



EDUCATIONAL DECENTRALIZATION IN LATIN AMERICA LESSONS LEARNED

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ABSTRACT

This paper describes some of the financial, efficiency (wastage), quality, and equity changes which occurred during the educational decentralization process in Argentina, Chile, Colombia, and Mexico.

The data collected shows that there are obvious discrepancies between what educational policy makers preached and what was practiced through decentralization. Financial, efficiency, and power distribution arguments were the main thrust behind the reforms. Yet, for example, basic education financing continues, in general, to rely heavily on central Government resources.

The evidence gathered seems to suggest that management styles do not necessarily condition the reduction of educational flow wastage (repetition and dropout).

Quality of education-did not improve during the decentralization process, and the gap between the better off and worst off schools actually widened.

Management of the educational sector was strengthened in countries where policymakers and senior government officials periodically monitored the decentralization process and provided support as required. Countries lacking the above weakened their educational governance capacity during the reform process.

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I INTRODUCTION

This paper describes the decentralization processes undertaken by Argentina, Chile, Colombia, and Mexico in their publicly financed basic education systems.

The decentralization processes are described in terms of their: (a) context (chapter II) ; (b) model (chapter III) ; (c) implementation strategy (chapter IV) and (d) outcomes (chapter V).

The outcomes are analyzed in terms of some of the changes observed in the: (a) financing; (b) efficiency (wastage); (c) quality; (d) equity; and (e) management capabilities of the given education systems before and after the decentralization process.

The paper does not attempt to prove any cause-effect relationships in the changes affecting the above indicators during the decentralization process with the process itself, as no experimental design, controlling by indicator (variable) and specific country management characteristics (centralization vs. decentralization) was implemented during the data collection.

Some lessons learned during the decentralization process in the surveyed countries are provided (chapter VI).

The Annex provides a synthesized description of the educational administrative reform undertaken in each one of the surveyed countries.

II EDUCATION DECENTRALIZATION CONTEXT IN SURVEYED LAC COUNTRIES

Background

Historically, all LAC countries adopted a centralized model of government. This model was embraced: (a) as a result of the economic and political control practices established and institutionalized during the Spanish colonial period; and (b) to avoid national disintegration as a consequence of civil wars (Mexico in 1860 and Colombia 1876).

In the modern state, the argument for centralization appeared basically to achieve two national objectives: (a) enhance equity by reducing social disparities; and (b) increase effectiveness by utilizing economies of scale and allowing greater mobility of resources to where they were most needed.

Under this reasoning, centralization in the education sector, as well as in other policy areas, has been manifested by the authority exercised through: (a) the regulation of institutional and individual behavior; and (b) the allocation of resources (human, material, and financial).

Decentralization in education was initially advocated in the 1950s as a means of establishing and reforming local governments. With the sudden popularity of national planning in the 1960s, attention became focused on improving planning and administration at the center. When it was perceived by policymakers and local think-tank institutions that: (i) national planning could not by itself solve persistent educational problems; and (ii) incorporation of school authorities and parents in local educational matters was a strategy worth trying to improve management and accountability, attention in the late seventies and early eighties once again became focused on decentralization. The surveyed countries implemented educational decentralization at the end of the 1970s and during the 1980s: Argentina (1976), Mexico (1978), Chile (1981), and Colombia (1986).

Decentralization in the education sector was viewed by some policymakers and senior government officials as a means to ensure wider representation of legitimate interests, mainly of public school stakeholders. Decentralization reforms were then suggested through the use of: (a) territorial criteria to transfer responsibilities to subnational units of smaller size, including in some cases, school authorities and parent-teachers associations; and (b) functional criteria to transfer responsibilities to parastatal, nongovernmental, or private agencies (1).

Educational decentralization in surveyed LAC countries was not implemented as an independent sectoral policy. On the contrary, educational decentralization has always been a part of a stated government macro reform policy. Out of growing awareness of the phenomenon of bureaucratic failure, some surveyed LAC governments such as Chile and Mexico, have hastened to reduce the size and complexity of their central public sectors, relegating many of its economic productive functions and social services, such as education, to the private sector, or to subnational levels of government.

For example, during the Chilean educational decentralization process, the size of the Ministry of Education (MINEDUC) was reduced from 20,000 employees in 1980 to about 3,000 employees in 1990, of which 21 percent are currently located at the MINEDUC central offices in Santiago, and the rest (79 percent) are in MINEDUC's 13 Regional and 40 Provincial education departments (2).

The dominant theory has led to a new conception of the central state as a facilitator and guarantor of the rules of the economic and social services delivery, in contrast to its previous role as the owner and director of the economy, and the only provider of public services.

In the above context, educational decentralization has been formally and informally (3) advocated by governments to improve the educational system's: (a) finances; and/or (b) efficiency; and/or (c) quality; and/or (d) redistribution of political power; and/or (e) stability.

Before explaining the relevant substance of each one of the above arguments one word of caution is called for. As shown below, the pursuit of some of the above arguments (rationales) could have been achieved regardless of the decentralization reform-4/. However, the decentralization momentum was utilized by some of the surveyed countries to disguise the enforcement of certain policies (to be explained below), politically difficult to implement otherwise.

Financial Argument

The financial rationale for decentralization addresses the issue of how education resources are raised. This concern stems primarily from the severe financial constraints faced by LAC central governments to cope with the continued expansion of educational opportunities. Hence, shifting part of the financial burden to subnational unit governments, to community and voluntary organizations, and to the private sector, has become an increasingly attractive alternative (5).

Under this rationale, the Argentinean government transferred the publicly financed primary education to the Provinces in 1976, and is about to transfer the public secondary schools in the first semester of 1992. Likewise, the Chilean government transferred in 1981 the public basic schools (nine grades) to the municipalities, and increased, through a subsidy scheme, private sector participation in the delivery of basic education. After the Chilean decentralization process, enrollment in the private-subsidized schools doubled as their primary student population rose from 14 percent of total enrollment in 1980 to 31 percent in 1989. The increase came at the expense of enrollment in the municipal schools, whose share decreased from 80 percent to 62 percent in the above period (6).

The above reasoning assumes that more active involvement of a broader range of societal institutions and groups will generate an increase in resource contribution to education. This expectation is directed particularly at the local community and at the private sector, which, in return for a greater role in the making of educational decisions, will express a stronger sense of commitment to the overall educational enterprise by generating added resources for school construction and maintenance, teacher salaries, and other education learning inputs (7).

Efficiency Argument

The efficiency arguments addresses the issue of how the educational resources are used. The issue of efficiency seems to have risen in the surveyed countries from: (i) the inability to provide universal access to primary education to the corresponding student age-cohort; (ii) the student flow wastage and its impact in increasing educational costs; (iii) the budget allocation mix to different education levels (8) and/or line item expenditures (9) and its impact in enhancing educational quality and/or targeting resources to low-income students; and (iv) the educational resources mismanagement and its impact in increasing inefficiency.

The efficiency rationale argues that by allowing local units of government, which are geographically and culturally closer to the local recipients of the educational services, to decide on where and how to allocate resources, the problems of: (i) access to primary school; (ii) wastage; (iii) suitable budgetary allocation-mix; and (iv) mismanagement, will be alleviated. This is based on the assumption that decentralization will increase familiarity with local conditions and needs, which in turn will lead to a better

match between demand and supply and thus, in the medium term, to a more economical utilization of scarce resources (10). Decentralized units became accountable for their resource allocation decisions and consequences.

For example, the first phase of the Mexican decentralization process (1978-1982) was mainly driven by the efficiency (accessibility) rationale. In 1978, around two million children in the 6 to 14 age group (14 percent of that age cohort) did not have access to the Mexican primary school system. More than 25,000 communities did not have a primary school. An emergency program, with special funding, entitled Programa de Primaria para Todos los Niños was launched by the Mexican authorities and incorporated to the decentralization process. Mexican education policymakers were confronted in 1978 with a primary school accessibility challenge that couldn't be properly addressed through continuing existing centralized management practices.

The educational flow wastage argument is manifested by unacceptably high repetition and dropout rates and low primary completion rates, when compared with similar indicators in more developed countries. The student flow inefficiency, especially among the urban and rural low-income students, is primarily prompted by lack of: (a) early stimulation programs; (b) appropriate educational inputs such as textbooks, learning and teaching materials, in-service teacher training, pedagogical supervision, feeding programs, health screening, and school construction and maintenance; (c) relevant curricula; and (d) suitable learning environments.

For example, the average primary completion rate in the Mexican educational system in 1977 was 42 percent, with some poorer States, like Chiapas and Oaxaca, registering less than 20 percent. Preschool education was only offered to 15 percent of 4 and 5 year old children, who lived in urban higher income neighborhoods. The adult illiteracy rate was over 18 percent, and average schooling less than 4 years (11). The wastage argument was also formally advocated by the Mexican authorities to justify the decentralization process (12)

From the formal government rhetoric, the budget allocation mix argument for decentralization pretends to mainly shift resources from: (i) higher to primary education; and/or (ii) recurrent expenditures, mostly teacher salaries, into the acquisition of more, and better quality, supplementary educational inputs (texts, reading resources and learning materials, in-service teacher training, pedagogical supervision, etc.), targeted to poor public schools. These are examples of pursuits that could have been achieved regardless of the decentralization process.

Unfortunately, in practice, all the countries surveyed, Chile being the exception, implemented the opposite, thus increasing the direct, historical-based, budget allocations to teachers salaries and higher education. Teacher union pressures to increase the number of teaching vacancies, increase the teaching labor force and their salaries, and the difficulty of confronting vocal and organized higher education stakeholders that could easily alter the existing delicate political balance if unpopular policies (13) were to be implemented in the countries surveyed, partially explain the discrepancies involved between what was preached (stated policies) and what was practiced (pursuit of means to achieve sectoral goals).

The above registered discrepancies deserve some further theoretical explanation. Discrepancies between what an organization believes and practices are very common and have been the subject of intensive studies by Argyris and Schon (14). They are usually found within the organization itself and, by and large, are self-imposed. Organizational discrepancies, as the ones found in the education sectors of the surveyed countries, are of five types, involving the: (a) organizational ends; (b) means employed to pursue these ends; (c) resources available for such pursuits; (d) way these pursuits are organized, managed, and implemented, and (e) external stakeholders and other aspects outside the organization.

The first set of discrepancies relate to the sectoral objectives, goals, and targets espoused by the educational policymakers, which are not always those that are actually pursued. When such inconsistencies

are brought to the policymaker's attention, it usually responds with internally convincing rationalizations, which further obstructs the attainment of the formal stated sectoral ends.

The second set of discrepancies concern the observed, and usually, important differences between what the educational sector actually does, believes it does, is believed by others to do, and is supposed to do. The third discrepancy involves beliefs about the quality, quantity, and use of resources (personnel, facilities, equipment, materials, information, and money) available to the educational sectors to achieve stated goals. The fourth class Of discrepancies involves the formal or proclaimed organizational structure of publicly financed education and its informal or actual structure, which usually constitutes a major and real deterrent to achieve most of the objectives sought by the decentralization process.

The last type of discrepancy involves assumptions about those direct and indirect (15) stakeholders with whom the surveyed educational sectors interact. Few policymakers understand why the educational services are really consumed, although they think they do, and therefore, this inconsistency has a major effect on what the education sector does and how it does it.

In the above vein, one of the lessons to be learned about the implementation of decentralization processes is the difficulty in raising to consciousness these types of possible discrepancies, and the even more difficult task to remove them once they have been identified. Effective discrepancy analysis is required to increase the likelihood of success in a proposed decentralization reform (16).

The Chilean educational decentralization reform provides a unique example in LAC where: (a) there was congruency between the efficiency-budget mix allocation rationale and its implementation; and (b) the administrative reform process was utilized to implement, by and large, unpopular policies. About 38 percent of the public educational expenditure in 1980 was targeted for higher education. Only about 3 percent of the primary education public spending per student in 1980 (US\$ 0.70 constant of 1985) was allocated to primary school educational inputs (17). Chilean authorities utilized the decentralization process to substantially modify the educational public expenditure mix, as outlined further in the paper.

Centralized management, combined with increased enrollments in public schools, generated insufficient institutional capacity in the surveyed LAC countries to: (i) translate effectively educational policies and strategies into actions; (ii) target resources to deprived schools; and (iii) periodically monitor sector achievements. In short, centralized management of large scale organizations, such as public school systems, has caused in general, a mismanagement of scarce public resources.

For example, twelve months was the average waiting time for a newly appointed teacher to be paid in the Mexican educational system in 1977 before decentralization was implemented. Payrolls for approximately 600,000 teachers were centrally produced in the Ministry of Finance, and salary checks distributed from Mexico City. Inquiries concerning check mistakes had to be addressed in the Mexico City offices of the Ministry of Finance (16). This delay in teacher payments was explicitly, and publicly, addressed by the Mexican decentralization process from the very beginning. In Colombia, there is no accurate information regarding teacher payrolls and effective time on task, which the current decentralization process is also explicitly addressing and trying to correct.

In short, the efficiency argument for decentralization is not so much concern with the possible scarcity of resources made available to the educational sector, as it is with the productive use of those resources in raising the quality and equity of publicly financed education.

Quality Argument

It is interesting to underline that none of the surveyed LAC countries explicitly assumed quality of educational inputs (learning environment) and outputs (academic achievement) as a rationale for decentralization. It is puzzling to acknowledge this finding, given that the formal objective of the education

sector is to provide high quality service. Yet the decentralization thrust in the surveyed countries basically emerged from organizational (financing and efficiency) considerations. The previous discrepancy discussion partially explains this dilemma.

Under the quality rationale it is argued that management and accountability can be improved in education by: (i) making school authorities (supervisors, principals, and teachers) more responsive to parents and local communities; and (ii) reducing the need for central government decisions on local educational matters. These arguments are backed by evidence of cost-effectiveness in the private sector (19).

