Financing and financial management of education

Pan African seminar, Dakar, Senegal, 12-14 October 1997

Co-ordinated by Serge Péano
with the co-operation of Rémi Coffi Noumon, Igor Kitaev and Dramane Oulai

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Financing and financial management of education

Pan-African Seminar
Dakar, Senegal, 12 to 14 October 1997

Edited by Serge Péano
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PREFACE

This ninth volume in the Educational Forums series organized by the IIEP is dedicated to the financing and financial management of education in Africa.

It consists of the report on the Pan-African Seminar organized in Dakar, Senegal, from 12 to 14 October 1997 in co-operation with the working group on Finance and Education of the Association for the Development of Education in Africa (ADEA), which is co-ordinated by CODESRIA. This Seminar was one of the main events marking the biennial reunion of the ADEA.

This Seminar strove to collectively consider the financing and financial management of education by sharing results concerning recent endeavours undertaken in sub-Saharan Africa on the strategies and mechanisms of funding, budgetary management by Ministries of Education, or the evaluation of education expenditure, and by favouring an exchange of views on the problems encountered, and the solutions found in the various countries.

Around 60 participants coming from 17 African countries and several co-operative agencies participated, pointing out, if ever it was necessary, the importance of this theme for countries faced with the need to accommodate an increasing number of students, or improve the efficiency of education systems while, at the same time, meeting the financial constraints faced by governments.

During recent years, the IIEP has conducted several research studies involving seven African countries: an evaluation of education expenditure in Mali and Madagascar, and studies of budgetary procedures in Burkina Faso, Côte d'Ivoire, Mali, Swaziland, Zambia...
and Zimbabwe. These studies were presented during the Seminar, along with other studies done in Botswana, Côte d'Ivoire and Senegal. Résumés of these papers are presented in this report, in addition to the reports of the eight working groups set up in the Seminar.

The Dakar Seminar is the concrete result of co-operation among the working group on Finance and Education of ADEA, CODESRIA and the IIEP. The sharing of intellectual expertise and of acquired experience made it possible to mobilize a large number of national and international experts for an important discussion on these themes which are crucial for the development of education.

By publishing in both French and English the main results of the Pan-African Seminar, the IIEP is happy to contribute to the dissemination of research in the area of the financing and financial management of education, and to continue the collective and private considerations begun in Dakar.

Jacques Hallak
Assistant Director-General, UNESCO
Director, IIEP
PART I
SYNOPSIS OF THE SEMINAR’S WORK
SYNOPSIS OF THE SEMINAR’S WORK

The Seminar: organization of objectives

The IIEP and the Education and Finance working group of ADEA jointly organized the Pan-African Seminar on Financing and financial management, which was held in Dakar from 12 to 14 October 1997. This Seminar was just one of the events and meetings which accompanied the ADEA biennial.

This Seminar aimed at stimulating collective thinking on questions linked to the financing and financial management of education by sharing the results of the most recent efforts undertaken in sub-Saharan Africa on the strategies and mechanisms of financing, and budgetary management within Ministries of Education, or the evaluation of education expenses, and by encouraging discussion on the problems encountered and the solutions attempted in the various countries.

Seventeen African countries and seven co-operative agencies were represented by nearly 60 administrators from the Ministries of Education or Finance, researchers or experts on financing and financial management in education (see list in the Appendix). Besides these regular participants, many people who participated in the ADEA biennial attended specific sessions of the Seminar. The last day was planned by the organizers as an open session, allowing persons access to the meeting who wished to listen to a presentation or reports by the working groups.

The three days of the Seminar dealt with three main themes: the financing of education (Sunday, 12 October), the cost of education
Financing and financial management of education

(Monday, 13 October) and budgetary management (Tuesday a.m., 14 October). The detailed programme is available in the Appendix.

A dozen or so papers were presented, including the results of studies and experiments or activity-oriented projects. Case studies on nine countries were presented along with more general work. Most of the presentations are summarized in Part II of this document. The Seminar closed with reports related to precise themes from the eight working groups. These reports make up Part III of this document.

The Seminar was officially opened by His Excellency André Sonko, Senegal’s Minister of National Education, who drew attention to the importance of the themes the participants were invited to consider.

The usefulness of the Seminar was evident from the outset with the presentation by Rémy Noumon, CODESRIA, who reviewed the list of publications prepared by the working group on Finance and Education of ADEA. The themes of financing and especially the budgetary management of education have been largely ignored in publications. Research activities carried out during projects are seldom shared and often impossible to consult. In fact, international organizations are usually the ones who assure the wider distribution of certain studies beyond national borders. Much has yet to be done to further the sharing of experience so as to contribute to thinking and widen national debate.

**The financing of education: efficiency, equity and transparency**

Some of the key themes of papers and discussions during the Seminar’s first day, presided over by Sibry Tapsoba, Director of the IDRC (International Development Research Centre – Canada), were: family and community contributions, decentralization and financing of education, and re-examining the role of private education.
Government-community partnerships for the creation and management of schools offer a number of interesting perspectives, although not always problem-free, as the Botswana experience presented by M.F. Moorad from the University of Botswana amply demonstrated (see Part II – 1). The state has encouraged the development of community schools while proposing a clear sharing of costs: teachers, their training, laboratories and books are government-financed; buildings, daily operating costs and material management are the responsibility of the various communities. After a burst of initial enthusiasm, difficulties became evident: the difficulty of mobilizing, even of identifying, the community in an urban context; the difficulty of regrouping several village communities within a single project in a rural area; the financial precariousness of some schools when parents are not able to meet their initial engagements.

The working group covering this theme (see Part III – 1) underscored the necessity for clear rules, transparency of costs and management. Co-financing by communities and parents must be accompanied by their involvement in school management, the choice and control of expenses and the development of a feeling of responsibility for their school. Even if the involvement of the community is a well-established fact in the social life of several countries, it seems that a culture of rights and responsibilities must still be developed so that communities can efficiently and transparently exercise their management responsibilities.

The decentralization of administration and financing makes it possible to bring decision-making down to grass-roots level. As such, it allows a better dialogue between the actors responsible for school management: public authorities, communities, directors and parents. The benefits gained in terms of efficiency and participation can be considerable.
However, as the presentation by Dramane Oulaï of the IIEP (see Part II - 2) amply demonstrates, there is a certain semantic difficulty, and the term decentralization can be used to qualify widely differing organizational modes.

The capacity of local administrators and directors to fully assume management autonomy sometimes gives rise to difficulties which can be resolved through training. The risk of nepotism also exists, and a reinforcing of democratic control mechanisms by the community or parents is necessary.

The working group (see Part III - 3) also examined the risks of aggravating regional disparities, but at the same time recognized that centralized systems have not been able to avoid the appearance of geographical inequalities.

The development of diverse models of private or community schools has been encouraged in several countries in response to the wish to increase enrolments while, at the same time, limiting the financial repercussions on state budgets. Alongside older networks administered by churches or religious communities, new forms of private education have appeared: village schools in rural areas, neighbourhood schools in urban zones supported by the surrounding community, but also private schools filling the void left by the deterioration of educational service in public schools, which target a clientele of families that are predominantly urban and anxious to obtain quality teaching for their children. The paper presented by Igor Kitaev of IIEP (see Part II - 3) made it possible to distinguish among the various kinds of private teaching.

Discussion in the working groups (see Part III - 2) showed that the ideological debate concerning private schools is far from running out of steam. Some people refuse to consider education as just
another commercial ‘commodity’ and are more inclined to find solutions to remedy the failings of public schools, which often lack resources and therefore perform weakly.

Nevertheless, many countries are concerned with adjusting the legal framework governing the operations of private schools so as to encourage their development, while assuring quality control by public authorities. They raise pertinent questions about state financing for these schools during the implementation phase, for training and the management of teachers and sometimes even financing.

Financial constraints affecting public budgets also affect the development of basic education, naturally enough. The priority of basic education is high on the agenda for all countries, but this priority is a relative one. Structural adjustment programmes limit the possibilities for recruiting new teachers and the attainment of educational aims is often achieved at the expense of teacher/student ratios and the quality of teaching. Has not quantity been overemphasized?

The poor management of resources, the absence of cost controls, the miscalculation of upcoming needs are also among the main difficulties mentioned, which led the working group to formulate a series of 11 recommendations (see Part III - 4).

**The cost of education: rigorously evaluating costs so as to control them better**

Three studies on educational costs were presented during the second day of the Seminar, presided over by Linda English of the World Bank.

How much does Malian basic education cost and who is financing it? What are the costs related to the various categories of schools,
whether public or private? These were the questions covered in the paper presented by Sekou Traoré, from the Ministry of Basic Education (see Part II - 4) and Serge Péano, IIEP.

Based on an analysis of the institutional framework and the financing resources of the various categories of schools, an exhaustive evaluation of expenses covered by the different economic agents was carried out. It drew on a wide range of accounting and statistical information.

It allows at the same time an overview of costs and the contributions of various economic agents, assessing the amount of State Financing of the total budget at 52.5 per cent and parents and the community at 16 per cent. It also makes it possible to have at one's disposal exact information on the cost of the various categories of schools, revealing the weak financing of community schools or Madrasahs, and the higher costs of private or denominational schools (Catholic).

These financial data, supplemented with information on available student facilities or teaching efforts and on the more qualitative operational aspects of basic education, highlight the connection between spending levels, academic performance and the operation of schools.

A similar methodology was used in the paper submitted by Richard Raharirihaka, from the National Ministry of Education, and Serge Péano, IIEP, on the cost of primary and secondary education in Madagascar (see Part II - 6).

As with the previous study on Mali, it made it possible to gain new insight into the financing of primary and secondary education by bringing together evaluations of overall expenses within a coherent framework, and thus arrive at a genuine appraisal of primary and
secondary schools. Since the evaluations cover a four-year period, it is possible to analyze the evolution of educational costs in a morose economic environment, characterized by a drop of 10 per cent in the GDP per inhabitant (1990-93). This period is also characterized by a reduction in student enrolment figures and the maintenance at constant levels of educational spending, which has not benefited from the growth of total public expenditure.

Another original facet of the study is the evaluation of expenses in each of the country’s eight regions, bringing to light unequal resource sharing in terms of teaching personnel, and therefore the uneven teacher/students ratios.

The presentation given by Ms Kadio, Director for Planning in Côte d’Ivoire and Mr Nguessan, Cires (see Part II - 7), showed the National Ministry of Education’s interest in a complete information system for education expenses. Financial information is used to arrive at projected funding needs. It concludes that the best way of increasing school enrolment figures without raising costs is to better promote five points. These results thus put the emphasis on improving the quality of education, which is not in contradiction with controlling educational costs.

If the foregoing presentations concern the evaluation of education expenses at the national level, the third study, presented by Professor Diagne of Crea (Research Centre in Applied Economy), Faseg (University of Economical Sciences and Management), analyzed the costs within the teaching institutions themselves: the University of Dakar and the University of Saint Louis in Senegal (see Part II - 5).

The study assesses the internal efficiency of the faculties and institutes and concludes that there is a deterioration in the ratios of efficiency. One scenario, aimed at reducing the number of students
to improve the flow of successful candidates, would certainly lead to a higher cost per student, but also to more diplomas and to lower costs per graduate in terms of years of study.

These various studies underscore the importance of a clear insight into the costs of education in order to provide matter for debate on the financing of education in solid quantitative terms. Discussions in the working groups on understanding education costs showed the difficulties involved in arriving at a global vision of education costs. Even when restricting discussion to government expenses, the often impenetrable structure of budgets does not facilitate economic analysis regarding the allocation of educational resources (see Part III – 7).

The command and control of education expenses were also taken up by the three other working groups on the control of costs, teacher salaries and cost reduction.

Cost reduction is a necessity and generally the control procedures are judged adequate. The problems rather concern the level of management, itself, which can result in a poor use of public money or outright waste. The inadequate training and insufficient awareness on the part of those responsible, and their lack of motivation or interest in the efficient use of resources, are some of the factors behind poor management (see Part III – 8).

Teacher salaries are an important component of education costs. The management of the wage bill is often approached in terms of limiting staff or cutting salaries. The working group rather preferred to tackle the subject in terms of improving personnel management. Payment of ‘ghost’ teachers is a problem in many countries where the link between personnel management and payroll procedures calls for improvement. A better distribution of human resources could also
generate important savings, and several propositions were put forward (see Part III - 6).

Controlling costs by improving management also contributes to reducing unit costs, thus allowing education systems to better receive students, or to receive more of them, using the same resources. These are the avenues that the specialized working groups considered in depth, discussing the reallocation of financing towards teaching activities by reducing hostel and catering expenses for pupils and students; and also the managing of personnel so as to assure a full use of the available workforce, or to redefine the status of teachers by occasionally drawing on contract personnel. The real challenge for education administrators is to reconcile cost cuts, fairness and the quality of service delivered. (see Part III - 5).

**Budget management: an arduous adjustment to financial constraints**

The process of preparing and executing budgets for Ministries of Education was the subject of the final day of the Seminar, under the chairmanship of Jacques Hallak, the Assistant Director-General of UNESCO and Director of the IIIEP.

A comparative analysis of budgetary procedures in three West African countries (Burkina Faso, Côte d'Ivoire, Mali) was presented by Julien Daboué from Burkina Faso’s Ministry of Basic Education, and Dramane Oulai from the IIIEP. In all three countries, structural adjustment programmes concluded with the IMF and the World Bank have provided a strong framework for the preparation of educational budgets by setting limits, especially in the hiring of new teachers. Financial management rules draw on the same colonial roots, but organization is quite different: very centralized in Burkina Faso, strictly
and formally controlled in Côte d’Ivoire, and more decentralized in Mali, with the existence of regional budgets (see Part II - 8).

The remarks of Mr Sow from the Ministry of Basic Education in Senegal drew attention to the difficulty of adapting the budgetary rules to the present-day context, which is characterized by a lack of national resources. Budget managers have all been trained within a well-constructed regulatory framework, but they have not been trained to deal with scarcity.

The example of Côte d’Ivoire is significant: hiring and payment procedures are submitted to strict cost controls, but suppliers are not guaranteed payment by the state which produces defaults, overbilling or abuses in product quality. New financial instruments need to be created, like advances or pre-payments.

The second presentation, by Mr Mageza from the Ministry of Higher Education in Zimbabwe and Igor Kitaev of the IIEP, on the budgetary procedures in three sub-Saharan countries (Swaziland, Zambia, Zimbabwe) also showed the efforts to adapt budgetary rules within difficult financial contexts. In Zambia, a system setting the ceilings for each Ministry and cash budget practices are very efficient for limiting costs, but are accompanied by the payment of salaries to ‘ghost’ teachers (see Part II - 9).

In Swaziland, decisions for teacher hiring are reached before the preparation of the budget, making it impossible to freeze the number of jobs. At the same time, the country has set up a rigorous control system for all appointments.

In reaction to this presentation, Mr Makgothi from Botswana’s Ministry of Education spoke about his own country’s experience and drew attention to the contradictions between planning aimed at
developing education systems and the budgetary process dominated by the need for a balanced budget which imposes limitations on resources.

Capital budgets offer a paradoxical situation which is completely different. The foreign funds which most often finance them are more than adequate; however, their implementation is disappointing because of a lack of administrative skills.

Discussion revealed the need to modify budgetary rules so as to adapt to the actual economic context, especially in terms of decentralization, and of an increasing devolution of powers. This adaptation affects all state machinery, and is not just limited to the responsibilities of the Ministries of Education.

The involvement of Ministries of Finance, and the need for discussion and dialogue between administrators in education and finance, were judged an urgent necessity, and the participants wished that other seminars on funding and the financial management of education could be organized to help create a wider collective awareness of the problems and determine possible avenues of action for their eventual resolution.
PART II
PAPERS PRESENTED
1. COMMUNITY FINANCING OF EDUCATION IN BOTSWANA

The purpose of the paper presented was to review the role of the community in the financing of basic education in Botswana.

Beginning in 1980, the Government of Botswana had committed itself to the provision of basic education (nine years then) but this commitment was made even more explicit in National Development Plan VI following the publication of the report of the First National Commission in 1977. To put this commitment into practice and in order to realize the goal of 10 years’ basic education for all, the Government of Botswana decided, in 1984, to provide a junior secondary school in every village/town within the shortest possible time. The government also decided that the communities would have to partly finance these schools as the government alone could not afford to maintain the high and growing expenditure on education in the long run.

Private, self-help schools were started either by individuals or by several members within the community. But unlike the pre-independence era, when the schools were initiated mostly by the Chiefs and when tribes were forced to pay levies, these schools were established on a purely volunteer ‘community spirit’ basis. In a sense these schools were built on the same lines as the Harambee schools in Kenya. The schools were managed by a Board of Governors that was elected by the community. Community members then contributed cash, beasts, materials and labour towards the construction of the schools.

* Dr. Fazlur Moorad, University of Botswana
The government had decided to change the name of the private schools, to be called Community Junior Secondary Schools (CJSS) in 1979/80.

In order to achieve the goal of universal junior secondary education, the government had to approach the communities to expand the number of secondary schools between them. The government undertook to upgrade the standard of the private schools which meant:

a) They would furnish the schools with trained teachers, laboratories, textbooks, etc.

b) They would provide trained teachers and also pay the teachers’ salaries.

However, the communities were expected to maintain the school, *i.e.* take care of other recurrent expenditure; have boards of governors to include ex-officio members; and build at least half the number of staff houses. The sudden increase in private schools from 50 in 1986 to 163 in 1994 clearly demonstrates how rapidly these schools were mushrooming all over the country. The CJSSs were becoming features in most of the large villages and towns. In some instances a school was strategically positioned to serve several small villages, *i.e.* it served a large catchment area. In the big catchment area, the basis for community support would be different from a school that was situated in a fairly large town or village and was meant to serve only that place or community. Community support includes financing. The problem for the Board of Governors was to ensure that all the villages that the school served, contributed equally to the schools. However, it appeared that it was usually the village in which the school was situated that had to shoulder the responsibility in meeting most of its needs. Two trends can be identified.
Community financing of education in Botswana

The first was that parents from neighbouring villages were reluctant to contribute too much because they expected a school to be built in the near future either in their own village or nearer than the present one. Second, the parents in the village where the school was built, and to an extent those in the surrounding villages, did not want to contribute to the school because it was catering for other children rather than their own.

Parents and members of school boards in rural areas felt that schools based in towns would be better off because of the larger communities. They also felt that those communities were more affluent. The headteachers of the schools based in towns felt that they lacked a community 'neighbourhood' and felt that this might influence the financial contributions coming into the school. People living in towns may not have been living there permanently or might still want to patronize their home village schools; some of the residents had actually organized special committees for fund raising in towns.

Three more issues have to be mentioned. First, judging from the number of staff houses built and the other facilities required by the regulations, such as kitchens and dining halls, it was apparent that some CJSSs would not be able to have such facilities for a long time. Thus there was already an inequality issue arising from this arrangement in the CJSS. Second, the traditional role of the communities’ self-help initiative had changed. The effect was that now most people did not want to contribute to the schools because they felt the government should pay for everything.

The general arrangement was that each community would urge its members to contribute a beast (head of cattle) per family/household or approximately .35 per cent (in 1986) towards the building of the school. Furthermore, there were individual
contribution and fund-raising committees set up to collect funds both at local and national level. School fees have now been abolished and the CJSSs have government grants per student which comprise school fees (standardized) plus student subsidy to use.

For those families that could not afford to donate money or a beast (cow), free labour had been an alternative. But labour had also been provided freely by volunteers mainly helping to build classrooms, staff houses, digging a drainage system; trenches for water pipes; moulding bricks for the various buildings; transporting of sand and other materials used for the construction process.

Transport: some of the affluent people in the communities have helped the CJSSs with free transport for various needs such as transporting goods or students. Government schools have also shared their transport facilities with CJSSs, especially to bring in goods (books, food etc) from towns to rural areas.

Community schools also raised funds through the school feeding programme.

The financial books of CJSSs are checked once a year by the Financial advisory department in the Ministry of Education (MOE). This helps prevent embezzlement of funds, which was associated with the old private schools.

The central idea inscribed in the CJSS programme was that the government and the communities would work together in meeting the goal of nine years' basic education for all. The government’s part in the partnership venture was to build the schools, together with a library and laboratories and half the number of required staff houses. In addition, the government would also provide trained teachers from
the former Unified Teachers Service (MOE) now called the Teaching Services Management.

The communities, however, were first expected to elect a Board of Governors; obtain a plot of land for the school site; raise funds to build the remainder of the staff houses; build a kitchen and school hall; and employ and pay the wages of ancillary staff.

Once the schools were built, several problems began to emerge. The communities were unable to meet the requirements of the agreement of the partnership venture. For example, most communities were unable to build the staff houses, kitchens or school halls. Some of the schools were running short of funds to manage their day-to-day activities. Communities were not keen to finance projects constantly, because they preferred a one-off contribution, *i.e.* development costs rather than recurrent expenditure.

Clearly the picture of the CJSS has not been a rosy one. The point to underline from the above discussion is that what was intended in the partnership venture has not properly materialized. The obvious shortcoming is that the government has had to contend with the footing of a larger bill than initially envisaged.
2. DECENTRALIZATION AND FINANCING OF EDUCATION IN SUB-SAHARAN AFRICA*

Introduction

During recent years, numerous developed and developing countries have gradually adopted reforms aimed at decentralizing public services. Among the services involved is education, especially primary education, and, to a lesser degree, secondary education. Some measures concern the redistribution of decision-making powers, and the delivery of educational services with a view to improving the quality of management. As for financing, the decentralization of education is mainly concentrated on structures, mechanisms and modes of funding, as well as the management of teaching institutions in the face of diminishing public resources.

A concern with the efficiency of managing resources allocated to education and with the responsibility and democratization of decision-making, which inspired the initiators of these reforms, is the result of two main considerations. On one hand, the efficient use of ever-diminishing resources is a main objective for administrators and educational decision-makers alike. On the other hand, the appropriation and the legitimacy of control, and especially the adaptation of education to the needs of society, depend on the participation of all actors involved in the decision-making process.

Decentralization measures related to education present aspects which are not only technical and administrative, but also political. In fact, all forms (or all degrees) of the transfer or sharing of powers and responsibilities in any administrative system, depend on the

* Dramane Oulai, IIEP
goodwill of the political forces involved in the decentralization process. Various interest groups (centralized and decentralized administrations, local representatives, unions, etc.) perceive the consequences of decentralization differently, while everyone's support is indispensable for its success.

The decentralization process for decision-making and educational management is influenced by the funding mechanism. This paper attempts to contribute to conjecture on the changes that financial mechanisms have undergone, as observed in various African countries which have applied a certain model of decentralization for educational administration and financing. The analysis will mainly concern primary school education, which is the level of education that has experienced the greatest degree of decentralization in most countries.

The first chapter defines the concept of decentralization, and is followed by a chapter analyzing the pros and cons of decentralization. The third chapter examines the African context and experiments aimed at diversifying educational financing. The fourth and final chapter provides a conclusion which underscores the necessary conditions for successfully carrying out the decentralization of financing and management in sub-Saharan Africa.

**Definition and the various kinds of educational decentralization**

- **Definition**

The term educational decentralization can mean several things and be interpreted differently. Decentralization can be functional, which means the division of the education system among several administrative departments, each being responsible for one or several educational levels or functions. Also, some functions, like teacher recruitment or drawing up the curriculum, can be done by various
entities enjoying their own autonomy. For example, countries such as Botswana, Burkina Faso, Côte d'Ivoire, Kenya and Mali could be mentioned, where teacher recruitment for the education sector is either carried out by the Ministry of the Civil Service, or by the Commission of Teacher Services, at the request of the hiring Ministries, and after consulting with the Ministry of Finance.

Decentralization is qualified as geographical and territorial when the transfer of responsibilities for financing and managing education is organized according to political-geographical or political-administrative zones. Here one must distinguish between simple deconcentration and genuine decentralization, or devolution. Deconcentration consists in the setting up of regional units of the centralized state apparatus with the aim of guaranteeing a greater control from the centre, while at the same time taking into account local feelings. In this case, local agencies of the central administration receive a limited transfer of powers for limited decision-making.

Genuine decentralization, or devolution, on the other hand, gives to local elected authorities total decision-making responsibilities concerning the programmes and activities under their jurisdiction. It regulates responsibility sharing in the funding, management and control of education between the state and regional authorities.

One should also mention that decentralization measures can take the form of a transfer of decision-making powers and financial and management responsibilities to the private sector and non-governmental organizations. Responsibilities for all areas of activity and all levels of education can be transferred in this way. Economic difficulties encountered by several countries in recent years have favoured this type of decentralization by encouraging the development of the private school sector.
The debate on decentralization: pros and cons

Arguments in favour

The exponents of decentralization point to several advantages that this kind of administration and management gives to education systems. For example, in the administration of resources, it is said that thanks to decentralization, the bringing together of beneficiaries and educational decision-makers leads to better management efficiency.

It is often remarked that the more the centre of decision-making concerning educational management is closer to local realities, the more educational programmes are effective and adapted to the needs of society. For example, in its study on the Chadian case, the Club du Sahel remarks that: “When the government or aid donors either deliberately or unconsciously transfer decision-making authority to those who operate outside of the state apparatus, one nearly always observes remarkable improvements in one or several aspects of teaching...”

The decentralization and democratization of decision-making powers are also perceived by some as catalysts for innovation, leading to higher efficiency in the management of resources on which depends, in part, the optimal achievement of educational objectives. Indeed, one suspects that when teachers share in decision-making, their motivation is higher and they become more involved in the educational process itself, to the benefit of students.

The efficiency of resource management brought about by decentralization measures can encourage the participation of the community in the education project and contribute to the growth of local resources, allowing a greater autonomy in the financing of educational activities. One hypothesis is that when decisions on how
resources are to be used are left to local councillors or their administrations, they seek the most efficient solutions. This prompts the population to contribute more to financing, and to expect better results from teachers and schools.

- Arguments against

Despite these advantages, many arguments are propounded by those opposed to the decentralization of public services in general, especially where education is concerned. First, the reduction in regional disparity, which is one of the explicit objectives of any education system, is harder to achieve in decentralized systems than in centralized systems. It is obvious that when local taxes are allowed or encouraged to finance education in decentralized systems, the richest regions can afford their children a more expensive and better quality system of education than the poorer regions. Educational inequalities between certain regions in countries such as Argentina, Chile, India, Nigeria, and Venezuela, all of which have set up decentralized education systems, offer some very instructive examples.

Those opposed to the process of decentralization often justify their opposition by purely political arguments (for example, the strengthening of national unity). For its opponents, the decentralization of education systems weakens the central power and harms national unity. Thus, the existence of several languages and ethnic groups in African countries inspires some political leaders to discourage initiatives aimed at decentralizing public education.

Many other observers share the viewpoint of Bray (1987), who considers that debt-ridden countries suffering from a lack of resources use decentralization as an escape hatch, but one which has a negative impact on education. It is often true that poor communities attempt to put into practice decentralized systems when they cannot
stand up to the financial drain arising from school management. These, in fact, suffer from a lack of material and human resources which weakens their performance.

**Decentralization and diversification of African financial and management resources**

- Diversification of financial resources

  As shown above, the ways and means of transferring decision-making responsibilities for the funding and management of education vary from country to country. Nevertheless, it is necessary to understand in concrete terms how these decentralization measures are implemented in the African context. Is it through a transfer of decision-making responsibilities concerning operating expenses, or concerning capital expenditure (or other kinds of expenses)? Is this delegation of responsibilities accompanied by the obligation of financing incurred expenses (with the withdrawal of central state funding)? Or, are we simply talking here of transferring responsibilities for allocating resources to finance expenses whose decision still remains with the central authorities? What level of responsibility are we talking about, and what are the means placed at the disposal of decentralized structures to cope with responsibilities of this kind?

  To these questions, the examples mentioned below provide a partial response:

  _a) The African context_

  Nearly all the countries in sub-Saharan Africa, whether or not they have decentralized certain management functions of their education systems, are undergoing financial difficulties. They have invested enormously in education since achieving independence, with the
hope that education will help them to break the cycle of poverty and exclusion of their people from the global economy. The level of student enrolment and public spending for education have seen colossal growth during the sixties and seventies (student enrolment at the primary school level has risen from 21.2 to 54.7 million between 1970 and 1988, and at secondary school level from 2.2 to 11.7 million over the same period) and the share of the education budget in non-discretionary national budgets has risen by an average of 15 per cent (English, 1994).

However, today's schools in sub-Saharan Africa have not succeeded in resolving the development problems of their populations because the African education systems suffer from numerous difficulties. The rate of coverage still remains far behind the objectives set by the governments during the decolonization period at the beginning of the sixties (the gross percentage of children enrolled in full-time education for all of sub-Saharan Africa rose from 43.3 per cent to 76.7 per cent, then to 73.9 per cent between 1970, 1988 and 1992). Strong inequalities continue to exist between girls and boys (the percentage of enrolment being respectively 83.9 per cent and 79.6 per cent for boys in 1985 and 1992, while they were 68.1 per cent and 66.7 per cent for girls during the same period). Inequalities also persist between rural and urban zones in the majority of African countries. The rates of repeated classes and dropping out are very high for all levels of education, and the unemployment rate among graduates has reached socially unacceptable levels in several countries.

