several Latin American countries, decentralization to the school level has taken place as part of a deliberate institutional reform strategy—part of a broader movement away from previously centralized and

usually authoritarian governance (Burki, Perry, and Dillinger 1998).

Elsewhere, local control over schools has emerged spontaneously, in response to the government's inability or unwillingness to provide adequate financial support for basic education. For example, parent associations emerged as the principal source of funds for, and management of, local schools in Uganda in the early 1980s, filling the vacuum left by a central government beset by political and military turmoil (Reinikka and Svensson 2001). The EDUCO schools of rural El Salvador represent a mixed case: adopted by the government as a response to its loss of control over schools in rural areas during the civil war but deliberately implemented with support from the World Bank and Inter-American Development Bank (PREAL 2001).

Regardless of their genesis, institutional reforms that make local schools accountable to school committees dominated by parents build on the premise that it is parents who have the strongest and most direct interest in the quality of education their children receive. To the extent that premise holds, such reforms provide a relatively direct means of giving teachers and principals a stronger stake in the educational progress of their students. Building capacity at the center remains important, but it should be seen as an ongoing process that complements, rather than substitutes for, local school governance.

Although differences in country circumstances and data gaps make it difficult to construct a “scientific” comparison of these two broad approaches to decentralization, the weight of the available evidence suggests that school-level decentralization has proved more successful in developing countries (Burki, Perry, and Dillinger 1998).<sup>6</sup> In developing and some developed countries, decentralization to the school level has been adopted in different forms with sufficient success to encourage continued movement in this direction. Several donors, includ-

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<sup>6</sup>Brazil offers the closest to a laboratory experiment for this purpose, with different forms of decentralization in different states. Various Latin American countries have pursued different approaches to decentralization, which provides additional, though somewhat more tentative, evidence on this point (Burki, Perry, and Dillinger 1998).

ing USAID, have embraced decentralization to the school level as a major component of their strategies in educational development.

Despite the growing appreciation for the benefits of decentralization, a large question remains: *What* should be decentralized? After all, basic education is not a single process, but a complex bundle of processes which can be and often are unbundled and assigned to different levels of government or other decisionmaking bodies. Even a highly simplified breakdown of these processes would include

- personnel management (hiring, firing, rewarding, and sanctioning teachers and principals)
- planning and structures (creating and closing schools, selecting textbooks, defining curriculum goals and course content, designing and implementing examinations and other assessment tools)
- resource use (allocating funds for personnel, books and materials, and inservice training)
- revenue generation (assigning and collecting the taxes and fees that support education)

Considering each of these decisionmaking areas in detail is beyond the scope of this paper. Nevertheless, certain key principles on the “best” assignment of functions are suggested by institutional analysis, statistical analysis comparing the performance of the mostly upper- and middle-income countries participating the Third International Mathematics and Science Study (TIMSS), and some more qualitative evidence from developing countries (Woessmann 2000; Hanushek and Luque 2002).

- Analysis of the TIMSS results shows that students learn more when they are routinely tested against curriculum standards set at the national level, or at least above the level of the individual school. Woessmann notes that testing against such external standards removes any opportunity or temptation for teachers and students to set the “acceptable” level of achievement at a level that can be achieved

through only casual effort. The applicability of these findings to countries at a lower level of economic and educational development is an important issue, examined in the next section.

- Systems work best when schools—in particular, school principals—are given broad authority in deciding how best to employ the available resources to achieve learning goals. The principal’s authority in such areas as allocating the school budget, hiring new teachers, rewarding or disciplining existing teachers, and assigning teachers to inservice training is a key determinant of school effectiveness (Burki and Perry 1998; Heneveld and Craig 1996).
- Tying the two preceding elements together, schools work best when principals and teachers are held accountable for their schools’ success in helping students reach identified standards of learning achievement, and for otherwise using their own time and the resources entrusted to them effectively. Although in principle accountability could be imposed by higher levels of government, in poor countries the greatest gains have been achieved where accountability has been imposed by parent committees or other community organizations linked to schools. Because principals serve as the “CEOs” of schools, they are the ones best (and most often) held directly accountable for school performance. Where principals have the necessary authority, this arrangement gives them an incentive to apply that authority in managing teachers and the financial resources of their schools.
- Assigning the proper source of funding for basic education raises important dilemmas. Though standard principles of public finance suggest that local taxes should play a large role in funding basic education (Hoxby 1999), central governments in developing countries usually hold the most powerful tax handles: local taxes are nonexistent, poorly administered, or rest on a small base—especially in rural areas. As a result, the cost of basic education is generally split between budgetary transfers from the

central government and school fees paid by parents. School fees often discourage poor families from keeping their children in school. Under these circumstances, equity considerations suggest that the most pressing issue is to ensure that educational funding from the central government actually reaches schools and is used for educational purposes.