The quality rationale also argues that decentralization can provide greater sensitivity to local cultural variations and is a means to match students' and schools, specific learning environments with national learning agendas or curriculum, usually set by central authorities. Under this paradigm, one would presume that additional regional and local relevance is nurtured into the educational system of a given country.

Promising educational innovations took effect in Chile and Colombia during decentralization. These innovations, however, were not a result of stated official decentralization policies, but rather, outcomes of spontaneous participation of interested stakeholders addressing education quality issues in specific regions of the given LAC countries. The pilot program of the University of La Frontera in Temuco, Chile, geared to serve the basic education needs of ethnic groups (Araucanos) , and the Escuela Nueva, a pedagogical innovation aimed at the primary rural multigrade school system in Colombia, are two concrete examples (20).

Redistribution of Power Argument

Redistribution of political power is rarely stated as a formal (21) objective of decentralization, but certainly is part of the hidden agenda of many LAC countries (22) With that as the objective, decentralization may be undertaken to empower those groups in society supporting central government policies or to weaken groups posing obstructions to those policies. From this perspective, decentralization is less concerned with the transfer of power from one level of government to another, than it is with the transfer of power from one group to another.

In Mexico, for example, the second phase of the decentralization process undertaken in the 1983-1988 period, attempted, but failed, to reduce the influence of the powerful teachers union in shaping educational policy and teaching practices (23). The military Argentinean and Chilean governments of the seventies and eighties utilized this hidden rationale to effectively weaken their respective teacher unions and central bureaucracies. On the other hand, the educational decentralization process undertaken in Colombia since 1986 has been coincidental with the empowerment given to the municipalities. Colombian mayors are, as of 1986, elected and not appointed by the central government. The adoption of a new constitution, approved by the Colombian National Congress in July 1991, has been a natural follow up of this political reform.

The *redistributive* model also seeks more power sharing among interested stakeholders in the educational system during policy shaping and resource allocation decision making. As a corollary, this rationale concludes, participation is encouraged, and a more "democratic" educational system emerges.

Stability Argument

Finally, the stability model addresses, according to Weiler, (24) the issue of conflict management. The rationale assumes that decentralization processes can effectively diffuse the sources of conflict and provide additional layers of insulation between the central government and the rest of the system.

The stability argument further assumes that the modern state faces a particularly severe challenge in terms of the erosion of its own legitimacy. ~L5/ The assumption goes, that those who act on behalf of the state - politicians, legislators, policymakers, and senior administrators - are aware of this erosion and have a

vested interest in preserving or recapturing as much as possible of this precious commodity (power) upon which rests, after all, the credibility of their own actions. Decentralization, the argument continues, is seen as a feasible strategy to diffuse this conflict because it: (a) makes the state appear less monolithic and more responsive to internal variations of political, cultural, and economic needs (26); and (b) particularly in the education sector, addresses more effectively the issues of cultural regionalism, local languages, dialects, and cultural and folkloric traditions, as alternatives to a national conception of cultural identity (which is also addressed in the quality rationale).

This rationale argues that conflict management addressed by decentralization preserves institutional and political stability by allowing central governments to obtain better information about local or regional conditions; react more quickly to unanticipated problems; and mobilize support for national development policies by making them better known at the local level.

Nevertheless, although one would like to presume that policymakers and senior sectoral officials are aware of this rationale, it is very difficult to gather evidence to prove or disprove its existence in the surveyed LAC countries.

On many occasions, the different arguments for decentralization become intertwined, at least at the level of policy rhetoric (Table 1).

In spite of the national and international political discourse favoring decentralization, in practice it has been strongly opposed by local power groups that foresee their vested interests at risk. According to certain authors (27), opposition to decentralization in the modern state stems from the incompatibility between the power-sharing logic advocated by decentralization and the interest of the state in maintaining control.

Table 1
RATIONALE FOR DECENTRALIZATION IN THE EDUCATION SECTOR

	Financing	Efficiency	Quality	Power Distribution	Stability
Argentina	x			X	2
Chile	x	X	1	X	2
Colombia		X	1	X	2
Mexico		X		X	2

Notes: 1. Educational innovations that sprung during the decentralization process, but not as a consequence of the decentralization (formal or hidden) stated objectives.
2. Presumed, but difficult to prove or disprove its existence.

III DECENTRALIZATION MODELS

The education decentralization models in the surveyed LAC countries are presented by addressing the following issues: (a) who are the key decision makers in policy setting, resource allocation, and service delivery in the educational sector; (b) to whom are they accountable; and (c) what relevant educational functions do they perform (28). The Annex contains a more extended explanation of the decentralization reforms undertaken in each of the surveyed countries.

The Decision Makers and Accountability

All of the surveyed LAC countries adopting decentralization retained at the central level some responsibilities while transferring other to smaller units of government. The smaller units of government where in some cases politically and administratively detached from the central government, such as the municipalities in Chile and Colombia, and the Provinces in Argentina, or were part of the central government, such as the State representations of the Mexican Ministry of Education.

In the Chilean and Argentinean cases, the recipient units of government maintained lax accountability with the central government, either because: (a) there is a tradition of self-reliance in local communities, such as in Chile; and/or (b) local governments or communities have their own sources of tax revenues and voluntary contributions, such as the Provinces in Argentina; and/or (c) administrative capacity at the local level exists or is provided through training, such as in the most wealthy municipalities in Chile, and more organized Provinces in Argentina.

On the other hand, in the Mexican and Colombian cases, the recipient government units are strictly accountable to the central government, which provides them with almost all of their financial resources.

The Mexican case provides an example of extreme rigorous accountability. The State representations of the Mexican Ministry of Education are constitutionally compelled to report annually to the Ministries of Education and Planning and Budgeting (currently, part of the Ministry of Finance), and to the Mexican Congress, on the status of fiscal disbursements and policy attainments.

In the Colombian case, the Financial and National Planning authorities have frozen all new publicly financed primary and secondary teaching Positions due to: (i) the early and sometimes, confusing, stages of the decentralization process; and (ii) rampant personnel mismanagement within the educational sector. The above central authorities have: (i) undertaken a close scrutiny of municipal educational spending; and (ii) held the municipalities accountable for their performance, as a precondition for a gradual lifting of the above mentioned freeze.

Distribution of Responsibilities

The relevant educational functions retained by the central governments of the four surveyed LAC countries are mainly concerned with sectoral policy setting, including: (a) core curriculum design; (b) textbooks and learning materials publishing or procurement; (c) in-service teacher training accreditation and standards setting; and (d) number of working school days per calendar year.

Most of the countries surveyed, except Chile, additionally retained at the central government the setting of: teachers wages, monetary incentives, fringe benefits, promotion standards and procedures, and teachers statutes. In the Chilean case, the municipalities were entitled to: (i) set teachers wages; and (ii) hire, promote, and fire teachers (29).

Most of the countries surveyed, Argentina being the exception: (a) prevented decentralize units of government to raise revenue; and (b) centrally preserved the budgetary allocation, transferring the financial management to local agencies in order to operate the decentralized public educational services. Only the Provinces in Argentina, among the four surveyed countries, raised revenues to finance their primary education system through taxation.

In general, the relevant decentralized educational responsibilities transferred to smaller units of government in the surveyed LAC countries included: (a) microplanning and programming procedures to identify local educational investment and cost recurrent needs and advance the corresponding financial requirements to a budgetary exercise with the central government; (b) educational resource (financial, human, and physical) management; (c) adaptation of core curriculum to regional needs; (d) production of some local teaching and learning materials; (e) delivery of educational services; (f) setting of school calendar starting and ending dates adapted to regional characteristics; (g) pedagogical supervision; (h) pre-service and in-service teacher training; (i) school accreditation and certification; (j) gathering and processing of statistical information; and (k) school construction and maintenance.

Chile was the only surveyed country that induced privatization of primary education through decentralization as a stated policy. The Chilean private sector participating in the delivery of primary education is obliged to comply with the existing educational legal frame set by the central government, and is only accountable to the consumer (students and parents) for the services provided.

Table 2
DISTRIBUTION OF MAIN RESPONSIBILITIES IN SURVEYED COUNTIES

		Argentina	Chile	Colombia	México	
a)	Core curriculum design	C	C	C	C	
b)	Regional curriculum design	D	D	D	D	
c)	Textbooks procurement		C			
d)	Textbook production				C	
e)	Textbook distribution		D		D	
f)	In-service teacher training accreditation standard setting	C	C	C	C	
g)	In-service teacher training service delivery	D	D	D	D	
h)	Pedagogical supervision	D		D		D
i)	Establishment of number of working school days	C	C	C	C	
j)	Labor policy definition	D	D	C	C	
k)	Budgetary allocation	D	C	C	C	
l)	Microplanning and resource programming				D	
m)	Resource management	D	D	C	D	
n)	Delivery of educational services	D	D	D	D	
o)	Production of local teaching materials	D	D	D	D	
p)	School accreditation and certification	D	D	D	D	
q)	Gathering and processing of statistical information	D	D	C	D	

r)	School construction and maintenance	D	D	D	D
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- Notes:
1. Before the enactment of the current Teacher Statute (July 1991).
- C = Centralized
D = Decentralized
A blank space implies that the information is not available, or that the item is not applicable

IV IMPLEMENTATION STRATEGIES

Decentralization implementation is concerned with the degree to which: (a) national, regional, provincial, municipal, and local leaders are politically committed to support the process and the entities to which responsibilities are transferred; (b) the dominant behavior, attitudes, and culture in a given country are conducive to decentralized decisionmaking and management; (c) policies and programs are effectively translated into clear and appropriate operational manuals and procedures; (d) adequate financial, human, and physical resources are made available to the entities to which responsibilities are transferred; (e) interested policymakers and senior government officials monitor the decentralization process and provide corrective and/or preventive actions; and (f) evaluation is undertaken to measure the impact of decentralization on the efficiency, equity, and quality of the educational system.

Degree of Political Commitment to Decentralization

The degree to which political leaders at all levels of central and local governments are committed to decentralized planning and management, the ability and willingness of the national and local bureaucracies to facilitate and support decentralized development activities, and the capacity of field officials of national and local agencies and departments to coordinate their activity at the local level, strongly influence the success of decentralized management.

The Chilean and Mexican decentralization processes are characterized by strong political commitment of national and local leaders. In the Chilean case, for example, educational administration in the 325 municipalities (31) was strengthened during the decentralization process. In the Mexican case, resources derived from the oil-boom economy were allocated to establish 31 State representations of the SEP, hereafter known as Delegaciones-SEP, in charge of managing the federally financed preschool, primary, secondary, and pre-Service teacher training systems. There is evidence in both countries, that during their decentralization processes improvements were made in preschool and primary education as: (a) net preschool and primary enrollments increased; (b) primary education repetition and dropout rates decreased; and (c) primary completion rates increased.

The Mexican decentralization process undertaken in the 1978-1982 period also strengthened the central institutional capacity to set and carry on educational policy, target resources, and monitor attainments. The existence of appropriate communication and monitoring links between the center and the decentralized administrative units partially explains this strengthening. On the other hand, the lack of such links explains in part the limitations of the Argentinean and Colombian experiences, and the institutional weakness developed at the Chilean Ministry of Education during the eighties to carry on pre-set educational policies and monitor accomplishments.

The limited impact of decentralization in Argentina and Colombia is also explained by the lack of political commitment, mainly induced by the high turn-over of educational authorities, which usually last in their positions less than one year. With the arrival of new senior officials, technical teams assembled in the previous central or local administrative units are quickly disbanded.

Attitudinal, Behavioral, and Cultural Conditions Conducive to Decentralization

Effectiveness in implementing decentralized programs appears also to depend largely on the presence of appropriate behavioral, attitudinal, and cultural conditions.

The Mexican and Chilean cases show: (a) the willingness of local officials to support and perform decentralized management functions; (b) the technical quality of local leadership; and (c) the attitude of local urban and rural school stakeholders to support the delivery of educational services, mainly by establishing students and parents associations involved in school construction and rehabilitation.

The attitudes and behavior of central and local government officials toward the citizenry are crucial for decentralization, especially in countries, like Mexico, that have long fostered patronizing and paternalistic regimes. These attitudes have historically reinforced rigid relationships in which superiors directed their subordinates on what to do and how to do it, and the manner in which these subordinates pass on these instructions to the general population. All of the above are negative attitudes that decentralization attempts to change, and if possible, uproot.

Resistance to decentralization in Mexico at the end of the seventies, mostly by the teacher union and some senior central managers within the Ministry of Education (SEP), induced the government to act at a quick pace. A centrally planned decentralization scheme was put into effect. Educational decentralization action plans were rapidly developed by the education sector policymakers and senior officials, and immediately executed by smaller sub-national government units. The actions were followed by periodic monitoring of procedures, whose main findings were utilized by the policymakers and senior government officials at the SEP to adjust the shortcomings of the previous action plan (33). A sequence of research (monitoring) and action (plan revision and execution of the revised plan) followed (34).

This periodic monitoring of procedures by policymakers and senior government officials, followed by corrective and/or preventive measures as required by the decentralization process, is a key element for success in a downward approach to decentralization.

The Argentinean and Chilean cases are a variant of this downward (centrally planned) approach. The main difference with the Mexican strategy rests in the lack of sustained technical and political maintenance of the process. The political circumstances of Argentina during the seventies, and of Chile at the beginning of the eighties, induced both military governments to centrally plan and impose the educational decentralization process by decree. In these two countries, opposition to the decentralization process, specially from teacher unions and political groups, was practically abolished. The process was implemented by local officials appointed, (35) by central authorities in both countries.