These difficulties facing education in Africa have been exacerbated at a time when national resources needed to improve the education system are becoming increasingly scarce because of the economic crisis. On one hand, during the period from 1979 to 1990 in sub-Saharan Africa, the growth rate of income per inhabitant was on the
average negative. Between 1980 and 1992, among the 35 countries for which data are available, 23 experienced a negative growth rate of GDP per inhabitant, while only six countries saw growth rates above 3 per cent (Botswana, Cape Verde, Mauritius, Sao Tome and Principe, the Seychelles and Swaziland), and seven others had growth rates varying between 0.1 per cent and 1.8 per cent. On the other hand, 22 of these countries have had an average annual demographic growth rate above 3 per cent during the same period (UNESCO: World Report on Education, 1995).

Some writers and observers of education systems are beginning to say that the incapacity of the African school system to resolve development difficulties is partly due to the inappropriateness of these programmes to deal with the realities of the countries in question; and, above all, to the effective non-involvement of communities and those mainly concerned in the process of developing and implementing these programmes. Others blame the disastrous effect of incompetent financial management on education systems.

Confronted with these problems, and bearing in mind the restrictive macroeconomic environment prevailing in most countries, decentralization measures have appeared as a means of diversifying financing and improving the operations of schools. The following examples show how the double movement towards decentralization of educational management and financing has become apparent.

b) The preponderant role of the state in financing

Despite attempts at decentralizing educational services, national governments remain the main sources of financing for education systems in sub-Saharan Africa. With the exception of Nigeria and South Africa, who are endowed with sub-national governments having a certain amount of financial autonomy, in nearly all of the
other countries, the regional or local administrations have very limited means to significantly improve educational resources. Even in the case of Nigeria, a large part of state resources are dependent on grants from the federal government. This situation means that parent–teacher associations, non-governmental organizations (national and international) and the private sector are the only forces capable of diversifying national sources of financing in the context of educational decentralization.

In Nigeria, the Educational Reform Act of 1976 set up a mechanism for sharing responsibilities relative to the financing and management of education, where the building, equipment, maintenance and administration of primary schools were assigned to local governments. The financing of these expenses was to be covered by locally generated funds. The federal government paid teacher salaries by awarding grants to state governments who, in turn, transferred these funds to local authorities to meet their educational wage bill. Almost immediately, the numerous regions found themselves facing a serious cost squeeze. Many communities were powerless to obtain essential equipment, and several had to rely on supplementary levies of local taxes. In 1982, the system was changed, and today the states are responsible for education, with the participation of local communities. The federal government still holds sway over teacher hiring, the drawing up of the curriculum, the setting of quality standards, and examinations.

In the case of Uganda, the central government is mainly responsible for the financing of teacher salaries. However, with the introduction of the Universal Primary Education Programme in 1996–97, it must also cover the cost of school fees for four children per family; contribute to the construction costs of schools; assume responsibility for textbooks; and the maintenance and control of the
quality of teaching. Parents are responsible for uniforms and school canteens at the primary school level.

In Kenya, as in Tanzania, decentralized management is greater in primary and secondary schools than at the university level. School councils made up of parents, teachers and local political leaders play an important role in decision-making concerning the daily operations of primary and secondary schools. Nevertheless, as the cases below demonstrate, the recruitment and payment of teachers are the responsibility of the central government.

In Botswana and Senegal, where the decentralization of education was begun over a decade ago, the situation resembles that of Kenya and Tanzania. The contributions of the Regions (Senegal) and the local communities (Botswana) in the funding of education also remain quite marginal and limited to contributing to school construction. It should be mentioned here that in the case of Botswana, almost all of the funds managed by the local communities for primary and secondary education consist of Credits that the central government allocates to the Ministry in charge of local (government) buildings.

In Zimbabwe, the state contributed in 1989 to 95 per cent of the operating expenses for primary education and only 3 per cent of capital expenditure. The other 97 per cent was the responsibility of local communities and international aid, which contributed a part of capital expenditure. Pedagogical and financial administration at this level was entirely decentralized.

Madagascar has adopted a very decentralized management system at all levels of education. This country’s outlying communities are ruled by elected councils or delegations who assume the responsibilities accorded them by law. These communities (local structures and governments) have their own resources at their
disposal (local taxes) which they can allocate as they please. Responsibility for education is assigned to the various sub-national governments according to the level of education. Nevertheless, most resources for financing education come from the central government since the level of financing collected locally is inadequate to cover the needs of education.

In Mali, alongside decentralized state structures responsible for education (regional education services, the Inspectorate for Basic Education, and the schools themselves) are two other bodies involved with the financing and management of basic education. The first is made up of local development committees (comités locaux de développement – LDCs), set up for each of the territorial divisions (Regions, Circles and Arrondissements). These local development committees have the power to raise modest but independent revenues from taxes levied on people living within their circumscription. A part of these revenues is used to finance local education expenses (construction, salaries for part-time teachers and other non-civil service personnel, etc.).

The second body is made up of parent–teacher associations (PTAs) which up until a recent reform were responsible for finding resources for certain basic education expenses. The PTAs no longer play a financial role, which has now devolved on the local development committees, but always take part in decision-making about schools offering basic education via their representatives on local development committees.

On the average, in 1994 the local development committees contributed at the rate of 3.5 per cent to the financing of basic education in Mali. Families contributed 15.9 per cent of financing, while the government (52.5 per cent) and foreign aid (18.5 per cent) are the main purveyors of basic education.
Decentralization and financing of education in sub-Saharan Africa

Chad presents an atypical case worthy of special attention. Here, the assumption of responsibilities for the provision and financing of educational services by the village population is not the result of a reform planned and implemented by the central authority (Fass et al., 1995). During the years of Chad’s economic and political crisis (1979–82), the central government could not maintain education services throughout the country. Faced with this situation, the communities took over. A recent Club du Sahel study on the country (Fass et al., 1995) describes how the communities are providing salaries for over half of primary school teachers and have financed practically the total increase in enrolment over the past 15 years. They have paid for nearly all construction costs, equipment and furnishings for most public and private schools, which makes Chad the country of the Sahel zone which has the most financially decentralized education system.

The people from the various communities, after having constructed the school buildings and recruited teachers (with or without the assistance of inspectors from the Ministry of Education) whose salaries they cover, have been petitioning their government for certification of their schools. Therefore, out of a total of 2,437 elementary schools which were counted in the 1991–92 census, 649 schools (including 547 spontaneous or community creations and 102 purely private ones, representing 15 per cent of overall primary school enrolments) were financed and managed outside of state control. Moreover, among state schools, out of a total of 6,850 teachers, 3,770 were state employees, while the remaining 3,080 (45 per cent of staff) were part-time substitute teachers, whose salaries were covered by the families. Among community and private schools, 23, then 410 and finally 112 supplementary positions were created between 1960–79, 1980–89, and 1990–91, respectively (Péano, 1994). This confirms the relationship between the political and economic crisis at the
beginning of the eighties and the growth of private and community schools in Chad.

For most of these schools, considering the low levels of financing from village populations and the insufficiency of state support, it was not possible to strictly adhere to the national curriculum. Also, the shortfall of qualified teachers in community schools, and the lack of textbooks, made difficult an improvement in the quality of instruction in these schools, which rarely teach beyond the first two years of primary school. Glaring differences became evident in initial schooling, pedagogical training and salaries between teachers in the community schools and private secular schools (untrained and supported by the families), and state and Catholic schools (well trained and state financed). Decentralization in this particular case has contributed to raising enrolment figures and to reducing unit costs, but its impact on the quality of education has not always been positive.

It is worthy of note that in many African countries, the development of private teaching has increased remarkably during the past two decades. Also, it is not uncommon to observe, for example in 1992, that the percentage of private teachers exceeds 20 per cent of the total primary school workforce in countries like Cameroon (26 per cent), Madagascar (22 per cent), Mauritius (24 per cent), Gabon (31 per cent), Togo (25 per cent) and Swaziland (81 per cent). In secondary schools, the proportions are even more striking: 39 per cent in Cameroon, 27 per cent in Côte d’Ivoire, 31 per cent in Rwanda, 46 per cent in Swaziland and 80 per cent in Mauritius. Since private

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1 See Serge Péano (1994): *L’Enseignement privé et spontané dans le système éducatif tchadien (Private and spontaneous teaching in the Chadian school system)*. Average yearly salaries of teachers at primary school level in Catholic schools which match those of their colleagues in the state-run system are equivalent to 700,000 CFA francs, while corresponding salaries for primary school teachers in spontaneous or private secular schools are respectively 36,000 and 296,000 CFA francs.
teaching is partially or entirely financed by non-governmental resources, the scope of this kind of decentralization tends to grow with time.

**c) Resource management**

With the exception of the Chadian case described above, the decentralization of education management in African countries is being carried out, generally speaking, by delegating powers to local government administrations, and rarely by a devolution of powers to regional or local representatives enjoying financial autonomy. This tendency is due to the fact that resources for education are mainly provided by the central government. Consequently, one can see the predominant role of the state in financing and managing state-employed personnel (teachers and other state employees fall within the government’s jurisdiction and are under the protective umbrella of the state). Also, textbooks and teaching materials, as well as equipment, are usually financed by the national purse and therefore managed by inspectors who are public-sector employees and often in charge of their purchase and distribution among the schools under their jurisdiction.

In most countries (apart from the cases of Botswana and Uganda), the only management decision-making powers allotted to local communities concern the use of locally-generated resources. Indeed, resources coming from parent-teacher associations, local taxes and levies, or other private local sources are directly used to finance the expense of construction, maintenance, or salaries to personnel recruited by the community.

Thus, in Burkina Faso, Côte d’Ivoire, Mali, Namibia, as well as in numerous other African countries, departmental education directors and primary school inspectors supervise personnel working for the
Ministry of Education at the regional level, and are responsible for equipment and school supplies. The buildings themselves are generally co-financed or are often entirely financed by parent-teacher associations (PTAs), which also manage them. Moreover, in several countries, parents pay registration fees, which are turned over to the Treasury, for the national examinations. This is in addition to tuition fees, which are collected at the local school level by the principal in co-operation with those responsible for the parent-teacher associations.

It is notable that when parents contribute to school construction and participate in the management of the buildings and other school property, with standards for classrooms and construction materials decided by the central administration, parents encounter difficulties in meeting norms set without their consent concerning management and maintenance.

As for the role of principals in the management of schools, this varies from one country to another, and several observers suggest that it is increasing. Decision-making powers of school principals in financial management should be widened and not just be limited to the resources collected by parent-teacher associations, which is the case in most of the countries under consideration.

In the light of what has been said so far, the question can be raised whether a genuine policy of decentralizing the financing and management of education, capable of making a positive contribution to education systems, can be set up in the context of sub-Saharan African countries. It seems likely that decentralizing measures are genuine gains for education systems in African countries, especially in the actual environment of diminishing resources for central governments, but only under certain conditions. The necessary and essential conditions for making a decentralization policy work and
how it could be financed in the African context are explained in what follows.

**Conclusions**

**Implementation of clear and workable measures**

Recourse to decentralization measures and the reform of local governments during recent years is founded partly on the hypothesis that they offer an extraordinary potential for increasing the efficiency for the allocation and use of resources, since they allow decision-making to be closely linked to the needs of local communities. It is implied that such decisions differ from those taken within the civil service, where it often seems that public accountability for money spent is limited. It is our contention that in a decentralized system, when a large part of expenses are financed by revenues raised at the local level, every effort should be made to achieve savings and increase efficiency so as to reduce the financial burden on taxpayers, who are also voters.

African countries, however, rarely fit into such convenient moulds. In most of them, as we have already noted, when local governments exist, they are very dependent on the central government. In situations like this, a symbolic transformation of the administrative structure and a simple bloc transfer of funding to the decentralized structures are not sufficient to improve the efficiency of local governments. It is important that reforms also put the accent on operational aspects and on procedures which provide a solid foundation for the entire system. Obviously, the best results obtained from local governments concerning the provision of educational services depend on the way that reform can clarify and simplify the structures and procedures used by these governments, while taking into account aspects related to the training of personnel. These
positive results will also depend on the setting up of simple but rigorous control mechanisms which can assure the achievement of targets.

One should also note that, short of guaranteeing the operational efficiency of local governments, it would be a dubious enterprise for the central government to accord more responsibility to them since they would not have the means of implementing such powers. Without this kind of operational efficiency, most of the powers accorded will simply remain in the hands of central state administrators located in the regions and municipalities, and who mainly obey the state hierarchy.

We would also like to mention that despite the existence of numerous studies about the structure (in the broad sense of the term) and the function of decentralization in Africa, very little research has been directed towards internal structures and procedures which contribute to reinforcing the operational efficiency of local governments. Further research should concentrate on this aspect, so as to allow states to set up evaluation tools which can measure the efficiency of management procedures used in decentralized systems.

■ Decentralization and optimization of human resources

In a decentralized system, there always exist pressures on local administrations to hire persons who come from the region or locality in question. This tendency is justified by arguing that such persons would feel more implicated by the educational needs of the community (their home community) and would thus be more motivated. The major potential risk of this tendency comes from the likelihood that it will prevent regions or localities from recruiting qualified people from other regions. This would exacerbate inequalities between regions well furnished with competent human
resources, and those who have less. Salary differences between the regions can also create migratory movements of the best teachers towards regions where salaries are higher and living conditions better. Appropriate measures should be taken in order to deal with these dangers so as to obtain the best possible allocation of human resources in a decentralized context.

- Economic conditions and decentralization

The possibilities for local representatives to draw on revenues from local taxes are generally very restricted, due to the extremely reduced tax base of African economies. As mentioned above, in most sub-Saharan African countries, very few regions can generate sufficient resources all alone. The overriding role of the central government in this situation leads us to believe that real autonomous decision-making of regions and villages concerning the financing of education will only be possible when there has been an improvement in overall economic performance. Similarly, the changing of tax regulations favouring an increase of revenues from local communities seems indispensable to move from the simple process of decentralizing administrative services to that of a genuine devolution of decision-making powers in the area of education. Without such a change in taxation, in most of the countries considered, only the private sector and parent-teacher associations will remain autonomous enough to be apt candidates for a transfer of responsibilities. In other words, real decision-making autonomy for management and financing at the local level requires a minimum of resources raised locally, which should be supplemented by a contribution from the state. The widening of the revenue base of decentralized administrations should be one of the prime aims of decentralization.
Decentralization and the role of schools themselves

The autonomy of the schools, themselves, is an essential factor for the development of local initiatives. The importance of managerial autonomy for principals in the improvement of their schools is increasingly recognized by the research community and observers of African education systems. This awareness is illustrated by the conclusions of a recent symposium on the function of schools organized in Bamako by the Ministry of Basic Education of Mali and the IIEP. Its conclusions reaffirmed the importance of the principal’s role. However, it should be noted that the impact of this kind of autonomy on the efficiency in the management of resources in African countries will depend on the determination of those responsible to adapt to the local realities and adopt an open attitude towards change.

Decentralization and strengthening of regional and local capacities

With some rare exceptions (Ethiopia, Madagascar, Nigeria, South Africa, and Sudan), experiments in autonomous management of public services, including education, by centralized governments or administrations, remain limited in the countries of sub-Saharan Africa. Also, to better succeed in this context, the process of devolving decision-making powers and educational financing will obviously necessitate a transition period, during which the decentralized structures can acquire the needed technical experience and decision-making skills through a sharing of responsibilities with the central administration, and the day-to-day management of educational activities. This transition period should be helpful in transferring knowledge to the local government, or decentralized structures, and allow a progressive devolution of powers.
Once these conditions are brought together, measures for decentralizing financial decision-making power and education management which are encouraged and supported by central governments should allow the African education systems to continue expanding while upgrading performance.
3. RE-EXAMINING THE ROLE OF PRIVATE EDUCATION: ISSUES OF PRIVATE PRIMARY AND SECONDARY EDUCATION IN SUB-SAHARAN AFRICA

In the eighties and early nineties, the global socio-economic context was characterized by the emphasis on increasing the role of the market and reducing that of the state in various sectors of public activities, including education. The market approaches associated with adjustment programmes and related austerity for public spending forced many governments in developing countries to consider and introduce such measures of educational policy as cost-sharing (tuition and user fees) and cost-recovery (student loans), tolerating or promoting parent and community financing of public education. The changing emphasis on the regulatory role of the state in educational policy formulation and implementation is focused on all potential actors and resources in a given country, including productive capacities of private education, in the interest of overall expansion of the education system.

In many African countries, the existing and projected supply of public education provision is insufficient to respond to the ever-increasing demand for it. While there was general recognition after the Jomtien Conference (1990) that basic education should be a priority for public funding, it is also increasingly recognized that public funding alone is not sufficient to guarantee the school-age population the required access and coverage, or adequate learning conditions and quality of education.

*Igor Kitaev. The full study is published in the IIEP series 'Mechanisms and strategies of educational finance'
The policy of universalization of primary education in Africa faces serious implementation difficulties unless the efforts of public authorities are complemented by other actors involved, including local communities, PTAs, religious organizations and, related to them, private schools. Under the circumstances, when public resources for education in the majority of African countries can hardly be expected to increase on a par with continuing demographic growth, the phenomenon of private education (whatever non-public, non-governmental or quasi-public form it may take) deserves attention as a natural response to complete the gaps left by public education in terms of access, coverage, internal efficiency, curriculum, teaching/learning conditions and quality of education.

The principal long-standing difference between public and private education, regarding their funding arrangements – that while public education should be free, private education requires tuition and user fees – has become less evident with the many cases of dramatically increased community and family financing of public education, together with their contributions in kind (maintenance, repairs, school meals, purchase of school equipment, etc.) and teachers, recruited by the community. Nowadays, the real difference between public and private education is mostly in the actual amount of fees and other community and family contributions.

Relations between the public and private education sectors in the same country may be competitive or complementary or fluctuate between the two, but the two are linked together through the supply of schooling. Dynamics of private education evolution and development in a given country may give useful clues to identify weaknesses in a public education system.

However, for accurate comparisons of both sectors it is important to bear in mind that private education is much more heterogeneous
than public education and covers the whole spectrum of schools – from the very best to the very worst. Sometimes it is difficult to trace differences between the public and private nature of schools, as in the case of community or municipal schools.

In spite of the rapid development of public education and its support by the state, various types of private education – both in developing and developed countries – have continued to exist and, moreover, to expand, a fact which is explained, in most cases, from the demand side: as a result of excessive and/or differentiated demand which cannot be met by the supply of public education alone (James, 1991).

From the point of view of public authorities' policies, the development of private education at primary and secondary levels is considered, in modern research literature, as a means to lessen the pressure on government funding, while ensuring access to schooling and guaranteeing greater parent/community control over the efficient management of their own expenditure on education. It is worth noting that private schools (especially religious and community schools) very often rely on direct or ‘hidden’ support (tax exemption) by central government and other public authorities such as local government and local communities. Central governments may provide grants (vouchers) to primary and secondary community/self-help schools, based on the number of students.

At the same time, greater autonomy of private schools does not exclude a certain degree of their regulation and compatibility with agreed national norms, regulations and standards, normally prescribed by national legislation.

From the point of view of parents and students, the existence of private education provides them with a choice of schooling which is, however, limited by their family budget. The existence of private
education and its continuing evolution are directly linked to the demand for it by the population, which exercises through it its right to choose, sometimes “by heroic efforts to circumvent the heavy hand of the state” (Sahn, 1994).

But this is also the origin of criticism against private education for its regulated nature, restricted access, depending on customers’ income, and related inequity and inequality. Private education competes with public education, using to its advantage inefficiencies and limitations of the latter. It compensates for inadequacies of public education in terms of coverage (i.e. it provides education in the areas where public schools are not available), it offers specific and more differentiated curricula which are closer to the learning needs of students, more convenient teaching hours, flexible instruction, better career expectations, etc.

**The emergence of private education**

For historical and religious reasons, for this civilization, formal private education existed long before the first government schools. In sub-Saharan Africa, the first formal schools came in the sixteenth century from the North with the Arab caravans, and, from the Atlantic coast, with the Portuguese. However, it is recorded that formal schools in Africa quantitatively developed under the influence of European missionaries only in the eighteenth century, and appeared mostly in the cities and ports (Le Thanh Khoi, 1971).

In terms of funding, the metropolitan governments provided substantial grant-in-aid subsidies to missionary schools before independence (Kitchen, 1962). After obtaining independence, a critical policy choice was to be made by the national governments on the then existing missionary schools and the future development of education systems. In particular, private schools were nationalized
through legislative action in Guinea, the Central African Republic, Congo–Brazzaville (the People’s Republic of the Congo) in the sixties, and later in Ethiopia and Nigeria (Le Thanh Khoi, 1971; Jimenez, 1987).

The African governments naturally wished to have as much control over education development as possible as a means of national unity and identity. The slogan of free and universal primary and basic education was a major priority in the political programmes of many newly independent governments. For this reason, private education was at this time viewed as an exception because of the tuition fees.

Even when private (missionary) schools were approved, they had to comply with strict government regulations and were considered a temporary phenomenon. The most effective means of the government control over private schools was through teachers recruited and paid by the government. Regardless of management, the government-approved private schools had certain common standards, followed the same syllabi and prepared students for the same examinations. The example of Ghana in 1950–1959 shows how the number of non-regulated private primary schools declined from 1,312 to 285, and the number of government-approved private schools increased from 1,081 to 3,428 (Kitchen, 1962).

The post-independence period was also a time of rapid development of community schools, mostly in suburban and rural areas (at that time sometimes called sub-grade, or ‘bush’ schools), for example in Côte d’Ivoire, Tanzania and many other African countries, as a result of strong social demand for education. Unlike the approved missionary schools, these did not necessarily follow national educational standards, did not have qualified teachers and had to lobby for government recognition and aid. The communities and PTAs who set up these schools expected the governments at a later stage
to intervene and take care of the school management, but in most cases government support, if any, would be limited to teachers and grant-in-aid.

On the contrary, some governments, for example in Kenya and Botswana, successfully encouraged a greater community role in education development, such as harambe schools in Kenya and community junior secondary schools in Botswana.

It is interesting to observe an evolution of government policy towards community harambee schools in Kenya. The sixties in Kenya saw a dramatic resurgence of independent schools at secondary level, as parents showed their determination to provide educational facilities beyond those which the government could support. Although the establishment of any school without the approval of the Ministry of Education was technically illegal, government control was practically impossible. Adopting the Kiswahili phrase harambee, meaning ‘Let’s all pull together’, from the political slogan, these self-help schools became a vital addition to Kenya’s secondary school system. In 1964, 80 harambee schools admitted pupils who finished the primary stage, and 30 new schools were opened in 1965, altogether accounting for one-third of the secondary schools in the country. In 1966, the number of harambee schools stood at 266, as compared with 199 state-funded schools (Rharade, 1997).

It is important to note the fact – from the experience of harambee schools – that private (religious and community) education in newly-independent African countries in the sixties and seventies continued to exist against the prevalent policy approach that primary and secondary education should be public, free and universal. Even community (self-help) schools, supported by the government in the form of teachers and grants, were often viewed – both by the communities and the governments – as a transitional and temporary
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phenomenon, which would eventually become fully public and integrated into the government system of education. Interesting evidence is brought by Assié-Lumumba (1993), who argues that although much debate took place around harambee secondary schools, the same type of school organization by communities also existed at primary level in Kenya, but remained unnoticed at the central level due to the then stance of official policy.

A third major category of private education – private profit-making schools – either originated from schools for expatriates or were copied from their example, mostly in urban areas, to serve particular categories of the African population with abilities to pay hefty fees. Its rapid development in recent years is analyzed in more detail in subsequent chapters.

A general definition of private education is not a simple category to determine, due to its numerous types and countries’ specifics. In a broad sense, private education refers to any type of formal school which is not within the public education system (non-public, non-government, quasi-public, parastatal). “The definition of ‘private’ is by no means clear-cut in situations where many ‘private’ schools are heavily funded and regulated by the state. In fact, we really have a continuum of public and private funding and control” (James, 1991).

Different types of private education

Private education is a heterogeneous category. In the same country the existence of different types of private education is related to their origin and context:

1) Community (or self-help) schools are in many cases the largest category of private education in English-speaking African countries. Some developed from former missionary schools, but
in the majority of cases when communities wished to complement, by their own efforts, the insufficient provision of public education (for example, harambee in Kenya, community junior secondary schools in Botswana etc.). They are normally registered by public authorities and regulated by government legislation. They normally receive government subsidies and other support, such as teachers paid by the central government.

2) Religious schools come, in many cases, under the largest category of private education in French-speaking African countries. They either appeared before public education, or developed for historical reasons and society traditions. The majority of these schools are Catholic, Protestant or Muslim. Together with community schools, they are normally registered by public authorities, regulated by government legislation and may receive government subsidies and support.

3) Spontaneous and nomadic schools appeared in specific learning conditions to meet the demand of particular groups of rural, urban poor or nomadic population which would otherwise have had no access to other types of education (for example, in Chad). In most cases they are not registered or approved by the public authorities. They are independent in funding, management and curriculum, and their quality of education is low in most cases. They also charge fees and accept contributions in kind, but at the minimal level bearable for the local population. But in terms of their number and coverage, depending on circumstances, they may be more numerous than private registered schools. For example, a study done in the eighties on Zambia showed that in the Copperbelt region there were only four approved private secondary schools, against 19 whose status and existence were unknown to the Ministry of Education; in Lusaka, the picture was four registered to 11 unregistered private schools (Kaluba, 1986).
4) Profit-making institutions are particularly developed in urban areas to serve middle- and high-income families. They provide more expensive and better-quality education than public or other types of private schools. Their characteristic feature is fees, which are the main source of their funding and limits access to them. They may be registered by public authorities but their number and status depend on the context.

5) Schools for expatriates or specific ethnic groups may be another type of private education, serving learning needs of specific groups of population (in different languages). They may form a part of profit-making private schools and admit the local population, but in general their number is not large.

Different types of private schools may have different institutional status, staff requirements, means of funding, modalities of co-existence with public authorities, procedures for the setting up and organization of instruction, target population etc. Even within a particular category, such as religious schools in the same country, there is a division between Catholic, Protestant, Muslim and other schools whose funding conditions, status, curriculum and language of instruction are different.

Private tuition by public teachers, complementary to formal public education, is another special category created as a result of inadequate access through examinations to particular levels of education (as in the case of Mauritius).

Different categories of private education naturally serve different clientele. The large number of profit-making private schools, charging a high amount of fees, may indicate strong disparities in income between different categories of population.
Private education as an alternative to provision of public education

Public education appeared and developed much later than private education, and traditionally used to serve as an effective political instrument of government policies. For public authorities, the dilemma of public versus private education is the choice over degree of control over curriculum, teaching force, quality of education and its standards, learning achievements, degrees etc. More centralized models of educational planning and administration in the past favoured public education, which facilitated strict control over its supply. More decentralized educational models assumed coexistence of both public and private education because both become more autonomous, managed by lower levels of administration and more sensitive to consumer demand.

For African countries, immediately after their independence and in the process of consolidation of their national identities, development of public education was indispensable in achieving the political goal of free and universal education. The share of public education, in particular at primary level, was rapidly expanding, and there were cases of ‘deprivatization’ of private (religious) schools in the sixties (Carron and Châu, 1996).

Gradually, however, as a result of insufficient provision of public education and as an impact of structural adjustment policies and related austerity in public finance, cost-saving considerations acquired more and more value in the policy agendas of the governments across the world. The situation of Africa and other regions with high demographic growth, in the nineties is such that development of private education is a natural response to the need to ensure access to basic education to the school-age population when the number of public schools is insufficient and their location...
inconvenient for the catchment area. Gross enrolment rates at the primary stage are below the levels needed to universalize enrolment in many least developed countries in Africa, and are particularly low in Francophone Africa (Lewin, 1996). At secondary level, private education may respond to the pressure of social demand on the part of primary education graduates.

Expansion of private provision of education as an alternative to public has tended to take place:

i) For reasons of coverage: when the number of existing public schools is not enough to guarantee sufficient coverage of the school-age population, especially in suburban and rural areas (for example, when there is no school in the vicinity).

ii) For reasons of schooling conditions and quality: when parents wish to avoid overcrowding and other insufficient schooling conditions at public schools or guarantee better quality of education.

iii) For reasons of a redundant qualified teaching force: when limits (‘freeze’) on the recruitment and increase of salaries of civil servants, established under structural adjustment programmes, force teachers to set up private schools or seek employment in them. This situation is observed in many French-speaking countries experiencing the impact of structural adjustment programmes.

iv) As a deliberate government policy to reduce pressure upon the existing schools and avoid the introduction of tuition fees in public schools. This approach was used, for example, in Zambia in 1976 when the government revenues declined as a result of declining copper prices, and in Nigeria after the drop of oil prices in 1984.
As these four reasons reflect both demand for education (i and ii) and its supply (iii and iv), a combination of the above is possible. Redundant qualified teachers would prefer to set up a private school in the area where the competition with public schooling is in their favour.

The issues of private education emerge regularly during the never-ending debate on how the role of public education and public funding of education should be reviewed and improved.