Three examples illustrate the application of these principles.

- In El Salvador, the EDUCO schools are funded by the central government but governed by community education associations (ACEs) composed of members elected from the community. The ACEs have the authority to hire and fire teachers and supervise their performance; they also administer school funds. The Ministry of Education selects textbooks and the core curriculum, sets teacher pay scales, decides on teacher training, and hires and fires school directors. An evaluation found that teacher and student absenteeism were substantially lower in EDUCO schools (Jimenez and Sawada 1999). Achievement tests conducted as part of the evaluation provide indirect evidence that EDUCO was also contributing to improved learning: students attending EDUCO schools tested on par with those at non-EDUCO schools, despite coming from substantially poorer family backgrounds. Attending an EDUCO school appeared to offset this socioeconomic disadvantage.<sup>7</sup> The Government of El Salvador has been sufficiently satisfied with the results that it has since expanded the program to cover half of all rural schools. Moreover, in 1996 El Salvador placed all other primary and middle schools under the “autonomy model,” which includes most aspects of the EDUCO system—with the

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<sup>7</sup> Direct evidence of the program’s impact on learning achievement is not available because El Salvador does not routinely generate school-level data on learning achievement, either in EDUCO or in regular schools. As a result, neither individual parents nor the ACE is in a strong position to judge the local school’s performance in this area. This gap is problematic, given the limited educational background of many parents in rural El Salvador. The next section considers the need for transparency on school-level achievement to complement school-level accountability.

important difference that teachers are covered by civil service protections rather than being hired by the local community.

- In Brazil, the state government of Minas Gerais began in 1991 to place schools under the governance of councils elected from among teachers, other school staff, parents, and students over 16 years old. The councils hire, fire, and discipline teachers, and decide on teacher training; choose textbooks and the curriculum; allocate the non-salary budget; and hire and, where necessary, propose dismissal of principals to the state education secretariat. The state government funds schools according to a complex formula, sets teacher pay scales, and sets minimum academic standards for teachers. The state also administers periodic external student examinations whose results are made public. These changes in school governance have helped improve educational quality in Minas Gerais: the state's schools now score at or near the top of student achievement in every grade and subject on the Brazilian national education test. These and other improvements have led several other states to adopt parts of the Minas Gerais reform package (PREAL 2001).
- In the Tigray region of Ethiopia, USAID has supported the establishment of community schools under the management of local school committees. The community is responsible for building and maintaining the school and the teacher's residence, setting instructional goals for lower grades, purchasing textbooks and other learning materials, paying for inservice teacher training, and awarding scholarships to high-achieving girls. The school committee monitors teacher attendance as well as the behavior of male teachers toward girl students. The committee can request removal of a teacher but has no formal authority to do so. School committees generally do not get directly involved in matters involving the quality of instruction. The central government selects the curriculum and textbooks and trains teachers, while the district government supervises teachers and retains authority on personnel matters

(Miller-Grandvaux and Yoder 2002; Miller-Grandvaux, personal communication).

Variations on these arrangements operate in other parts of Ethiopia and in several other African countries. They are supported by USAID and other donors and implemented by local and international NGOs, especially in training school committees to carry out their roles. Some in the development community object to community schools in their current form, emphasizing the unfairness of requiring families in the poorest parts of the poorest countries to bear a larger share of the costs of basic education than families in more prosperous parts of the same countries. Against this very legitimate concern must be weighed the evidence that the funds and labor provided by local communities give them a stronger voice in school affairs. Moreover, in the areas where most community schools operate, the alternative to a community school is usually no school at all, at least in the short term.

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In Ethiopia, community schools are credited with increasing enrollment rates and improving gender equity, reducing grade repetition, and increasing teacher and student attendance and promptness. Similar improvements have been seen with community schools in other African countries. The evaluation record on community schools in Africa suggests that much depends on how seriously communities take their management responsibilities, a matter that varies enormously within and among programs (Miller-Grandvaux and Yoder 2002).

Despite growing evidence that education systems perform better when schools exercise substantial decisionmaking authority and are held locally accountable, the political barriers to achieving the necessary institutional reforms remain formidable in many countries. The relative ease with which

community schools have proliferated in sub-Saharan Africa partly reflects the fact that they have often emerged to fill an educational vacuum rather than to replace fully operational existing schools. The fact that many community school programs have brought their own donor funding has further eased their growth in many cash-strapped African countries.