In contrast, the decentralization bottom up (upward) strategy decentralization arises from the central policymakers perceived need to consult and negotiate (even before the process starts) with local, and vocal, power groups, whose main attitudes and behavior strongly oppose or favor decentralization. It thus becomes necessary for policymakers and senior government officials to reach agreement with main affected groups or stakeholders of the decentralization process basically on: (a) model characteristics; (b) conditions; and (c) scope of implementation.

Decentralization by negotiation is an extremely slow process, and sometimes can lead to failure due to: (a) a probable lack of ownership; and (b) entrenchment of positions. The ongoing Colombian education decentralization process, and the attempted (but failed) Mexican transfer of preschool, primary, and secondary education from the Ministry's Delegaciones-SEP to the State authorities undertaken in the 1983-1988 period, are examples Of negotiated implementation.

Operational Procedures

Operational procedures influence the outcomes of decentralization efforts. They include the clarity and simplicity of the structures and procedures Used to decentralize, the ability of the implementing agency

staff to interact with other supra and lower levels of government, and the degree to which components of decentralized programs are integrated.

Sometimes there is a large gap between the decentralization rhetoric of central planners and policymakers and what they are willing to allow local administrators to do, like in the Colombian case. Moreover, the multiple levels of review and approval through which local plans must pass in some countries, such as Colombia, create delays that discourage enthusiastic participation in decentralized planning and management. Complexity of procedures consistently reinforces uncertainty on the part of those that have to implement the decentralized functions, and generates confused situations.

Another factor severely inhibiting the successful implementation of decentralization policies has been the inability of smaller units of government to coordinate and integrate their activities with those of central ministries and with other decentralized local agencies, such as occurs with the Argentinean Provinces in charge of providing basic education and the Ministry of Education responsible for policy setting and evaluation.

Proliferation of government agencies created in the name of strengthening coordination, has led to compartmentalization and lack of complementarity, which have further weakened the decentralization process. This appears to be clearly exemplified in the hierarchical structure of the Colombian educational system.

The above suggests the need of simple linking mechanisms between central and local agencies involved in the decentralization process. In the Mexican case, this linking mechanism provided assistance from the SEP to the Delegaciones-SEP by: (a) offering appropriate training; (b) seconding personnel to meet staff shortages at the local level; (c) supervising and assessing local initiatives and projects; (d) providing technical assistance when problems or weaknesses appeared; and (e) creating a national cadre to supply personnel to all the 31 Delegaciones-SEP.

Functions transferred to local administrative units must be suited to their current or potential managerial capacities. Functions should be allocated to local units incrementally, as they meet performance criteria. More complex functions should be transferred only after local units increase their managerial capacity and resources. The technically more complex administrative functions and politically more sensitive issues in the Mexican educational decentralization process during the 1978-1982 period, such as the transfer of the teachers bimonthly payment procedures to the Delegaciones-SEP, were deferred until 1981, when the Delegaciones-SEP displayed appropriate managerial and technical capacities to perform such a function timely and accurately.

All the four surveyed countries enacted decentralization laws and/or regulations describing the expected authority and accountability of the central and decentralized administrative units. However, in practice, many of the above legal characteristics were not fulfilled. For example, the Mexican SEP's central units were required to enhance their pedagogical supervisory and cognitive assessment capacity for all the educational levels throughout the entire country during the decentralization process. They failed miserably in accomplishing this mandate; instead, they directed their energy to operate the educational services in Mexico City.

Allocation of Resources

One of the ironies of decentralization in some of the LAC countries surveyed, such as Argentina and Colombia, is that too often central authorities advocating the rhetoric of decentralization, refuse to transfer financial, administrative, and technical resources to local agencies.

Another discrepancy emerges from past strategies and practices, totally incompatible with the principles of decentralization, that have caused a brain drain of the best managers and technically skilled

staff in the local agencies. Better salaries and fringe benefits usually granted by the private sector, greater expectations for political, social, and economical mobility, and more alternatives for continuing professional education and development in the large cities, have caused shortages of skilled personnel in the decentralized units. This has been a constant pattern observed in the four surveyed countries, especially during the post-oil boom economic crisis of the eighties.

The historical financial dependency on central fiscal financial resources, coupled with the lack of independent sources of revenue, and the untimely allocation of resources by central authorities, has also hindered the decentralization process, specially in Argentina and Colombia.

The capacity of decentralized units to carry out their assigned responsibilities has been adversely limited by the human resources, physical infrastructure, transport and communication facilities in the local agencies. In Chile for example, there are 375 primary education supervisors lacking adequate transport equipment and support, to monitor over 8,200 primary municipal and private subsidized schools with a total enrollment of over 1.8 million students and about 60,000 teachers, and 40 preschool supervisors to monitor 4,200 public and private subsidized preschool with an enrollment of almost 190,000 students and 17,000 teachers and paraprofessionals.

Effectiveness in implementing decentralization appears also to depend in the degree to which central (downward) resource allocation, mainly based on historic-based budget tendencies, is compatible with upward requests for investment and cost recurrent financing from the decentralized units. The above entails: (a) the developing of microplanning and programming procedures at the lower levels of government to detect and justify investment and cost recurrent needs, and thus induce the upward resource request procedure; and (b) a winnowing Planning-Programming-Budget -System (PPBS) System to bring, at the central level, qualified proposals from those decentralized units to within the budgetary ceiling allocated to the educational sector by the financial authorities. Mexico offers a very unique example in LAC of how the upward and downward approaches for resource request and allocation in the educational sector have been annually attuned in the last 15 years (36).

Process Monitoring

Periodic monitoring of the decentralization process by policymakers, senior officials, and managers at the local sub-government units is a necessary condition to implement corrective or preventive measures if the process deviates significantly from expected targets. The 22 quarterly monitoring meetings of SEP's senior central policymakers and Delegados-SEP in Mexico from 1978 to 1982, to review the decentralization progress, strongly supported the accomplishment of many of the decentralization goals.

To enhance the monitoring process, communications systems should facilitate mutual interaction, exchange of information, cooperation, and conflict resolution, rather than simply disseminate instructions and information from and to the central government. The lack of appropriate communications systems in Argentina severed their existing statistical educational information system at the end of the seventies, precluding central authorities to target resources in order to improve equity and quality. The lack of appropriate monitoring in Colombia has induced the Financial authorities to freeze all new primary and secondary teaching positions until a payroll system, compatible with effective teaching time on task, is made available by the Ministry of Education.

Table 3
IMPLEMENTATION STRATEGIES

	Argentina	Chile	Colombia	Mexico
a) Non-rhetorical political commitment accompanied by a sustained implementation process	-	+	-	+
b) Existence of behavioral and cultural conditions conducive to decentralization	+	+		+
c) High continuity of policymakers and senior officials in the educational sector	-	+	-	+
d) Centrally planned (downward approach) implemented by decree	+	+		
e) Centrally planned (downward approach), implemented by surprise with sustained political and technical maintenance				+1
f) Bottom up (upward approach), implemented by a negotiated process			+	+2
g) Clear operational procedures and manuals; appropriate training for technical staff at central and decentralized government units	-	0	-	+
h) Allocation of resources by the Central Government	-	0	+	+
i) Process Monitoring	-	0	-	+

Notes:

1. First phase, (1978-1982) where the Delegaciones-SEP were established.
2. Second phase (1983-1988), where the Central Government intended (but failed) to transfer the Delegaciones -SEP to the State Governments.

+ = Strong.
0 = Average.

- = Weak.

A blank space implies that the item is not applicable.

V OUTCOMES

This section presents evidence on how the educational financing, efficiency (wastage), quality, equity, and governance of the educational public systems of the four surveyed countries changed during the decentralization process.

The paper does not attempt to: (a) prove any cause-effect relationships in the changes affecting these indicators, as no experimental design was implemented during the data collection; or (b) provide a value judgement as to whether decentralization was the required or appropriate fora to implement a specific policy in the educational sector. The paper only tells a story through evidence gathered, attempts to interpret the results, and derives conclusions and lessons to be learned for future decentralization projects.

Financing

Was the financial education burden shifted from central governments to smaller subnational governments units and/or the private sector during the decentralization process? There is no unique answer. outcomes differ from country to country and from one educational level to another.

Chile and Mexico were not able to shift the financial burden away from the central government for primary and secondary education. on the other hand, both the Argentinean and Chilean governments successfully shifted the financial burden away from the central government; in the first case, public primary schools to the Provinces; in the second case, higher education to the private sector.

Whereas in 1980, before decentralization, the central Chilean government financed 93.8 percent of total primary education, by 1989, after, it financed almost an equal share (93.4 percent). Central subsidized spending increased in real terms 1.1 percent in the 1980-1989 period, while private financing increased by 1.9 percent in the same period. In spite of modest real financing increases in the private sector, the reduction in public and private primary education enrollment (37) did not alter significantly the historic public and private shares of total primary education financing (Table 4).

For Chilean secondary education, the results are about the same. The government share of total secondary financing decreased slightly from 94.5 percent to 93.3 in the 1980-1989 period (Table 5). Government spending in secondary education increased 1.1 percent in the above mentioned period, while private secondary financing increased 3.4 percent. In spite of the higher increase in unit Costs in the private sector, the private and public share of total education financing was not significantly modified during the last decade, mainly because enrollment in subsidized secondary schools increased 3 times faster than in private-paid schools!-81.

The 13 year decentralization process in Mexico shifted the weight of primary and secondary education financing even further to the central government, contrary to the decentralization rhetoric (Table 6). While in 1971 (before decentralization) only 66 percent of total education was financed by the central government, in 1987 (after) the share had increased to almost 78 percent. The State Governments, supposedly responsible for absorbing part of the education financial burden during decentralization, decreased their share from 19 percent to 12 percent in the 1971-1987 period (Table 6). The private sector also reduced its participation from 15.4 to 9.5 percent during the same period (Table 6).

The above is another example of the organizational discrepancies discussed before. on the one hand, in a zero-sum-game situation (39), the espoused target to allocate responsibilities to the Mexican State Governments contradicted the hidden fear of some key senior authorities at the central government, specially

in the Ministries of Education and Programming and Budgeting, of losing power. On the other hand, the lack of fresh resources, characteristic of the post-oil economic boom period, induced State governments to invest in those sectors perceived by them as politically more profitable, like water supply, infrastructure, and boosting security.

Enrollment in private schools in Mexico remained constant during the last decade at about 9.8 percent (40). This is an indication that the market being served by the private schools was practically unaffected by the economic crisis, thus there was not a noticeable enrollment shift from the private system into the public and vice versa. However, private per-student spending was increased by 30 percent in real terms during the last decade (41).

As noted before, in the Chilean tertiary education, decentralization policies deliberately and successfully shifted the: (a) financial burden from the central government to the private sector; and (b) distribution of public funding from higher to primary education. Central government resources for higher education decreased in real terms by nearly one third in the last decade, while private financing almost doubled (Table 7). Whereas private sector financing for higher education represented almost 4 percent in 1985, nowadays it covers roughly 15 percent (Table 7). Enrollment in subsidized higher learning institutions has been decreasing at 0.6 percent annually since 1980, while enrollment in the corresponding private-paid institutions has risen 32 percent annually in the last 5 years.

Whereas in 1980, before decentralization, subsidized higher education in Chile absorbed almost 38 percent of public funding, in 1990, after, it only consumed 19 percent (Table 8). Furthermore, while total public spending for education in Chile decreased almost 2 percent per year during the last decade, allocations to higher education decreased four times faster, and allocations to preschool and primary education increased 5.2 and 1.1 percent respectively.

The combined effect of private financing in primary, secondary, and tertiary education in Chile, has prompted a reduction of total central government spending in education from 79 percent in 1985 to 68.4 percent in 1990 (Table 9).

It seems that the financial rationale for educational decentralization was accomplished in the Argentinean public primary education system, where the financial burden was shifted from the central government to the Provinces. The central government participation in financing public primary education decreased from 0.72 percent of GNP in 1975 (before decentralization) to 0.13 percent in 1986 (after), while that corresponding to the Provinces more than doubled (Table 10).

Were additional resources for education generated during the decentralization process? The evidence gathered in the surveyed countries, with the exception of Argentina, shows exactly the opposite. Not only has total government (central and local) spending been reduced during decentralization, but education expenditures have shrunk even more abruptly.

In the Mexican case, government total and educational spending grew respectively 14 and 13 percent per year in real terms during the period 1970 to 1982, while the gross national product (GNP) increased 7.2 percent annually. But from 1982 onward, GNP decreased 1.5 percent annually, federal spending decreased 2.3 percent per year, while federal spending in education decreased 9.1 percent, that is, six times more than GNP and 4 times more than the total federal spending (Table 11).

In the Chilean case, total government spending in education declined almost 16.6 percent per year (Table 12), that is from 6.8 percent of GNP in 1985 to 2.5 percent in 1990, and from 12.5 percent of total federal spending to 8.1 percent in the same period (Table 12), at the time that GNP increased by 1.6 percent per year. The decrease in government spending in education during the last decade in real terms was about twice the one corresponding to total government spending (Table 12).

Table 4
FUNDING IN CHILEAN PRIMARY EDUCATION

Year	Subsidized Municipal and Private Enrollment ₁	Unit Cost ₂	Total Cost ₃	Private Enrollment ₁	Unit Cost ₂	Total Cost ₃	Share Public Cost ₄
Before decentralization							
1980	2,050.1	47.5	97,379.5	136.4	46.8	6,383.5	93.8
1983	1,972.8	65.0	128,232.0	92..3	62.6	5,777.9	95.7
After decentralization							
1985	1,956.0	56.6	110,709.6	106.4	56.6	6,022.2	94.8
1987	1,891.6	47.0	88,905.2	115.7	47.0	5,437.9	94.2
1989	1,856.6	57..9	107,497.1	131.1	57.9	7,590.7	93.4

Notes: 1. Enrollment in thousand students.
2. Unit cost in thousand pesos of July 1990.
3. Total cost in million pesos of July 1990.
4. Share in percent.