By definition, the provision of private education should be demand-oriented. It has to be closer to the customers and their needs, managed more flexibly and bring about competitive achievements and results. Saying that it is demand-oriented, it is worth adding that it serves different types of demand for education, which explains its different types of organization and management. It can be viewed as a ‘parallel’ market to provide educational services which for various reasons may complement or substitute public education.

But these comparative advantages that are attributed to private education are visible only in a competitive environment when customers (parents) can feel the difference between public and private schools, such as in urban areas. In an environment where the choice does not exist due to the general lack of schools (rural, remote, low-density population areas) any school, be it public or private, becomes a public good, “a natural monopoly” (Kremer, 1995). This explains the quasi-public nature of community, nomadic and spontaneous schools, which may also have features of private institutions.

Another reason for renewed interest in private education is the funding of education. The common practice in both French-speaking and English-speaking countries in Africa, is that many private schools are recognized and registered by the state (in most cases these are
community and religious schools) and are entitled to government subsidies (grants, subventions) and other benefits (tax exemption).

The debate on cost-effectiveness

There is an eternal debate on whether private schools are more cost-efficient and cost-effective than public ones. Plenty of studies on different regions and countries present, as a rule, conflicting conclusions on this matter, using against each other arguments of biased approaches and inaccurate comparisons (for example, Carnoy, 1997 v. West, 1997; or Burnett and Patinos, 1996 v. Samoff, 1996; Hanushek, 1995 v. Kremer, 1995).

When public schools provide for better quality and achievements than private ones, this is explained by discriminative treatment and insufficient government subsidies at the latter. When private schools outperform public ones, it is explained by greater school-level decision-making and less bureaucracy at the former (Jimenez and Lockheed, 1995).

An obvious inaccuracy of the comparisons lies in methodology which generalizes ‘all’ or ‘many’ public schools in one group to compare them with ‘all’ or ‘many’ private schools which may possess different features and characteristics. This inaccuracy is even more exaggerated by cross-country or cross-regional comparisons and by lack or only hypothetical knowledge of private education costs.

The ambiguity and indecisiveness of these studies can be explained by the sensitivity of the subject. Any definite conclusion would imply important policy decisions that may change the existing balance between funding of public schools and subsidies for private schools, and may affect such issues as degree of control by the central
government and decentralization, introduction of school vouchers, tuition fees, taxation, accreditation and equivalence of diplomas etc.

While, obviously, the question can only be considered subject to the contextual and other education system characteristics, the most recent research findings are extra careful in their assessments and make a cautious general observation that privately managed schools have a slight edge over public schools with respect to value added and even more with respect to efficiency, but the relative efficiency of public v. private funding in producing educational outputs is not clear a priori (James et al., 1996).

Still for any meaningful and fair comparison, it is not enough to know only data on enrolment and number of teachers for both categories, it is necessary to achieve an adequate degree of accuracy in this comparative analysis, i.e. to compare comparable institutions and working/learning conditions. Modern research is very careful in qualifying which category of education is better because it is not easy to relate cost-efficiency directly with performance. Better cost-efficiency of one category of schools over another may be explained by reasons other than only their public or private nature, for example, qualifications of teachers and parents’ background.

**School choice and parents’ attitudes**

Apart from cost-efficiency and cost-effectiveness, another critical issue related to private education is equity, the degree of which is shown by an ability to have a school choice and by parents' attitudes to it.

The nature of private versus public education - competitive or complementary - largely depends on those issues which cannot be measured only in quantitative terms (such as rates of return to
education) due to numerous inputs and decisive factors whose weight is hard to estimate (power of family traditions, religious affiliation, ethnic links, etc.).

First of all, very often the choice of what school children should attend may not exist at all, especially in rural and remote areas in developing countries. Under these circumstances, they will probably attend the school which is the nearest and the most affordable. The absence of choice in this sense will mean the absence of competition between public and private education. The available schools may be of any type (public, private, community or spontaneous) corresponding to the characteristics of the neighbourhood. This situation appears very often in rural areas where a low-income population lives, for example in Chad, and explains the development of spontaneous schools (Esquieu and Péano, 1994).

When the choice exists, in particular in urban areas, the likelihood of attending either the public or private-sector school is positively correlated with various measures of school quality. According to the theory of rates of return to education, parents will choose the school which guarantees higher private rates of return in relation to expenses borne by them; in other words, the one with better ‘quality/price ratio’. Parents are found to be sensitive to the social characteristics of the teaching force and enrolment. Not surprisingly, school tuition and other types of family expenditure are also found statistically significant, especially for profit-making private schools.

There are numerous studies, both in developed and developing countries, which show that income and level of education of parents turn out to be significant determinants of education spending propensity (Behrman, 1996; Kanellopoulos and Psacharopoulos, 1997). The World Bank experts equally confirm that private schools “tend to draw their students from more advantaged socio-economic
backgrounds” but, in their view, it is balanced by the fact that “they promote diversity and provide useful competition for public institutions” (Burnett et al., 1995). “One of the arguments against privatization is that the rich and middle classes would vote for low-cost, low-quality schools, thereby saving on taxes, and would send their own children to high-quality private schools. We would therefore get a segmentation of education along class lines and perpetuation of class differentials” (James, 1997).

Another critical issue is to see how school quality, tuition and other characteristics are linked with a student and his/her family background variables, such as demography (number of children per family), income, urban/rural and local specifics.

**What public policy towards private education?**

As observed before, private education may complement and substitute public education development: for historical reasons, due to insufficient capacities of public education to cover the catchment area, creating unmet demand, serve particular clientele with a more differentiated demand for education, and as a profit-making enterprise to bring income to private school managers (James Kwong, 1989, 1991, 1997).

Public education is normally considered by central governments as an essential instrument of policy implementation which is important for a country’s unity, promotion of the official language and proper attitudes towards the country’s history, culture and traditions. In the late nineties there is more recognition at the level of decision-making in African countries that, given the obvious constraints to expand public education at post-compulsory levels, and even to universalize primary and basic education, private education can be viewed as complementary and not necessarily
competitive to public education to meet the same objectives of coverage and better access to education.

At the same time development of private education should not violate policies, norms, standards and regulations, established in education for all formal institutions. The report of the Delors Commission says: “The formal institutions at the heart of the education system, whether public or private, must clearly proceed in concerted fashion and in accordance with a long-term view. It is therefore the task of public policy to ensure coherence in space and time; in other words, to set guidelines and to regulate” (UNESCO, 1996). Ishumi (1994) stressed that “in the interests of uniformity and quality control, the government can retain the right of inspection and supervision of private schools, as it has always done for public schools”.

There is room for harmonization of educational policies between public and private education, for example, the government which concentrates its efforts at the primary level may allow for more private schools at secondary level. This trend has been observed in many African countries in the nineties but at present there are signs that at primary level also, the role of private education may increase in countries experiencing financial constraints in their attempts to universalize primary and basic education. There is a certain retreat from the status quo which has existed from the sixties until the present time, when private education was often considered as a temporary phenomenon, only waiting for continuing expansion of public education.

Still there are also warning signals that “private schooling should not be seen as a panacea, and its potential as a future demand on government obligations under multi-party systems must be borne in
mind: where private schools may suffer financial problems there may be strong calls for government help” (Penrose, 1993).

But, especially in more centralized education systems in African countries, state regulation of private education is sometimes viewed as excessive, i.e. subventions and subsidies are accompanied with heavy procedures of registration, authorization, learning conditions, qualifications of teaching staff, conformity with official programmes and diplomas etc. These procedures may need review and updating, in particular in certain cases when the government does not perform its own promises to support private schools, reduces or cancels its support for non-profit-making private institutions (Arnaud, 1996; Kone, 1996).

State funding arrangements to support private education may be reviewed and made more incentive- and merit-based through the use of formulae to stimulate competition between various private schools and to favour those with increasing enrolment and improving standards. Such a formula was introduced, for example, in Mauritius in 1989 (Ministry of Education, 1994).

Private education cannot be treated as a homogeneous entity. A differentiated approach should be further applied to various types of private education, in particular a distinction should be made between community, religious and profit-oriented schools. While a sort of competition may take place between public and profit-oriented private schools, it is better to avoid it (by the means of school-mapping and certain incentives) between public and recognized community and religious schools because it may provoke unnecessary and unhealthy duplication of functions.
Bibliography


Financing and financial management of education


Financing and financial management of education


4. THE COST OF BASIC EDUCATION IN MALI

General organization and institutional framework

Basic education in Mali is organized in two successive cycles. The first cycle receives students from seven years of age and lasts six years, eventually culminating in a Certificate awarded at the end of studies of the first cycle of basic education (Certificat de fin d'études du premier cycle de l'enseignement fondamental – CFEPCEF). The second cycle takes three years, and is completed by a Diploma of basic education (Diplôme d'études fondamentales – DEF). The first cycle, with an enrolment of 605,000 students in 1994–95, represents the quasi totality of the national student population. The second cycle of basic education concerns 94,000 students, and higher education about 20,000 students. Basic education is assured by five categories of schools:

- Public schools run by the Ministry of Basic Education receive the majority of students (578,000 in the 1st and 2nd cycles).
- Catholic schools (18,000 students) benefit from an agreement between the government and the Conference of Bishops.
- Secular private schools (6,000 students) were created by private initiatives and are aimed at turning a profit.
- Basic schools (25,000 students) which usually have a community origin, especially in rural regions.

* Sekou Traoré, Ministry of Basic Education, and Serge Péano, IIEP. The complete paper is published in the IIEP’s Research Report No. 106
Financing and financial management of education

- Madrasahs (medreses) which are officially recognized by the state (71,000 students); teaching is done in Arabic and contains a strong religious element.

The Ministry of Basic Education is responsible for basic education. It runs the network of public schools and oversees the administration of the various categories of private and community schools. To carry out its duties, the Ministry has a central administration in Bamako and an educational Directorate in each of the regions. Each region can count on two or even more Inspectorates of Basic Education (Inspections de l'Enseignement Fondamental – IEFs): 35 such inspectorates already exist which are responsible for an average of 67 public, private and madrasah schools each, *i.e.* 380 teachers and 1,800 students.

The national territory is divided into eight Regions, 46 Circles and around 280 Arrondissements. These geographical districts correspond to the decentralized provision of government services and are not really made up of autonomous communities. Each district is administered by a government representative, under the authority of the Ministry of National Administration. These civil servants prepare and administer regional budgets and receive a delegation from central government departments for the administration of expenses drawn from the national budget. The only genuine autonomous communities are the Municipalities (there are 19 of them, mostly located in Bamako). These municipalities have an elected council, resources and their own budgets.

Local Development Committees (Comités locaux de développement – LDCs) are set up within each of the three territorial divisions: Region, Circle, Arrondissement. Presided over by the government official overseeing territorial districts, they are responsible for planning and implementing local development projects.
They have at their disposal revenues from a special government tax: the Tax for Regional and Local Development (Taxe de développement régional et local – TDRL). This tax replaces four previous taxes and fees, including the parent-teacher association (PTA) subscription. In practice, the tax redistribution system set out in the law is not adhered to, and the funds collected are gathered together by each Circle and deposited into a bank account, with the administrative head of the Circle overseeing the management of the funds. Tax revenues are shared between the three territorial administrations. The law does not determine the breakdown of cost allocations, but a recommendation of a government committee seems to be applied in all districts, *i.e.* 65 per cent to the Arrondissements, 20 per cent to the Circles and 15 per cent to the Regions.

Parent-teacher associations are structures which draw representatives from the entire population and not just the parents of children attending school. Before the 1988 tax reform which created the Tax for Regional and Local Development, the parent-teacher associations managed their own PTA subscription funds, contributed to by all adults; and played the same direct financial role at school level which is now assumed by the local development committees. Since the reform, PTAs no longer collect subscriptions and only have a representative role vis-à-vis the National Education Administration and the local administrative authorities. They are represented on all of the local development committees and thus participate in the decisions concerning how the Tax on Regional and Local Development is to be used.

Difficulty in collecting this tax has led some PTAs, especially in Bamako, to get re-involved in raising funds for education. The evolution of student enrolment according to school type is shown below in Table 1.
Table 1 – Evolution of student enrolment according to school type

<table>
<thead>
<tr>
<th></th>
<th>1990/91</th>
<th>1993/94</th>
<th>1994/95</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st cycle</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>327,452</td>
<td>461,709</td>
<td>497,857</td>
</tr>
<tr>
<td>Private</td>
<td>13,121</td>
<td>36,160</td>
<td>45,034</td>
</tr>
<tr>
<td>Madrasabs</td>
<td>59,117</td>
<td>54,535</td>
<td>62,245</td>
</tr>
<tr>
<td>TOTAL</td>
<td>399,690</td>
<td>552,404</td>
<td>605,136</td>
</tr>
<tr>
<td><strong>2nd cycle</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>53,852</td>
<td>74,081</td>
<td>80,592</td>
</tr>
<tr>
<td>Private</td>
<td>3,333</td>
<td>4,099</td>
<td>4,704</td>
</tr>
<tr>
<td>Madrasabs</td>
<td>5,480</td>
<td>5,794</td>
<td>8,321</td>
</tr>
<tr>
<td>TOTAL</td>
<td>62,665</td>
<td>83,974</td>
<td>93,617</td>
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</tbody>
</table>

**Expenditure for basic education**

The total expenditure targeted for Malian basic education was set in 1994 at 24 billion CFA francs. This includes overall financing (whether public, private or foreign aid) aimed at providing the human and material resources and the equipment necessary for basic schooling in the first and second cycle, as well as money earmarked for teacher training, general administration or research activities. It also includes family expenses resulting from school attendance.

This expenditure represents 2.5 per cent of the Gross Domestic Product and 2,700 CFA francs per inhabitant. Taking into account the number of students enrolled in the two basic education cycles, it amounts to an average of 36,600 CFA francs per student, *i.e.* around a third of the Gross Domestic Product per inhabitant.

- **Sources of financing**

Basic education is financed by three main sources:
• Public national administrations who redistribute resources raised through taxes.

• Families who support schools or incur direct expenses on behalf of their school-going children.

• Foreign partners who contribute financial aid to basic education.

Public administrations finance nearly two-thirds of overall expenditure (65.6 per cent). The combined State Budget, National Budget and Regional Budgets alone represent a little more than half of expenditure. This burden results from the dominant role of the public sector in schooling and the covering by the national budget of salaries for nearly all public-sector teachers. Foreign loans represent 9.6 per cent of total financing and nearly 15 per cent of expenses incurred by public administrations. This financing is registered by the national administration which is responsible for repayment. Local development committees who use Regional and Local Development Tax revenues contribute some 843 million CFA francs to the financing of basic education by buying teaching supplies and equipment, or by participating in capital expenditure. The contribution of the municipalities is very minimal, and is split between paying janitors and covering certain operating expenses.

In this context, families include parents, who pay tuition fees to both private and public schools, buy books and equipment for their children, or finance special lessons; and the communities, who make mainly a financial or material contribution (in kind) to capital expenditure items, but also sometimes provide supplementary remuneration to educational personnel in the form of lodging or free food. Families cover 15.9 per cent of financing for basic education, 14 per cent coming from parents and 1.9 per cent from communities.
Foreign partners consist of co-operation and aid agencies who finance projects supervised by the national administration of the Ministry of Basic Education, as well as non-government agencies (NGOs), including the Catholic church, Islamic committees, and ‘pairing’ initiatives. The resources redistributed by the national NGOs are here considered as coming from foreign financial resources. Funding by foreign aid agencies represents 15.8 per cent of overall expenditure and usually takes the form of investment (2.5 billion CFA francs) or projects aimed at teacher upgrading or research activities. NGO funding accounts for 2.7 per cent of overall financing and is directed especially towards capital expenditure for public schools (for the most part, resources coming from ‘twinning’ projects) or for the daily operations of Catholic or Islamic schools (madrasahs).

The structure of financing for basic education in 1994 is shown in diagram 1 below.

Diagram 1. The structure of financing for basic education in 1994

- **Communities** 1.9%
- **Parents** 14.0%
- **NGOs** 2.7%
- **Foreign-grants** 15.8%
- **Foreign-loans** 9.6%
- **CLDs and Municipalities** 1.9%
- **Government** 52.5%

■ The financing of activities

First-cycle education, which includes the majority of students enrolled in basic education, also receives the major share of financing:
15.7 billion CFA francs, *i.e.* 65.3 per cent of overall financing, while second-cycle education, accommodating between six and seven times fewer students, represents 4.3 billion CFA francs, *i.e.* 17.8 per cent of total financing. General administration, basic and continuing teacher training, and research activities received a total of 4 billion CFA francs, *i.e.* 16.9 per cent of the total.

*Table 2* shows the origin of funding for these various activities: families (parents and communities) and NGOs are mainly involved in financing the two education cycles, while foreign grants are above all directed towards the first cycle (most often through capital investment) and teacher upgrading and research activities. Amounts devoted to the basic training of teachers are relatively insignificant because of the closing down of several training centres, and are nearly always government funded.

<table>
<thead>
<tr>
<th>Table 2 – Operational financing for 1994 in millions of CFA francs</th>
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<tbody>
<tr>
<td><strong>1st cycle</strong></td>
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<tr>
<td>-------------</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>CLDs</td>
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<tr>
<td>Municipalities</td>
</tr>
<tr>
<td>Foreign–loans</td>
</tr>
<tr>
<td><strong>Total public administration</strong></td>
</tr>
<tr>
<td>Communities</td>
</tr>
<tr>
<td>Parents</td>
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<tr>
<td><strong>Total families</strong></td>
</tr>
<tr>
<td>NGOs</td>
</tr>
<tr>
<td>Foreign–grants</td>
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<tr>
<td><strong>Total foreign aid</strong></td>
</tr>
<tr>
<td>General total</td>
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<tr>
<td><strong>In percentage</strong></td>
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</tbody>
</table>
Mechanisms for school financing

To contend with the diversity of schools providing basic education in Mali are a number of distinct financial mechanisms depending on various agents: public administrations, families and communities, foreign partners.

Public schools are not autonomous bodies in terms of financing and accounting. For their daily operations, they draw on human and material means from the Ministry of Basic Education, local development committees, municipalities and parents.

The teaching body, including principals, are for the most part government employees paid for from the Ministry of Basic Education's budget. The government-paid teaching staff at the disposal of the Inspectorates of Basic Education (Inspections de l'Enseignement Fondamental –IBFs) to run the public schools is not adequate to meet current needs, since restructuring programmes have restricted the hiring of new civil servants. In the face of this situation, inspectors have been obliged to negotiate with the local development committees to recruit part-time teachers.

Mechanisms for financing public schools are shown in Diagram 2 below.

The schools do not have service personnel, aside from janitors in certain urban schools. The maintenance of the buildings and the recreation courts is done by the students themselves. The Inspectorate of Basic Education plays an important role in allocating the schools' material resources. Eventual water, electricity and telephone bills are sent to the Inspector who examines them and forwards them to the Regional Budget Ministry to be paid from the national budget.
In the area of capital expenditure, the Inspector also has the responsibility for examining bids in the budgeting process. In the regions under the jurisdiction of the Support Funds for Basic Education (Fonds d’appui à l’enseignement fondamental – FAEF), he or she prepares proposals with the local development committees, or the municipalities.

The assistance of the Support Funds for Basic Education makes it possible to cover capital expenditure, with 25 per cent coming from local sources (most often from the local development committees) and 75 per cent of financing from foreign aid.
Parent-teacher associations no longer collect subscriptions and only participate on the local development committees. However, in some regions, especially in Bamako, the parent-teacher association can collect funds from families to buy school supplies, maintenance materials and equipment. Families can even buy small items for their child, e.g. an individual desk.

Catholic education benefits from a 1972 agreement between the government and Malian Bishops’ Conference, which grants a special status to Catholic schools and formalizes relations, especially in the area of financing, between the government and the schools.

Catholic schools are part of a network which is entirely structured around the territorial organization of the Catholic Church. Under the authority of each bishop, a Diocesan Directorate for Catholic Education is the actual administrative body managing Catholic schools. At the national level, the National Directorate for Catholic Education is responsible for co-ordination, and liaising with the government administration.

The Diocesan Directorate is the employer for all personnel working in Catholic schools. It recruits, deploys and remunerates teaching personnel and eventually non-teachers (janitors). The agreement signed between the government and Malian Bishops’ Conference provides for the coverage of 80 per cent of payments to teachers, including employee social security contributions. Teachers are remunerated at the same pay levels as their counterparts in the public school system.

Families pay tuition fees for each school set by the Diocesan Directorate. Tuition fees and various subscriptions are collected by the school principal, who transfers the money to the diocesan bursar’s
office to be allotted to each school. The diocesan bursar’s office does the accounting for each school, pays for the purchase of the various items and equipment necessary for operations, and pays employer contributions into the National Social Security Fund. The diocesan directors are subject to government administrative and financial controls.

The bishops can be called on to supplement school funding by using resources raised within the Catholic community, or through international Catholic charities.

Catholic schools can also benefit from the distribution of textbooks and school equipment by inspectors. These are purchased with funds obtained from local development committees, municipalities, the government or special projects.

Mechanisms for financing Catholic schools are shown below in *Diagram 3*.

Community basic schools are created through initiatives undertaken by a village, a group of villages or a city neighbourhood. The investments needed for their creation (in terms of land, construction, furnishings) are provided by the communities themselves, with the possible support of the Support Funds for Basic Education.

The operating of the school is supervised by the parent–teacher association which receives student subscriptions. The PTA recruits and pays teachers. Teachers, recruited with the assistance of Inspectors of Basic Education, are often graduates from the IPEGs (Institut pédagogique d’enseignement général) which have not been recruited by the civil service.
Teachers who obtain free accommodation from the village can also receive complementary payment in kind: e.g. 20 kilograms of millet per student, upkeep of a garden plot, etc.

The parent-teacher association fund also buys needed school equipment. The Inspectors of Basic Education can allocate textbooks and supplies on quotas set by the local development committees, or according to the state budget.
Resources are, however, insufficient, and the school’s operating efficiency can still depend on the savoir-faire and resourcefulness of the teachers, who borrow pedagogical materials from neighbouring public schools, or appeal to the Inspector for additional assistance.

Basic schools in urban zones often abandon the community model and model themselves on private secular schools, whereby trained teachers who have not found employment in the civil service can create their own jobs by obtaining the backing of a group of parents. These schools are placed in the same category as private secular schools.

Private secular schools were created by private persons in urban areas. By financing construction and equipment, they get a return on their investment by charging families tuition fees in return for the instruction they provide.

These profit-oriented schools can receive assistance from public administrations in the form of equipment and teaching materials.

Using the portion provided by the World Bank, the Support Fund for Basic Education can fund the entire cost for building a private school in return for a leasing contract setting the conditions for use and the amount of interest to be paid by the beneficiary.

The madrasahs are a long-established network of schools, founded on the Koranic tradition. They are characterized by teaching in Arabic, with a strong religious content. The ‘network’ of madrasahs comprises a group of autonomous schools run by their founder, who can be a private person or a community. The Union of Madrasahs is a body charged with co-ordinating and representing their interests to the public authorities.
As a private institution, the madrasah may be the result of community or individual initiatives. The financial arrangements made for their creation can be diverse: personal contributions of a sponsor or loans, collective savings eventually supplemented by direct foreign aid. Since the creation of Support Funds for Basic Education, the sponsor can request financing for capital expenditure.

Management of the madrasah is the responsibility of the founder, with powers sometimes delegated to the head of the school, who acts in a representative capacity. The school fees paid by the families cover a major part of the school’s operating costs. Teaching personnel are recruited and paid by the school or the founder. Some madrasahs benefit from teaching staff coming from abroad who are paid directly by their country of origin, or by an Islamic committee.

The madrasahs, like other categories of private schools, can benefit from textbooks or school equipment distributed by the Inspectors of Basic Education and financed by the government or local development committees. They can also receive donations in cash or kind from private persons or NGOs.

**School resources and expenses**

Public schools accommodate 83.1 per cent of first-cycle students, and 87.5 per cent of second-cycle enrolment. It is therefore not surprising that they receive most of the financing, both for current operating expenses and for capital expenditure. For current operating expenses, the first cycle receives 7.9 billion CFA francs out of a total of 9.2 billion CFA francs, and the second cycle receives 2.8 billion CFA francs out of a total of 3.2 billion CFA francs. The network of madrasahs, which accommodates the greatest number of students not attending public schools (9.7 per cent of students for both cycles), receives financing for current operating expenses of 518 million CFA
The cost of basic education in Mali

francs. The source of current financing for the various categories of school reflects the responsibility sharing among the various economic players.

The government is the main source of funds for public schools (87.8 per cent for the first cycle and 93.2 per cent for the second cycle) where family contributions are relatively low (3.2 per cent for the first cycle and 2.1 per cent for the second cycle).

The government is also the main source of funds for private Catholic schools. Government financing covers approximately half of operating expenses for Catholic schools (48.7 per cent for the first cycle and 55.4 per cent for the second cycle). NGOs, in this case basically the Catholic Church, constitute the second source of funds, contributing between a quarter (second cycle) and a third (first cycle) of operating expenses. And parents, through school tuition fees, cover between 16.8 per cent (first cycle) and 18.1 per cent (second cycle) of current costs.

For secular private schools, current operating expenses are nearly totally financed by the families themselves. The contribution by parents is lower for madrasahs (around two-thirds of current operating expenses) who benefit from contributions from foreign countries, Islamic associations or individual benefactors. For community schools, the contributions from parents represent less than a half of current financing, with NGOs, communities and the government contributing the rest.

Funding for capital expenditure comes mainly from projects financed by loans or foreign grants (78 per cent for the first cycle and 70 per cent for the second cycle). The Support Fund for Basic Education has a considerable impact on basic education spending, and is the main source of capital financing. In the case of first-cycle
public schools, the contribution of the communities required by the Fund rules is most often donated by the local development committees, who thus make a significant contribution (9.1 per cent) to the capital financing of these schools.

Average spending per student varies widely according to school category in the proportion of one to six in the first cycle, between the least costly community schools and Catholic schools; and one to three in the second cycle, between madrasahs and private secular schools (see Tables 3 and 4).

In the first cycle, average costs per student are higher in Catholic schools and lower in madrasahs and especially in community schools. A Catholic school uses an average of 40,860 CFA francs per student, compared to 25,028 CFA francs for a public school; with 15,885 CFA francs for madrasahs and 7,110 CFA francs for community schools. The state is especially present in the financing of public and Catholic schools, to which it contributes approximately the same amount per student, which is explained by the lower teacher/student ratio in Catholic schools, where double shifts are less frequent. As for the contribution of parents, it is much higher in private secular schools (18,192 CFA francs per student). It is in the neighbourhood of 5,000 CFA francs per student in the madrasahs or in Catholic schools, and represents little more than 500 CFA francs in public schools.

Expenses accepted to be paid by parents outside of school for the purchase of textbooks, supplies, uniforms or for private tutoring represent between 1,662 CFA francs per year in community schools and 4,558 CFA francs in private secular schools, where the cost of schooling was already highest.