Elsewhere, decentralization usually faces opposition from a variety of vested interests. As a result, reform may occur only after growing public awareness of educational failure produces a consensus that the existing arrangements are seriously retarding the nation's prospects for shared economic and social progress. Reaching the point of being able to act on such evidence may require broader progress toward democratic governance, as has taken place in much of Latin America in recent years. Given these links to broader political developments in host countries, the best role for the donor community is to promote awareness and discussion of institutional reforms in education and their results, while avoiding any appearance of attempting to impose solutions. ■

## Improving Transparency

**A**uthority, accountability, and transparency are intimately linked. Reforms aimed at improving basic education through stronger accountability cannot succeed unless those holding the reins of accountability have access to accurate and timely information on educational results. This section examines mechanisms to promote greater transparency on learning achievement—the central goal of the educational process—and on school finance. Along with these measures, a well-managed education system also needs to track other important performance measures, such as rates of school completion and average daily attendance, as well as input measures such as class size and student-textbook ratios.

### Improving Transparency Through Assessment

The essence of basic education is to help children gain useful skills and knowledge, along with socially

constructive habits, attitudes, and values. However, systematic efforts to gauge what children are learning and to use that information to improve educational performance are rare in developing countries. All too often, learning assessment is limited to examinations used to control progression between grades and between levels of schooling. This focus contributes to often high rates of grade repetition and early dropout, which together represent enormous waste of funds and human potential.

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Better, more systematic measurement of learning achievement, along with more appropriate use of the results, holds considerable promise for improving overall educational performance and educational accountability in poor countries. Mechanisms to assess learning achievement at three levels deserve special attention: at the school level, at the national level, and among individual students (Capper 1996).

### School-Level Testing and Report Cards

Some aspects of the educational process can be readily observed—whether the teacher is in the classroom, whether the class is orderly, etc. As a result, holding school employees accountable for their performance in these areas is relatively straightforward, even where those assessing performance are themselves poorly educated.

In contrast, assessing the school's performance in helping children learn requires specific and systematic efforts to measure students' progress in developing basic skills and absorbing essential knowledge—in a word, testing. For the same reason, holding principals and teachers accountable for their success in promoting learning requires routine testing of students—preferably using external tests measuring achievement against objective standards

of learning—along with public disclosure of each school’s performance on those tests. The school report cards recently adopted by most U.S. states are based on this idea: states that began state-wide testing early achieved significant learning gains as measured by the National Assessment of Educational Progress (NAEP), compared with states that started testing later (Hoxby 2001b).<sup>8</sup>

Adapting school-level testing to the circumstances of developing countries holds great promise for improving incentives, but it also poses serious challenges. Appropriate tests, properly linked to the curriculum, must be developed. Test security must be maintained to prevent schools from artificially “improving” their scores. Finally, the results must be properly used to ensure that teachers and principals have incentives to foster learning by all children.

Some argue that these challenges are likely to exceed the financial and administrative capacity of most poor countries. In this view, efforts to impose school-level accountability should be postponed until a later stage of educational development, e.g., after near-universal enrollment has been achieved. A contrary view argues against postponing concrete steps to increase transparency on learning achievement until better test instruments have been developed, an approach that can easily lead to indefinite delay. Instead, countries should take greater advantage of existing achievement measures—for example, by requiring that each school make public the average scores of its students on the school-leaving examinations used in almost all developing countries (Lant Pritchett, personal communication). To ensure that schools are evaluated on the basis of their educational “value added,” both sides in the argument emphasize the need to take into account

the socioeconomic background and prior education of each school’s students when interpreting their test scores.

Reforms that place schools under the oversight of local school committees can help address some of the challenges just noted. For example, a school committee will not respond to poor test results by reducing funding to its own school, a response sometimes seen in more centralized systems that simply reinforces inequities among schools that serve students from more and less advantaged backgrounds. Rather, the school committee will be more inclined to assign responsibility for student performance to the principal and teachers. In addition, having the school committee administer school-level tests—including handling the tests beforehand and sending the completed forms directly back to the ministry—may avoid the test security problems that pose one of the greatest challenges to high-stakes testing.

### **International Benchmarks of Learning Achievement**

Developing appropriate, internationally comparable benchmarks of learning achievement in bedrock skills such as reading and arithmetic, and applying those benchmarks to gauge educational quality across developing countries is a second area where greater transparency could help spur progress. With this approach, the focus is on the overall performance of the nation’s schools, based on information derived from testing a representative sample of schoolchildren under the supervision of an international testing body. The aim is to promote political accountability for the government’s performance in supporting educational delivery.