Source: Compendio de Información Estadística. División de Planificación y Presupuesto. Ministerio de Educación de Chile, 1990.

Table 5
FUNDING IN CHILEAN SECONDARY EDUCATION

Year	Subsidized Municipal and Private Enrollment ₁	Unit Cost ₂	Total Cost ₃	Private Enrollment ₁	Unit Cost ₂	Total Cost ₃	Share Public Cost ₄
Before decentralization							
1980	492.4	79.8	39,293.5	49.3	46.5	2,292.4	94.5
1983	562.1	72.1	40,527.4	51.2	55.9	2,862.1	93.4
After decentralization							
1985	613.9	75.9	46,595.0	54.2	49.1	2,661.2	94.6
1987	565.1	60.9	34,414.6	53.3	50.9	2,712.9	92.7
1989	681.8	63.4	43,226.1	60.1	51.5	3,095.1	93.3

Notes: 1. Enrollment in thousand students.
2. Unit cost in thousand pesos of July 1990.
3. Total cost in million pesos of July 1990.
4. Share in percent.
5. Weighted average financing considering the scientific and technical secondary tracks.

Source: Compendio de Información Estadística. División de Planificación y Presupuesto. Ministerio de Educación de Chile, 1990.

Table 6
FUNDING IN MEXICAN EDUCATION SECTOR
(In billions constant 1971 pesos)

Year	Federal Government	%	State Government	%	Private Sector	%
Before decentralization						
1971	9.4	65.7	2.7	18.9	2.2	15.4
1976	20.9	72.8	5.1	17.8	2.7	9.4
After decentralization						
1982	42.6	80.5	7.6	14.4	2.7	5.1
1987	27.0	78.5	4.1	12.0	3.3	9.5

Source: Cuenta de la Hacienda Pública Federal, Serie 1971 a 1987. Secretaría de Finanzas de los Estados. Dirección General de Planeación Programación y Presupuesto. Secretaria de Educación Pública, 1989.

Table 7
FUNDING IN CHILEAN HIGHER EDUCATION

Year	Subsidized Higher Education ₁	Unit Cost ₂	Total Costs ₃	Private Enrollment ₁	Unit Costs ₅	Total Costs ₃	Share Public Cost ₄
Before decentralization							
1980	118,978	820.5	97,618.0	NA	NA	NA	NA
After decentralization							
1985	113,978	673.4	76,755.9	4.9	673.4	3,294.7	95.9
1988	116,283	440.7	51,246.2	9.2	440.7	4,054.4	92.7
1990	112,193	353.5	39,663.8	19.5	353.5	6,893.2	85.2

Notes: 1. Enrollment in thousand students.
2. Unit cost in thousand pesos of July 1990.
3. Total cost in million pesos of July 1990.
4. Share in percent.
5. Due to the lack of reliable unit costs for private higher education, the public figures were used as a proxy.

Source: Compendio de Información Estadística. División de Planificación y Presupuesto. Ministerio de Educación de Chile, 1990.

Table 8
DISTRIBUTION OF EDUCATIONAL PUBLIC EXPENDITURE BY LEVEL OF EDUCATION IN CHILE
(In Billion Constant Chilean Pesos of July 1990)

Year	Total	Pre School	%	Primary	%	Secondary	%	Higher	%	other Instruction & Culture	%
Before Decentralization											
1980	259.8	10.6	4.1	101.4	39.0	37.1	14.3	97.6	37.6	13.0	5.0
1982	298.8	14.0	4.7	151.2	50.6	43.3	14.5	76.7	25.7	13.4	4.5
1984	269.8	14.3	5.3	122.7	45.5	39.1	14.5	82.6	30.6	10.9	4.1
After Decentralization											
1985	269.5	16.6	6.2	124.7	46.3	41.7	15.5	76.0	28.2	10.4	3.8
1988	233.2	17.7	7.6	116.0	49.7	40.5	17.4	51.2	22.0	7.8	3.3
1990	215.0	17.6	8.2	113.3	52.7	37.8	17.6	40.2	18.7	6.2	2.9
Annual Rate of Change in (%)	-1.9	5.2		1.1		0.0		-8.5		-7.3	
Source:	The World Bank. Staff Appraisal Report. Chile Primary Education Improvement Project, Report No. 9769-CH. September 1991.										

Table 9
EDUCATIONAL EXPENDITURE BY SOURCE IN CHILE DURING DECENTRALIZATION
(as percent of total educational expenditure)

Year	Central Govtmt. MINEDUC1	Municipal Resources	Private Univers.3	Sector Non-Univers.4	All Private and Munic. as percent of Total Spending5	Total Education Spending
Before decentralization						
1985	79.0	2.8	14.7	3.5	21.0	100.0
After decentralization						
1990	68.4	3.2	24.2	4.3	31.6	100.0
Notes:	<ol style="list-style-type: none"> 1. Ministry of Education (MINEDUC) includes all educational costs, including public higher education costs. 2. Municipal includes municipal contributions from all sources other than subvention payments. 3. University spending estimated by the Bank on the basis of enrollment unit costs and share of unit costs in public and private universities. 4. Nonuniversity private includes preschool, basic and secondary paid private schools. 5. Does not include estimate of parents' contributions to private-subsidized schools. 					

Sources: Calculated by the Bank on basis of data from MINEDUC, Division of Planning and Budget, which used data from Contraloría General de la República, as well as own data.

Table 10
FUNDING OF ARGENTINEAN EDUCATION SYSTEM
(percent of GNP)

Year	Nation					Provinces					Total Percent of GNP	% of Total Gover Spending
	Prim	Sec	Higher	Other	Sbtot	Prim	Sec	Higher	Other	Sbtot		
Before decentralization												
1975	0.72	0.80	0.54	0.19	2.25	1.20	0.26	0.08	0.10	1.64	3.89	16.6
After decentralization												
1986	0.13	0.79	0.59	0.16	1.67	2.55	0.28	0.02	0.39	3.24	4.91	18.7

Source: Sánchez, C. , et. al. Descentralización, Federalización y Financiamiento en el Sistema Educativo. Proyecto MEJ-PNUD, Cuadro 13, Buenos Aires, Noviembre 1988.

The peak education financing in Colombia in recent times occurred in 1985, just before decentralization was launched. At that particular time, public and private expenditures in education as a share of GNP reached 5.6 percent, and public education disbursements represented 18.6 percent of total Government spending (Table 13). Since then, and coinciding with the decentralization effort, total education expenditures have slightly decreased to 5.4 percent of GNP, and to 17.2 percent of total government expenditures (Table 13).

One of the main causes of reduced education spending in the Mexican and the Chilean cases, seems to be a sharp decrease in real teacher's salaries, which represent over 85 percent of total recurrent expenses in the education sectors of both countries. In the Mexican case, for example, primary teacher's salaries decreased 3.4 percent annually, while secondary teacher's salaries fell 6.8 percent per year (42) (Table 14). In the Chilean case, municipal teachers salaries decreased by 7 percent annually in the 1981-1990 period, while private- subsidized primary school teacher's salaries fell by 10 percent annually in the same period. (43)

Table 11
CENTRAL GOVERNMENT SPENDING IN MEXICO
(Thousand million pesos of 1970)

Year	Government Spending (1)	Government Spending in Education (2)	GNP (3)	(1) / (2) %	(1) / (3) %
Before decentralization					
1970	109. 2	7.8	444. 3	7. 1	1. 8
1976	224. 4	19.7	635. 9	8. 8	3. 1
After decentralization					
1982	533. 5	34. 7	947. 8	6. 5	3. 7
1986	485. 7	23. 7	890. 6	4. 9	2. 7
Annual decrease					
1982-86 (%)	2. 3	9. 1	1. 5		
Source: Cuentas Nacionales de México, Serie de 1970 a 1986.					

Table 12
**CHILEAN EDUCATION BUDGET AS PERCENT OF FEDERAL BUDGET
AND OF GROSS NATIONAL PRODUCT**
(in billions of constant Chilean pesos of December 1990)

Year	Gross National Product' (1)	(2)	Total Federal Budget (3)	Education Budget 2	(3) / (1) (%)	(3) / (2) (%)
Before decentralization						
1980	19,005,782		6,064,951	668,745	3. 5	11. 0
After decentralization						
1985	7,821,762		4,283,698	533,936	6. 8	12. 5
1990	8,447,861		2,663,574	214,980	2. 5	8. 1
Annual change						
1985- 90 (%)	1. 6		- 9.1	- 16.6		
Notes: 1. In Chilean terminology, Gross Geographic Product (PGB). 2. Actual educational expenditures (executed), including University.						
Source: Ministerio de Educación, División de Planeación y Presupuesto, 1991. Índice de Precios al Consumidor. Serie 19854-1990. Instituto Nacional de Estadísticas, 1991.						

Table 13
COLOMBIAN EDUCATIONAL EXPENDITURES
(in percent)

Concept	1970 1	1980 1	1985'	1988'
Percent of GNP				
Public	2.9	3.1	3.5	3.2
Private	2.2	2.0	2.1	2.2
Total	5.1	5.1	5.6	5.4
Public Educational Spending as Percent of Total Government Expenditures	16.9	17.6	18.6	17.2
Notes:	1. Before decentralization. 2. After decentralization.			
Source:	Departamento de Planeación Nacional. Plan de Apertura Educativa 1991-1994, Bogotá, Colombia, 1991.			

Table 14
GROSS TEACHERS' SALARIES AND MINIMUM WAGES
(Constant Mexican Pesos of 1980)

Year	Average Teachers' Salaries		Minimum Wage (daily)
	Preschool, Primary (monthly)	Secondary (hourly)	
1976	10,323	616	158.5
1977	9,054	535	164.9
1978	9,027	531	160.2
1979	8,920	520	154.2
1980	10,070	581	140.7
1981	10,095	540	145.3
1982	8,828	422	120.7
1983	5,828	255	103.1
1984	5,649	223	97.4
1985	6,374	275	97.5
1986	5,147	217	87.9
1987	5,802	280	68.7
1988	3,451	183	86.8
1989	3,888	182	76.0
1990	4,091	185	78.9
1991	6,135	213	81.0
Annual Decrease (percent)	3.4	6.8	4.4
Source:	Dirección General de Planeación, Programación y Presupuesto. Secretaría de Educación Pública, Mexico, 1991. Comisión Nacional de Salarios Mínimos, Serie 1976-1991, Mexico 1991.		

The contraction in Colombian educational spending seems also to coincide with a deliberate central policy ~4/ of freezing pre-decentralization levels of expenditure to correct wide spread mismanagement practices regarding teacher hiring and recurrent (salary and non-salary) expenditures.

Another reason for the public education spending reduction seems to be the inability of policymakers and senior officials in the Ministries of Education to convince financial authorities with new and refreshing arguments ~5/ about their effort to improve efficiency and enhance the equity, quality, and governance of the publicly managed school system, specially in times of economic crisis and financial shortages. These expenditure reductions coincide with the post-oil boom economic crisis of the eighties, where resources targeted to pay the external debt affecting some of the surveyed countries increased significantly (Table 15).

Contrary to the Chilean, Colombian, and Mexican evidence, the Argentinean public spending in education (central government and Provinces) increased 26 percent in real terms in the 1975-1986 period (Table 10), as it went from 16.6 percent of government spending before decentralization (1975) to 18.7 percent after decentralization (1986), or from 3.9 percent of GDP to 4.9 percent of GDP in the above mentioned period (Table 10). The per-capita government educational spending (central and provincial) in constant terms increased from 155 australes in 1975 to 218 in 1986.

Adding the private sector contribution to education financing , total education financing in Argentina went from 5.3 percent of GNP in 1972, before decentralization, to almost 7 percent in 1985, after (Table 16). Central government public spending in education as a percentage of GDP decreased 33 percent in the 1972-1985 period, while that corresponding to the Provinces more than doubled. Private sector education financing increased 20 percent in the 1972-1985 period, and Government subsidies to private education expanded 4 percent per year in the same period (Table 16). The substantial increase in the Argentinean government spending in education up to 1986 is partially explained by a real increase of almost 40 percent in primary teachers salaries in the 1976-1986 period (47)/.

Table 15
GOVERNMENT SPENDING ALLOCATED TO PAY THE PUBLIC EXTERNAL DEBT
(in percent)

Country	Percent of GNP	
	1970	1986
Argentina	2.1	5.5
Brasil	0.9	3.3
Chile	3.0	10.9
Colombia	1.7	5.7
Mexico	2.0	7.3

Source: The World Bank, World Development Report, 1988.

TOTAL EDUCATION FINANCING IN ARGENTINA
(percent of GNP)

Year Total	Nation	Provinces	Municipalities	Government Subsidies to Private Sector	Private Sector	
Before decentralization						
1972	1.8	1.2	0.0	0.3	2.0	5.3
After decentralization						
1985	1.2	2.6	0.2	0.5	2.4	6.9

Source: SAnchez, C., et. al. Ibid.

Efficiency

What relevant changes in the resource allocation-mix to education occurred during decentralization? The outcomes differ again from one country to another. Surveyed LAC countries spend less in school investment projects and more in recurrent, mostly salary, expenses. On the other hand, all the countries, Chile being the exception, shifted resources from primary to tertiary education. This latter shift, far from being induced by the decentralization efficiency rationale, seems to have being caused mainly by: (a) an increasing trend in tertiary education enrollment as a consequence of primary and secondary education expansion, and improvements made in their internal efficiency (Table 17); and (b) the fact that tertiary education average unit costs far exceed those of basic and secondary education (48).

However, in the Chilean case, the budgetary shifts from tertiary to primary education were attained using the decentralization reform as the appropriate fora.