These differences in costs are reflected in an analysis of expenses. Catholic schools are the ones in which expenses for personnel,
Table 3 – Average expense per first-cycle student  
(year 1994 in CFA francs)

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Catholic</th>
<th>Secular</th>
<th>Community</th>
<th>Madrasahs</th>
<th>All together</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>16,344</td>
<td>16,017</td>
<td>1,965</td>
<td>1,371</td>
<td>931</td>
<td>14,151</td>
</tr>
<tr>
<td>Communities</td>
<td>769</td>
<td>157</td>
<td>–</td>
<td>1,024</td>
<td>972</td>
<td>748</td>
</tr>
<tr>
<td>Parents</td>
<td>527</td>
<td>4,970</td>
<td>18,192</td>
<td>2,546</td>
<td>5,103</td>
<td>1,771</td>
</tr>
<tr>
<td>NGOs</td>
<td>284</td>
<td>10,599</td>
<td>227</td>
<td>1,369</td>
<td>2,122</td>
<td>724</td>
</tr>
<tr>
<td>Foreign loans</td>
<td>2,299</td>
<td>9,117</td>
<td>9,231</td>
<td>691</td>
<td>6,463</td>
<td>3,152</td>
</tr>
<tr>
<td>Foreign grants</td>
<td>4,805</td>
<td>–</td>
<td>1,454</td>
<td>109</td>
<td>294</td>
<td>4,078</td>
</tr>
<tr>
<td><strong>School income</strong></td>
<td><strong>25,028</strong></td>
<td><strong>49,860</strong></td>
<td><strong>31,069</strong></td>
<td><strong>7,110</strong></td>
<td><strong>15,885</strong></td>
<td><strong>24,604</strong></td>
</tr>
<tr>
<td>Personnel</td>
<td>13,626</td>
<td>17,831</td>
<td>9,352</td>
<td>4,460</td>
<td>6,332</td>
<td>12,775</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>3,021</td>
<td>4,782</td>
<td>3,068</td>
<td>1,694</td>
<td>729</td>
<td>2,827</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>8,379</td>
<td>18,246</td>
<td>13,304</td>
<td>998</td>
<td>8,614</td>
<td>8,778</td>
</tr>
<tr>
<td><strong>School expenditure</strong></td>
<td><strong>25,026</strong></td>
<td><strong>40,859</strong></td>
<td><strong>25,724</strong></td>
<td><strong>7,152</strong></td>
<td><strong>15,675</strong></td>
<td><strong>24,380</strong></td>
</tr>
<tr>
<td>Family purchase</td>
<td>2,889</td>
<td>3,611</td>
<td>4,558</td>
<td>1,662</td>
<td>2,651</td>
<td>2,937</td>
</tr>
</tbody>
</table>

Table 4 – Average cost per second-cycle student  
(year 1994 in CFA francs)

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Catholic</th>
<th>Secular</th>
<th>Community</th>
<th>Madrasahs</th>
<th>All together</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>36,465</td>
<td>39,858</td>
<td>3,938</td>
<td>–</td>
<td>1,910</td>
<td>33,756</td>
</tr>
<tr>
<td>Communities</td>
<td>50</td>
<td>686</td>
<td>–</td>
<td>–</td>
<td>1,937</td>
<td>220</td>
</tr>
<tr>
<td>Parents</td>
<td>796</td>
<td>12,724</td>
<td>68,803</td>
<td>–</td>
<td>8,551</td>
<td>2,356</td>
</tr>
<tr>
<td>NGOs</td>
<td>1,780</td>
<td>18,595</td>
<td>–</td>
<td>–</td>
<td>3,652</td>
<td>2,628</td>
</tr>
<tr>
<td>Foreign loans</td>
<td>1,332</td>
<td>637</td>
<td>27,024</td>
<td>–</td>
<td>13,852</td>
<td>2,430</td>
</tr>
<tr>
<td>Foreign grants</td>
<td>2,559</td>
<td>–</td>
<td>4,255</td>
<td>–</td>
<td>630</td>
<td>2,306</td>
</tr>
<tr>
<td><strong>School income</strong></td>
<td><strong>42,970</strong></td>
<td><strong>72,500</strong></td>
<td><strong>104,020</strong></td>
<td><strong>–</strong></td>
<td><strong>30,562</strong></td>
<td><strong>43,696</strong></td>
</tr>
<tr>
<td>Personnel</td>
<td>33,820</td>
<td>48,232</td>
<td>31,396</td>
<td>–</td>
<td>11,190</td>
<td>32,698</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>3,339</td>
<td>9,662</td>
<td>15,475</td>
<td>–</td>
<td>1,037</td>
<td>3,515</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>5,811</td>
<td>14,605</td>
<td>44,895</td>
<td>–</td>
<td>17,927</td>
<td>7,373</td>
</tr>
<tr>
<td><strong>School expenditure</strong></td>
<td><strong>42,970</strong></td>
<td><strong>72,499</strong></td>
<td><strong>92,306</strong></td>
<td><strong>–</strong></td>
<td><strong>30,154</strong></td>
<td><strong>43,586</strong></td>
</tr>
<tr>
<td>Family purchase</td>
<td>5,405</td>
<td>5,652</td>
<td>10,377</td>
<td>–</td>
<td>5,564</td>
<td>5,461</td>
</tr>
</tbody>
</table>
operations and capital expenditure per first-cycle student are highest. Expenses for personnel are far less in other private and community schools, where teachers receive much lower salaries.

In the second cycle, the financing received is higher in secular schools where it represents a little over 104,000 CFA francs per student, coming mainly from families. The lowest funding is received by madrasahs (30,562 CFA francs). If student enrolment figures are taken into account, state financing is higher for Catholic schools (39,853 CFA francs) than for public schools. As in the first cycle, the lower teacher/student ratio in Catholic schools explains this situation. Financing by parents, which represents nearly 800 CFA francs per student in public schools, reaches an average of 68,803 francs in private secular schools, where they are the main source of financing. Besides the tuition fees paid to the schools, parents opting for secular schools spend a little more than 10,000 CFA francs per student for the purchase of textbooks, equipment, and private tutoring, i.e. nearly twice as much as other school categories. If private secular schools in the first cycle include a large number of basic schools operating with limited budgets, private secular schools in the second cycle correspond to more traditional private schools serving a clientele of more well-to-do families.

The highest expenses in private secular schools are current operating expenses and major capital investment. The madrasahs differ from other categories of schools by having much lower average expenses for personnel and operations.

**Student conditions**

The study also provided an occasion to analyze the operational aspects of basic schools, school life, and the relations, opinions, and
expectations of everyone involved. Only a few elements relating to student conditions are noted here. They can be compared with the costs determined for the various categories of schools.

Generally speaking, Malian basic education appears definitely deprived: far from being able to welcome all children, it can only offer its students unsatisfactory school conditions; there is a lack of teachers, buildings, equipment and materials, especially textbooks.

In the first cycle in 1994-95, there were only 8,300 teachers available for 543,000 students. In the second cycle, there were 3,200 teachers for 85,000 students. To absorb the effects of such a shortage and use existing buildings to their maximum, the Ministry of Basic Education had to rely on a system of double shifts: during the course of a day, two different groups of students use the same classroom, usually with the same teacher. If double shifts are frequent in the public first cycle, they are nearly non-existent in private Catholic or secular schools, an attractive factor for many teachers and families.

Despite this recourse to double shifts, classes are still overpopulated at public school level: 64 students per class, compared with 59 in Catholic schools. Class sizes are significantly smaller for private secular schools (47), and even more so in madrasahs and community schools (38). The limited size of classes in private schools is often bound to a deliberate policy of limiting the number of students, but also to the cramped conditions of the buildings: for example, only 0.9 square metres per student in a madrasah. In private secular schools, the situation is hardly better (1.1 square metres per student). Recent creations, most of these schools do not offer a complete cycle. They gradually extend classes from the first to the sixth grade, but then must face problems, especially financial ones, which are linked to this necessary expansion.
Financing and financial management of education

If around half of the schools have sufficient drinking water, toilets, and blackboards, the survey revealed real shortcomings in material and pedagogical equipment. Most principals consider the number of classes to be insufficient. Their judgement is even more severe concerning textbooks, writing materials, and equipment for science teaching or physical education. On practically every point, Catholic schools appear to be the best equipped. At the opposite end of the scale, if community schools can offer large class areas to their students, their lack of basic equipment is blatant.

**Teachers and their working conditions**

Each type of school has teachers enjoying a different status or treatment in terms of recruitment or remuneration: full or part-time civil servants for public schools, employees of the diocesan authorities for Catholic schools, of the village or parent-teacher associations for community schools, or of the school or founder for madrasahs and private secular schools.

Teachers in public or Catholic schools are known for their experience and seniority. Those in private secular schools are younger, but also well-educated – some of them hold university degrees. Having already received their basic teacher training (in IPEGs or teacher training colleges), they turned towards private teaching at a moment when the state cut back teacher recruitment for public schools. On the other hand, for madrasahs and community schools, a majority of the teachers have not gone beyond the basic 2nd-cycle level.

The status of public servant has given relatively important material advantages to teachers in public schools, and the same applies to Catholic schools, with average payment in excess of 6,000 CFA francs per year. Revenues are nearly half this in private secular schools. In
comparison, teachers in madrasahs and community schools suffer from the often limited financial resources of their employers: on average, less than 200,000 CFA francs yearly. Their revenues are only partially supplemented by various offerings in kind (lodging, food, etc.).

Confronted with differing class sizes, teachers encounter conditions which are just barely satisfying. Once again, the Catholic schools seem to offer the best environment, according to the shared opinions of principals, parents and the teachers themselves. The assessment is much more negative in madrasahs. In public schools, the parents, who are less critical than teachers about the state of the buildings, largely regret the excessive numbers of students.
5. INTERNAL PRODUCTIVITY AND THE COST OF A UNIVERSITY DIPLOMA IN SENEGAL*

Introduction

Senegal devotes to education about 26 per cent of its recurring national budget, and the portion allotted to higher education has risen regularly, reaching 26 per cent during the course of 1993–94. It seems, however, very unlikely that this financial effort in favour of higher education can be continued indefinitely.

Indeed, Senegal is presently undergoing a Sustained Adjustment Programme which aims at establishing macro-economic equilibrium by increasing revenues and controlling and rationalizing expenditure.

On one hand, the measures are not aimed at increasing the resources allotted to education, particularly those destined for higher education. On the other hand, considering Senegal’s lag in education, the government has decided to increase the importance of elementary education in public education spending, to the detriment of university education.

That is why after attaining 26 per cent, the latter’s share fell to 21.6 per cent in 1997, following the application since 1994 of the Reform Programme for Higher Education.

The growth in student enrolments has remained relatively low in Senegal, and we have seen a certain shrinkage in the number of students per thousand inhabitants, which fell from 2.8 in 1990 to 2.3 in 1996.

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In response to the important constraints placed on the national budget, the preferred solution in the context of university reform is a greater involvement of the private sector in providing higher education. Another proposed reform measure is to transfer an important part of educational costs to students. Up until now, student contributions have accounted for less than 3 per cent of university budgets.

Despite the progress expected from these solutions, state financial support will remain irreplaceable for at least one or two decades. That is why, faced with limited perspectives for increasing public revenues, the government must put the accent on improving the efficiency of the public university system. Even with a declining number of students, this would make available to the economy and society an increasing number of qualified people, especially in the area of science and technology.

**Methodology used in the analysis**

The authors have identified two major problems which characteristically appear when the performance of an education system is being evaluated: the allocation and management of available resources on one hand, and the improvement of the efficiency of educational services, on the other. To analyze these problems, they employed cost-efficiency analysis techniques.

This approach not only makes it possible to identify the independent variables on which the efficiency of an education system hinges, but also to estimate the costs of these inputs, thus making it possible to calculate the expenses arising from an increase of each new factor of education.

The efficiency concept was analyzed from two viewpoints:
i) The concept of external efficiency was used to establish the links between the training provided by the system and the needs of the labour market (also the link between the capacity of the system to prepare students for their future role in society).

ii) The concept of internal efficiency serves to establish the link between the internal performance of the system and the overall factors necessary to its operation.

The study was concentrated in particular on the internal efficiency of university teaching, and internal productivity in terms of the teaching costs involved in preparing a student for a degree was of especial interest.

While bearing in mind the difference between independent variables (inputs) which can serve as instruments for educational policy (textbooks, classrooms, teaching qualifications, etc.) and those that fall outside the boundaries of these considerations (parents' level of education), the study identified some result-oriented variables: the number of graduates, pass rates, repeated years or dropping out.

The method of cost-efficiency analysis made it possible to calculate the number of students who successfully accomplished their training cycle and to compare this with the inputs expressed in terms of the number of student-years required to train these graduates. This allowed to accurately measure the internal efficiency of the system in terms of the average time needed to produce a graduate.

**Methods used to calculate unitary costs**

In Senegal, as in many other countries, the application of financial resources to higher education is usually done in accordance with
negotiated political criteria, rather than in response to objective criteria such as the internal efficiency of university education.

This study uses the cost-efficiency method which, although somewhat alien to the traditional practices governing the allotment of resources to higher education in Senegal, distinguishes between two kinds of responsibilities assigned to universities:

1) the provision of teaching services and bona fide research activities;

2) the ancillary role of supporting student social and living conditions.

This method makes it possible to use a particular type of cost analysis: i.e. the analysis of unit costs which contribute to determining methods for allocating resources according to the cost of education inputs, or according to results achieved in the various institutions of higher learning.

Indeed, if one wishes to understand the impact reforms and strategies being considered have on recurring costs and capital expenditure, it is essential to clearly define the relation that exists between the type of expenses (teacher salaries, the cost of buildings and teaching equipment, textbooks, etc.) on one hand, and productivity, on the other.

A sound knowledge of the methods used to estimate these variables is thus necessary to evaluate how the education system could be improved by opting for other policy alternatives. A unit cost approach is all the more interesting in that it serves to calculate the cost of a degree, while taking into account the effects of repeated years or drop-outs in relation to the number of student-years necessary for the training of graduates.
Evolution of student enrolment

Higher education in Senegal is provided at two universities: Cheikh Anta Diop University in Dakar (UCAD) and Gaston Berger University in Saint Louis (UGBSL).


As for UGBSL, which was created in 1990, its student body has grown from 1,586 in 1991–92 to 2,096 in 1996–97. This represents an average annual increase of 5.7 per cent.

A more detailed analysis of the evolution of student enrolments reveals that the disequilibrium in the distribution of students persists and is becoming more acute.

At UCAD, 77 per cent of the student body is registered in the first and second years (compared with 68 per cent of the total number registered in 1995–96). This proportion was 74 per cent in 1991–92.

The tendency of an increasing number of students in the first cycle was also confirmed at UGBSL, where the use of credits for the organization of examinations accentuates the phenomenon.

Another difference exists between the distribution of the students between institutes and faculties, and also among the faculties themselves. While the numbers attending institutes have remained stable during the 1991–92 and 1994–95 periods (1,196 students registered in 1994–95, compared with 1,178 in 1991–92), the same does

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2. Faculties are an integral part of universities, their management is centralized at the university rectorate. Institutes are attached to universities but have an independent management. Schools are statutory and administratively independent from universities.
not apply to the numbers registered at faculties, which have risen from 19,212 to 21,217 during the same period.

Here, once again, it is evident that the Faculty of Arts and Social Sciences (Faculté des Lettres et des Sciences Humaines – FLSH) has, in fact, been responsible for the rise in student enrolment during the 1991–92 and 1994–94 periods, since it has gained 2,867 additional students compared with 1991–92. The other faculties have experienced either a constant number of students, or a reduction. Nevertheless, it should be noted that even faculties which have seen a drop in student enrolment have not escaped an increase in the first cycle.

However, if in the other faculties, the growth of student enrolment in the first and second year is considered ‘normal’, we are in the presence of a real boom in the first and second years at the Faculty of Arts and Social Sciences, where in four years, the number of students registered has increased from 3,790 to 6,936, i.e. an increase of 83 per cent.

This tipping of the scales in favour of an education in the humanities confirms the already marked trend of a lower number of students opting to study scientific and technical subjects at secondary school level.

- **Analysis of the raw examination results at UCAD and UGBSL**

The authors have shown that the pass rates for examinations in 1991–92, 1992–93 and 1994–95 are in the neighbourhood of 31 per cent for all of the teaching institutions within UCAD. If the institutes are excluded from this analysis, the rate falls to 28 per cent. A comparison with similar data concerning examination results from 1985–86 and 1988–89 show that there is a falling trend in examination results. The rate of average success is 42 per cent for UCAD taken as a
whole, and 40 per cent for the faculties. Examination results obtained by the various teaching institutions at UCAD are even more disparate, since the rate of successful examinations varies between 15 per cent and 100 per cent for registered students.

Discrepancies also exist between the cycles and the years within the same institution. For example, at the Faculty of Medicine, Pharmacy and Dentistry (Faculté de Médecine, de Pharmacie et d’Odonto-stomatologie – FMPOS), the average success rate is 52 per cent for the first cycle and 69 per cent for the second cycle. Similarly, one can observe that at the Faculty of Science and Technology (Faculté de Sciences et Techniques – FST), the success rate is 16 per cent in the first cycle and 70 per cent in the second. With an average of 67 per cent, UGBSL presents a clearly higher rate of success.

The wide disparity in examination results for the first cycle at the faculties can be closely linked to the teacher/student ratio for this level.

Teacher/student ratios at UCAD

In 1994-95, UCAD had a teacher/student ratio of one teacher per 27 students (for all years). This average, however, hides serious differences between schools and institutes, on one hand, where the ratio is one to five, and the faculties, where the ratio is one to 33.

The number of teachers per student and the way the teaching personnel is deployed also differs significantly from one faculty to the other. While at the Faculty of Medicine and Pharmacy, and the Faculty of Science and Technology, the teacher/student rate is one to nine, and one to 18, respectively; at the Faculty of Juridical and Political Science, the Faculty of Arts and Social Sciences, and the Faculty of Economics and Management, it reaches one to 57, 67 and 80. The ratio at the Faculty of Economics and Management is thus nine times less staffed than the Faculty of Medicine.
Moreover, while the proportion of teaching assistants is 28 per cent at the Faculty of Arts and 37 per cent at the Faculty of Science and Technology, it reaches 48 per cent, 63 per cent and 70 per cent respectively at the Faculty of Medicine, the Faculty of Juridical and Political Science, and the Faculty of Economics and Management.

**Internal productivity of higher education in Senegal**

- **Analysis of rates for passed and repeated years among students**

  As examination results have already indicated, the average pass rates for the 1991–95 period vary considerably according to year. The pass rates in the first year are very weak everywhere, except in pharmacy, where it is 55 per cent. Moreover it varies widely from 22 per cent (Faculty of Economics and Management) and 39 per cent (Medicine). The pass rate improves from the second year on, where it attains over 50 per cent in all faculties, with the exception of the Faculty of Economics and Management, where it is nonetheless at 45 per cent. The pass rates are clearly better at UGBSL. All in all, it appears that the Faculty of Medicine, Pharmacy and Dentistry has the highest pass rates. The Faculty of Economics and Management is at the other extreme, with very low rates.

- **Productivity according to student-years required for obtaining a diploma**

  The analysis of the internal productivity of UCAD makes it possible to reach the following conclusions:

  - Considering the number of repeats in the Senegalese university system, it appears that to produce a graduate in the Faculty of Medicine, it takes 14.3 student-years instead of 10.6 student-years. In the Faculty of Medicine, Pharmacy and Dentistry only one
repeat is allowed, for the first year, according to the rules in force governing repeats.

- In other faculties the results obtained vary between 40 and 78 student-years for a diploma. Indeed, several repeats are allowed, and the low level of dropping out that results contributes to a substantial increase in the student-years necessary to obtain a degree in the various faculties. For example, in the Faculty of Science and Technology, 44.8 student-years are required for a degree, if one does not take into account repeats, and this figure attains 90.4 student-years when the repeats are taken into account. In other words, at the Faculty of Medicine, because of repeated years, the training of a successful student requires on average twice as many student-years than is normally required (i.e. seven student-years). The training required to graduate at the Faculty of Economics and Management is even more costly in terms of time, since it requires respectively 12 and 22 more student-years than normal studies.

The combination of high pass rates and high repeat rates at UGBSL has resulted in the fact that the number of student-years per graduate is actually lower. If in economics, 24 student-years are needed, only 6.8 student-years are necessary in the arts and social sciences.

The authors would like to suggest some possible solutions to reduce the exaggerated cost of graduates at UCAD and UGBSL, and also the average unit cost per student:

- The better rates of success in the schools and at the Faculty of Medicine, Pharmacy and Dentistry allow them to obtain, despite the excessively high expenses per year-student, unit costs per diploma which are substantially lower than the other faculties. The higher the internal productivity of a teaching institution, the
lower the cost of a diploma. Therefore, every effort aimed at reducing the learning time required for a diploma must be based on a policy of improving the internal productivity of the teaching institutions themselves.

- A progressive reduction in student enrolments in the most overcrowded faculties to achieve higher internal productivity (for the Faculties of Science and Technology, and Medicine, Pharmacy) should contribute to a reduction in the unit costs per diploma earner. Projections reveal that due to the increase in pass rates in the first and second years, the portion of second-cycle students in the overall student body is bound to increase. The result will be a reduction of students in the first year of studies.

The number of student-years required to produce a diploma is falling for the Faculty of Juridical and Political Science and the Faculty of Arts and Social Sciences by nearly four times in 2000–01, in relation to 1991–95. At the Faculty of Economics and Management, and the Faculty of Science and Technology the fall is even more spectacular, since the number of student-years is decreasing seven and nine times, respectively.

As the number of students in the faculties decreases, costs in terms of student-years will increase (from 600,000 CFA francs in 1994–95 to 1,619,000 CFA francs in 2000–01); but on the other hand, the cost of a diploma earner should decrease in all of the faculties. It will fall from 25.6 million to 11.7 million CFA francs at the Faculty of Juridical and Political Science, from 43.3 million to 7.8 million CFA francs at the Faculty of Economics and Management, and from 22.4 million to 14.8 million CFA francs at the Faculty of Arts and Social Sciences. At the Faculty of Science and Technology, the cost of a successful student will fall in fact from 80 million CFA francs in 1994–95 to 12 million CFA francs in 2000–01.
To sum up, the present study arrives at the following conclusions:

• The unequal distribution of the numbers of students between institutes and faculties on one hand, and among faculties themselves, on the other.

• The decline of internal productivity between 1980 and 1994–95 led to an increase in costs in terms of student-years per degree-holding student – meaning that higher education is extremely inefficient.

• In the faculties and university research departments 70 per cent of direct costs are due to salaries.

• The exceedingly long time spent at a faculty to obtain a diploma imposes important additional costs at UCAD.

• The reduction of overall student enrolments at UCAD, combined with a significant improvement in pass rates, would result in a continuous lowering of the number of new students that UCAD could receive between 1995–96 to 2000–01.

• An increase in the pass rates and a lowering of the repeat rates would lead to a distinct improvement in internal productivity for the faculties. In absolute terms, this would result in an increase of the number of graduates from UCAD in the period 1995–96 to 2000–01, despite the reduction of the overall number of UCAD students.
6. THE COST OF PRIMARY AND SECONDARY EDUCATION IN MADAGASCAR*

General organization and institutional resources

Malagasy primary and secondary school teaching is structured in three successive levels.

Level I corresponds to primary school and comprises five years, from the eleventh class to the seventh (i.e. grades one to five). It receives students from the age of six and concludes with a Certificate of Primary Elementary Studies (Certificat d’Études Primaires Elémentaires – CEPE). It is provided by Public Primary Schools (Écoles Primaires Publiques – EPPs), or private schools.

Level II corresponds to the first cycle of secondary instruction and comprises four years, from the sixth class to the third (i.e. grades six to nine). It receives students from Level I, and terminates with the First-Cycle Certificate (Brevet d’Études du Premier Cycle – BEPC). It is provided by public or private General Education Colleges (Collèges d’Enseignement Général – CEGs).

Level III corresponds to the second cycle of secondary school teaching and comprises three years, from the second class to the final year (i.e. upper sixth form, or 12th grade). It receives students from Level II and terminates with the Baccalauréat. It is provided by public ‘lycées’ (secondary schools). Some lycées can include some Level II classes.

* Richard Rahaririaka, National Ministry of Education, and Serge Péano, IIEP. The complete paper is published in Research Report No. 108 of the IIEP
Primary education (Level I), with 1,505,000 registered students in 1993–94, accounts for the largest number of students in the country. Level II has 238,000 students, and Level III approximately 60,000 students (see Table 5).

**Table 5 – Schools, classes, students and teachers, 1993–94**

<table>
<thead>
<tr>
<th>Level</th>
<th>Public schools</th>
<th>Private schools</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level I – Schools</td>
<td>11,161</td>
<td>2,463</td>
<td>13,624</td>
</tr>
<tr>
<td>Classes</td>
<td>29,136</td>
<td>8,043</td>
<td>37,179</td>
</tr>
<tr>
<td>Students</td>
<td>1,186,075</td>
<td>318,593</td>
<td>1,504,668</td>
</tr>
<tr>
<td>Teachers</td>
<td>29,585</td>
<td>8,091</td>
<td>37,676</td>
</tr>
<tr>
<td>Level II – Colleges</td>
<td>661</td>
<td>492</td>
<td>1,153</td>
</tr>
<tr>
<td>Classes</td>
<td>3,706</td>
<td>2,656</td>
<td>6,342</td>
</tr>
<tr>
<td>Students</td>
<td>134,728</td>
<td>103,181</td>
<td>237,909</td>
</tr>
<tr>
<td>Teachers</td>
<td>7,688</td>
<td>3,473</td>
<td>11,161</td>
</tr>
<tr>
<td>Level III – Lycées</td>
<td>88*</td>
<td>193</td>
<td>281</td>
</tr>
<tr>
<td>Classes</td>
<td>1,111</td>
<td>996</td>
<td>2,107</td>
</tr>
<tr>
<td>Students</td>
<td>30,341</td>
<td>29,991</td>
<td>60,332</td>
</tr>
<tr>
<td>Teachers</td>
<td>2,555</td>
<td>1,402</td>
<td>3,957</td>
</tr>
</tbody>
</table>

* Including 49 lycées offering Level II classes.

Source: DPOE, Annual statistical research.

Primary and secondary education is provided by public or private schools, colleges and lycées. Private schools can be denominational or non-denominational, created by the Catholic or Protestant churches, or secular groups. Private schools receive an important share of students, especially in secondary education: 21 per cent of students at Level I, 43 per cent of students at Level II and 50 per cent of students at Level III.

Madagascar’s territorial organization is based on four administrative levels, within well-defined geographical boundaries. The country is divided into six Faritanies or provinces, 11 Fivondronanas, about 1,250 Firaïsanas and 13,000 Fokontanies.
These territorial subdivisions are organized into autonomous communities managed by a council or an elected delegation, who assume the responsibilities accorded to them under the law. The autonomous communities have their own resources, which can be spent as they see fit within the framework of their responsibilities. Each community is run by a state appointee.

The logic behind the sharing of authority among the various community levels has led to the attribution of responsibility for primary schools to the Fokontanies, the colleges to the Firaisanas and the lycéés to the Fivondronananas. However, the state has assigned the Faritanies the responsibility for paying around 12,000 primary school teachers, former volunteers of the National Service (Volontaires du Service National – ex-VSNs) whose administrative status has been gradually normalized. The lack of financial resources at lower community levels has led the Faritanies to get involved in financing schools, beyond the simple payment of salaries to ex-VSNs.

The National Ministry of Education is responsible for primary and secondary education, while technical and professional training and higher education are the responsibility of a separate Ministry. The National Ministry of Education runs the network of public schools, colleges and lycéés and assures administrative supervision of the various categories of private schools.

To carry out its task, the Ministry has a centralized administration located in Antananarivo, and a Provincial Directorate of National Education (Direction provinciale de l’éducation nationale – DPEN) in each of the six Faritanies. The regional Fivondronananas are assigned school districts (CISCOs) and administrative services, also called by the same name. Each school district is divided into administrative and pedagogical zones which correspond to the territorial division of the Firaisanas.
The Provincial Directorates of National Education and the school districts play an important role in the administrative and financial management of the school network.

Parent–teacher associations exist in all schools, all General Education Colleges (CEGs) and a large number of lycées.

They offer an avenue for dialogue between parents, school principals and the state administration, participation in pre-school activities, involvement in organizing cultural, sports and leisure activities, and a support role in the material management of schools.

Parent–teacher associations collect subscriptions from parents which can be added to tuition or school fees.

Private schools account for a fifth of the total students in primary schools, and a little less than half at secondary level. They can be religious (Catholic, Protestant) or secular.

To favour and encourage their development, the government makes grants available to private schools. These grants are distributed by the Directorate of the National Bureau of Private Schools. A part of the grant is given according to the number and qualifications of the teachers (to date 23,000 Malagasy francs or FMGs per teacher with a First–Cycle Certificate, and 30,000 FMGs for a teacher with a higher diploma).

**Financing primary and secondary education**

The expense of primary and secondary school education was 195.9 billion FMGs in 1993.

It includes overall public, private and foreign funding aimed at providing human and material resources and the equipment necessary
for public and private schools of Levels I, II, and III, under the administrative supervision of the National Ministry of Education, as well as sums devoted to initial or ongoing teacher training, general administration and research activities. It also includes contributions from families with children in the school system.

The expenditure for primary and secondary education thus represents 3 per cent of the Gross Domestic Product, and 16,000 FMGs per inhabitant. Taking into consideration the total number of students enrolled in both primary and secondary schools, this expense represents 109,000 FMGs per student, *i.e.* a fifth of the GDP by inhabitant.

### Evolution from 1990 to 1993

During this period (see *Table 6*), Madagascar performed weakly in economic terms: the Gross Domestic Product fell in 1991 by 6.3 per cent in inflation-adjusted francs, and the limited growth of 1992 and 1993 did not allow it to attain its real level of 1990. In the same period, the population grew by an average of 2.7 per cent annually, and individual contributions towards the country’s national wealth declined just over 10 per cent (see *Table 6*).

In educational terms, the period was characterized by a fall in student enrolments.

In this gloomy overall context, expenditure for primary and secondary education remained almost stable in inflation-adjusted francs between 1990 and 1992.

The year 1993 was marked by a certain break with the three previous years. All the indicators fell significantly. Education expenditure increased only by 4.8 per cent, *i.e.* well below the rise in prices (13 per cent), and thus fell by 7.2 per cent in inflation-adjusted
francs. This significant drop was mainly due to the combined effect of the unavailability of foreign loans, the decline in foreign, and the feeble growth of state expenditure. In inflation-adjusted francs, education expenditure from 1993 was 14.2 billion FMGs lower than in 1990.