Without solid information on learning achievement in relation to external benchmarks, neither governments nor citizens can have more than a vague notion of the quality of education delivered by the nation’s schools. Evidence that “our” children are learning far less than those in neighboring countries can provide a much-needed sense of urgency, spurring efforts to bring educational quality closer to the international (or at least the regional) frontier. The potential impact of benchmarking in a

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<sup>8</sup> It is often argued that testing provides only a limited picture of educational quality: desired outcomes such as curiosity and the desire to become a lifelong learner may be difficult, expensive, or perhaps impossible to measure through testing. However, testing can measure the extent to which children have absorbed cognitive skills such as reading, arithmetic, and problem-solving. These cognitive skills directly promote personal and national economic success and facilitate all further learning, both in school and on the job. Rejecting testing simply because tests do not reveal all threatens to “make the perfect the enemy of the good.” Instead, the case for or against testing should be judged by weighing the value of the information it can provide against the costs of obtaining that information.

particular country depends heavily on the role of civil society in domestic politics (Arregui 2000; PREAL 2001).

Progress in developing and applying such benchmarks is already occurring: in Latin America and the Caribbean, coordinated by UNESCO's regional office; in southern Africa through the Southern African Consortium for the Measurement of Educational Quality; and in francophone Africa through the Conference of Ministers of Education with French as a Common Language. These regional efforts warrant consideration for replication elsewhere.

It should be emphasized that uncovering evidence that student learning achievement falls short of that in other countries does not, by itself, help isolate the roots of the problem or suggest priority areas for reform. For that purpose, the more diagnostic "country report cards" recently initiated by the Partnership for Educational Revitalization in the Americas (PREAL) provide a model that merits careful attention (PREAL 2001).

### Continuous Assessment

In many respects, continuous assessment is the most important type of learning assessment. It is used at the classroom level to track the learning progress of each student, identify those needing more help, and assess how well the teacher is succeeding in helping children learn.<sup>9</sup> For these purposes, continuous assessment relies upon tests as well as other forms of student outputs such as papers, presentations, and projects.

Tests for purposes of continuous assessment should be criterion-referenced—that is, they should measure the student's knowledge and skills against clearly stated, objective standards of learning set for each grade level. As such, these tests must be developed as an integral part of the curriculum.

<sup>9</sup> Continuous assessment is applied at the classroom level, and the results are normally retained within the school. For these reasons, this form of learning assessment does not generate results suitable for holding schools and their employees externally accountable. Continuous assessment is included in this discussion for the sake of completeness and to help place other forms of testing in context.

Shifting from a reliance on tests that merely rank students relative to one another to continuous assessment involves a major change in perspective, especially in the way teachers and administrators are trained (Capper, 1996).

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### Opportunities for Donors

In most developing countries, there is a wide gap between current and best practice in learning assessment, a situation that offers many opportunities for the donor community. For example, in countries where effective external oversight of schools exists or is emerging, the development of effective mechanisms for school-level testing is likely to be the highest priority. The resulting information can help the school committee or other governing body to exercise its authority more effectively, while motivating teachers and principals to do their best. Building the capacity and methodology to measure and track learning achievement in developing countries against international benchmarks is a second priority. Because such information is, to a large extent, an international public good, the donor community should be prepared to fund and support the process of producing it.

Finally, the adoption of continuous assessment, including the use of criterion-referenced testing, offers enormous potential for improving classroom practice. However, it also requires a major shift in practice and perspective, which will often require considerable training and technical assistance. As a result, the benefits of efforts in this area are likely to emerge only over the longer term.

### Transparency in Educational Finance

Improvements in the transparency of financial flows within the educational sector are needed to

ensure that budgeted funds reach schools and are used for educational purposes.

A famous success in this area was the World Bank's 1996 "quantitative service delivery survey" of Uganda. The survey—more accurately described as an audit—was sparked by the realization that official primary enrollment statistics had remained stagnant over several years, while both population and public funding for basic education had grown steadily. The auditors examined actual enrollments and funding flows to a random sample of public schools throughout Uganda. They then compared the funds actually received by schools with the amounts budgeted from Kampala, plus the amounts collected from households in various forms of school fees—the latter accounting at that time for around 60 percent of total funding for primary schools (Ablo and Reinikka 1998).

The results were striking: of the funds budgeted from the center, only the portion earmarked for teacher salaries arrived intact at local schools. In contrast, only 13 percent of the funds budgeted for nonsalary items like textbooks and materials reached the schools. The remainder was appropriated by the district education offices, apparently for the personal enrichment of officials. Similarly, tuition fees collected from parents were also passed up to the district offices, where these monies also disappeared. Meanwhile, the audit found that actual enrollments had been rising steadily over the period covered—good news of a sort, but evidence that the official statistics had been systematically manipulated.