The evidence shows that out of every peso disbursed by the Mexican central government in education during 1982, 85 cents went for teachers salaries and wages, 8 cents for non-salary recurrent operating expenses, and 7 cents for investment, mostly school construction and equipment. By 1987, the following distribution held: 89 cents for teachers salaries , 6 cents for operating (non-salary) recurrent expenses, and 5 cents for investment. However., one cent of 1982 had a purchasing power 21 times greater than the same cent in 1987 (50). The main effect of this change has been an alarming increase in the deficit of preschool, primary, and secondary classrooms, reaching over 50,000 spaces, and an evident shortage of supplementary educational materials such as globes, maps, charts, educational toys, science kits, supplemental texts, workbooks, and classroom reading resources, that obviously hinders the enhancement of educational quality.

During the last five years, out of every peso spent by the central Chilean government in education, about 3 cents have been allocated to school construction and maintenance (51)/. This limited school investment financing has caused similar problems in Chile as the ones described above for Mexico.

Table 17

ENROLLMENT BY LEVELS IN MEXICO
(million students)

Educational Level	1970	%	1980	%	1990	%	2000	%
Preschool	0.40		1.13		2.73		2.80	
Primary	9.25	93.1	14.60	87.5	14.40	85.0	12.68	80.8
Secondary	1.10		3.03		4.19		4.26	
Vocational Training	0.15	1.3	0.37	1.7	0.41	1.6	0.45	1.8
Middle Higher	0.31		1.18		2.10		2.80	
Pre-service Teacher								
Training	0.07	5.6	0.33	10.8	0.10	13.4	0.10	17.4
Higher	0.26		0.79		1.10		1.25	
Graduate	0.01		0.02		0.05		0.10	
Total	11.55	100.0	21.45	100.0	25.08	100.0	24.44	100.0
Notes:	1. Forecasted.							
Source:	Dirección General de Programación, SEP, 1988.							

In 1982, almost 54 percent of the disbursed Mexican central educational budget was targeted for basic education, 28 percent for tertiary education, and the rest was allocated for investment, research, cultural services, and administration (Table 18). By 1987, the share allocated for basic education was reduced to 50 percent, while close to one third of the budget was allocated to mostly free, tertiary, education.

In Argentina there is also an evident shift of public education financing from basic to tertiary education (Table 18). In Colombia, the shift has been from primary and secondary education to other, mostly administration and cultural, expenses (Table 18).

In the Chilean case, decentralization achieved the opposite effect, as a consequence of an explicit stated sectoral policy. Government spending in tertiary education was reduced from almost 38 percent in 1980 to 19 percent in 1990, while government spending in primary education went from 57 to 78 percent in the same period (Table 18).

The per-pupil expenditure in primary education in Mexico has decreased by 38 percent, and increased by 15 percent in Chile (Table 19). One presumable medium term effect in Mexico is that educational quality at the primary level, concerning its learning inputs and outputs, has deteriorated with time. However,

**DISTRIBUTION OF PUBLIC EDUCATIONAL EXPENDITURES
BY LEVEL OF EDUCATION IN SURVEYED COUNTRIES**
(in percent)

Country and Year		Basic Education	Tertiary Education	Other Expenses
Mexico (Central Government Spending)				
1982	53.8	28.1	18.1	
1986	50.4	32.3	17.3	
Chile (Central Government Spending)				
1980	57.4	37.6	5.0	
1990	78.5	18.7	2.8	
Argentina (Nation's Spending)				
1975	67.8	23.6	8.6	
1986	49.6	42.5	7.9	
Argentina (Provinces' Spending)				
1975	90.6	3.1	6.3	
1986	87.4	0.6	12.0	
Colombia (Central Government Spending)				
1985	71.9	21.5	6.6	
1990	67.0	20.6	12.4	

- Notes:
1. Comprises mainly preschool, primary, and secondary education.
 2. In the Mexican case includes: school construction and maintenance, administration, cultural services, and research. In the Chilean and Colombian cases, it comprises cultural services and central administration. In the Argentinian case it includes cultural and non-formal education services, as well as administration.
 3. 40 percent for primary and 31.9 percent for secondary education.
 4. 37.8 percent for primary and 29.2 percent for secondary education.

Source: Dirección General de Planeación, Programación y Presupuesto. Secretaria de Educación Pública, Mexico. 1991.

Ministerio de Educación. División de Planeación y Presupuesto. Chile, 1991.

Sánchez, C. et. al., Descenrralización, Federalización y Financiamiento en el Sistema Educativo. Cuadro 14, Proyecto Ministerio de Educación y Justicia-PNUD. B. Aires, Argentina,

Noviembre 1988.

Departamento de Planeación Nacional. Plan de Apertura Educativa 1991-1994, Bogota, Colombia, 1991.

Table 19
EDUCATIONAL DEVELOPMENT INDICATORS IN SURVEYED DECENTRALIZED
AND SOME SELECTED CENTRALIZED COUNTRIES

Country	Preschool Coverage of 0 to 5-year olds		Primary Net Enrollment Rate		Repeaters as a Percent of Total Enrollment		Years to Produce a Primary School Graduate		Public Recurrent Expenditure per Primary Student'	
	(%)		(%)		(%)		(%)			
	1980	1987	1980	1987	1980	1987	1980	1987	1980	1987
Decentralized										
Argentina	13.6	19.7	94	100	NA	NA	NA ⁴	NA ⁵	228.5	200.4
Chile	5.0	7.2	95 ²	96	8.1 ³	6.1	12.2 ⁶	10.6 ⁷	134.9	155.2
Mexico	8.4	21.3	95	98	9.8	9.9	7.8	7.8	116.7	71.8
Centralized										
Honduras	4.8	5.3	87	89	16.2	15.5	NA	11.4	94.5	91.5
C.Rica	8.4	14.7 ⁹¹	86	7.9	10.6		7.2	7.8	204.2	149.4
Peru	12.2	19.2	87	85	18.8	14.1	9.0	NA	73.4	42.4
Notes:										
1. In constant 1985 US dollars.										
2. The data is for 1982.										
3. The data is for 1981.										
4. In the absence of the corresponding information, the primary completion rate for the 1969-1975 cohort of 49.8 percent has been used in the analysis as a proxy.										
5. In the absence of the corresponding information, the primary completion rate for the 1974-1980 cohort of 53.7 percent has been used in the analysis as a proxy.										
6. Corresponding to the 1975-1985 cohort.										
7. Corresponding to the 1979-1989 cohort.										
Source: Sistema Regional de Información. Proyecto Principal de Educación. UNESCO- OREALC, Santiago, Chile, 1990.										
Division de Ptaneación y Presupuesto. Ministerio de Educación, Santiago, Chile, 1991.										

there is no available historical data to test this hypothesis. Increased per pupil expenditure in Chile has unfortunately not rendered an enhancement in the quality and equity of primary education, as expected. An explanatory hypothesis is offered below (see section on quality).

Has educational inefficiency (wastage) been reduced during decentralization? The evidence shows that the countries adopting administrative decentralization schemes in their education delivery systems became more efficient in the disbursement of their available resources. These countries were able to increase net enrollment in preschool and primary education, reduce drop-out and repetition rates in these levels, and improve the primary completion rates. However, the same holds true for some countries that

remained centralized, suggesting again that decentralization is not necessarily the key factor to increase efficiency.

In a recent paper, Prawda and Psacharopoulos, (52) using time series (1977-1990) and cross-sectional (States) data on a number of educational and cost indicators in Mexico show, that in spite of severe cuts in budgetary allocations to education (mainly in terms of lower teachers salaries), educational provision, as measured by: (a) net preschool and primary enrollment rates; (b) primary completion rates; (c) rate of primary incomplete schools 13/ ; and (d) secondary absorption rates, improved throughout the period.

The same holds true for the other countries surveyed as indicated by the trend of the following four indicators during the last decade (Table 19): (a) coverage of 5-year-old children with early stimulation programs; (b) primary education net enrollment rate; (c) primary repetition rate; and (d) primary completion rate. The evidence shows that the above indicators have improved while spending less resources. Table 19 also shows a similar pattern for some countries that have remained centralized.

This puzzle seems to indicate that perhaps managerial schemes do not necessarily influence efficiency outcomes in the educational sector, but rather exogenous socio-economic characteristics of the student and the targeting of available resources (educational inputs) strongly condition efficiency improvements. 54/

How have student-teacher ratios changed during decentralization? Almost all the surveyed countries slightly reduced the student-teacher ratios in preschool, and kept almost constant (with the exception of Mexico and Chile) the ratio in primary education during the last decade. Mexico decreased the primary student ratio during the eighties, while Chile increased it (Table 20). It is interesting to note that the above pattern is repeated in small and large centralized LAC countries (Table 20).

The reduction in the preschool teacher per-pupil relation stems primarily from the fact that this service is currently being extended to the rural areas, where class size is smaller than in the urban areas.

Table 20
STUDENT-TEACHER RATIOS IN PRESCHOOL AND PRIMARY EDUCATION
(pupils per teacher)

Country	Preschool		Primary	
	1980 ¹	1987 ²	1980 ¹	1987 ²
Decentralized				
Argentina	19	18	25	25
Chile	NA	34	26	31
Colombia	24	24	29	30
Mexico	30	28	34	32
Centralized				
Honduras	38	33	38	38
C.Rica	28	28	31	31
Peru	49	43	33	31
Notes: 1. Before decentralization 2. After decentralization.				
Source: Sistema de Información Regional. Proyecto Principal de Educación. UNESCO-OREALC, Santiago, Chile, 1990.				

The Chilean primary education teacher per-pupil increase seems to have been generated by: (a) the induced expansion of the private- subsidized sector; and (b) the logic supporting the subsidy formula applied by the central government to finance the private sector expansion in education. Accordingly, private proprietors receive a subsidy as a function of student monthly attendance. This subsidy is aimed to cover all of the schools' recurrent (salary and non-salary) operating expenses. The private proprietor rationale seems to be based on a marketing principle by which increasing class enrollment and concurrently decreasing the schools' teaching labor force are necessary conditions to expand school revenues. Thus, it is not a surprise that while the student teacher ratio in the primary municipal schools is 26.1, in the private-subsidized schools it is almost 40; private-paid primary schools have a ratio of 28.4 and the national average is 29.4. It is also evident that parents did not exert any pressure to keep down class size in the above private subsidized schools, probably due to lack of information.

In the Mexican case, as pointed out by Prawda and Psacharopoulos (55), the reduction of the preschool and primary student-teacher ratios is partially explained by: (a) the teachers union pressures targeted at the Ministry of Education to hire all the graduates from official primary and preschool teachers training institutions, in spite of existing teacher wastage L6 / in the public primary schools of almost all the large urban areas of the country; and (b) the rapid expansion of preschool services, mainly targeted to the less densely populated rural areas, which requires the hiring of all available preschool teachers. Compounding the above situation, it is the rural to urban orientation of teacher social and professional mobility L7 / that makes it very difficult to reallocate urban teaching surpluses to rural areas registering a teaching deficit.

Quality

Has quality of education as measured by student cognitive achievement improved during decentralization? Only a couple of LAC countries have quantitative information to answer the above question. Chile is the only surveyed decentralized country that has historical reliable data on cognitive achievement.

Between 1982 and 1984, the Chilean Ministry of Education administered two sets of low-stakes tests nationwide- -known as Programa de Evaluación del Rendimiento Escolar (PER)--to 390,000 fourth and eighth graders in 3,200 subsidized (public and private) primary schools. These tests were designed to diagnose the quality of education by measuring cognitive achievement in the areas of reading, mathematics, social sciences, and natural sciences, and feedback the information to teachers, school principals, and supervisors. A new low-stake achievement test, an updated and corrected version of PER known as Sistema de Información y Medición de la Calidad de la Educación (SIMCE), was applied in 1988 to 233,000 fourth graders in 5,600 primary public and private subsidized schools; in 1989 the test was again applied, this time to 193,000 eighth graders in 4,600 schools (58).

PER (1982) and SIMCE (1988) results for Spanish and mathematics registered a national decline of 14.0 and 6.0 percent, respectively (Tables 21 and 22). Furthermore, the gap between the highest scores in the Spanish test, shown in the paid-private school, and the lowest scores in the high-risk municipal schools, widened in the 1982 to 1988 period.

The above results are suggestive that although it is difficult to ascertain that there was a real decline in quality of education, as measured by cognitive achievement results, it is quite clear that quality did not improve during the 1982-1988 period. It is also clear that the quality inequity significantly widened with time.

Furthermore, Table 23 shows that by controlling SIMCE information by the number of years private subsidized primary schools have been operating in the (59) country, older private subsidized schools with 10 or more years of operation fared better than those with less than 10 years of operation. The latter schools

were mainly established during the decentralization period, as a consequence of the financial and fiscal incentives set by the central Chilean government. An explanatory hypothesis follows.

The administrative decentralization process implemented by the Chilean Government during the eighties, changed the traditional incremental budget allocation to public schools to a new system that channelled resources to municipal and private subsidized schools based on an average monthly student attendance subsidy. With the availability of Government credit to finance the expansion of private primary schools, the enrollment in the private-subsidized schools doubled as their primary student population rose from 14 percent of total enrollment in 1980 to 31 percent in 1989. This increase came at the expense of enrollment in the municipal schools, whose share decreased from 80 to 62 percent in the above period.