Table 6 – Evolution of primary and secondary school expenditure from 1990 to 1993, compared to the main economic and demographic aggregates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary &amp; secondary education expenditure (in billions of FMGs)</td>
<td>145.1</td>
<td>160.6</td>
<td>187.0</td>
<td>195.9</td>
</tr>
<tr>
<td>GDP (in billions of FMGs)</td>
<td>4,604.0</td>
<td>4,913.6</td>
<td>5,593.1</td>
<td>6,450.9</td>
</tr>
<tr>
<td>Percentage of primary &amp; secondary education of GDP</td>
<td>3.2</td>
<td>3.3</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>GDP price index (based on 1984)</td>
<td>234.5</td>
<td>267.1</td>
<td>300.5</td>
<td>339.5</td>
</tr>
<tr>
<td>Primary &amp; secondary education expenditure in 1993 francs (in billions of FMGs)</td>
<td>210.1</td>
<td>204.1</td>
<td>211.2</td>
<td>195.9</td>
</tr>
<tr>
<td>Number of primary and secondary school students (in thousands)</td>
<td>1,859.9</td>
<td>1,858.5</td>
<td>1,792.0</td>
<td>1,797.5</td>
</tr>
<tr>
<td>Average cost per student (FMGs)</td>
<td>78,000</td>
<td>86,400</td>
<td>104,300</td>
<td>109,000</td>
</tr>
<tr>
<td>Cost per student in 1993 francs (FMGs)</td>
<td>112,900</td>
<td>109,800</td>
<td>117,900</td>
<td>109,000</td>
</tr>
<tr>
<td>GDP per inhabitant (thousands of FMGs)</td>
<td>412.4</td>
<td>428.6</td>
<td>475.1</td>
<td>533.5</td>
</tr>
<tr>
<td>Cost per student as part of GDP per inhabitant (in %)</td>
<td>18.9</td>
<td>20.2</td>
<td>22.0</td>
<td>20.4</td>
</tr>
<tr>
<td>Current overall public expenditure (billions of FMGs)</td>
<td>418.9</td>
<td>491.9</td>
<td>608.7</td>
<td>782.1</td>
</tr>
<tr>
<td>Current expenditure by government and foreign sources for primary &amp; secondary education (billions of FMGs)</td>
<td>102.8</td>
<td>111.3</td>
<td>124.8</td>
<td>128.5</td>
</tr>
<tr>
<td>Percentage of total current public expenditure</td>
<td>24.5</td>
<td>22.6</td>
<td>20.5</td>
<td>16.4</td>
</tr>
</tbody>
</table>

Education did not benefit from the relative increase in public spending during the period. In current expenditure, it accounts for only 16.4 per cent of public spending, compared to 24.5 per cent three years earlier, while current public expenditure rose from 9 per cent of GDP in 1990 to 12 per cent in 1993.
### Sources of financing

Financing for primary and secondary education comes from three main sources (see *Diagram 4*):

- National public administrations (*i.e.* the government), who redistribute tax revenues.
- Households who make contributions to schools or who incur direct expenses for their school-going children.
- Foreign partners who contribute financial aid in the form of grants or loans repayable by the government.

In 1993, the country’s public administrations financed 62.7 per cent of total expenditure. The state budget alone covered a little over half of the total expenditure (51.8 per cent).

This heavy charge results from the overriding role played by the public sector in education, particularly at Level I. Autonomous communities account for 9.9 per cent of overall expenditure, mainly because of Faritany responsibility for paying ex-VSNs. Apart from

*Diagram 4. Structure of primary and secondary school financing in 1993*
these personnel expenses, other financial contributions from the communities account for a mere 1.7 per cent of overall expenditure.

If financing obtained from foreign loans is added to this – 4.1 per cent of total expenditure, and repayable by the public administration – in 1993 government financing covered two-thirds of total expenditure.

Private organizations including parents, the churches, and NGOs finance 27.2 per cent of total expenditure. Parents alone support 26.9 per cent of total expenses, once aid received from the state and the communities is deducted. The financial involvement of families is thus very important (52.7 billion FMGs in 1993). It covers essentially:

- The purchase of books, equipment, sports attire (29.1 billion FMGs, i.e. over 50 per cent).
- Contributions to public school operating costs through parent-teacher associations or school funds (1.8 billion FMGs), tuition fees paid to private schools (16.5 billion FMGs).
- Canteen and hostel expenses (5.8 billion).

The total amount and the part assumed by parents reflect the important role of private education in Madagascar.

Foreign partners include aid and co-operative agencies who fund activities and projects as part of the Programme of Public Investment, as well as financial organizations (World Bank, BAD) awarding loans destined for education. In 1993, foreign grants to education represented 13.7 billion FMGs, i.e. 7.0 per cent of total expenditure, while foreign loans represented 8 billion FMGs and 4.1 per cent.
In 1993, the structure of primary and secondary school financing was affected by a drop of a little over 50 per cent of foreign loan resources and a decline in foreign grants. In previous years, the financing structure obtained an average of 60 per cent from public sources (the government and autonomous communities), 25 per cent from private sources (parents and private organizations) and 15 per cent from foreign sources (loans and grants).

During the entire 1990–93 period, the expenses of parents and private organizations increased most significantly: +49 per cent compared to an average of 35 per cent.

Financing activities

It comes as no surprise that Level I, which educates the greatest portion of students, also receives the major share of financing: 92.3 billion FMGs, *i.e.* 47.1 per cent of total expenditure.

Level II, which receives six times fewer students, receives 24.9 per cent of total expenditure; and Level III, which receives around 60,000 students (25 times less than Level I), receives 9.4 per cent of overall financing.

General administrative activities, the initial and continuous training of teachers and research represent 36.5 billion FMGs, *i.e.* 18.6 per cent.

Parents and private organizations get involved only in the financing of the three pre-university levels of education. They represent 32.7 per cent of financing for Level I, 32.2 per cent of financing for Level II, and 40.4 per cent for Level III, where the private sector receives nearly half of the students.
Foreign financing mainly covers continuing teacher training and research activities (training and study workshops financed within special projects). This activity is almost totally financed by foreign aid. Foreign assistance is also important in routine administrative activities because of the presence of French volunteer workers as a support to decentralized National Education services. Foreign support for Level I is apparent in textbook acquisition and teaching supplies (on loan) or aid to student catering services (grants).

Government participation is weakest in financing Level I: 41.6 per cent of total expenses and 1.3 times more than financing provided by families. It is strongest for Level III (59.3 per cent, and 1.5 times more than financing provided by families), and especially for Level II (65.7 per cent, and twice as much as family financing).

**Mechanisms for financing schools**

Public schools are not autonomous bodies in terms of financing or accounting. Human and material resources necessary for their operations depend on the co-ordinated activities of the National Ministry of Education, autonomous communities, parent-teacher associations, the Provincial Directorate of National Education (Direction provinciale de l'éducation nationale - DPEN) and administrative services for the school districts (CISCOs), who play an important role of go-betweens, organizers and supervisors (see Diagram 5).

The colleges (CEGs) and the lycées, when they have a bursar, have wider autonomy in terms of accounting and management than under the direct supervision of the Provincial Directorates.

Teaching personnel are paid from the national budget, the Faritanies or the parent-teacher associations according to their status.
For the most part, teachers are state-paid employees, called ‘encadrés’, who are recruited by the state and paid out of the national budget. The second most important group is composed of former national service volunteers (ex-VSNs) who teach in Level I schools; the law obliges the Faritanies to pay their salaries. The two other

Diagram 5. Mechanisms for financing public schools

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Diagram 5. Mechanisms for financing public schools

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Financing and financial management of education

statutory categories are in the minority: teachers who are recruited and paid by the state on a contractual basis, or part-time teachers recruited by the parent-teacher associations to compensate for the lack of state-paid teachers.

Non-teaching personnel are mainly present in the colleges, the lycées and the central, regional and local state administrative services. However, some urban schools and some rural pilot schools can count on the presence of service personnel (janitor, handyman, cleaning person) or administration (supervisor, secretary).

The material resources required to operate a school can also come from various sources: the National Ministry of Education (Ministère de l’Education Nationale – MEN) budget via the Provincial Directorate of National Education (DPEN) or the administrative service for school districts (CISCO), the associated territorial communities (Fokontanies for the primary schools, Firaisanas for the Colleges, Fivondronanas for the lycées), or parents, either directly through contributions to the educational fund, or through parent–teacher associations (FRAMs – Fikambanany Ray Amandenin’ny Mpianatia). It does not appear that these simultaneous sources of financing are sufficient to satisfy school needs because of the paltry financial resources of the autonomous communities and the FRAMs.

Generally speaking, only schools in urban zones have running water and electricity. The cost of these utilities is covered by the parent–teacher association (FRAM), the school’s maintenance fund, a state grant, or independent communities in the case of certain schools located in urban zones.

As with operating expenses, no single body is responsible for capital expenditure. The government, the autonomous communities and parent–teacher associations can be asked to finance the
construction or repair of buildings, or the purchase of furniture and equipment.

There are numerous private schools, colleges and lycées which accommodate an important part of the overall student population: between 20 per cent and 50 per cent, according to level. These schools were created and are run by religious organizations, especially the Catholic or Protestant churches, or private persons.

Private schools are mainly financed by registration or tuition fees (‘écolage’) paid by the families. The registration fees can vary, and are determined by the schools themselves. On the average, in 1992–93, registration fees represented 25,000 FMGs per year for the first grade (i.e. the eleventh or ‘onzième’) and 70,000 FMGs for the final year at a lycée. Private schools are under the administrative supervision of the National Bureau of Private Schools. The Bureau is responsible for equitably apportioning the state grant to private schools. The amount available in the national budget is divided among schools that have been allowed to open, following three criteria:

- A part of the grant is calculated according to the number and the qualifications of teachers on the basis of a fixed sum of 23,000 FMGs per teacher holding a first-cycle certificate (BEPC) or 30,000 FMGs per teacher having a diploma beyond this level.

- A second part of the grant, for the school’s operating expenses, is calculated according to the number of students, the location of the school and the training provided, according to a sliding scale.

- A third part of the grant is earmarked for capital expenditure. It is awarded in response to projects submitted by the schools.

Schools run by religious organizations can receive financing from the managing congregation, i.e. the Catholic diocese, or the regional
synod, etc. for Protestant churches. These grants most often come from Catholic charities or international Protestant organizations. Church funding is very low or non-existent for urban schools, but it can represent 30 per cent of the operating budget for certain rural schools.

**School resources**

The financial means used for operating expenses and capital expenditure represent 130.3 billion FMGs, *i.e.* two-thirds of total expenditure for primary and secondary schools: 76 billion FMGs for Level I, 39.6 billion FMGs for Level II, and 14.7 billion FMGs for level III (see *Table 7*).

Level I public schools which receive the greatest number of students also receive the most funding (63.7 billion FMGs). They are the ones that have the most diversified funding structure, drawing on resources from the state, autonomous communities or foreign sources. Level II and III public schools are 95 per cent financed by the public administration (*i.e.* the central government), with families making a combined contribution of between 4 per cent to 6 per cent to overall costs.

In private schools, funding comes mostly from families, with state grants representing between 3 per cent and 5 per cent of school resources, and registered contributions from the churches or NGOs relatively insignificant. However, the sources used to evaluate contributions from the Churches or NGOs may be rather incomplete. A survey of a sample number of schools would eventually make it possible to gain more precise information and could slightly modify the perceived financing structure.
Table 7 – Financing of public and private schools in 1993

<table>
<thead>
<tr>
<th></th>
<th>Level I Public</th>
<th>Level I Private</th>
<th>Level II Public</th>
<th>Level II Private</th>
<th>Level III Public</th>
<th>Level III Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>37,726</td>
<td>656</td>
<td>32,159</td>
<td>257</td>
<td>10,736</td>
<td>86</td>
</tr>
<tr>
<td>Autonomous communities</td>
<td>19,058</td>
<td>–</td>
<td>264</td>
<td>–</td>
<td>60</td>
<td>–</td>
</tr>
<tr>
<td>Parents</td>
<td>1,997</td>
<td>11,408</td>
<td>1,250</td>
<td>5,629</td>
<td>683</td>
<td>3,114</td>
</tr>
<tr>
<td>NGOs</td>
<td>221</td>
<td>217</td>
<td>–</td>
<td>80</td>
<td>–</td>
<td>21</td>
</tr>
<tr>
<td>Foreign equipment</td>
<td>3,142</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Foreign grants</td>
<td>1,524</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total school resources</td>
<td>63,668</td>
<td>12,281</td>
<td>33,673</td>
<td>5,966</td>
<td>11,479</td>
<td>3,221</td>
</tr>
<tr>
<td>Family purchases (outside school)</td>
<td>10,241</td>
<td>6,064</td>
<td>4,265</td>
<td>4,860</td>
<td>1,838</td>
<td>1,853</td>
</tr>
<tr>
<td>Overall total</td>
<td>73,909</td>
<td>18,345</td>
<td>37,938</td>
<td>10,826</td>
<td>13,317</td>
<td>5,074</td>
</tr>
</tbody>
</table>

- Spending per student

Funding destined for the various levels and categories of public and private schools can be analyzed in relation to the number of students enrolled. The calculation of average spending per student (see Table 8) makes it possible to compare the level of spending while eliminating factors linked to the number of students involved.

Table 8 – Average spending per student in 1993

<table>
<thead>
<tr>
<th></th>
<th>Level I Public</th>
<th>Level I Private</th>
<th>Level II Public</th>
<th>Level II Private</th>
<th>Level III Public</th>
<th>Level III Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing of operational expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>29,180</td>
<td>580</td>
<td>218,716</td>
<td>1,053</td>
<td>316,902</td>
<td>1,436</td>
</tr>
<tr>
<td>Autonomous communities</td>
<td>16,028</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,307</td>
<td>–</td>
</tr>
<tr>
<td>Parents</td>
<td>1,701</td>
<td>35,552</td>
<td>8,757</td>
<td>56,870</td>
<td>21,826</td>
<td>106,365</td>
</tr>
<tr>
<td>NGOs</td>
<td>189</td>
<td>677</td>
<td>–</td>
<td>805</td>
<td>–</td>
<td>716</td>
</tr>
<tr>
<td>Foreign equipment</td>
<td>2,676</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Foreign grants</td>
<td>1,298</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>51,071</td>
<td>36,808</td>
<td>227,473</td>
<td>58,728</td>
<td>340,035</td>
<td>108,517</td>
</tr>
<tr>
<td>Financing of capital expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>2,949</td>
<td>1,465</td>
<td>6,508</td>
<td>1,538</td>
<td>25,943</td>
<td>1,511</td>
</tr>
<tr>
<td>Autonomous communities</td>
<td>203</td>
<td>–</td>
<td>1,846</td>
<td>–</td>
<td>600</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>3,151</td>
<td>1,465</td>
<td>8,355</td>
<td>1,538</td>
<td>26,543</td>
<td>1,511</td>
</tr>
<tr>
<td>Total school financing</td>
<td>54,222</td>
<td>38,273</td>
<td>235,828</td>
<td>60,266</td>
<td>366,578</td>
<td>110,028</td>
</tr>
<tr>
<td>Family purchases</td>
<td>8,721</td>
<td>18,900</td>
<td>29,866</td>
<td>49,099</td>
<td>58,703</td>
<td>63,276</td>
</tr>
<tr>
<td>Overall total</td>
<td>62,943</td>
<td>57,173</td>
<td>265,694</td>
<td>109,365</td>
<td>425,281</td>
<td>173,304</td>
</tr>
</tbody>
</table>
In public schools, there are important spending differences between levels. A lycée student requires current average spending which is 6.7 times higher than for a child attending primary school. This ratio is 4.5 for Level II.

This situation reflects the differences in teacher/student ratios and salary scales. Including both classroom teachers and non-teaching personnel, primary schools have one adult for 34.5 students, compared with one adult for 12.7 students at Level II, and one per 10.3 students at Level III. Moreover, average payment of personnel (both teachers and non-teachers) is 1.8 times greater at Level II and 2.1 times greater at Level III than at primary school level. Financial differences are less significant on non-salary expenses.

On average, private schools incur lower costs than public schools of the same level. Even if this remark needs to be qualified by the likely underestimate of financing going to private schools, the difference is very significant for secondary schools, whether at Level II or III, and even more so for primary schools. By consolidating overall operating expenses, capital expenditure, and family spending, a Level I public school student costs 10 per cent more than a private student. The difference is 39 per cent if restricted to school operating expenses. At secondary school level, a student at a public institution uses 2.4 times (Level II) and 2.5 (Level III) more resources than a private school student at the same levels. These variations, even if the magnitude needs to be verified though a survey of private schools, reveal differences in teacher/student ratios between the two sectors: there is one adult for every 37 students in Level I private schools, one for every 24.5 students at Level II, and one for every 18 students at Level III. These teacher/student ratios are relatively close to public primary school ratios, but approximately double those at secondary level. Differences in average salaries between the two sectors also partly explain the differences.
Regional disparities

The study made it possible to determine for 1992 the distribution of funding for schools financed by the Faritanies. Only expenses for general administration (Ministry, DPEN, CISCO), ongoing training for personnel, research, and teacher training colleges for secondary schools have not been distributed on a geographical basis. Non-distributed activities represent 22.6 per cent of overall financing for primary and secondary education.

In terms of overall expenses, the Faritany of Antananarivo, which has the largest number of students, receives 30 per cent of overall financing.

Average spending per student shows important disparities even within the public school system. At Level I, a student costs 57,800 FMGs for the national average, 37,200 FMGs in Antsiranana and 77,800 FMGs for the Faritany of Toliara, i.e. a difference of one to two. The differences are relatively less for CEGs and lycées (see Table 9).

Table 9 – Average spending per student in public schools in 1992

<table>
<thead>
<tr>
<th>Region</th>
<th>Level I Per student</th>
<th>Level I Government share</th>
<th>Level II Per student</th>
<th>Level II Government share</th>
<th>Level III Per student</th>
<th>Level III Government share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antananarivo</td>
<td>57,800</td>
<td>26,400</td>
<td>219,300</td>
<td>182,700</td>
<td>406,800</td>
<td>287,400</td>
</tr>
<tr>
<td>Antsiranana</td>
<td>37,200</td>
<td>16,300</td>
<td>205,400</td>
<td>170,400</td>
<td>293,300</td>
<td>263,300</td>
</tr>
<tr>
<td>Fianarantsoa</td>
<td>63,200</td>
<td>32,200</td>
<td>209,200</td>
<td>183,400</td>
<td>304,200</td>
<td>270,800</td>
</tr>
<tr>
<td>Mahajanga</td>
<td>60,400</td>
<td>22,000</td>
<td>258,000</td>
<td>214,800</td>
<td>409,000</td>
<td>358,500</td>
</tr>
<tr>
<td>Toamasina</td>
<td>52,400</td>
<td>29,100</td>
<td>201,000</td>
<td>155,900</td>
<td>274,100</td>
<td>219,000</td>
</tr>
<tr>
<td>Toliara</td>
<td>77,800</td>
<td>37,500</td>
<td>302,400</td>
<td>273,400</td>
<td>365,200</td>
<td>319,400</td>
</tr>
<tr>
<td>Total</td>
<td>57,800</td>
<td>27,500</td>
<td>224,200</td>
<td>188,300</td>
<td>353,300</td>
<td>280,400</td>
</tr>
</tbody>
</table>

These disparities are essentially due to the distribution of state funding, and thus underscore the unequal sharing of resources in terms of personnel, and therefore teacher/student ratios. The number of students per adult teacher or non-teacher in public elementary...
Financing and financial management of education

schools varies from 23.6 in Toliara to 61 in Antsiranana (Ministry of Provincial Education statistics 1991–92).

Generally speaking, and for all levels of education, student spending is lower than the national average in the Faritanies of Antsiranana and Toamasina, and higher than the national average in the Faritanies of Mahajanga and Toliara.

From the family viewpoint, it comes as no surprise that spending is far higher for private schools (see Table 10). At Level I, the differences are relatively minor between regional contributions for private schools. The spread is wider at Level III, where family expenses vary between 86,700 FMGs per student in Mahajanga to 169,400 FMGs in Antananarivo. The Antananarivo Faritany also reveals high family spending for public lycées.

### Table 10 – Average family spending for public and private schools in 1992

<table>
<thead>
<tr>
<th>Region</th>
<th>Level I Public</th>
<th>Level I Private</th>
<th>Level II Public</th>
<th>Level II Private</th>
<th>Level III Public</th>
<th>Level III Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antananarivo</td>
<td>10,500</td>
<td>48,800</td>
<td>34,900</td>
<td>108,500</td>
<td>117,700</td>
<td>169,400</td>
</tr>
<tr>
<td>Antsiranana</td>
<td>10,200</td>
<td>59,100</td>
<td>33,300</td>
<td>68,100</td>
<td>28,400</td>
<td>105,600</td>
</tr>
<tr>
<td>Fianarantsoa</td>
<td>7,300</td>
<td>37,800</td>
<td>24,200</td>
<td>61,400</td>
<td>31,700</td>
<td>118,500</td>
</tr>
<tr>
<td>Mahajanga</td>
<td>14,800</td>
<td>57,700</td>
<td>41,500</td>
<td>91,100</td>
<td>48,900</td>
<td>86,700</td>
</tr>
<tr>
<td>Toamasina</td>
<td>6,100</td>
<td>48,000</td>
<td>43,400</td>
<td>77,800</td>
<td>53,400</td>
<td>141,000</td>
</tr>
<tr>
<td>Toliara</td>
<td>7,800</td>
<td>51,500</td>
<td>27,400</td>
<td>83,300</td>
<td>44,100</td>
<td>124,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,200</strong></td>
<td><strong>48,200</strong></td>
<td><strong>34,200</strong></td>
<td><strong>93,800</strong></td>
<td><strong>71,300</strong></td>
<td><strong>149,600</strong></td>
</tr>
</tbody>
</table>
7. THE FINANCIAL INFORMATION SYSTEM IN CÔTE D’IVOIRE*

Introduction

Côte d’Ivoire presents a number of particularities which have inspired the research presented in this paper. The country, blessed with high economic growth in the sixties and seventies, devoted about 40 per cent of its operating budget to education. Despite these efforts, the percentage of children in full-time education stagnated at about 70 per cent, with a high rate of illiteracy (58 per cent nationally, 68 per cent of women and 71 per cent in rural areas).

This predicament led the government authorities to initiate a reform process in the area of human resources, especially in health and education. This reform was marked by the following points:


ii) A national co-operative effort in favour of Ivorian education, in March 1994.


iv) New education legislation promulgated by the President of the Republic on 7 September 1995.

v) The carrying out of studies and the setting up of seminars between 1996 and 1997 to make the system better known. Among the

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* Alicie Kouadio, Ministry of Education, Côte d’Ivoire
themes dealt with: expected features of the system, the cost of infrastructures, the role communities could play in financing education, etc.

These efforts to make the sector better known, supported at the technical and financial level by bilateral and multilateral aid agencies, made it possible to develop the National Plan for Education and Training for 1988 to 2010 (Plan national du secteur de l'éducation et de la formation – PNDEF), whose major aim was to offer to all citizens an opportunity to educate and train themselves over an entire lifetime by improving quality at every level.

The reasoning behind this reform was based on the pursuit of objectives which are measurable and attainable within strict time-frames. It requires tools for economic analysis which can measure the internal efficiency of investments, and determine which ones had the greatest impact on the achievement of goals.

The information-based study on educational funding also took into account other research being carried out at the National Ministry of Education, namely:

• the creation of databases for management projections;
• models for following up the implementation of the sector-based education budget using real-time data.

Also, this study concentrated on the following main themes:

i) Essential data on educational financing in Côte d'Ivoire.

ii) Organization of a statistical information system on education.

iii) Description of financing data.

iv) An economic analysis model.
Essential data on educational financing

For a total enrolment of 1,165,674 students, Côte d’Ivoire incurred expenditure in 1995 estimated at 329,702 CFA francs for education, namely 7.3 per cent of the Gross National Product. Operating expenses represented 88.7 per cent of this amount, with an important contribution from parents (22.1 per cent) and foreign sources (6.7 per cent). The study shows the inadequacy of these means in the face of pressing educational needs (especially in the area of teaching and administrative personnel, and equipment). It was also observed that many educational and administrative buildings were in a state of advanced disrepair, with only 20 per cent of needed capital expenditure undertaken in 1997.

The organization of a statistical information system of education for Côte d’Ivoire

This system, which is being run by the Directorate for Planning, Evaluation and Statistics (Direction de la Planification, de l’Evaluation et des Statistiques – DPES), is organized to meet two main concerns: collecting and processing information.

☐ Collecting information

The collecting of information is decentralized and is the responsibility of the Regional Directorates, whose acquisition of personal computers and trained personnel allows them to carry out the following steps in providing statistical information:

- The first step focuses on the initial school start and aims at monitoring the smooth functioning of the school start (using a rapid survey technique).
• The second step is aimed at following up the school start and allows regional representatives of the DPES to evaluate the situation a month later.

• The third step involves an in-depth survey which makes it possible to draw up annual statistics and key indicators; this is done three months after the school start, when the overall student body has stabilized itself.

Processing information

Data are entered at the regional level. For the in-depth survey in 1996–97, nearly 8,000 elementary schools (including private ones) and 450 secondary schools were consulted. The Directorate for Planning, Evaluation and Statistics (DPES) issues annual publications, including school start statistics, school status, operating reports, annual statistics for primary and secondary schools, and statistical system analysis.

Moreover, it makes available to users (i.e. those most directly concerned) a database which is easy to consult for specific and varied needs. Plans are under way to create a register for each school level which will not only make it possible to give a detailed and precise response to the system’s key administrators, but will also collect data for indicators and the production of statistical yearbooks. The following items will be integrated as part of the implementation of the National Development Plan for Education and Training (Plan national de développement de l'éducation et de la formation - PNDEF):

• The collection of information on education financing.

• The collection of public health information.
• The collection of information to develop the necessary indicators for PNDEF supervision.

This set-up should allow essential data to be made available, and facilitate access, so that financial databases can be regularly updated.

**Description of the database on educational financing**

The description of the database focuses on the nomenclature of education ‘producers’ and their expenses, and on the nomenclature of the financial administrative unit chosen, so as to make data collection easy, without making disproportionate demands on those involved. The choice of nomenclature also aims at achieving the expected results, and in defining the sources of information.

This description also clearly identifies the type of data, which includes budgetary information, information on the private sector, and family expenses. Also covered by this part of the study are two concepts: the first concerns the ultimate payer (the administrative unit which guarantees payment); the second, internal expenditure (done within the national territory), whether they are financed by national or foreign sources.

**Model for financial projections and internal efficiency**

This production model has three components:

• A component expressing projected student enrolments, number of classes and teachers.

• A component expressing projected teaching staff.

• A component for calculating indicators of internal efficiency.
This model allows the following key indicators to be determined:

- Overall enrolments in the school system.
- Cost per graduate.
- Additional expenditure generated by the system in terms of wasted financial resources.

The main question that this model serves to clarify concerns the results expected from the allocation of important national resources to education. It is a matter of determining the efficiency of investments in education. To arrive at this, scenarios are drawn up with the help of a model inspired by manufacturing processes often used in the area of business management, where two manufacturing factors (teachers and classrooms) are combined to attain a level of production for educational services, which is then measured by the number of successful students at the end of the year being considered.

It is assumed that when a system is functioning at optimum efficiency, the rate of production should be 100 per cent of well-trained students; which means that the level of output follows a high-productivity curve.

However, when there is waste (inefficiency), the level of production for educational services is situated below the curve. This is expressed by pass rates below 100 per cent and/or students who are poorly trained. The analysis concerns projections for the 1996-2005 time-frame.

Three scenarios were selected, in addition to the basic scenario, for the analysis:
• An expansion policy for the system by increasing the enrolments for primary education students (Cours préparatoire 1 - CP1) from 3 per cent to 10 per cent.

• A policy aimed at reducing by 50 per cent the unit cost of classroom construction.

• A policy aimed at increasing the pass rate by 5 per cent.

The results obtained by the authors suggest the following conclusions:

• The system’s status in 1996 as revealed by the model shows that in first and secondary education, the country invests three to five times more in student-years than is necessary to produce a graduate, especially because of the number of repeats and drop-outs noted at the end of the various teaching cycles. Thus, the financial waste sustained by students who have reached the end of elementary education represents approximately 40 per cent of total expenses at this level. It is respectively 41 per cent, 10 per cent, 26 per cent and 25 per cent for the first cycle, Series A, Series B, and Series D. The conclusion is that if this policy continues, gross rates of enrolment will stagnate at 73 per cent around 2005.

Similar observations were made at secondary school level, but with the particularity that enrolment rates at this level show practically no increase, despite an average increase of over 7 per cent in expenditure per year.

• According to Scenario 1, an increase in enrolment rates in the first school year from 3 per cent to 10 per cent results in an improvement of gross enrolment rates, which rise from 71 per cent in 1996 to 78 per cent in 2000 and to 100 per cent in 2005. This scenario,
however, does not reduce the amount of waste due to repeated years and dropping out.

- In Scenario 2, the reduction of building costs by 50 per cent (a very ambitious aim) leads to a fall of overall projected expenses of 3.5 per cent compared to the basic scenario. This improves the gross enrolment rate, if the cost savings are passed on to build more classrooms.

- As for Scenario 3 (an increase in the pass rate of 5 per cent), quality improvements give rise to an increase in the gross enrolment rate of 76 per cent in 1996 to 82 per cent in 2005 without necessitating a corresponding increase in expenses. This is the result of the lowering of the production costs of a diploma. It falls from 14 per cent in 1999 to 19 per cent in 2005, compared to the initial scenario.