These findings unleashed a strong response from the Government of Uganda, which adopted several measures to promote greater transparency in educational financing, including requirements that all monthly transfers of funds to district education offices be published in newspapers and broadcast on the radio, and that each primary school post a public notice detailing all inflows of funds to the school.

These measures had a dramatic effect: by 1999 over 90 percent of the nonsalary funds provided by the central government were actually reaching schools,

up from around 20 percent in 1995. Routine publication of funding information put local schools in a position to demand their proper allocation of funds from the district offices, while also strengthening the oversight exercised by the central government.

The audit approach used in Uganda deserves careful review, with an eye toward adapting it to other settings where corruption in educational financing is of concern. Based on evidence from a relatively small sample of schools, this method has the potential to generate a powerful response from civil society and strong corrective action from the central government to ensure that budgeted funds are used for educational purposes.

Like the audit that inspired them, the financial disclosure mechanisms adopted by Uganda should be readily adaptable to other settings with weak administrative capacity and where local schools receive budgetary allocations from central governments. School-by-school funding figures are the only information needed, making it possible to rely on radio and newspapers to transmit this information directly from the center to local communities.<sup>10</sup> The only additional infrastructure required is a poster displaying school funding information outside the office of each school principal. Ensuring that parents and local communities have specific, timely information on the nonsalary funding allocated to each school should provide considerable leverage to ensure that money earmarked for textbooks and other learning materials is actually used for those purposes. The immediate impact is likely to be greatest where—as in Uganda—parents already exercise oversight over school operations. Where they do not, the payoff is likely to unfold more gradually, in part by encouraging a stronger oversight role by parents and local civil society.

## Complementary Performance Measures

Although financial flows and student learning deserve special attention, these are by no means the only dimensions of education on which good

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<sup>10</sup> With the proliferation of cybercafés in many developing countries, the internet offers an additional means to communicate funding data and other educational information to local communities.

data are needed to strengthen accountability for educational delivery. For example, it is important to track the school's performance in retaining students, both in its own right and to counter any temptation to encourage weak students to leave school in order to raise average test scores. For this purpose, initial enrollments, average daily attendance, the share of enrollees completing the primary or secondary cycle, and the share of enrollees passing the graduation requirements should be regarded as the minimum needed to provide a clear picture of school performance. Meanwhile, additional input measures, such as the student-teacher ratio and the student-textbook ratio, provide further insight on the conditions under which children are learning.

The appropriate audience for this information depends on the structure of the accountability system under which schools operate. In almost all cases, enrollment and attendance data must be fed up to the central government, because school funding is normally tied to the number of children attending the school. Central governments also need these data in order to track national trends in educational outcomes, both for domestic purposes and for international reporting. Where schools are subject to oversight by local school committees, those committees need to have all performance and input data on hand. Whether or not such arrangements are in place, requiring public disclosure of performance and input data provides a further means to increase transparency on school operations.

The greater the reliance placed on school-level data, the more important it is to ensure that those data provide an accurate picture of conditions within the school. For this purpose, it is useful to establish cross-checks on such reporting. One innovative suggestion is to require that student representatives sign off on the accuracy of reports submitted by school administrators. How well this arrangement might work in practice remains to be seen, but it helps illustrate the difficulties of ensuring accurate reporting, when those providing the data have a stake in the outcome of the decisions based on

those data. Poor countries will face many similar problems, as they struggle to improve the institutional arrangements surrounding the provision of basic education.

## Conclusion

Evidence from many developing countries suggests that more and better information—along with institutional reforms that place greater power in the hands of parents and local communities—can promote increased accountability for educational results on the part of teachers, principals, and other elements of the educational system. So far, the most dramatic progress has been achieved in such areas as financial accountability and control over absenteeism and other more observable aspects of behavior. The reforms that have enabled these successes should be made widely known to governments and civil society in countries struggling with similar problems.

Attention is increasingly turning to a subtler, but more fundamental, aspect of educational transparency and accountability: the systematic collection and proper use of information on student learning, both within and among countries. This effort faces many challenges, but countries are increasingly concluding that these must be confronted and overcome. Donors can help by supporting efforts to develop simple, cost-effective, and educationally appropriate methodologies for testing and other forms of learning assessment; by promoting awareness of progress along these lines; and by helping host countries develop the capacity to apply best practices and use the resulting information to improve educational quality. ■

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