Table 21
FOURTH GRADERS ACHIEVEMENT SCORES IN SPANISH, 1982-88

Type of School	Socio-Economic Level	Size of City	Spanish				
			Scores in 1982 ¹			Scores in 1988 ²	
			Gross	Net	%	Gross	Net %
Paid Private	High	Metro	81.3	72.0	100	79.5	69.3100
		Large 4	80.7	71.1	99	80.1	70.2101
	Middle	Metro	77.0	65.5	91	75.2	62.891
		Large	75.2	62.8	87	73.7	60.687
Subsidized	High	Metro	69.2	53.8	75	70.5	55.780
		Large	74.7	62.1	86	76.3	64.593
	Middle	Metro	62.0	43.0	60	63.6	45.466
		Large	64.4	46.6	65	66.7	50.072
Private	Low	Metro	56.6	34.9	49	55.5	33.348
		Large	54.0	31.0	43	54.1	31.145
	Lowest	Rural	51.5	27.3	38	50.5	25.837
		Metro	-	-	-	45.7	18.627
Municipal	High	Large	-	-	-	45.1	17.726
		Rural	-	-	-	37.6	6.49
		Metro	72.7	59.1	82	-	-
		Large	67.6	51.4	71	-	-
	Middle	Rural	65.7	48.6	67	-	-
		Metro	58.5	37.8	52	60.8	41.260
		Large	61.8	42.7	59	63.2	44.965
		Rural	58.2	37.3	52	58.1	37.254
	Low	Metro	54.0	31.0	43	50.8	26.238
		Large	56.2	34.3	48	51.7	27.540
		Rural	51.1	26.7	37	46.1	19.128
		Metro	-	-	-	49.2	23.934
Lowest	Large	-	-	-	44.2	16.223	
	Rural	-	-	-	42.6	13.820	
TOTAL			58.6	37.9	53	55.0	32.547

Notes: Each item has three alternatives and one distractor.
 The net scores equals the gross score, less random answers included as correct answers. The net score is an estimate of total correct answers. If the score is 100, no random answers are subtracted. If the gross score is 33, the 33 random answers are subtracted. There fore: "gross score" = 100 -2*x where "x" is the "number of random answers included as correct answers". For example, for the gross score of 81.30, the value of 11x11 (rounded) is 9.35.

1. Before decentralization.
 2. After decentralization.
 3. Refers to the Metropolitan Area of Santiago.
 4. Refers to the other urban areas.
- = Implies test was not administered

Sources: CPEIP, Serie Estudios No. 81; 1981, y datos SIMCE; 1988.

Table 22
FOURTH GRADERS ACHIEVEMENT SCORES IN MATHEMATICS, 1982-88

Type of School	Socio-Economic Level	Size of City	Mathematics					
			Scores in 1982'			Scores in 1988'		
			Gross	Net	%	Gross	Net	%
Paid Private	High	Metro	77.3	66.0	100	74.9	62.3	100
		Large	73.8	60.7	92	74.7	62.1	100
		Metro	71.2	56.8	86	67.2	50.8	82
Subsidized	Middle	Large	70.1	55.1	84	69.1	53.6	86
		Metro	64.3	46.5	70	65.3	47.9	77
		Large	69.5	54.2	82	70.6	55.9	90
Private	Low	Metro	57.0	35.5	54	58.3	37.4	60
		Large	58.6	37.9	57	61.3	41.9	67
		Metro	51.8	27.7	42	51.8	27.7	44
Municipal	Lowest	Large	49.1	23.7	36	51.7	27.6	44
		Rural	44.8	17.2	26	48.1	22.1	36
		Metro	-	-	-	49.6	24.4	39
	High	Large	-	-	-	46.8	20.2	33
		Rural	-	-	-	40.0	10.0	16
		Metro	64.7	47.1	71	-	-	-
	Middle	Large	62.4	43.6	66	-	-	-
		Rural	61.8	42.7	65	-	-	-
		Metro	53.5	30.3	46	56.7	35.0	56
Low	Large	57.1	35.7	54	59.3	38.9	62	
	Rural	53.7	30.6	46	53.1	29.7	48	
	Metro	49.5	24.3	37	48.4	22.5	36	
Lowest	Large	51.2	26.8	41	49.8	24.8	40	
	Rural	45.6	18.4	28	45.5	18.3	29	
	Metro	-	-	-	47.2	20.8	33	
TOTAL	Lowest	Large	-	-	-	44.8	17.2	28
		Rural	-	-	-	43.4	15.0	24
TOTAL			53.6	30.5	46	52.4	28.6	46

Notes: Each item has three alternatives and one distractor. The net scores equals the gross score, less random answers included as correct answers. The net score is an estimate of total correct answers. If the score is 100, no random answers are subtracted. If the gross score is 33, the 33 random answers are subtracted. Therefore: "gross score" = 100 - 2*x where "x" is the "number of random answers included as correct answers-. For example, for the gross score of 77.30, the value of "x" (rounded) is 11.35.

In 1988, a 72.8 percent of students had math scores below half the score of "students from the high socio-economic level attending private schools in the capital city". Of this, 58.5 percent of the "students in private subsidized schools have similar scores". Furthermore, in 1988, 34.9 percent of 4th grade students had a score below 39.75 percent of the score of "students from the high socio- economic level attending private schools in the capital city".

1. Before decentralization.
 2. After decentralization.
 3. Refers to the Metropolitan Area of Santiago.
 4. Refers to the other urban areas.
- = Implies that the test was not administered.

Sources: CPEIP, Serie Estudios No. 81; 1981, y datos SIMCE; 1988.

ACHIEVEMENT SCORES BY TYPE OF PRIMARY SCHOOL

(in percent)

Subject	Municipal	Private Subsid. 10-Less	Private Subsid. 10-More	Private Paid
Spanish	56.7	60.5	63.8	79.3
Math.	55.3	58.7	62.3	78.8
Sample	414	144	329	169

Source: SIMCE, 1991.

Table 24
COSTA RICA. TEST SCORES IN NATIONAL ACHIEVEMENT TESTS, 1987
(in percent)

Level	Math		Spanish	
	Rural	Urban	Rural	Urban
Grades 4-6	20.6	26.6	22.6	24.5
Grades 7-9	1.8	7.0	6.7	14.1
Grads 10-12	0.8	1.1	8.8	19.8

Source: Ministerio de Educación Pública, Memoria, p.187, Costa Rica, 1988.

Until the recent enactment of the Teachers Statute Law, approved by the Chilean Congress in July 1991, subsidized schools were not legally bound to pay their teachers above-market salaries. Flexibility thus existed for private and public school proprietors to fix teachers wages and nonteaching resources derived from the monthly subsidy. Municipal and traditional, mostly older, private subsidized schools allocated on the average 70 to 95 percent of Government perstudent subsidies to pay wages and salaries-the rest being allocated to administration, teaching materials, and school maintenance. In the privatesubsidized schools created during the decentralization process, this distribution is about 67 percent on the average for teachers wages and salaries, and the other 33 percent for operating costs and profits.

As a consequence of the above, the following two situations emerged: (a) prevailing teachers salaries ranged from a low of 8 times the present individual student subsidy, most frequently observed in recently established privatesubsidized schools not affiliated with churches or non-profit organizations, to a high of some 20 times the student subsidy, most frequently observed in municipal and older private-subsidized schools (60) ; (b) teachers in newly created private subsidized schools were pressured by the proprietors to maintain the enrollment on the increase, either by enrolling new students through a door to door marketing policy implemented by the school teachers, and/or by implementing the official stated policy of automatic promotion to the next grade up to the 4th grade and inflating student marks thereafter.

Given the low level of teacher salaries in the newly created private subsidized primary schools, the quality of those applying for the teaching positions available, probably also decreased. The inflated students marks policy for fifth to eighth graders endorsed by many of the new private subsidized primary schools, increased the primary completion rates, and thus the monthly subsidies, but certainly did not improve the cognitive achievement of their students, as shown by tables 21, 22 and 23.

It is interesting to notice that unacceptable low levels of cognitive achievement is not a unique problem to decentralized countries. Costa Rica, a small centralized country with reliable student academic achievement measures, makes the point (Table 24).

What has decentralization accomplished regarding other learning inputs? The available evidence surfacing from the surveyed countries points to the following general outcomes: (i) core curriculum design has remained a central task, yet its adaptation to regional conditions has become an area of interest and participation within the decentralized units in the educational sector (Argentina, Chile, and Mexico); (ii) textbook production (Mexico) or procurement (Chile) is a central task, while its distribution is decentralized; (iii) pre-service and inservice teaching training and upgrading is performed in a decentralized fashion, but the corresponding accreditation standards are based on national teachers statutes, which are centrally designed and implemented; (iv) the number of working days within a given school calendar are centrally set, but the beginning and ending of the school year, as well as the daily school schedules, are sometimes adapted by the decentralized units to fit, if necessary, regional characteristics.

In general, the relevant decentralized educational (exclusive) responsibilities transferred to smaller units of government in the surveyed LAC countries included: (a) microplanning and programming procedures to identify and target local educational investments and cost recurrent needs with central government disbursed resources; (b) educational resource (financial, human, and physical) management; (c) production of some local teaching and learning materials; (d) delivery of educational services; (e) school feeding; (f) school supervision; (g) school accreditation and student certification; (h) gathering and processing of statistical information; and (i) school construction and maintenance, sometimes through community participation.

Equity

Have the countries adopting decentralization been able to improve the equity of their educational systems? Primary students cognitive achievement in Chile not only did not improve during the decentralization process, but the spread between the highest and lowest school scores ⁽⁶¹⁾ in Spanish in the 1982-1988 period increased by 34 percent (Table 21). The disparity trend in mathematics remained practically the same in the above mentioned period (Table 22).

Mexico and Argentina provide information showing that the regional disparities concerning certain quantitative education efficiency indicators (explained below) were reduced.

The 1976-1991 trend of the regional disparities of the following four indicators during the Mexican decentralization process ⁽⁶²⁾ (tables 25 to 28) are used as a proxy of equity: (a) preschool coverage of 5-year-olds; (b) percent of primary incomplete schools, that is, those schools not offering the legal six-year primary cycle; (c) primary completion rates; and (d) primary graduates continuing secondary education.

According to this evidence, regional (geographical) disparities in Mexico, as measured by: (i) the national mean and standard deviation trend of the indicator; and (ii) the ratio between the highest and lowest scores, were substantially reduced for the four educational development indicators in the period of analysis.

However, the above decrease is sharpest between the 1978-1982 period, when the dominant behavior and attitude of policymakers and senior officials in the central government of Mexico was conducive to decentralization, extensive political and technical support was provided, and sufficient resources were made available to sustain the process, than afterwards, when Mexico entered an economic post-oil boom crisis, and a political stronger teachers union forcefully opposed the second decentralization phase ⁽⁶³⁾. This seems to substantiate the point made earlier that decentralization may not be the key factor to attain a productivity increase in the educational sector, but certainly is an appropriate forum to speed up efficiency.

The above equity achievements in the Mexican case stem primarily from: (a) using microplanning and programming techniques at the decentralized units to target educational resources disbursed by the central government, and implement appropriate pedagogical measures to the most needed regions and groups in the country; (b) implementing a relevant, accurate, and timely management information system to monitor the decentralization process and performance; and (c) providing the corrective and preventive measures deemed necessary by policymakers and senior management to achieve decentralization targets.

In the Argentinean case, some equity improvement is shown in primary completion rates, as the national average increased in almost 8 percent during the seventies and the regional disparity was reduced in 18 percent ⁽⁶⁴⁾ (Table 29). Unfortunately there is no further information regarding the eighties, as the Argentinean educational statistical system gradually collapsed.

Governance (Management of the Public Educational System)

The available evidence on governance differs dramatically across the LAC countries that have adopted decentralization in the delivery of their educational systems, and thus defies easy generalizations.

The Mexican Government improved the management of the educational system during the first phase of their decentralization process (1978-1982) because there was: (i) a visible degree of political commitment and administrative support from senior officials and policymakers; (ii) an explicit decentralization model and implementation strategy where responsibilities and accountability between central government and decentralized units were clearly defined; (iii) a supportive organization and a sustained provision of financial, human, and physical resources; and (iv) a monitoring information system providing senior officials and policymakers with accurate, timely, and relevant information about progress for them to implement corrective and/or preventive measures.

Other countries, such as Chile and Argentina, where decentralization was mainly imposed to weaken the central educational bureaucracy and the teacher unions while strengthening lower levels of sub-national government - such as the municipalities in Chile - diluted their institutional capacity to: (i) translate effectively educational policies and strategies into concrete programmatic actions at the regional, provincial, and local levels; (ii) target effectually available resources to deprived "high risks" schools; (iii) periodically monitor sector achievements; and (iv) improve the professional civil service at the central, regional, provincial, municipal, and local levels

Table 25
PRIMARY SCHOOL COMPLETION RATES IN ARGENTINA

Concept	Cohort	
	1970-1976 ¹	1974-1980
National Average (%)	42.5	45.7
Standard Deviation (%)	11.5	10.8
Highest State Score (%)	66.3	69.7
Lowest State Score (%)	23.4	30.0
Ratio Highest/Lowest	2.8	2.3

Notes: 1. Before decentralization.
2. After decentralization.

Source: Ministerio de Educación y Justicia. Departamento de Estadística. B. Aires, Argentina, s/f.

Table 26
PRESCHOOL COVERAGE OF 5-YEAR OLDS IN MEXICO

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Concept		1976	1978	1983	1988
National Average	(%)	14.0	16.4	59.3	78.6
Standard Deviation	(%)	9.1	10.7	12.2	13.7
Highest State Score	(%)	44.7	48.8	88.8	103.2
Lowest State Score	(%)	2.6	3.6	25.5	54.8
Ratio Highest/Lowest		17.2	13.6	3.5	1.9
States Above Average		13.0	14.0	15.0	15.0
States Below Average		19.0	18.0	17.0	17.0
Annual Rate of Change (%)		8.2	29.3	5.8	
Hghst/Lwst Rte Change(%)		-11.1	-23.8	-11.5	

Source: Dirección General de Planeación, Programación y Presupuesto. Secretaría de Educación Pública, Mexico, 1991.