These provisional results therefore show that an increase in the pass rate of 5 per cent is the best scenario, resulting in a substantial improvement in the gross enrolment rate without increasing expenditure. Also, the study’s authors suggest that capital expenditure initiatives directed at primary and secondary schools concentrate on improving quality, reducing costs, and allowing a larger number of children to enrol in full-time education.
8. BUDGETARY PROCEDURES IN BURKINA FASO, CÔTE D’IVOIRE, AND MALI*

Introduction

The studies on the budgetary process in the three countries concerned were carried out by three national research teams, each of which included representatives from financial services of the Ministries of Education, representatives from the social services sector of the Ministry of Finances and representatives of the Treasury.

These studies mainly included:

• A detailed description of budgetary procedures in the three countries: the administrative, scheduling and technical procedures used.

• An analysis of the budgetary resources available within the education systems: the criteria for apportioning funds, and results achieved in terms of reducing disparities.

• An analysis of the links between the budget and other planning and management operations in the Ministries of Education: medium and long-term planning for teacher recruitment, school construction and resource management.

A comparative analysis of these three studies was focused on the following main elements: general budgetary principles and their application in the three countries, budget implementation, salaries

* Julien Daboué, Ministry of Education, Burkina Faso, and Dramane Oulai, IIIEP. These three studies of national cases were published in the IIIEP series entitled The financial management of education systems.
and the evolution of the wage bill, as well as the relation between planning and the budget.

**General principles**

In all three countries, the budget is a government bill drafted by the Ministry of Finance. It becomes law only after a vote of Parliament. In theory, the latter is the arbiter of the means to be used to achieve development aims in the countries concerned. In all cases the procedure for drawing up a budget concludes with an examination, debate and vote by the legislative assembly.

In practice, it is the government which controls the entire budget planning process, and it is the Ministry of Finance which is the real driving force behind it.

The main budgetary rules apply to all state budgets; national education is not distinguished from any other ‘line’ Ministry. It should be mentioned that the statutes governing the civil service which apply to national education personnel bring this Ministry firmly in line with common treatment.

Moreover, the rule of the non-allocation of revenues to a specific expense or given Ministry increases the difficulty for education to avoid measures aimed at budgetary restrictions or the freeze on funding imposed especially by structural adjustment programmes. Indeed, since education expenditure represents nearly a quarter of national budgets, exceptional political will would be required to exclude an expense of this size from the austerity efforts demanded of governments.

In principle, the yearly rule for budgets constitutes an acceptable time-frame for setting quite reliable budgetary estimates, even if in
the three countries the gap between the school start - in the autumn - and the financial year - from 1 January to 31 December - obliges the setting of new budgets to cover the school start of year N, while only the figures for year N-2 are known. However, none of the three countries have found an ideal relation between the principle of annual recurrence and the pressing need for multi-year planning which are part and parcel of the lengthy education process and the planning it requires.

Finally, the principle of special funds voted for a specific expense is submitted to strict controls in all three countries. Budgetary nomenclature first of all classifies expenses by nature (personnel expenses, operating expenses, grants, capital expenditure); then, within this, according to service or the type of school. During the course of a year, moving from one classification to another is difficult. Once funds have been obtained, no official has any advantage to gain by trying to save money under a specific expense entry since he or she could not even partially profit from such an act by reallocating the amount to another entry which is judged to be underfinanced. Thus, the system does not encourage administrators to act responsibly in terms of productivity.

As for the quite similar general principles being applied in the three countries, two innovations deserve attention since they could serve to introduce elements of flexibility and coherence into procedures which are relatively cumbersome and fixed.

The first concerns Côte d’Ivoire, which has two separate finance laws, one for current operating expenses, and the other for capital expenditure, with different rules for balancing income and expenditure. One interesting opportunity concerns the possibility of the capital budget being financed and applied over several consecutive years.
The second novelty concerns Mali, where regional budgets are consolidated within the national budget along with the state budgets during the planning stage. No doubt these budgets are relatively modest (5 per cent of the budget) and largely financed by government revenues and administered by its representatives. All the same, they are obliged even in the planning phase to negotiate with the Ministry of Finance in the presence of representatives from the Ministries involved. Thus the coherence and complementariness of public action in a given area and for a given sector of activity can be taken into consideration.

It is understandable that Mali, which has been especially interested in the problems of devolution and decentralization, was the first country to have developed an educational accounting system in which expenses are posted according to the origin of financing and final use.

**Budget planning procedure**

- **Budgetary calendar**

The official launching of the budget planning procedure generally begins in the spring by a general budgetary call circular from the Finance Minister (in Burkina Faso, the letter is signed by the President) addressed to the other Ministers.

It establishes the general framework for the preparation of the budget, taking into account: the economic environment, budgetary constraints (especially concerning international lenders), macro-economic factors, etc. Added to this are presentation guidelines for budgetary bids from the Ministries, calculation rules, and the kinds of vouchers which must be appended to the bids.

Besides the inclusion of all of the central administrative bodies, the Ministries pass on this budget guideline to all public institutions
and regional services, while asking them to draw up an account of their resources and, if applicable, of their needs.

As for requests for supplementary resources, the various departments often respond inadequately or belatedly to this exercise, well aware that it will have no impact on increasing their resources.

In reality, the Directors of Financial Affairs (Directeurs des affaires financières – DAFs) are the ones who centralize, correct and coordinate these bids. To do so, they take into account budgetary priorities determined by the Ministry of Education and the directives and assessment methods suggested in the call circular.

Concerning capital expenditure, the annual schedule for the triennial investment plan serves as a reference point. For funds earmarked for salaries or daily operations, a section-by-section account of actual spending serves as a more reliable calculating base than ambitious planning objectives.

The pre-budget proposal is addressed to the Treasury Ministry. Then, meetings for debate and discussion bring together the two Ministries, first at departmental, then at the ministerial level in order to build consensus. Finally submitted to the Cabinet with the pre-budget bids from the other Ministries, it becomes part of the budget proposal presented to Parliament at the beginning of autumn.

It is the prerogative of the Finance Committee to examine and question each Ministry on its priorities and on the justification of submissions, especially concerning new funds.

Then the National Assembly votes the budget, which becomes the Finance Act for the upcoming year. In principle, the Assembly has the power to amend the government bill.
Key players and techniques for evaluating new funds

If the Directors for Financial Affairs (DAFs) within the Ministry of Education are the key players in the technical preparation of a budget bill, the real arbiter for educational resources is certainly the Finance Minister. Much more powerful than his colleagues from revenue-spending Ministries, he or she must reduce their requests – often exaggerated – to a level compatible with the need for balancing the budget in keeping with structural adjustment programmes and international lenders’ requirements.

Assigned the task of controlling the evolution of the wage bill and its various components, he or she defines the salary policy in the public service – the freezing or unfreezing of promotions and pay rises.

During the negotiation phase of the budget bill at government level, the key players rarely put forward planning objectives, for example, an increase in enrolment rates. No serious attempt is made to negotiate budget objectives.

For all types of basic funding, discussion is mainly based on the simple renewal of funds previously awarded, which is eventually adjusted according to actual expenses, or because of economic or political circumstances.

In times of austerity, budgetary decision-makers are going to favour past levels of financing, or the status quo. They take a conservative stance in evaluating resources and determining projected needs.

It is true that a lack of knowledge about the exact resources available – especially in terms of personnel – and the cost of the education system does not facilitate the use of alternative methods when preparing the budget.
Moreover, since they are totally preoccupied by the upcoming budget, which occupies their time for two-thirds of the year, budgetary experts have little inclination to analyze the results of the previous period, or to take note of failings or strong points, nor to raise doubts about certain allocations of resources. For example, a reduction in relatively unused capital expenditure funds could allow more money to be made available for the purchase of textbooks.

Compared to the textbook model of budgetary procedure – *i.e.* projection, planning, execution and control – the last phase seems somewhat ignored, and thus, possibilities for improving the cost-efficiency ratio are accordingly reduced.

**Implementation of the budget**

Once the Finance Act has been voted, each Ministry is expected to participate with the appropriate service department from the Ministry of Finance to implement and control the budget.

- Juridical and accounting implementation

  *a) Payment of salaries*

  In the three countries in question, wages are covered by a centralized service, ‘the Paymaster’, who reports to the Ministry of Finance. It is he who commits resources to personnel, based on information relating to the status of those involved, provided by educational services or the public service; and it is the Treasury that pays. In Mali and Burkina Faso, special courier accountants take the money directly to administrative personnel without passing via a bank or postal transfer.
It should be noted that in the three countries, civil servants and public administrators are paid regularly, which is proof of their sound financial health.

*b)* Expenses in equipment and operations

General speaking, the procedure is quite cumbersome. Thus, in Côte d’Ivoire it is initiated by the Ministry of Education which, having chosen a supplier, obtains a pro forma invoice which allows it to draw up an order form which is submitted for approval to the financial comptroller. This person passes it on to the Central Independent Payment Bureau (Service autonome central d’ordonnancement – SACO). After having checked the legitimacy of the expense, budgetary procedure and the availability of funds, the latter approves the order form and establishes a debt security note which commits both the government and the supplier. After delivery, the government administrator verifies the reality of the debt and certifies that the item has been duly delivered to specification, then advises the financial comptroller and then the SACO, which initiates payment procedures by drawing up a payment slip which is passed on to the Treasury.

The accountant, after further double-checking, sees that the bill is paid. However, because of difficulties within the Ministry of Finances, this payment can often take several months.

This procedure can vary if the expense originates from a decentralized service. In addition, for an order of equipment or services which exceeds a few thousand CFA francs, it is necessary to proceed via a public tendering process.

The administrative procedures are therefore extremely long (over a month), and very complex for administrators obliged to constantly monitor their submissions to see that they do not get mired in red
tape at the Ministry of Finance. The drawbacks to the system are the lack of full responsibility for the control mechanisms which check only one aspect of the operation, and certain frustrations for suppliers.

Burkina Faso also has a similar set of procedures. In agreement with the writers of these two papers, we feel that the simplification of payment procedures is highly desirable.

Mali, on the other hand, has simplified and accelerated the various steps involved.

c) **Capital expenditure**

In Côte d’Ivoire and Burkina Faso, capital investment resources are poorly administered. Indeed, unwieldy commitment and payment procedures are compounded by difficulties related to the tendering process, and the inability of project leaders to master international procedures concerning the release of funds, and to successfully complete projects. Mali has assigned responsibilities to the various participants so as to simplify procedures and shorten deadlines. Its success rate in the area of capital expenditure has improved accordingly. Côte d’Ivoire and Burkina Faso are in the process of setting up reforms to improve the success rate of capital expenditure operations.

 Allocating resources among schools

Allocating resources among the regions (primary education), or indeed among schools (secondary school and universities) is done through arbitration and budgetary voting.

It generally reveals a desire to balance school enrolments or teacher/student ratios between zones.
However, for historical reasons, as well as the reluctance of personnel to teach outside of cities, rural zones are most certainly disadvantaged.

All three countries have thus set up financial inducements for teachers who accept to work in rural schools. This policy of ‘positive discrimination’ was finally abandoned by Côte d'Ivoire, which now obliges new teachers to begin their teaching careers far from urban centres.

**Personnel expenses and evolution of the wage bill**

In all three countries, it is difficult to determine for certain the difference between teaching and non-teaching personnel within the Ministries of Education.

However, the Ministry of Finance, which assures payment, administers the databases of the staff on its payroll.

In Côte d'Ivoire, the National Ministry of Education is not responsible for the wage bill, or controlling it, since it is the civil service which recruits and manages administrative personnel and pays them. Nevertheless, the National Ministry of Education attempts to control the staff working in its sector, but it is far from easy. Efforts are being made to compile a complete Teacher Service Register, which was to be completed in 1997. In Mali, too, a personnel database is being developed so as to determine where all administrative officers are assigned.

Similarly, in Burkina Faso a general census of all civil servants should give a much more precise idea of the educational workforce.

Incidentally, similar studies in the past have never provided all the expected information.
A permanent and continuous improvement of ongoing information concerning the payroll, which is then integrated with management files, is what is needed to gradually give a clearer vision of the number and quality of all persons working in the various sectors of education.

Besides this inadequate knowledge of the workforce operating in the education sector, the latter is confronted by two contradictory expectations in the area of hiring. On one hand, there is the expectation that the wage bill will be controlled, if not substantially reduced. This is strongly urged by international lenders, especially through structural adjustment programmes.

On the other hand, there is a concern with raising school enrolment figures for basic education, which implies the hiring of more teachers. These aims are clearly expressed in the development plans of all three countries and also, paradoxically, in the recommendations of international lenders (to give top priority to health, education and financial administration).

Because of these self-contradictory aims, there is an ambivalent policy concerning teacher recruitment.

Also, Côte d’Ivoire tolerates a slight upward drift in the wage bill in order to guarantee social calm. But in return, there is virtually no new recruiting beyond assuring the renewal of the existing workforce. Bearing in mind demographic evolution, this will eventually lead towards a lowering of school enrolment levels.

Mali has also adhered to an extremely restrictive policy of full-time hiring, a hundred new jobs per year in basic education, and around fifty teaching positions for levels beyond this. On the other hand, it actively recruits for contractual employees (nearly 400) who, since they are paid as part of operating expenses, do not visibly
increase the wage bill of the civil service, and thus apparently respect the restrictions of structural adjustment programmes.

Similarly, the government encourages older teachers to take early retirement since their allowances, paid by pension funds, do not draw on the budget's wage bill. Since they are replaced by young teachers who are less well paid, the government reduces, but here again only in a cosmetic manner, the wage bill of the overall government budget.

Côte d'Ivoire and Burkina Faso also encourage their teachers to retire for the same motives.

Of the three countries, only Burkina Faso has adopted a policy of high new teacher recruitment (+950 per year) at the primary level. All the same, a discrepancy occurred between the number of positions offered and the number of teachers actually recruited. Thus an analysis of teacher statistics for recent years shows a moderate increase.

In conclusion, one is struck by the relative indifference (if not incomprehension) on the part of budget makers concerning the relationship between recruitment, retiree replacement, the rise and fall of available teaching positions, and the positive or negative evolution of school enrolment figures.

We believe it vital that in the future the Ministry of Education be involved in negotiations concerning the level of employment and recruiting during budgetary procedures, so as to eventually adjust them in keeping with the various elements of budgetary policy. For example, what use would it serve to obtain a construction budget for new classrooms if new jobs for teachers are not also created to make them operational?

Current endeavours to better understand the real significance of educational personnel statistics are a necessary step towards the
appropriation by the National Ministry of Education of recruitment problems and job creation.

Planning and the budget

Whether they are called Five-year or Three-year Plans, educational policy statements, or administrative documents for economic policy, Development Plans give top priority to the education sector. Strategic objectives aim to almost immediately:

- Increase the development of primary education and literacy.
- Improve the quality of teaching at all levels.
- Improve the productivity of educational management structures.

The programmes are ambitious – to increase the level of school enrolments from 20 per cent to 50 per cent within five years – but they are also backed up by figures, especially concerning investment in triennial programmes which distinguish between the source of funds as well as the associated operating funds.

However, one must agree that savings achieved from year to year do not compromise the successful application of planning, otherwise the rates of school enrolment will stagnate, or progress very slowly. When the budget is under preparation, the tough rules of budget austerity result in a considerable reduction of means which would have been necessary for the achievement of the Plan.

Moreover, during implementation, investment funds are underused for reasons related to a poor mastery of procedures by project heads, or a certain lack of interest on the part of financial project managers for investment funds.
This difficult confrontation of the desirable with the achievable in planning should be a source of encouragement. The budget signifies a hard confrontation with reality. If planning is a necessary framework to give coherence to the means to be mobilized for the future – *i.e.* investment, recruitment, etc. – and their optimum efficiency, it can not promise the moon forever. It would be better therefore to aim at more realistic objectives which are better adapted to tight budgets.

On the other hand, it would be better that the budgetary ‘bidders’ get more involved in the planning process so that at a suitable moment, they can better place their projects on the budget negotiation agenda. They should also see to it that funds are fully used during implementation.

It would no doubt also be necessary to convince those responsible at the Ministry of Finance that education expenditure represents one of the best investments for the future growth of the country, and that one cannot just sacrifice the future to everyday concerns.

**Conclusion**

By gaining a deeper understanding of the financing processes within the Ministry of Education, it seems evident that the budget is the real nexus between planning and management functions.

All the same, the inadequate transformation of planning aims into management realities is more due to economic constraints and political choices than the ‘technical’ inadequacies of procedures used to prepare and implement a budget.

However, these last factors can be improved so as to increase the productivity of funds currently being obtained by the Ministry of Education. It must also be done so as to rapidly respond to the
important development aims of the education system itself, which could result in an improvement of the economic environment or a redefinition of political priorities.

The analyses have uncovered four key areas where procedures could be improved:

i) The Ministry of Education must in the long run regain control of all the means within its jurisdiction, and in particular of employment. In preliminary negotiations in the planning of a financial bill, it must internally assure the consistency of bids from the various elements within its ranks, and in the face of the Ministry of Finance, make sure that the means obtained allow for the coherent development of its sector (no new classrooms without teachers, and vice versa).

This appropriation of powers depends, first of all, on an improvement in statistical information on the students themselves, as well as the resources and costs of its sector. Indeed, the credibility of its requests for new resources is actually negatively impacted by the admission of ignorance concerning current available resources.

ii) It is advisable to simplify execution-for-expenditure procedures, especially for operating and capital investment funds. They seriously delay the creation of resources where needed, as well as discouraging the total spending of funds obtained.

School and university administrators should be given more leeway by having more responsibility. Either they should obtain more funds under their control, or rules for transferring funds from one budget head to another should be rendered more flexible. They would thus be encouraged to make savings on one budget item,
knowing that they could – at least partially – apply this money to another item where there is a perceived need.

In return, subsequent control procedures should be strengthened, and administrators involved should be regularly required to explain how the funds and means allotted were used in the field.

**iii)** Basic users and participants should be more involved in budget decisions. New experiments in organizing teaching and financing should be encouraged, and their cost and effectiveness should be assessed.

The significant development of basic education, so urgently desired in Mali and Burkina Faso, will necessarily involve important financial support from families and communities.

Some experts advocate decentralizing the system. This is more of a political option than it is a technical one; but it is true that it responds to a concern for greater participation at grass-roots level, and a greater involvement of families and communities.

**iv)** It is essential to bring closer together, than is presently being done, annual budget negotiations and the concerns of long-term planning. This difficult exercise – and this applies to countries everywhere – must respect two requirements:

- Annual operating and investment funds must be adequate to meet the new measures which are likely to be taken in the education sector during the coming years.

- Financial officers and budget directors should be more involved in long-term financial planning, so that they can take this into consideration during the drafting of the national budget proposal.
9. BUDGETARY PROCEDURES FOR EDUCATION IN SWAZILAND, ZAMBIA AND ZIMBABWE*

Introduction

These studies took place within an IIEP project on the comparative analysis of budgetary procedures for education in three countries of Southern Africa – Swaziland, Zambia and Zimbabwe. This research in three English-speaking African countries was organized in a synchronized manner to balance it with similar research on a batch of French-speaking countries in West Africa – Burkina Faso, Cote d’Ivoire, and Mali. The country teams in each case were composed of high-level experts from the Ministries of Education, Finance and Higher Education (where available). All six case studies are available as separate publications.

The countries were chosen because, in addition to the fact that they belong to the same geographical region, they inherited many similarities from the colonial past and historically possess a number of common features; being developing countries with a strong reliance on agriculture and commodity exports, they face similar problems and challenges of economic and educational development which should be advanced, in spite of financial constraints.

However, their experiences in attempting to cope with these challenges differ, even within the same region, and it is worth looking into the reasons why.

Historical, demographic and macro-economic characteristics

Patterns of educational budgeting stem from the mixture of historical, demographic and macro-economic characteristics.

First of all, politically Zambia was one of the first countries in the region to obtain its independence in the sixties and to experiment with its original education development strategies. The destiny of Swaziland was closely related to the profound developments in South Africa. Zimbabwe became independent only in 1980 and had a chance to build its education development strategy taking into account the experiences of the neighbouring countries.

We should also note that the size of the countries, populations, economies and educational development, despite many similar features, naturally differ (see Table 11).

Table 11 – Population and GNP per capita and their growth rate

<table>
<thead>
<tr>
<th></th>
<th>Population (000)</th>
<th>Rate of growth (%)</th>
<th>GNP per capita (US$)</th>
<th>Rate of growth (%)</th>
<th>PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swaziland</td>
<td>857</td>
<td>2.80</td>
<td>1,170</td>
<td>0.60</td>
<td>2,880</td>
</tr>
<tr>
<td>Zambia</td>
<td>8,081</td>
<td>2.30</td>
<td>400</td>
<td>−1.00</td>
<td>930</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>11,190</td>
<td>2.90</td>
<td>540</td>
<td>−0.60</td>
<td>2,030</td>
</tr>
</tbody>
</table>


Basically, one can observe that the three countries are considerably different in the size of population, but the demographic growth was at a high annual rate of more than 2 per cent for all of them in 1985–1995, and almost at the limit of 3 per cent in Swaziland and Zimbabwe. On the contrary, economic development (which is critical for educational finance) showed a radically contrasting picture. GNP per capita in Swaziland was growing at 0.6 per cent in 1985–1995, reaching one of the highest marks for Africa – US$1,170, or US$2,880 expressed
as ‘purchasing power parity’ in 1995. In Zambia and Zimbabwe, the GNP per capita rate of growth was constantly negative – 0.6−1.0 per cent in the past decade – and its value at the low level of US$400–540, although climbing in purchasing power.

From the data on real GDP for the three countries (see Table 12), it is clear that its high rate of growth was offset by demographic pressure, which explains why the GDP per capita has been lagging behind the real GDP in all three cases. For example, average rates of real GDP growth of 4.9 per cent in Swaziland and 4.7 per cent in Zimbabwe in 1980–89, even though they slowed down later, far exceed, respectively, 0.6 per cent and −0.6 per cent of GNP per capita growth in these countries in 1985–95. A further observation can be made that, in general, economic growth in the three cases became sluggish in the nineties, seriously fluctuating from year to year in Zambia and Zimbabwe. Inflation, as shown by the annual change in consumer prices, was under control throughout the eighties and nineties in Swaziland due to the strict fiscal policy, but to a less extent in Zimbabwe, whereas in Zambia, it reached three-digit numbers in the early nineties.

### Table 12 – Real GDP and consumer prices
(annual % change)

<table>
<thead>
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</thead>
<tbody>
<tr>
<td><strong>Swaziland</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP</td>
<td>4.90</td>
<td>8.90</td>
<td>2.50</td>
<td>1.30</td>
<td>3.40</td>
<td>3.40</td>
<td>2.50</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Consumer prices</td>
<td>13.40</td>
<td>11.00</td>
<td>11.00</td>
<td>8.20</td>
<td>11.20</td>
<td>13.80</td>
<td>12.30</td>
<td>11.20</td>
<td>11.00</td>
</tr>
<tr>
<td><strong>Zambia</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP</td>
<td>1.40</td>
<td>−0.50</td>
<td>−</td>
<td>−1.70</td>
<td>6.80</td>
<td>−8.60</td>
<td>−4.30</td>
<td>6.40</td>
<td>3.50</td>
</tr>
<tr>
<td>Consumer prices</td>
<td>36.60</td>
<td>109.60</td>
<td>97.70</td>
<td>165.70</td>
<td>183.30</td>
<td>54.60</td>
<td>34.90</td>
<td>43.10</td>
<td>24.40</td>
</tr>
<tr>
<td><strong>Zimbabwe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP</td>
<td>4.70</td>
<td>−1.80</td>
<td>5.70</td>
<td>−8.90</td>
<td>1.30</td>
<td>6.80</td>
<td>0.10</td>
<td>7.30</td>
<td>3.70</td>
</tr>
<tr>
<td>Consumer prices</td>
<td>12.90</td>
<td>17.40</td>
<td>23.30</td>
<td>42.10</td>
<td>27.60</td>
<td>22.30</td>
<td>22.60</td>
<td>21.40</td>
<td>19.50</td>
</tr>
</tbody>
</table>

*Source: IMF (1998), World Economic Outlook.*
From this analysis, one can see that Zambia suffered most in terms of negative economic growth and high inflation, which jeopardized budgetary constraints for government spending, including education, compared to relatively stable situations in the other two countries - Zimbabwe and Swaziland. A more detailed explanation is given in the country profiles.

**Country profiles**

- **Swaziland**

  The tiny Kingdom of Swaziland for many years benefited from the proximity of its giant neighbour – South Africa – and historically enjoyed stable economic and social development. Isolated from the world community by the United Nations embargo due to the apartheid regime, South Africa had to use Swaziland, as well as other neighbouring countries, as a ‘corridor’ for investments, trade and commerce and other relations with its partners. For the economy of Swaziland, South Africa is traditionally the main trading partner and the largest source of investment. The Swazi currency – emalangeni – is pegged to the South African rand.

  Many Western companies and banks performed their operations with South Africa via Swaziland. Receipts from the Southern African Customs Union were, and remain, the most important source of Swazi Government revenue. High levels of foreign direct investment also resulted in high growth rates in the manufacturing sector and the economy in general, which were, in the eighties, higher than population growth. The abundant income side of the government budget was enough to generously finance social sectors and the employment of numerous civil servants, first of all teachers.
It was a rare case, this country in Africa, which, due to its budget surpluses, managed to escape from the IMF-imposed structural adjustment programmes and extensive external borrowing. But with the end of the apartheid regime in South Africa, followed by the end of the United Nations embargo in the early nineties, the attractiveness of Swaziland to South African and international companies declined, and the country experienced an economic slowdown and a rising deficit in its balance of payments. In 1993, the country had a budget deficit for the first time in many years, and this has continued to the present time.

Zambia

After independence in 1964, the economy became dominated by parastatals and a one-part state. Then, much earlier than its neighbours, the country experienced the worst ever turmoil in its economic development and extreme constraints in education development and expenditure, due to a very heavy reliance on a single export commodity – copper – and excessive proliferation of the public sector.

The major constraint on Zambia’s potential for economic growth was, and is, its heavy dependence on copper which – with cobalt – accounts for nearly 85 per cent of exports. Rising copper prices helped Zambia to grow at an average rate of 2.5 per cent over the first decade, but since 1975 falling world prices for copper, coupled with the failure to diversify the economy, have caused an overall crisis. Per capita income fell by more than 50 per cent between 1974 and 1994. Attempts to promote continued consumption through borrowing in the face of the economic decline exacerbated the debt problem. Excluding short-term debt, Zambia’s external debt represents about US$650 per capita, one of the highest anywhere.
In 1990, Zambia undertook a far-reaching structural adjustment programme to counter its rising problems. This was painful, but helped this country, unlike Swaziland and Zimbabwe, to anticipate and prevent their aggravation. The annual inflation rate had been regularly over 100 per cent, external debt was not being serviced, creating large arrears, the budget deficit was large and increasing, the money supply was rising rapidly, and asset holders were transferring their capital abroad and switching to foreign currency for local transactions.

Many parastatal companies were heavily indebted and making large losses, private investment had collapsed, military expenditure was rising, while social–sector expenditure declined, physical infrastructure was deteriorating, tax compliance was low, basic goods and services were in short supply, and Zambia had neither food reserves nor financial resources to deal with natural disasters or other emergencies.

The structural adjustment programmes combined trade policy reforms, deregulation and exchange rate adjustment with stabilization policies designed to restore fiscal and balance-of-payments equilibrium and price stability. Among a host of measures, the government has eliminated subsidies on maize and fertilizer, decontrolled prices, and revised investment laws, rules and regulations. Zambia has completely decontrolled the exchange rate, freed interest rates, reduced the budget deficit, and embarked on an ambitious privatization programme, including an ambitious programme of copper-mining privatization. These measures took effect despite the devastating droughts hitting the country in the nineties.

This situation was unsustainable, and fighting inflation was made the principal objective. The government put itself on a cash budget
from 1 January 1993, so that no expenditure would be made until the resources were available. This tough fiscal strategy, combined with an active monetary policy to siphon excess liquidity out of the economy, has worked. The annual inflation rate had fallen to 22.7 per cent by the end of July 1997, the exchange rate had stabilized, fluctuating within a narrow band, and interest rates had fallen sharply.

Although all social indicators worsened during the latter years, maintaining the balance in the government current account, through strict fiscal discipline and so-called ‘cash’ budgeting, was necessary to restore non-inflationary growth and to redress the inflationary spiral. ‘Cash’ budgeting was a very painful measure, aimed to limit the cash flow from the government budget - any payment on the expenditure side was authorized only after the income side of the budget received sufficient revenues. The obvious result was huge arrears in payments, when even approved ceilings for expenditure were implemented less than 70 per cent. However, this method helped to check inflation, to control the cash money mass in circulation, to prioritize the categories of expenditure and to set up the basis for programme budgeting.

Zimbabwe

To improve equity after its independence in 1980, the government gave priority to human resource investments and support for small-farmer agriculture. In the eighties all social indicators improved dramatically, such as life expectancy up to 64 years. The country had a lower infant mortality rate, and higher adult literacy and school enrolment rates, than the average for the developing countries.

However, overall economic growth remained below the population growth. Such indicators as GDP per capita and education expenditure per capita steadily declined in the nineties and an
increasingly large number of school graduates could not find formal employment. Formal-sector employment has only increased by 1.5 per cent a year since independence, so that the majority of new entrants to the labour market had to seek income-earning opportunities in small-scale farming and informal-sector activities. In an effort to attain higher growth and expand employment within a fiscally sustainable framework, Zimbabwe embarked in 1991 on a programme of structural adjustment, designed by the IMF and the World Bank.

Still, public-sector reform was slower than anticipated and fiscal deficits remained large. The resulting public-sector borrowing, and the severe droughts throughout the nineties, were major reasons for the GDP per capita to fall by about 2 per cent a year from 1991 to 1995. Heavy public-sector borrowing resulted in high real interest rates and a rapid rise in public debt. Interest payments rose to 22 per cent of government expenditure in 1995 and severely constrained discretionary expenditure, including education.

Inflation, with an annual rate usually exceeding 20 per cent, effectively diminished the purchasing power of civil servants, including the teaching force, and widened the margin between their wages and those in the private sector. The country was shocked by civil servant strikes in 1996–97, protesting against low salaries, and the government decision to reduce subsidies and raise prices for staple food.

With economic difficulties intensified in 1997, the Zimbabwean dollar lost 70 per cent of its value against the US dollar. Petrol and basic foodstuffs are still heavily subsidized against their market value. The rate of inflation eventually reached 40 per cent, and when the government stopped certain subsidies and raised the price of cornmeal by 20 per cent, rioting intensified and the University of Harare was closed for the first time in 20 years.
Education development and expenditure on education

Although all three countries placed education development as their national priority, the policies in this area, and patterns of educational finance, were often different. Within the past decade, reflecting the economic situation, the enrolment rates in primary and secondary education improved in Swaziland, were stagnating in Zimbabwe and deteriorated in Zambia.

Compared to international and sub-Saharan average indicators, the countries of Swaziland and Zimbabwe have high shares of education as percentages of GNP (more than 8 per cent in 1995) and total government expenditure (more than 20 per cent in 1995). Only Zambia, because of its economic crisis, had seen its share of education in GNP drop to less than 2 per cent by 1995, although the government still favoured it among other expenditure and its share in the government budget actually increased to 17.5 per cent.

The annual average growth rate of education expenditure in 1985–1995 was very high (about 7 per cent) in Swaziland, stagnating but still growing modestly (2.5 per cent per year) in Zimbabwe, but had collapsed by an average of 6.5 per cent in Zambia (see Table 13). Recurrent expenditure, firstly the teacher wage bill, accounted for the bulk of the education budget, especially in Zimbabwe and Zambia. Only Swaziland managed to save some resources for capital expenditure, i.e. school construction and purchase of equipment, devoting less than 90 per cent for recurrent needs.

In Zambia and Swaziland, primary and secondary education is mostly public, whereas in Zimbabwe the majority of these schools are non-government community schools. Over a lengthy period Zambia and Zimbabwe had contrasting policies towards ownership in education. The radical reforms in Zambia nationalized private
schools in the sixties and aimed at a predominant role for the state in all aspects of educational provision; however, the policy was not sustained financially and finally failed. Zimbabwe learned this lesson after its independence in 1980 to promote community funding of education and use government intervention mostly for reducing regional disparities. Non-government enrolment in Zimbabwe covers 88 per cent of primary schools and 85 per cent of secondary schools, whereas in Zambia up to the present time private education at primary level is not legal, and at secondary level, private enrolment is about 20 per cent, hence the increased pressure upon the Zambian Government budget.

**Table 13 – Public education expenditure**

<table>
<thead>
<tr>
<th></th>
<th>As % of GNP</th>
<th>As % of government expenditure</th>
<th>Annual average growth rate (%)</th>
<th>Recurrent expenditure as a % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swaziland</td>
<td>5.9</td>
<td>8.1</td>
<td>20.3</td>
<td>21.7</td>
</tr>
<tr>
<td>Zambia</td>
<td>4.7</td>
<td>1.8</td>
<td>13.4</td>
<td>17.5</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>9.1</td>
<td>8.5</td>
<td>15.0</td>
<td>22.0</td>
</tr>
</tbody>
</table>


In all three countries concerned, teachers are civil servants and their salaries are paid by the public authorities. Teacher remuneration, due to its sensitive nature, is (together with student fellowships) a ‘sacred cow’ and is considered an ‘irreducible’ item of expenditure even at times of severe financial constraint. However, it is exactly the wage bill in all three countries that creates various and numerous budgetary problems of control and regulation of the teaching force, ‘ghost’ teachers, salary increases, etc. Interestingly, Zambia had to exercise a ‘head count’ of teachers in 1995 to reduce the dimensions of corruption, Zimbabwe launched a computerized database of civil servants for the same reason, while Swaziland is suffering from overstaffing as teachers are coming eagerly to the country from Zambia, Malawi and Mozambique, seeking higher remuneration.
In Swaziland, this caused a phenomenon of ‘too many teachers’ when the student/teacher ratio was decreasing even below the projected norms, i.e. in 1988–1996 it decreased from 33 to 30 at primary level, from 20 to 17 at junior secondary level and from 19 to 16 at upper secondary level. The teaching force in this country was regularly growing at more than 4 per cent per year, and the number of non-Swazi teachers – especially high at secondary level – was about 20 per cent of the total. The Ministry of Education employs a half of the whole national civil service – about 10,000 persons – and spends 70 per cent of its recurrent budget for this purpose.

Despite different conditions in the three countries observed, the distribution of public funds between the levels of education, and disparities in respective unit costs, follow the same pattern in all three cases as compared to GNP per capita, and remained virtually unchanged between 1985 and 1995. This clearly reflects budgetary choices which continue to favour universities as compared to primary and secondary education. In Zimbabwe and Swaziland, unit cost at primary level was between 10–20 per cent of GNP per capita in the last decade, at secondary level between 30–40 per cent at the same period, but more than 230 per cent at tertiary level in both cases. In Zambia, these disparities were even wider: 9 per cent for primary and 440 per cent for tertiary in 1985, were reduced with increasing financial constraints to 4 per cent for primary and 160 per cent for tertiary level by 1995.

**Features of educational budgeting in Swaziland, Zambia and Zimbabwe**

Administratively, the overall system of budgeting in all three countries was inherited from the former authority – the United Kingdom. After independence, centralized planning was extensively used, and comprehensive national development plans are still in
practice. But with more administrative decentralization and economic liberalization, these are being gradually replaced by three-year rolling medium-term plans.

All three countries concerned initially relied on a traditional incremental type of budgeting for government expenditure, including education. The principal role is played by the Ministries of Finance, who have to moderate the budget proposals coming from the line Ministries. In the Call Circular the Treasury stipulates some general guidelines for preparing the estimates and their justification, the purpose and amount of funding sought and their priority areas.

The line Ministries are reminded that their bids should not cause a budget deficit. The circular gives, in addition, the forms according to which the estimates of expenditure should be submitted and the time-frame for it. The Ministry of Education issues its own internal circular, addressed to its departments and provincial Education Officers. In due course, budget proposals are collected in a bottom-up manner, and a complete bid of the Ministry of Education is then sent to the Ministry of Finance for review. The critical moment is when negotiations take place between the two Ministries, which normally result in compromise based on historical figures.

The advantages and deficiencies of this procedure are well known. In all three cases concerned, these procedures became routine, which prevented the anticipation of the emerging financial constraints and ways and means to cope with them. Zambia was the first to feel the inadequacy of incrementalism and had to experiment with ‘cash’ and programme budgeting. The economic disaster in Zambia was the reason why radical and sweeping budgetary reforms took place over recent years. In other countries in Southern Africa, where economic and financial forecasts did not foresee, in the early nineties, the coming budgetary crisis, the lesson of Zambia was not learned at that time.
Swaziland

The fiscal year starts in April and ends in March. Many budgetary procedures for education in Swaziland had origins in the prosperous past, when government income was available and guaranteed for any unplanned or unexpected development. Moreover, the small size of the country and its compact education system made it easier to manage than in the neighbouring countries.

Budget provisions for education were increasing throughout recent decades according to any emerging need, often unplanned or unnecessary. The Financial Controller of the Ministry of Education prepared the budget estimates based on the previous year’s allocations, with the inflationary adjustments and supplementary allocations, coming as a total from the Ministry of Finance. The obvious result was shortages or surpluses depending on the nature of expenses. For example, in 1996 the Ministry of Education overspent about 4 per cent of its budget for salaries, allowances, transport and related staff expenses.

This did not create problems when resources on the income side of the government budget were abundant. Some examples of the loose control over expenditure are typical. New teachers were recruited at the beginning of the academic year (January), by school principals, in numbers which were not planned during the education budget preparation for the beginning of the financial year (April). As a result, the approved budget did not take into account the inflated number of actual teachers, who later had to be paid according to the regulations. Consequently, budget overspending for the teachers’ wage bill regularly occurred despite various attempts to stop the violation of the ‘no post-no pay’ rule. The payroll was not linked to the Teacher Service Register as both databases ran in parallel.
Much expenditure had to be made to cover the costs of unauthorized activities. For example, certain school buildings were built under pressure from traditional chiefs, although that did not correspond to the school-mapping plans. The expenses had to be covered from the regular education budget. On the other hand, the absorptive capacity for the abundant funds planned in the budget was not at all evident, and that caused the mismatch between the items overspent (wage bill) and those underspent (capital expenditure) within the same educational budget. In 1995, only a half of the capital budget for education was spent because of low absorptive capacity and inefficiency.

The area which was clearly favoured in a budgetary sense was higher education. As a unique case, the University of Swaziland receives all its budget appropriations not quarterly, but at the beginning of the financial year. Students studying abroad had their fellowships automatically paid by the Swazi Ministry of Education, after formal presentation of the admission letter by a given foreign university.

Overall responsibility for the government budget rests with the Ministry of Finance, including preparation of the recurrent budget. The Ministry of Planning and Economic Development is responsible for capital expenditure, and the Ministry of Labour and Public Service is in charge of overall establishment budgeting. There is a special Teaching Service Commission attached to the Ministry of Education to deal with the vast number of teacher civil servants. The core staff in charge of planning or finance in the Ministry of Education and other ‘line’ Ministries is seconded from, respectively, the Ministry of Planning and Economic Development and the Ministry of Finance. It is the Ministry of Finance who has authority to check the vouchers for expenditure and issue the cheques.
Budget allocations are then distributed in a ‘top-down’ manner, which gives a great deal of responsibility to district Education Officers to divide funding between the schools. Consequently, school principals receive funds from the district without knowing whether their amount is comparable with other schools or not.

Parents pay tuition fees at both primary and secondary schools for maintenance and consumables, but the Ministry of Education is not aware of actual volumes. Some parents even asked the Ministry to do the auditing of the church-affiliated schools for this reason.

Swaziland also had a number of interesting positive features in educational budgeting; it experimented with different scenarios for revenue forecasts – optimistic, pessimistic and base, however priority was always given to ongoing activities before new ones could be considered and funded. In most cases, once an activity is started it has to be completed to avoid wastage of previously spent funds.

Its experience shows that budgetary procedures have to be reviewed from time to time to anticipate emerging constraints and to create certain built-in incentives for cost reduction and income generation. The signals for this should come to the mighty Ministry of Finance from the ‘line’ Ministries, including the Ministry of Education. If this is not done in time, bureaucracy tends to develop many cumbersome procedures for very strict but inefficient control which, even when fully respected, are time-consuming and inadequate to cope with real needs within the shrinking resources.

Zambia

The case of Zambia deserves particular attention because, due to its desperate financial situation in the nineties, the country had to apply drastic changes such as programme budgeting, which may pave
the way for educational budgeting in other African countries. It is also a rare case when the academic and financial years coincide.

Since the mid-1990s, the procedures for preparing the annual budget have been undergoing fundamental reform, initially on a pilot basis in a few Ministries, including Education, but now being implemented across government. The reforms, which are still evolving, aim to place the budget preparation process in a more medium-term and strategic context.

The budget process is now being more closely linked to the General Policy Framework, which articulates macroeconomic policy and gives policy direction in cross-cutting areas such as gender, the environment and decentralization. It is also formulated within the financial limits imposed by the three-year Medium-Term Financial Framework (MTFF) and ministerial/provincial estimates are prepared in the context of their relevant sector's strategic plan, compiled by Sector Planning Teams. These plans review sectoral objectives, policies and strategies to ensure that these are compatible with GRZ's macro-economic and cross-cutting policies, affordable within the context of the MTFF and provide the framework for the intrasectoral allocation of resources to achieve sectoral objectives. The reforms also entail building up annual expenditure estimates using Activity-Based Budgeting procedures with a move away from incrementalist budgeting methods.

A first step in the budget preparation process, taken around July/August, is to project government revenues for the forthcoming year and for two years thereafter as the basis of updating the MTFF. This has to be done so that the implicit fiscal stance is compatible with the overall macroeconomic framework which, in turn, has to be in agreement with the structural adjustment programme with the International Monetary Fund.
Once the revenue projections for the next three years have been made, non-discretionary expenditure items ('non-supply' items) such as domestic debt service costs, the food strategic reserve and the contingency reserve (as well as revenues that can not be spent because the structural adjustment programme calls for a surplus of 1 per cent of GDP) are deducted from the total revenue figure. What remains is the amount available for sector-specific expenditures (the ‘supply’ total). The next step is to allocate this ‘supply’ finance to specific sectors. A sector may encompass one or more Ministries and may include provincial departments and district boards/offices of line Ministries.

However, before this can be done, the Ministry of Finance requires data on what Ministries/Departments plan to do in the forthcoming year, what investments they wish to undertake/continue/complete and the estimated costs involved. The ‘call’ circular (describing the procedures, assumptions on exchange rates, inflation etc. and budget timetable) is thus issued in July/August, when Ministries/Provinces are invited to submit their expenditure bids, by programme. They submit these data on the Programme Costing Sheets, together with their total budget estimate for personnel emoluments (wage bill). These sheets summarize the costs of undertaking all the activities under each programme, with Activity-Based Budgeting methods used to build up the programme cost estimates.

On the basis of government policy and priorities set out in the General Policy Framework and other policy documents, provisional allocations to sectors are proposed for the medium-term financial framework. Its draft is presented to all Permanent Secretaries at the annual budget workshop held in early October. At this workshop, sector and programme allocations are agreed and, after endorsement by Cabinet, Ministerial/Provincial budget ceilings set as a result.
To better channel resources to priority areas, there has been a move away from setting ceilings using an ‘incrementalist’ approach, *i.e.* where a Ministry’s ceiling was based on its previous year’s allocation and increased by a certain percentage depending on the projected overall increase in revenues, adjusted upwards or downwards according to the interpretation of sectoral priorities implied by current government policy.

This move started for the 1994 budget, where ceilings for social sectors (health, education, water and sanitation and social safety-net operations) were not based on 1993 allocations and increased by a percentage. Rather, they were given a pre-determined proportion of the total government ‘supply’ budget (*i.e.* total revenue less foreign-financed capital and non-supply items like foreign and domestic debt service costs). This approach was extended further to include economic areas such as agriculture and transport and communications, to ensure that they also received priority in the budget. Specific allocations to these sectors was done to support a widening policy stance to embrace non-inflationary growth by directing public expenditure towards investment in human capital and in economic infrastructure.

Since the 1994 budget, the way provincial ceilings have been set has changed. The BPID has used planning data as the basis for the spatial allocation of sectoral resources. This was done to avoid the situation in the 1993 budget when, for example, the range of Recurrent Departmental Charges (non-salary recurrent expenditure) budgeted for each primary school student ranged from a low of 49 Kwacha in one province to a high of 1,382 Kwacha in another. Thus the 1994 provincial ceilings were built up by computing the total discretionary finance allocated to specific sectors in the provinces as a whole and then allocating this across the provinces.
according to criteria based on levels of service provision, indicators of workload and/or infrastructure endowment.

Planning data on which spatial allocative criteria for sectors were based were obtained from census data or given by the relevant parent Ministries. Data were sometimes weighed (e.g. road lengths were weighed by the maintenance cost per kilometre by type of carriageway) to give the percentage distribution which was used to allocate total sectoral allocations to provinces.

From 1995, as part of the Planning and Budget Reforms, steps have been initiated to prepare an annually updated Medium-Term Financial Framework (MTFF) as part—producing a Medium-Term Plan (and eventually forward budgets) for the government sector. The MTFF projects revenues for a three-year period and allocates this to non-sector-specific commitments such as debt service costs and sectors (which may be made up of one or more line Ministries). The sectoral allocation of resources in the MTFF is arrived at after analysis of the programme/investment sectors’ proposed projects, together with an assessment of their priority and costs. These sector/programme ceilings are agreed with Permanent Secretaries and, after endorsement by Cabinet, are used to set programme-based ceilings for Ministries/Provinces to use in finalizing their budgets. This is in contrast to earlier years, when Ministerial/Provincial ceilings were set and issued along with the ‘call’ circular.

Once ceilings have been set, Ministries and Provinces must complete their activity-based expenditure estimates for each programme area and submit their budget estimates in the line-item format of the ‘Yellow Book’.

Inevitably, the bids for finance made on the Programme Costing Sheets, where programmes and their constituent activities are
identified and costed, will exceed the ceiling set. If this is indeed the case, then decisions have to be made by the relevant Controlling Officer in liaison with his/her departmental heads. They may:

i) Scale back the targets set for some activities under each programme – especially those where other constraints, in addition to finance, are likely to operate.

ii) Suspend/stop some activities for the forthcoming year.

iii) Re-estimate the cost calculations for each activity to reassess whether it can be implemented in a more cost-effective way.

Once these steps are taken and final decisions made concerning the activities/investments to be undertaken, the costs involved and the targets to be achieved within the budget ceilings set, Controlling Officers submit their budget estimates, in the line item format of the ‘Yellow Book’ by summing the component line items' totals of each selected programme activity.

The above measures, although strict and painful at some point, were effective in rationalizing the education expenditure, restoring fiscal discipline, prioritizing categories of expenditure and eliminating unnecessary expenses. Worth noting is the fact that it was possible only in combination with other radical administrative measures such as ‘cash budgeting’ and ‘head count’ of actual teachers.

Zimbabwe

The fiscal year in the country runs from 1 July to 30 June of the following year, whereas the school year starts in January. The role of the Ministry of Education in sector funding is less than in the other countries and is limited to the wage bill of teachers and other staff and grants to non-government community schools. Zimbabwe
operates a ‘classical’ incremental budget without global ceilings, although in the guidelines issued by the Ministry of Finance all line Ministries are requested to frame their bids realistically, bearing in mind scarce financial resources.

In preparing their estimates, ‘line’ Ministries are required to make an accurate assessment of their needs without over-estimation. This is a mere formality as each ‘line’ Ministry issues its own call circular to the heads of ministerial departments, regional Education Officers, and school principals, following the usual orientations.

After the bids from all institutions and regions are collected, the first draft estimate of expenditure is made and submitted to the ministerial budget committee. The committee is supposed to critically review the estimates to the anticipated levels in conformity with the government fiscal policy.

When the budget is presented to Parliament, ‘line’ Ministries will be comparing and matching their original bids with the allocations presented to Parliament. Under the structural adjustment programme, the amounts allocated are smaller than those bid. It is then the responsibility of the ministerial budget committee to adjust the bids to the available volume and re-allocate the funds between the activities, if necessary.

The whole process, in fact, is a succession of steps where cuts are made, with a strong role delegated to the Ministry of Finance, being the last occasion to adjust the ‘line’ Ministries’ bids. For the school principal or a regional education officer, the process is often delusive: the school principal applies for a laboratory or sports equipment and fills in the necessary forms one year or another and then invariably sees his/her school budget limited to the ‘irreducible’ item of teacher salaries. This type of routine demotivated the staff at the lower levels
of public administrations and gave them an impression that bidding was useless.

Some attempts were made to rationalize spending procedures, such as a computerized ‘stop-payment’ facility, *i.e.* a voucher is paid only in the case of a favourable balance on the item. This innovation was not really successful because of movements of funds between the items and because of the commitments (obligations) not shown in the current budget sheet and coming due as ‘last minute’ payments before closing the accounts. The Central Salary Bureau, which expected to achieve full control over the wage bill of teachers through a computerized database where each civil servant had his/her ID, also failed because updating the data appeared very labour-intensive, *i.e.* many teachers were shown on the payroll due to previous service adjustments, replacements, untrained temporary and part-time teachers and mid-year recruitments. Reporting on any staff changes was also a major problem, when many schools and teachers migrated with their communities because of severe droughts.

The serious budgetary problems began with the real financial constraints in the government budget, when the annual increase in teacher salaries and student fellowships was regularly lower than the rate of inflation in the nineties. The margin was becoming wider as from the mid-nineties, provoking concern from the teacher and student unions which finally resulted in strikes and riots in 1996 onwards.

The case of Zimbabwe shows that special attention should be given to the nature and rate of the incremental amount budgeted from year to year for different categories of expenditure. Evidently, it does not make sense to proportionally divide slices of the ‘pie’ which is getting thinner and thinner every time, and under such circumstances,
prioritization of expenditure and cutting unnecessary expenses become imperative.

**Conclusions**

Three case studies are illustrative to show that budgetary procedures cannot be static and should evolve together with the maturity of public administrative systems, instruments for economic and financial management, technological innovations and challenges of education development. They should flexibly react to changes in the macro-economic and financial environment, first of all, balance of current accounts in a medium-term perspective, as education is one of the major categories of government expenditure in many countries and it should be financed even at times of economic recession or crisis.

The deteriorating financial situation and increasing financial constraints in Zimbabwe and Swaziland did not meet with adequate and timely budgetary responses. Painful adjustments were made under the pressure of circumstances, as emergency measures. In this sense, Zambia, which experienced such constraints much earlier and started implementing the necessary budgetary reforms in the beginning of the nineties, became a ‘role model’ for the African countries. Apart from ‘cash budgeting’ and programme budgeting, it improved procedures in many respects to eliminate the ‘deadwood’, to concentrate on the essentials and to secure the accountability. For example, only in the Zambian case out of the three observed do civil servants receive salaries directly into their bank accounts.

Major problem areas in educational budgeting observed in the three cases concerned are as follows:
• Teacher deployment and management, as these are related to the most important category of expenditure: the wage bill. Even with the problem of ‘ghost’ teachers improved, much remains to be done on regulation of part-time teachers, replacements, various allowances etc.). An example is Swaziland, where teachers are recruited and given posts without advance budgetary planning.

• Costing of activities and specific programmes still remains a problem. Too global a title of items in the budget sheet often hide unnecessary expenses and ‘deadwood’. Participatory elaboration and approval of activities is required to avoid decisions taken outside the budgetary process. Prioritization of activities is viewed as helpful and should be respected.

• Budget nomenclature is input-oriented in all the cases observed, even in Zambia despite its programme budgeting efforts. Only previous amounts are sometimes shown for reference, but no serious analysis is made on what actually happened inside each item. Although this kind of analysis is labour-intensive, some useful conclusions can be made at least from an analysis of overspent/underspent items, movements between the items and the actual schedule of obligations and payments.

• Unit cost is either complementary or not used in the practice of budget preparation. The per capita schooling grant in Zimbabwe is a surrogate complementary unit expenditure, but with the economic difficulties, it has lost its original real financial meaning.

• Consistency in estimation and interpretation of expenditure: the bottom-up system of budget preparation misleads the lower levels of administration and leaves them unaware of what exactly the final shape of their part of the education budget could be. On the other hand, too broad wage categories of expenditure provide
room for misinterpretation of the actual expenditure to be made. This is particularly true in the period of financial constraints and cuts, when there is a need to move funds between lines and items as a patchwork. As a rule, lower levels of administration are unaware of the amount of funds approved for them and how it is divided by the upper levels. For example, school principals are not informed by district Education Officers what they are up to, and whether their share is comparable with one school or another.

• The end of the fiscal year is a time of hasty spending of available funds and their movements within the allowed range. Closing of accounts may either block the payment of committed funds or, on the contrary, show overspending because of too many unexpected obligations by that time. In this case, funds are ‘borrowed’ from the next year's budget.

• In budget implementation there is a lag between commitments and actual payments, in particular for non-salary items, up to several months. The commitments being accumulated are not shown in the balance sheet and may eventually cause either underspending or overspending, subject to the actual moment of payments. In Zimbabwe, the ‘stop-payment’ facility of expenditure control and monitoring did not work, specifically for this reason.

• Accountability versus paperwork: too many forms exist to guarantee the accountability and reporting and this ultimately results in paperwork and time-consuming routine. Informatics and rationalization of procedures can simplify the process for a more analytical evaluation of the spending according to the programme budgeting techniques, as in Zambia.
PART III
REPORTS FROM THE WORKING GROUPS
WORKING GROUP NO. 1
FAMILY AND COMMUNITY CONTRIBUTIONS*

The experiences which informed the discussion drew on a wide range of very different countries, from the relatively wealthy Botswana to not so wealthy Tanzania (mainland), from culturally complex Nigeria to the relative cultural uniformity of Botswana, and from Francophone Benin to anglophone Zanzibar. Agency experience included USAID, Sida and UNICEF.

The group quickly agreed that the roles and responsibilities of families and communities can only be analyzed against an understanding of the roles and responsibilities of all stakeholders, from governments and development agencies to all sectors of civil society. However, the group understood that it had to view this complex set of relationships from the perspective of families and communities.

Lessons

In discussing each of the themes indicated below, a number of lessons from experience emerged.

■ Theme One: Defining the community

• A community should be defined in terms of all the stakeholders which have a role in the education process, including those in the school, the PTA or parents’ association, traditional leaders or community leaders, pensioners, professional or skilled groups, the private or business sector, etc.

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Rapporteur: Mr Peter Buckland, UNICEF
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- The role of each of the interest groups in contributing to community governance and financing was also discussed. Each group’s particular role must be managed carefully, with effective mechanisms to ensure accountability.

  ■ Theme Two: Ensuring accountability

- Democratic processes must ensure that all stakeholders are held accountable to the community.

- This accountability works best when there is a culture of rights in which people are made aware of their rights, and mechanisms exist to enforce them.

- The democratic accountability process operates best when all stakeholders have access to information about costs and financing.

  ■ Theme Three: Sharing information about costs and financing

- Before considering costs and financing strategies, both government and communities must have good information about the needs of the schools.

- The government needs to have good information about the private costs of education to parents and communities before it formulates policy about parents and community input.

- Communities need to have good information on the amount of public expenditure on education by the government, and how that varies from one community to another, and one sector to another.
Theme Four: Understanding education costs and financing

- Private costs include direct costs (fees, textbooks, etc.), indirect costs (uniform, transport, food) and opportunity costs (income or labour lost to family through caring for children). Government must be aware of all private costs before imposing new cost demands on families and communities.

- Families often also incur costs through providing extra lessons or paying for extra tuition.

- Community financing often includes expenditure in kind (such as labour), which is hard to quantify.

- Even when community costs cannot be quantified, they must be itemized so that everyone knows which actor is responsible for which expenditure item and the community contribution is recognized.

Theme Five: Supplementing community resources

Some systems try to supplement community resources:

- Demand for supplementary funds sometimes outstrips resources of governments or agencies.

- ‘Matching funds’ often create equity problems (wealthier communities get more than poor).

- Managing community funds requires capacity building (training, information and management systems, community banks, etc.).

- Government or agency contributions in kind (building materials, foundations or frame and roof) mean communities do not have to
raise resources before they are supported. The community then has to contribute its labour to build walls etc.

- Supplementing community resources must always be negotiated with communities first.

### Theme Six: Community financing and quality

- Sometimes poor quality of public schools forces communities to raise resources for their own private schools.

- Sometimes poor quality of public schooling or teacher absenteeism lead communities and parents to withdraw funding support or their children.

- Sometimes community schools are so short of resources that their quality is very poor.

- Parents and communities (PTAs, parents' associations, etc.) can only monitor quality if they have good information about quality (examination results, attendance, teacher performance, etc.).

- Parents and communities can help to make the curriculum more relevant to the needs of the students (through training in crafts, vocational skills, etc.).

Even if illiterate parents do not make professional decisions about teaching and curriculum, they can make informed decisions about quality and performance, which will influence professional decisions.

- The state can play a role in quality control by laying down standards, and by accrediting schools to be established/registered and re-accrediting schools to offer examinations.
Some practical steps

- Build a culture of rights and responsibilities

All stakeholders, especially communities, parents and children, must be made aware through advocacy of the rights of children, women, students, parents, teachers, communities and the state, and the responsibilities which go with those rights. Mechanisms must be put in place to ensure that the protection of rights is enforced.

- Develop the best possible information on the present distribution of costs and financing

This means making available to communities information on how the state spends the people’s money for education (including unit costs and equity), and making the government aware of how much of the costs (direct, indirect and opportunity) are borne by the families, through analysis of total – public and private – costs (using newsletters, press briefings, etc.).

- Build capacity at all levels through sustained investments

Build capacity through training, information and management systems and support structures to enable each stakeholder to play its role most effectively.

- Involve parents and communities in decision-making

Involve communities and families in planning and decision-making processes to instil a sense of ownership.
WORKING GROUP NO. 2
DEVELOPMENT AND FINANCING
OF PRIVATE EDUCATION*

Three fundamental questions occupied the attention of the participants in this working group made up of representatives from French-speaking countries. They were questions relative to the birth of the private sector in education and measures taken to favour its development, obstacles encountered and finally recommendations likely to favour the further development of this sector.