Table 27
PRIMARY SCHOOLS OFFERING LESS THAN SIX GRADES IN MEXICO

Concept		1976	1978	1983	1988
National Average	(%)	46.7	44.9	28.7	19.2
Standard Deviation	(%)	15.2	14.3	10.9	8.3
Highest State Score	(%)	77.8	71.0	57.7	43.7
Lowest State Score	(%)	4.4	3.1	6.8	2.7
Ratio Highest/Lowest		17.7	22.9	8.5	16.2
States Above Average		18.0	20.0	17.0	15.0
States Below Average		14.0	12.0	15.0	17.0
Annual Rate of Change(%)		-1.9	-8.6	-7.7	
Hghst/Lwst Rte Change(%)		13.7	-18.0	13.8	

Source: Dirección General de Planeación, Programación y Presupuesto. Secretaría de Educación Pública, Mexico, 1991.

Table 28
PRIMARY SCHOOL COMPLETION RATES IN MEXICO

Concept		1976	1978	1983	1988
National Average	(%)	42.4	46.5	50.7	57.6
Standard Deviation	(%)	12.9	13.0	11.0	12.7
Highest State Score	(%)	68.2	71.3	71.2	87.1
Lowest State Score	(%)	22.5	25.2	26.7	27.7
Ratio Highest/Lowest		3.0	2.8	2.7	3.1
States Above Average		17.0	17.0	15.0	19.0
States Below Average		15.0	15.0	17.0	13.0
Annual Rate of Change(%)		4.7	1.7	2.6	
Hghst/Lwst Rte Change(%)		-3.4	-0.7	2.8	

Source: Dirección General de Planeación, Programación y Presupuesto. Secretaria de Educación Pública, Mexico, 1991.

Table 29
PRIMARY SCHOOL GRADUATES CONTINUING SECONDARY EDUCATION IN MEXICO

Concept		1976	1978	1983	1988
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National Average (%)	78.5	78.9	87.6	83.1
Standard Deviation (%)	12.4	12.4	11.2	9.0
Highest State Score (%)	99.2	102.3	110.7	109.2
Lowest State Score (%)	52.1	59.6	68.1	67.2
Ratio Highest/Lowest	1.9	1.7	1.6	1.6
States Above Average	16.0	16.0	16.0	16.0
States Below Average	16.0	17.0	16.0	16.0
Annual Rate of Change(%)	0.3	2.1	-1.0	
Hghst/Lwst Rte Change(%)	-5.4	-1.2	0.0	

Source: Dirección General de Planeación, Programación y Presupuesto.
Secretaría de Educación Pública, Mexico, 1991.

Argentina and Colombia, lacking: (i) political commitment; (ii) effective decentralization design and organization; (iii) resources; and (iv) a formal management support system to provide policymakers and senior officials with the relevant, accurate, and timely monitoring devices, weakened the governance (management capability) of their educational delivery systems during the decentralization process. Argentina simply severed its institutional capacity to acquire information of its education systems during the decentralization process.

To date, Colombia has not been able to mount a reliable, accurate, and timely educational information system. Furthermore, in Colombia, the lack of such a system is so pressing, that central authorities of the Ministry of Finance and the National Department of Planning, have frozen all new teacher hiring in the public primary and secondary schools, until accurate information can be acquired regarding current teacher payrolls and effective time on task.

In the cases where governance was weakened, it is assumed that the rhetoric of decentralization was probably employed as a means to manage conflict and to prevent Government erosion in terms of its own legitimacy. (66).

Most of the surveyed countries, Chile being the exception in the past L7/ set at the central level: (a) teachers wages; (b) monetary incentives; (c) fringe benefits; (d) promotions standards and procedures; and (e) Teacher Statutes.

In Chile, up to the enactment of the teachers statute in July 1991, school proprietors (68)/ were free to set teachers wages and fringe benefits according to market conditions. With the establishment of the Teachers Statute, all private and public schools in Chile are obliged to pay their teachers a minimum professional wage set by the Statute.

Most of the surveyed countries, Chile being again the exception, set at the central level the hiring, promotion, and firing of teachers, headmasters, supervisors . and non-teaching personnel. The above was executed based on national Teachers Statute Bylaws, usually approved by the National Assembly of the given country. The management of non-central teaching and non-teaching personnel was entrusted to the decentralized units.

In the Chilean case, the municipalities acquired responsibility to manage the physical, financial, and human resources, and to maintain the schools entrusted to them. The Chilean central government currently awards recurrent funds to municipal and private- subsidized schools through the Ministry of Education based on average monthly student attendance (69) . Limited supplementary school investment funds are also allocated by the Chilean central government through the Ministry of the Interior.

Important union conflicts derived from teacher labor problems, such as strikes, are mostly handled centrally in all the surveyed countries.

Most of the countries surveyed, Argentina being the exception, set at the central level the selection of the chief educational administrative officers at the smaller government units. Even in Chile, the municipal mayors were appointed by the central government during the decentralization process. Nowadays, with the new Constitutional reforms adopted in Colombia, and the ones being discussed in the Chilean Congress, municipal mayors, entrusted with the delivery and management of public educational basic services, are elected. In Argentina, the Province Governors, also elected by their constituents, select their senior educational officers and managers.

Synthesis of Main Outcomes

The following are the main outcomes of the survey:

- A) None of the surveyed countries explicitly assumed quality of educational inputs (learning environment) and outputs (academic achievement) as a rationale for decentralization. Financial, efficiency, and power distribution arguments were instead the main thrust behind the reforms.
- B) There are obvious discrepancies between what the educational policymakers in the surveyed countries preached and what was practiced through decentralization.
- C) The pursuit of some of the espoused decentralization objectives, such as reducing public subsidies to higher education, could have been achieved regardless of this process. However, the decentralization political momentum was utilized by the policymakers of some of the surveyed countries to disguise the enactment of policies, politically difficult to implement otherwise.
- D) With the exception of higher education in Chile and primary education in Argentina, none of the countries surveyed was able to shift the educational financial burden away from central governments, and/or tap additional resources from State and Municipal governments, local communities, and private groups for primary and secondary education during the decentralization process. Basic education financing continues, in general, to rely heavily on central Government resources.
- E) The countries surveyed increased their net preschool and primary enrollment rates and primary completion rates, and decreased wastage (repetition and drop out rates) with less available large resources during the decentralization process. However, this situation is also found in and small centralized LAC countries. This puzzle seems to indicate that perhaps managerial schemes do not necessarily influence efficiency outcomes in the educational sector, but rather exogenous socio-economic characteristics of the student and the targeting of available resources (educational inputs) strongly condition efficiency improvements.
- F) Disparities concerning educational flow wastage between the more and less efficient regions within a given country were slightly reduced during the decentralization process in all surveyed countries.
- G) Surveyed LAC countries spent less in school investment projects and more in recurrent, mostly shifted salary, expenses. Furthermore, all surveyed countries, Chile being the exception, resources from basic to tertiary education.

- H) Decentralized LAC countries with reliable student cognitive achievement trend information, such as Chile, show that quality of education did not improve during the decentralization process. Cognitive achievement regional disparities between the more and less affluent primary school students widened during the decentralization process.
- Chilean
- I) The core curriculum design has remained a central task, yet its adaptation to regional conditions has become an area of interest and participation within the decentralized units in educational sector (Argentina, Chile, and Mexico) . Textbook production (Mexico) or procurement (Chile) is a central task, while its distribution is decentralized. Pre-service and in-service teaching training and upgrading is performed in a decentralized fashion, but the corresponding accreditation standards are based on national teachers statutes, which are centrally designed and implemented. The number of working days within a given school calendar are centrally set, but the beginning and ending of the school year, as well as school schedules are adapted by the decentralized units to fit, if necessary, regional characteristics. Standardized student cognitive assessment, when available (Chile), is centrally designed, implemented, and managed.
- the
- the daily
- centrally
- J) In general, the relevant decentralized educational responsibilities transferred to smaller units government in the surveyed LAC countries included: (a) microplanning and programming procedures to identify and target local educational investments and cost recurrent needs with central government disbursed resources; (b) educational resources (financial, human, and physical) management; (c) adaptation of core curriculum to regional needs; (d) production of some local teaching and learning materials; (e) delivery of educational services; (f) school feeding; (g) setting of school calendar starting and ending dates adapted to regional characteristics; (h) school super-vision; (i) pre and in-service teacher training; (j) school accreditation and student certification; (k) gathering and processing of statistical information; and (l) school construction and maintenance, sometimes through community participation.
- of
- K) Management of the educational sector was strengthened in countries, such as Mexico, where policymakers and senior government officials periodically monitored the decentralization process and provided political and technical support as required. Other countries, such as Argentina, weakened their managerial capacity in the education sector during the decentralization process, mainly by disrupting existing information systems for decision making, hindering the process monitoring.
- as
- decision

Table 30
SUMMARY OF DESCENTRALIZATION OUTCOMES

	Argentina	Chile	Colombia	Mexico

a)	Shifted educational financial burden from central government	Y		N		N		N
b)	Tapped additional resources from non central government sources	Y		Y		N		N
c)	Reduced wastage	Y		Y		Y		Y
d)	Increased salary recurrent expenses as a portion of total public educational disbursements		Y		Y		Y	Y
e)	Increased budgetary portion to tertiary education	Y		N		N		Y
f)	Reduced regional efficiency disparities within the country	Y		Y		Y		Y
g)	Enhanced cognitive achievement			N				
h)	Widened school cognitive achievement regional disparities				Y			
i)	Strengthened institutional management	N		N		N		Y

Notes: Y Yes
N No
A blank space implies that the information is not available

VI LESSONS LEARNED

The following have been probably the most relevant lessons learned from the evidence gathered so far in educational decentralization in LAC (70)':

- A) Effective discrepancy analysis involving: (i) decentralization ends and means; (ii) implementation strategies; (iii) resources involved; and (iv) stakeholders view on decentralization, is essential to raise into consciousness the existing sectoral inconsistencies, can expect, for drive is purely and attempt to remove them once they have been identified. No government example, to improve quality of education if the hidden in-built decentralization of financial, efficiency or political stability nature.
- B) Decentralization in the educational sector has shown to be a possible fora to improve institutional management, if an appropriate model for an implementation strategy, fitting the specific country characteristics, is designed. Governments should be advised, that in spite of the worldwide fad, decentralization is not and end in itself and does not automatically accomplish productivity, equity, and quality improvements.
- C) Successful decentralization requires: (i) full political commitment from national, regional, provincial, municipal, and local leaders; (ii) a model addressing the issue of which educational central defining strategy and a the skill relevant financial, human, and the paramount can last for long if are incapable of Argentinean and region. functions and responsibilities could be more efficiently and effectively delivered at the level, smaller decentralized government units, and/or the private sector, and explicitly the degree of accountability of the different participants; (iii) an implementation timetable; (iv) clear operational manuals and procedures; (v) continuous training for levels to be performed at the central and decentralized units of government; (vi) performance indicators to be continuously monitored; and (vii) adequate physical resources to sustain the process. Worldwide evidence points to importance of the above conditions, as no command and control system subordinate level institutions, in this case, decentralized units of government, absorbing new responsibilities and implementing them effectively. The Colombian educational experiences illustrate this lesson for the LAC
- D) In order to translate effectively centrally designed sectoral policies and strategies into programmatic actions to be implemented at the smaller government units, it is imperative to establish: (i) monitoring and communication linkages between the central and decentralized government units; and (ii) a relevant, accurate, timely, and usable management information system to implement the monitoring procedures. Mexico provides an example of a good and functional linkage mechanism between SEP and its Delegaciones. On the other hand, Argentina, Chile, and Colombia provide evidence of the inability of central governments to translate effectively sectoral policies into concrete actions at the local and institutional levels, mainly due to the lack (Argentina) or the frailty (Chile and Colombia) of such linking mechanisms.
- E) Decentralization processes require continuous monitoring by policymakers and senior officials, provides the of the for them to promptly implement corrective and/or preventive measures . Mexico evidence that sustained monitoring induced improvements in the efficiency and equity educational system throughout the decentralization process.
- F) Decentralization in the education sector requires a lengthy period of gestation before it starts generating expected benefits. The first relevant accomplishments in the Mexican and Chilean cases surfaced about five years after the decentralization process was started.
- G) Continuous changes of central and local senior authorities and technicians, like in Colombia and Argentina, is highly detrimental to sustain an administrative reform that requires a lengthy period of design, implementation, and gestation to produce some visible results. Mexico, on the other hand, provides an example that experienced and seasoned personnel behind the

political and technical upholding of decentralization increases the likelihood of success.

H) Introduction of market mechanisms in the educational sector to allow consumer choice and introduce cost containment incentives, such as in Chile, has: (a) resulted in unfair policy practices, mainly for lower income rural groups, that are deprived of information and alternatives to make appropriate selections; and (b) significantly widened the gap in cognitive achievement results between students attending paid-private schools and those in high-risk municipal, mostly, rural schools, and also between those attending old, traditional, private subsidized schools and those going to recently established private-subsidized institutions fostered by the Chilean decentralization reform.

I) Central educational authorities seem to have coped better with decentralization when local authorities accept and practice the same priorities as central government and when political credit for success is not deflected from central authorities. This is the case of the Mexican educational decentralization process undertaken in a situation where there is a single, dominant political ruling party, and the Chilean decentralization case, implemented under a militaristic regimen, where political opposition was practically abrogated. When these conditions break, as in the Argentinean primary education decentralization reform, tensions between the central and decentralized units of government are generated, and the reform process is weakened. The failure of educational decentralization in Argentina was mainly caused by opposite political views between some Provincial Governors and the central authorities concerning how the decentralization process should proceed.

J) Economies of scale seem to indicate that the following interventions are more suitable to be undertaken centrally on a nation-wide basis: (i) sectoral planning and programming; (ii) sectoral allocation and targeting of additional (non-committed) resources; (iii) core curriculum design; and (iv) teachers statute and corresponding labor regulations.