The appearance of the private sector

It was unanimously recognized that the appearance of private schools was due to government shortcomings in the education sector. The examples of Gabon, Senegal, Burkina Faso, Côte d’Ivoire and Benin corroborate this affirmation.

Recent experience shows the private sector made important inroads following high failure rates in public education and the inability of the state to satisfy an increasing demand. In Senegal, the private sector also made it possible to hire trained teachers who were not recruited by the government.

How has the state encouraged growth in this sector?

Several measures were taken, particularly the setting up of services responsible for promoting the private sector. For example, in Côte d’Ivoire, there is the Independent Office for Promoting Private Schools (Service Autonome de Promotion des Établissements Privés

* Chairperson: Julien Daboue, Burkina Faso
Rapporteur: Francis José N’Guessan Coffie, Côte d’Ivoire
- SAPEP), while in Senegal there exists a separate department responsible for private schools.

Direct and indirect grants have been made available. A good example of direct aid are school grants. In Senegal, these grants are paid out in five phases, with the last one depending on the results obtained in examinations. In Gabon, it is a lump sum shared by several approved schools; while in Côte d'Ivoire, it consists of amounts allocated to schools at primary level, and a contribution to tuition costs for students in secondary schools.

Indirect aid is provided as:

- The deployment of teachers to the private sector by the government; they are considered as state employees and paid for by the government (Côte d'Ivoire, Gabon).

- The provision of land to promoters on long-term leases (Senegal).

- Tax breaks.

- Training of private teachers and developers.

**Difficulties encountered**

Nevertheless, development of the private sector encountered difficulties. Indeed, participants noted problems linked to the behaviour of developers of private education. In Burkina Faso, promoters are mostly shopkeepers who use the income from their schools for other purposes. Difficulties then arise in paying for teachers and class equipment.

Another aspect which was highlighted is the difficulty that promoters encounter when asking for bank loans. It should also be
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noted, as the case in Gabon shows, that according to promoters there are not enough grants. All of these factors, with the exception of Madagascar, largely result in lower pass rates than those obtained by the public sector.

It could be claimed that there exist objective conditions working in favour of the private sector. However, it is still important to implement solutions likely to encourage further development.

**Recommendations aimed at favouring the objectives of the private sector**

The suggested recommendations were as follows:

1. Streamline procedures for opening private schools.

2. Encourage the convergence of economic interests in opening schools, so as to increase their chances of obtaining bank loans.

3. Set up mechanisms allowing the training of private-sector teachers.

4. Review the profiles of private school promoters.

5. Require the state to oversee the financial management of private schools.

6. Train private promoters and supervise the financial management of these schools.

So as to favour the development of private universities, the proposal was made to create and maintain training courses for private university education initiatives and, if possible, to create a national fund for private university education.
WORKING GROUP NO. 3
EDUCATIONAL FINANCING
IN A DECENTRALIZED CONTEXT*

The experiences examined by the group came from Southern African countries. The group started by identifying the main issues regarding educational finance in a decentralized context with the view of drawing some lessons about it.

Definition and issues

Decentralization is the devolution of power to lower levels of government to enable them to decide on issues of policy with regard to funding, allocation of resources, decision-making processes, ability to raise funds locally (user-fees), and ultimately to be accountable.

The following issues regarding financing were identified by the group in order to assess whether decentralization is taking place:

1. Social affairs budget: Unique to Botswana at local government level.

2. Power to allocate budget: Centralized, except in Botswana, Nigeria and South Africa (S.A.), where provincial and local government-level involvement occurs.

3. Education budget allocation: Centralized, but decentralized in Botswana, Nigeria and S.A.

* Chairperson: Mr R.E. Mageza, Zimbabwe
Rapporteur: Mr Cashief Lombard, South Africa
4. Making of educational policy: Highly centralized.

5. Setting of educational standards: Highly centralized.

6. Standard examinations: Highly centralized except for South Africa, where this is done at provincial level.

7. School inspection/or advisory services: Centralized, except for Nigeria and S.A. at both provincial and district levels.

8. Curriculum development: Highly centralized in all cases.

9. Teacher employment/hiring: Centralized, except for Nigeria and S.A.

10. Teacher salaries: Centralized, except for Nigeria and S.A.

11. Teacher deployment: Centralized, except for Botswana, Nigeria and S.A.


14. Funds deployed locally: One case of centralization, the rest decentralized.

15. Teacher standards: Highly centralized in all cases.
16. **Private schools:** Majority of cases completely independent with no state funding, except for S.A.

17. **School construction:** Centralization, but in most cases provincial and local governments are involved.

18. **Location of schools:** Centralization, but in most cases decentralization occurs.

19. **Maintenance of schools:** Centralization, but in majority of cases it is a decentralized activity.

**Lessons**

1. The issues of equity, efficiency and participation are the vehicles for decentralization (S.A.).

2. Efficiency is the reason for decentralization in Nigeria, but against the background of structural adjustment programmes.

3. Capacity building is an important issue for the implementation of decentralization.

4. Decentralization can lead to nepotism, that is, recruiting from one’s own area.

5. Decentralization is supposed to encourage participation in a responsible manner, but if people are not elected in a transparent manner it defeats the purpose.

6. Decentralization must have standardized mechanisms for the control of managing finances.
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7. Decentralization can lead to loss of economies of scale and this can be cost-ineffective, *i.e.* if one decentralizes too far down.

8. Cost-efficiency can be achieved, if decentralization is planned properly.

9. Deconcentration: overlapping of authorities’ responsibilities for the same function can be inefficient.
WORKING GROUP NO. 4
THE PRIORITY OF BASIC EDUCATION:
DIFFICULTIES IN IMPLEMENTATION*

The group, mainly made up of representatives from Francophone West African countries, first examined the sectors covered by basic education in the various countries, and noted some slight variations:

• For some, basic education included pre-school and elementary education (Benin’s case, with 69 per cent of its children attending school, 48 per cent for girls; and for Senegal, which has an enrolment rate of 59.7 per cent for girls).

• Basic education covering only elementary school (the case of Niger).

• Basic education which extends from pre-school to the first cycle of secondary education (middle school). This is the case of Côte d’Ivoire which has a school enrolment rate of 72 per cent for boys, and 48 per cent for girls.

• Finally, basic education, which includes two cycles: a first cycle which lasts six years, and a second cycle which lasts three years (the case of Mali, which has an enrolment rate of 46 per cent).

Once the contours of basic education were clarified, the group drew up three main areas of discussion: teaching materials, policies and means for favouring basic education, and difficulties of implementation. At the end, a number of recommendations were made.

* Chairperson: Alice KOUIDIO, Côte d’Ivoire
Rapporteur: Mamadou Dia, Senegal
Teaching materials

The availability of low-cost textbooks greatly contributes to making basic education available to a wider number of students. Concerning this, discussions revolved around the editorial policies already adopted, either by governments, or by foreign or domestic partners.

This is why some governments have set up funds for publishing textbooks (the case of Senegal) with innovations relating to distribution.

Most countries gave high priority to the publication of textbooks by allotting a relatively large part of their budgets to the purchase and distribution of this kind of teaching materials, often at low cost.

Policies and means implemented

The major aim of the policies and means implemented in this sub-sector of education are aimed at significantly increasing school enrolment figures.

The working group also reviewed certain factors likely to have a favourable impact on these rates.

First factor: Teaching personnel

Discussions focused mainly on alternative solutions which were tested in some countries. Indeed, more and more, national education relies on part-time personnel in the face of a slowdown in recruitment in the public service. In some countries there exists teachers known as ‘volunteers’ (Senegal), ‘contract teachers’ (Benin), or ‘temporary teachers’ (Guinea).
The state covers most of the salaries for these special personnel, but parent-teacher associations and grass-root communities also cover their expenses.

- Second factor: Infrastructures and school building

The working group also noted the important efforts made towards the building and repair of schools through capital expenditure, most often with the support of foreign and domestic partners (parent-teacher associations, and grass-root communities).

**Difficulties in implementation**

The main difficulties in promoting basic education are:

- Structural adjustment policies which limit financial and human resources by putting heavy restrictions on the wage bill.

- Lack of liquidity in budgets.

- Inefficient use of allocated budgetary resources due to the absence of dialogue between the administrations in charge of national education and the Ministries responsible for finance.

- Poor control of costs and inputs.

- Lack of a system capable of anticipating future needs.

- Absence of simplified procedures for the reallocation of resources in the case of need.

- Lack of co-ordination of those involved in this sub-sector (especially NGOs).
• Absence of a clearly established basic education development plan.

**Recommendations**

The working group formulated the following recommendations:

1. Improve management and administration skills among educators in charge of basic education.

2. Introduce reliable and efficient information systems for evaluation purposes.

3. Set up a textbook editorial policy so as to make them more accessible to a wider audience.

4. Reduce as much as possible the costs of building and equipment for classrooms by using local materials.

5. Set up a dynamic public awareness campaign aimed at encouraging attendance, especially for girls.

6. Improve the technical skills of those responsible for budgets in the Ministries of Education to encourage the efficient and timely use of resources, especially investment funds.

7. Provide national Ministries of Education with liquidity so as to avoid the accumulation of liabilities which mortgage future budgets.

8. Favour the development of basic schools, both private and community run.
9. Co-ordinate the action of the various ‘actors’ (the state, NGOs, multilateral and bilateral partners, etc.).

10. Favour the development of ‘voluntary or part-time teachers’ to increase the number of teachers, and set up a continuous training system for this less costly supplementary teacher resource.

11. Improve the living and working conditions for teachers, especially those living in rural and suburban zones.
WORKING GROUP NO. 5
REDUCTION OF EDUCATION COSTS

The group was made up of representatives from Francophone countries. It was agreed upon to concentrate discussions on three main categories of expenses which were likely to be cut. They were:

• Expenses linked to salaries and textbooks.
• Infrastructure and equipment expenditure.
• Social costs (transfer payments).

Participants insisted on the fact that the reduction of education costs should be examined according to the various levels of education, *i.e.* elementary, secondary and higher education.

**Salary and textbook expenses**

To reduce the costs connected with teacher salaries, participants made the following remarks:

• Solve the problem of the teaching load:

  1. By increasing it. Indeed, as is the case in most French-speaking African countries, the teaching load is far too low. In Senegal, for example, at elementary school level the teaching load is 30 hours a week, *i.e.* five hours per day; at junior high-school level, it is an average of 22 hours; at senior secondary level 18 hours; while at university, a full professor has only 5 hours of lecturing responsibilities per week.
2. By checking to see that the teaching hours in force are being respected. Education systems occasionally find that in some region teachers do not fulfil their hourly quota. Additional teaching responsibilities can be assigned, and these teachers controlled so as to resolve the problem.

- Monitor teacher presence in the classroom as much as possible so as to optimize their use and avoid an increase in ‘hidden’ teaching deficits. This measure should make it possible to avoid or reduce the assignment of teachers to non-teaching positions, and to control if not limit leaves of absence.

- Manage teacher careers by increasing, if possible, the age of retirement for teachers providing instruction in subjects where there is a dearth of qualified teachers. This measure will make it possible to reduce the need for technical assistance, judged to be too costly.

- Draw increasingly on a category of less costly teachers who are capable of providing instruction. For example, ‘volunteer’ teachers in Senegal, and ‘teacher helpers’ at elementary school level in Côte d'Ivoire.

- Set up double shifts and multi-level classes.

- Establish distance-teaching programmes at the university level.

Participants also insisted on the need for Ministries of Finance to get a deeper insight into the costs of education, for example of the salary component.

The textbook question was insisted upon, and the need to create a publishing industry so as to reduce the costs linked to the import of textbooks.
Building and equipment expenses

Participants recommended the building of less costly prefabricated classrooms, and the modification of classroom type so that less costly standards could be used while still respecting safety norms. Building costs for primary schools still vary between 2.9 million and 4 million CFA francs in Senegal, and 7 million CFA francs in Côte d'Ivoire.

To this, should be added arrangements aimed at using capital equipment to its utmost. For example, resorting to double-shift teaching and multi-level classes.

Social expenses

The following suggestions were made:

• The elimination of boarding schools in favour of classrooms or schools located in zones showing an exodus of students. The elimination of boarding schools in large urban centres and their preservation in distant rural areas.

• At university level, recommendations were concentrated on reorganizing of university finances; *i.e.* privatizing catering services, eliminating free transportation, etc.

• Concerning student training, especially in professional schools, one suggestion was to involve business interests in the decision-making structures of the schools and in directly financing students, an expense which would be reimbursed once the student obtained employment.

As for technical training, the participants regretted a lack of information about costs for this kind of teaching. This is an area which must be explored.
The discussions concluded that cost savings are certainly necessary, but must take into account educational services, *i.e.* access to education at elementary, secondary and university levels.
Since teacher costs constitute such a significant share (67–90 per cent) of most education budgets, the group quickly agreed that the focus of attention should not be simply teacher salaries, but the whole issue of teacher costs. It was also agreed that it is not simply a question of reducing teacher costs, but of managing teacher costs to ensure greater cost-effectiveness of the greatest investment in human resource development which any country can make.

Lessons from experience

The group included representatives from a wide range of countries, including Botswana, South Africa, Benin, Mali, Sudan, Tanzania mainland, and Zanzibar. In the discussions it became evident that there is an enormous wealth of experience and lessons learned in effective management of teacher costs. Some of the lessons to emerge from the discussions are summarized below.

- Issue One: Identifying teacher cost items

Teacher costs consist of a range of different items which vary from country to country. Cost management requires a careful analysis of each to determine effective ways of managing costs:

- The major cost item is usually teacher salaries, but in some systems the amount paid in the form of special allowances actually exceeds the salary payment. Comparative analysis of different teacher

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* Chairperson and Rapporteur: Peter Buckland, UNICEF
reward systems should suggest possible strategies for reducing unit costs.

- Many systems grant a housing allowance to assist teachers to buy houses, or they provide subsidized or free housing for teachers. Some housing support schemes are more expensive than others.

- Some systems provide subsidized medical aid or medical insurance schemes to teachers but the extent of state support varies between countries, and, within countries, between different categories of teacher (permanent, temporary, contract, etc.).

- Some systems provide an administration allowance to compensate teachers for administrative duties performed in addition to teaching, while others do not directly reward such duties.

- Transport allowances, either to support travel to work, or to special events such as training sessions, are also paid. Different approaches to transport have very different cost implications.

- Many systems pay a hardship allowance or remote areas allowance to attract teachers to posts in less popular areas, while other systems experiment with other non-monetary incentives.

- Some systems pay a special ‘teaching allowance’ to teachers where salaries are determined by civil service levels. Such allowances are more susceptible to budgetary shifts.

- There are even cases where numerous other allowances are paid which can constitute five or even ten times the basic civil service ‘salary’. Thus data on teacher salaries can be misleading, and it is more reliable to calculate total teacher costs.
Issue Two: Determining teacher salaries

There is a wide range of practices involved in determining the level of teacher salaries, but the following trends and issues emerged.

- In most countries, the Ministry of Education has minimal input on the salary levels of teachers, since this is usually negotiated by the Ministry of Finance and the Ministry responsible for the public service. Education ministers thus often have minimal influence over the largest item in their budget. Some countries have established separate teaching service commissions, with separate salary scales for teachers.

- The role of teacher organizations and teacher unions varies very widely between different countries, although almost all systems involve some consultation with organized teachers.

- Salary scales are usually reviewed periodically (on average every five years), although special circumstances can result in more frequent reviews. Sometimes salary scales are agreed, but not implemented for budgetary reasons.

Issue Three: Structure of salary scales

Salary scales are most frequently structured in terms of a number of commonly accepted factors, although the relative influence of different factors varies from system to system.

- Qualification levels are the most important determinant of salaries, and uncontrolled upgrading of qualifications can have an inflationary effect on teacher costs without necessarily improving teacher output (the ‘diploma disease’).
• Nearly all systems provide for automatic (or almost automatic) annual increments, rewarding length of service and seniority regardless of performance.

• Level of responsibility (promotion posts) are also a standard factor determining teacher salary levels. In most systems this cost can be managed, but at least one system was experimenting with awarding promotion regardless of post structure at each institution.

• Many systems reported attempts at merit systems which are designed to reward performance, but few were able to report success. Awards are often almost automatic except for the most blatant misconduct, or they are approved and then withheld for budgetary reasons, or merit systems are blocked by unions or not implemented because of lack of administrative capacity.

• Some systems provide for different salary ceilings or different scales for primary and secondary levels, or for different types of schools.

■ Issue Four: Teacher utilization

Managing teacher costs requires utilizing teachers in the most cost-effective way possible. A number of obstacles to optimal teacher utilization were identified:

• Poor information means that teacher numbers and payroll number do not agree, because of ghost teachers or persons paid as teachers but performing other functions in other departments.

• Remote rural areas frequently have low pupil/teacher ratios because of low pupil density. Multi-grade teaching is used by many systems to improve efficiency.
Financing and financial management of education

- Most systems have a norm for minimum teaching hours per week, but many systems do not implement the requirement, and teachers often teach for less than the required minimum.

- Shortage of classrooms sometimes means that teachers only have access to a classroom for half a teaching day, or less. This results in serious under-utilization. Some countries have experimented with double teaching shifts, supported by an extra allowance.

- While most systems have policies on transferring teachers, this is often resisted by teachers, unions or communities, and transfers can incur heavy costs. There is need for analysis of effective policies.

  ■ Issue Five: Incentives for more cost-effective and equitable teacher deployment

  Most departments are struggling with the issue of attracting teachers to rural or remote schools, or re-deploying teachers from overstaffed schools to understaffed schools to ensure a more efficient utilization of available resources. The following issues emerged:

  - Some governments provide cash allowances to attract teachers to unpopular posts. An assessment of the costs and benefits could be helpful in determining the value of such incentives.

  - Communities or governments often build houses or provide free or subsidized housing for teachers. The costs of housing-support strategies vary enormously, depending on the approach.

  - A few systems report using early-retirement schemes to reduce teacher costs, and create vacancies for less experienced and less expensive teachers. Because pensions are not paid from the
education budget, this can save the Education Ministry funds, but not necessarily a saving for the government as a whole.

- Some systems experience loss of teachers, attracted by higher salaries or intergovernmental agreements, to other countries, while other countries pay very high rates for expatriate teachers.

- Some systems have employed local recruitment and decentralization to ensure that better teachers are employed or remain in rural or unpopular posts.

- Sometimes teachers are attracted to rural posts because of improved chances of promotion.

**Conclusions**

The group agreed that there are a great many variables which can be manipulated to achieve better management of teacher costs once the debate is extended beyond the issue of teacher salaries. Further work in documenting the experience of countries in Africa and elsewhere would create a wider pool of possible strategies for countries to draw on. The topic requires a great deal more systematic work.
WORKING GROUP NO. 7
UNDERSTANDING EDUCATION COSTS*

The procedure adopted by the group assigned the task of examining the theme ‘Understanding education costs’ was inspired by a few remarks. Indeed, the group noted that, in practice, education expenses were limited to the public expenses devoted to education. Private expenses receive very little interest because they are seemingly difficult to assess. The group also noted that for an accurate evaluation of education costs, it is first necessary to clearly define the area of these expenses. In other words, it is necessary to fully understand the activities that these expenses are meant to cover.

These considerations were based on experience in Francophone countries and among co-operative agencies represented within the working group.

Only an accurate and adequate evaluation of educational expenses can allow the comparison of the performances of various categories of schools and different levels of teaching. The conceptual framework of this exercise was based on the classifications suggested below.

Classification according to type of school

This makes it possible to distinguish between public and private schools when evaluating educational expenses.

* Chairperson: Sékou Traore, Mali
Rapporteur: Joseph Ahanhanzo, Benin
Classification according to level

The breakdown of expenses according to level of school is indispensable for analyzing and comparing the various levels. However, the activities of those administrative services (general administration) which cannot be assigned to a specific level of education could belong to a separate category.

Classification by type of activity

In this context, this means:

- Teaching activities (programmes, teacher training, evaluation, etc.).
- Organizing and supervising teaching activities.
- Activities aimed at encouraging school attendance, like school canteens, free transportation, student lodgings, etc.
- Expenses linked to school attendance (like the purchase of textbooks, equipment and uniforms).

Classification according to the nature of the expense

This makes it possible to establish the inputs used for education activities as well as production costs. The expenses involved concern personnel, operations and investment.

Personnel expenditure involves teacher and non-teacher salaries. Apart from salaries, operating expenses involve among other things rent, water, electricity, telephone, office supplies, textbooks, and teaching materials. Capital expenditure covers the purchase of land with services, and important building and repair costs.
**Classification according to source of financing**

The source of financing is an important piece of information for the study of educational expenses, which can be regrouped in two categories, according to whether it is public or private.

Public financing comes from central public administrations and/or local public administrations.

Private financing is provided by private administrations (community associations, NGOs, religious groups, etc.), business interests, families, parent-teacher associations and foreign aid.

At the end of the session, the group had to examine the difficulties encountered during the study of educational expenses, which resulted in the formulation of the following recommendations:

1. Information systems on educational expenses should be developed in all countries so as to allow each country to master overall costs associated with education (public and private expenses, national and foreign costs).

2. The information system must improve understanding of the budget by distinguishing between personnel expenses, capital expenditure, studies and supervision, and teaching materials.

3. The budget of each country must provide a clear and reliable information system using a budgetary nomenclature allowing expense distinctions to be made according to teaching level.

4. A review of public education expenditure is recommended for all countries, given its contributory role to understanding education costs.
5. A simple and accessible document should be published in the form of a physical and financial operating report, so as to assure the convenient sharing of information, supported by graphics. This 100-page document should be organized around useful and specific themes.
WORKING GROUP NO. 8
MANAGEMENT AND CONTROL OF EXPENDITURE

The group started by sharing the experience in the different English-speaking countries represented in order to draw some common features of the management of expenditure in the countries and to discuss mismanagement issues.

A budget is a tool for and an important part of a Plan. There are instances where those departments and units in preparing for submissions for their estimates do not know the requirements of the ‘Controllers’. These are often not very transparent, so clearly there is a need for bridging the gap between departments and units at grass-roots levels and those to whom the budgets are submitted and the front line of the MOE and MOF. Whilst we all agree and know that budgets begin from the bottom with estimates to the top, we decided to start at the top with the Minister of Finance and the famous Budget Speech.

The ceilings that are set are the first real lines of control. This first level is what makes Ministries of Education also re-organize by readjusting from what they think they would like to do to what they know they can do. The second level of adjustments, which trickle down to the respective departments or units, are made by the Budget Committees in the MOE.

In the next phase we examined where the ‘moneys’ are actually kept. In Nigeria, commissions keep the money which will be distributed to respective states. In Botswana, primary schools are maintained by another Ministry and the management is decentralized

* Chairperson: R.E. Mageza, Zimbabwe
Rapporteur: Mr Moorad, Botswana
to the district level so the moneys will be monitored by the Council Revenue Office for Secondary Education, which is centralized in Botswana, Zambia and Zimbabwe; the actual money remains with the MOF Accountant-General, but in order for it to be released, a series of paperwork begins with the well-known requisition forms and purchase orders. (In most instances – more paperwork than money!)

The actual controls constitute the third phase. In Nigeria, every year the National Primary Education Commission carries out an inventory check on teachers, students and materials. In almost every Ministry there is an accounts department, sometimes referred to as the Bursar’s Department. This controls the vote for the MOE. In addition, some Ministries have an Internal Audit Department. Then there is the penultimate external auditor, usually referred to as the Auditor General, and answerable to Parliament, and often placed under the Office of the President.

At the school level there is a bursar responsible for expenditure at the school level.

**Management of expenditure**

1. Accounting procedures exist as instruments of fund management and control, so that the respective unit, e.g. the school, can see what procedures to follow.

2. Permanent Secretaries are usually accounting officers who approve/authorize expenditure.

3. In some countries there is a Parliamentary Accounts Committee, e.g. in Zimbabwe, which has the power to summon the Permanent Secretary for unexplained or unauthorized expenditures.
4. Exigencies/mopping up at mid-term, re-prioritizing.

Mismanagement

In some cases procedures and regulations are not explained. This leads to mismanagement, especially where audits are not done on time.

- Where stores and education resources are accessed by unauthorized officers.

- Where safety measures have not been taken, e.g. no alarms, no burglar bars, no ‘watchmen’ or security officers.

- Delays in stock-taking or checking inventories.

- Inadequate supervision and the non-existence of MIS facilities.

- Inadequate training, e.g. at bursar’s level, in how best to manage resources.

- Leadership excesses.

- Poor salaries and lack of motivation.

- The ‘unaccountable factor’. (Has anyone heard of this one? This is where ‘goods’ are missing and no one knows about it. Well, let us call it ‘Voodoo’, ‘Juju’, ‘Mooti’ ...).

Recommendations

Financial discipline procedures have to be followed by the book.

‘Better not to use than to abuse’
The following recommendations were made:

- Introduce regular training.
- Capacity building.
- Motivation.
- Good MIS system.
- Monitoring/auditing.
- Spot checks.
- Retirement packages for older staff members who are becoming ineffective.
- Employing the right people with the right skills.
- Ceilings must be observed.
- All control mechanisms have to be in place and operational.
APPENDICES
APPENDICE 1: SEMINAR PROGRAMME

Sunday, 12 October 1997
Theme: The financing of education

Chairperson: Sibry Tapsoba, Regional Director, IDRC

09.00–09.30 Opening of the Seminar
• André Sonko, Minister of National Education for Senegal
• Richard Sack, Executive Secretary, ADEA
• Diana Caplin, CIDA
• Serge Péano, International Institute for Educational Planning
• Achille Mmembre, Executive Secretary, CODESRIA

09.30–10.00 Coffee break

10.00–10.45 Review of publications
• Presentation by Coffi Rémy Noumon, CODESRIA

10.45–11.30 Community financing of education in Botswana
• Presentation by F. Moorad, Director, Ministry of Education, University of Botswana

11.30–12.15 Decentralization and financing of education
• Presentation by Drammane Oulai, IIEP

12.15–13.00 Re-examining the role of private education
• Presentation by Igor Kitaev, IIEP

13.00–14.30 Lunch

14.30–15.15 Financial simulation for the development of the Malian education system
• Presentation by Youba Ba, responsible for quantitative and financial statistics, PRODEC, Mali
Financing and financial management of education

15.15–16.30  Working groups
Themes:
- Family and community contributions
- Development of private education
- Educational financing in a decentralized context
- The priority of basic education: difficulties in implementation

16.30–17.00  Coffee break

17.00–18.30  Working groups (conclusion)

18.30  Cocktail offered by the organizers

Monday, 13 October 1997
Theme: The Cost of education

Chairperson: Linda English, The World Bank

9.00–10.00  The cost of basic education in Mali
  • Presentation by Sekou Traoré, Ministry of Basic Education, and Serge Péano, IIEP

10.00–10.45  Internal productivity and the cost of a university diploma in Senegal
  • Presentation by M. Diagne, Professor, UCAD, Senegal

10.45–11.15  Coffee break

11.15–12.15  The cost of primary and secondary education in Madagascar
  • Presentation by Richard Rahaririaka, National Ministry of Education, and Serge Péano, IIEP

12.15–13.00  The System Information Project on education expenses
  • Presentation by Ko Chi Tung, Department of Statistics, UNESCO
13.00–14.30  
Lunch

14.30–15.15  
The financial information system in Côte d’Ivoire

15.15–16.30  
Working groups
Themes:
- Cost reduction
- Teacher salaries and teacher costs
- Understanding education costs
- Management and control of expenditure

16.30–17.00  
Coffee break

17.00–18.30  
Working groups (conclusion)

Tuesday, 14 October 1997
Theme: Budgetary management for Ministries of Education

Chairperson: Jacques Hallak, Assistant Director- General of UNESCO
Director of IIIEP

09.00–10.00  
Activities of the Finances and Education task force
• Presentation by Coffi Remy Noumon, CODESRIA

10.00–10.30  
Coffee break

10.30–11.45  
Budgetary processes in Burkina Faso, Côte d’Ivoire and Mali
• Presentation by Julien Daboué, Ministry of Education and Literacy in Burkina Faso, and Dramane Oulai, IIIEP
• Remarks by M. Sow, Ministry of Education, Senegal
Financing and financial management of education

11.45–13.00  The budgetary process in Swaziland, Zambia and Zimbabwe
  • Presentation by Mr Magez, Ministry of Higher Education, Zimbabwe, and Igor Kitaev, IIEP
  • Remarks by Mr Makgothi, Ministry of Education, Botswana

13.00–14.30  Lunch

14.30–16.00  Working group reports on financing:
  ■ Family and community contributions
  ■ Development of private education
  ■ Educational financing in a decentralized context
  ■ The priority of basic education: difficulties in implementation

16.00–16.30  Coffee break

16.30–18.00  Working group reports on the costs of education:
  ■ Cost reduction
  ■ Teacher salaries and teacher costs
  ■ Understanding education costs
  ■ Management and control of expenditure

18.00–18.30  Resumé of work accomplished and closing remarks
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