K) The evidence seems to suggest that stronger central government incentives to address equity issues in the educational sector are required, if local governments are to be prevented to underspend in high-risk groups, if left to their own political pressures and preferences. The above points to the need of establishing simple linking mechanisms during the decentralization reform between the central and local governments, beyond those arising naturally from legal and policy decentralization considerations set at the outset of the process, if local governments should provide assistance by: (a) offering appropriate training to the decentralized units; (b) seconding personnel to meet staff shortages in the lower levels of government; (c) supervising and assessing local initiatives and projects; (d) providing technical assistance when problems or weaknesses appeared; (e) creating a national cadre to supply personnel to all the decentralized units; and (f) allocating non-earmarked central financial resources (beyond the tagged yearly recurrent budgets allocated by the central government to the States to pay salaries, and operate the system) to be targeted to address specific quality, efficiency, equity, and governance issues in selected regions.

L) Incentives and disincentives should be built into the decentralization process to stimulate the good performance of smaller units of government and discourage inefficiency and mismanagement (corruption). Allowing local governments to raise revenue and proportionally complementing their effort with fiscal resources to finance additional educational spending in the decentralized region to improve educational quality, is one example of a constructive incentive. Making local authorities legally accountable if they careen into unreasonable budgetary deficits is an example of an effective disincentive. The recent

Colombian fiscal
above direction.

(VAT) reforms targeted to strengthen municipal revenues point in the

M) Decentralization has lead countries and international donor agencies into a relatively new terrain of analytical and sector work where the equivalent of macroeconomic control analysis at the subnational level must be developed. This means that increased emphasis must be given to administrative controls, such as auditing and fiscal oversight; to the technical capacity of local public sector to request tagged and non-tagged resources, specially concerning investments; to the technical capacity to make investments and implement educational projects, specially the ones geared to improve productivity and enhance quality; and to strengthen democratic control over local governments, keeping in mind that power sharing (71) has double edged effects

Argentina provided universal primary education in 1976 to 3.8 million students, 68 percent attending over 8,000 schools operated by the Provinces. The Provincial financed primary enrollment represented more than 60 percent in eight Provinces, and over 95 percent in another four. About 43 percent of the total education expenditure during the 1971-1975 period was absorbed by the Provinces. The Province's primary education expenditure represented 1.2 percent of GNP, while the corresponding to the nation was 0.7 percent of GNP.

The above displays that the Argentinean Provinces were Important suppliers of primary education before the military regimen implemented the educational decentralization process in 1976 as part of a government macro-reform involving other sectors (health and water supply). The transferring to the Provinces of about 6,800 nationally financed primary schools, over 44,000 teaching and non-teaching personnel, preschool and adult education, was completed by the mid-eighties. Afterwards, a pedagogical decentralization process to adapt the national primary curricula to the regional ad-hoc characteristics was implemented in 10 of the 24 Provinces. In January of 1992, the Argentinean government initiated the transfer of the nationally financed secondary schools to the Provinces. No deconcentration to the municipalities has been ever attempted within the decentralization process.

The first educational decentralization attempt, imposed by decree by the military regimen In 1968, was persistently resisted by the Provinces arguing financial constraints to sustain the process, and had to be partially suspended by the central authorities. As a consequence, the Educational Federal Council (EFC), comprising all the Provincial Secretaries of Education, the educational authority of the city of Buenos Aires, and the Minister of Education, was established with the purpose to discuss sectoral policies and decentralization strategies. The leading EFC agenda topic for many years concerned the financing of the services to be transferred to the Provinces. Once a financial formula was agreed, upon which the national government was to guarantee the sustained transfer of fiscal resources to the Provinces through the Federal Revenue Sharing System (Sistema de Coparticipación Federal de Impuestos) to cover: (a) current salary and non-salary operating expenses of the transferred services; (b) school construction and maintenance; (c) operating cost increments due to inflation; (d) cost increments due to the system's natural expansion; (e) teacher promotions and salary increases; and (f) homologation of salary and fringe benefit differences between the national and Provincial payrolls, a decentralization model and strategy was adopted and implemented in the second half of the seventies.

However, during the earlier stages of the decentralization implementation process, the central government neglected its agreed commitment and left the Provinces adrift to finance, with their own fiscal revenues, the operating costs of the transferred educational services. As a consequence, by the end of the eighties, the national government expenditure in primary education decreased to 0.1 percent of GNP, while the one corresponding to the Provinces increased to 2.6 percent of GNP. The fundamental justification for decentralization in the Argentinean education sector was financial and not pedagogical. The military regimen was primarily interested in shifting the educational financial burden to the Provinces, especially in times of economic instability and hyperinflation.

The national authorities, mainly through EFC, have kept the setting of the: (a) educational policy; (b) national primary education curricula; (c) school calendar; (d) Teacher Statute (enacted as Law in 1958) regulating teacher selection, recruitment, and promotion policies; and (e) provision of special education. The Provinces operate the transferred services and mainly provide the: (a) pre and in-service teacher training through their higher education institutions; (b) curricular local adaptations; (c) educational inputs (textbooks, teacher guides, and learning and teaching materials); (d) pedagogical supervision (of dubious effectiveness); (e) certification and educational statistics (the latter, partially collapsed); (f) starting and ending school calendar dates; and (g) investment (meager) resources for school construction and maintenance. The decentralization has transformed the Ministry of Education into a large ineffective bureaucratic structure, with an ambiguous primary education role.

Aguerrondo, I., La descentralización de la educación en la Argentina. El caso de la transferencia de escuelas primarias a las Provincias. Documento. Mayo 1991.

ANNEX I. CHILEAN DECENTRALIZATION PROCESS

At the time the Chilean military regimen decentralized the educational sector in 1981 as part of a macro government reform based on market economic principles, the well developed educational system already provided access to primary education to 95 percent of the 6 to 13 year-age student population, the average years of schooling attained by Chilean adults (7.8 years) was among the highest in Latin America, and adult illiteracy (8.9 percent) was among the lowest in the region.

The main formal and hidden arguments for decentralization of the educational sector in Chile appeared to have been: (a) efficiency, to reduce sectoral bureaucracy at the central, regional, and provincial levels; (b) financial, to implement new school resource allocation formulas as alternatives to the ever growing historical fiscal budgets; and (c) power distribution, to weaken the teacher union.

The decentralization consisted of: (a) transferring the preschool, primary, and secondary schools to the country's 325 municipalities (currently 334); (b) transferring a proportion of the vocational secondary schools to private nonprofit organizations, known as "Corporaciones", created by associations of employers; and (c) encouraging through a subsidy payment per student, known as "subvención", private individuals and NGO's to create tuitionfree schools. Under this new concept, the municipalities became completely autonomous to: (a) hire, fire and promote teachers; (b) set teacher salaries according to prevailing market conditions; (c) manage the educational financial fiscal resources secured from the central government through the subsidy formula; and (d) manage the physical school installations, including school construction and maintenance. The new system changed the pre-reform scheme to award funds to schools and universities based on historical fiscal allocation for teacher salaries and operating costs, to a new system channeling resources to each municipality and private subsidized school proprietor based on average monthly student attendance.

The transfer of schools to the municipalities considerably reduced the size of the Ministry of Education (BE) from about 20,000 employees in 1980 to around 3,000 in 1990, of which 21 percent are currently located in the central offices in Santiago, and the rest in the 13 regional and 40 provincial offices of the HE throughout the country. After the 1980 reform, enrollment in the private -subsidized schools doubled as their primary education student population rose from 14 percent of total enrollment to 31 percent during the last decade. This increase came at the expense of enrollment in the municipal schools, whose share decreased from 80 percent to 62 percent in the same period. On the other hand, public subsidies for higher education drastically decreased from almost 38 percent of the total educational budget in 1980 to 19 percent in 1990.

While the reform process brought a clear division of responsibilities between the municipalities and the ME in some areas, ambiguously stated responsibilities led to uncertainties in other areas. The ME kept its legally mandated functions of policy setting, supervision, cognitive standardized evaluation, textbooks distribution, and financial monitoring through its central, regional, and provincial offices, largely independent from the municipalities in charge of the daily operation of the public transferred schools. The municipalities were in charge of: (a) school personnel administration, including hiring and firing of teachers and other school personnel, as well as setting their wages (previous to the enactment of the Teachers Statute approved by the Congress in 1991); and (b) providing all support services, including diagnostic testing, libraries, school construction and maintenance (with national resources). Joint responsibilities between the municipalities and the HE include budgeting, accounting controls, and the management of resources to cover deficits (resulting from frequent cases when municipal educational expenditures exceeded the income from per student subsidies).

This unique scheme of educational decentralization in Latin America triggered further inequities in the delivery and quality of services manifested by regional disparities in: (a) preschool coverage; (b) children nutritional-status; (c) primary school promotion rates; (d) cognitive achievement rates; (e) deployment of specialized and compensatory education resources; and (f) average years of schooling and literacy rates of the adult population. Furthermore, this dire decentralization to the municipalities also resulted in insufficient institutional capability to translate effectively educational policies and strategies into concrete programmatic actions, and target resources to deprived schools, which the current government is addressing with a recent World Bank loan.

Espinola, V., *Descentralización del sistema educacional en Chile*, Documento, Santiago, Chile, 1991.

ANNEX I. COLOMBIAN DECENTRALIZATION PROCESS

Colombia constitutes (together with Venezuela) one of the more recent cases of educational decentralization in Latin America. Its attempted implementation is being performed under a broader political (Constitutional) and macro-government reforms started in the latter part of the eighties. However, the Colombian educational decentralization background dates back to the seventies and early eighties with the: (a) implementation of the Fondos Educativos Regionales (FERs), a joint financial disbursement structure co-managed by the central and regional (Departmental) authorities; (b) establishment of the Departmental Promotion Councils (Juntas de Escalafón Departamental) in charge of judging the promotion of nationally and departmental financed teachers under the Teacher Statute regulation (approved in 1979); (c) creation in 1982 of the Educational Development Nucleus (Núcleos de Desarrollo Educativo) to prepare microplanning studies based on educational supply and demand information; and (d) enactment of the Situado Fiscal, a fiscal resource allocation formula to cover public primary schools recurrent expenses in the 25 Departments. Departments, with the exception of Antioquia and Valle, are banned from hiring or transferring teaching and non-teaching personnel.

At the time the Colombian government initiated the debate of educational decentralization in 1986, 3.3 million students were enrolled in the 5 year primary education cycle, and another 1.5 million in the six year secondary cycle. The corresponding primary and secondary net enrollment rates for the 6 to 11 and 12 to 17 age student cohorts was 82 and 38 percent respectively, somehow below the Latin American (LAC) average reported by UNESCO-OREALC. Repetition and drop-out rates were extremely high for the first primary grade (19 and 17 percent), and even higher for the first secondary grade (26 and 20 percent). Illiteracy of the adult population was estimated at 12 percent. Total public spending in education as percentage of GNP was high for LAC standards (5.6 percent), and the outlay for higher education subsidies as percentage of the total education budget, relatively low (21 percent). No standardized primary and secondary student cognitive achievement data was available at that time.

Educational decentralization in Colombia appeared to have been prompted by efficiency and distribution of power and stability rationales. The efficiency argument points to the need: (a) to solve the endemic and conspicuously human resource mismanagement in the educational sector that has induced the central Financial and Planning authorities to freeze all new teaching and non-teaching hiring in the educational sector in the last five years; (b) to strengthen the resource allocation process; and (c) to circumvent budgetary duplicities. The latter two arguments are directed to strengthen civic participation in governance in general, and in the educational sector in particular. The power distribution and stability rationales emerge from the ' political reforms started in 1986 that have already generated two municipal mayor elections (in 1986 and 1989) and the enactment of a brand new Constitution in 1991.

The official rhetoric on the need to decentralize government educational financed services to the Departments and municipalities has yet to be fully implemented. Accordingly, the government needs to produce a politically feasible, and technically coherent and articulated decentralization model for the educational sector. Accordingly, it becomes essential to address which educational functions and responsibilities could be more efficiently and effectively delivered at the: (a) central level (Ministry of Education-HE); (b) regional level (Departmental Secretaries of Education-DSE); (c) educational nucleus; (d) municipalities; and (e) local institutions (schools). The proposed Decentralization model has then to detail the accountability roles, and define exclusive and concurrent pedagogical, managerial, and financial education responsibilities for all the levels of decision making involved. Furthermore, the government has also to delineate the: (a) gradual phases of the process; (b) the personnel and skills required for staffing purposes; (c) the training programs; (d) the financial requirements, sources, and allocation formulas; (e) the physical requirements, mainly to implement a computerized management information system; (f) the operational manuals and procedures; (g) the monitoring schemes; and (h) the evaluation criteria.

The National Department of Planning, the brains behind the government reforms, has suggested that; (a) the HE sets educational policy and performs the national evaluation; (b) the DSE's operate the FERs, the Promotion Councils, and the pedagogical supervision; regionally adapt the curricula; provide in-service teacher training; and process the regional educational statistics; and (c) the municipalities manage, under an agreed financial formula, the public transferred schools; and construct and repair school buildings.

Sarmiento, A., Proceso de decentralización educativa on Colombia, Documento, Bogota, Colombia, 1991.

ANNEX I. MEXICO'S DECENTRALIZATION PROCESS

In 1978, the Mexican federally sponsored educational system, comprising more than 11 million students, 320 thousand teachers and over 54 thousand schools, was totally centralized. Around two million children in the 6 to 14 age group (142 of that age cohort) did not have access to primary school. More than 25,000 communities did not have a primary school. Average internal primary efficiency was 42%, with some poor states, like Chiapas, registering less than 20%. Pre-school education was only offered to 15% of the 4 and 5 year old age children, mostly living in urban higher income neighborhoods. Adult illiteracy rate was over 18% and average schooling, less than 4 years. Twelve months was the average waiting time for a newly appointed teacher to be paid; checks were printed in Mexico City by the Finance Ministry. Any payroll mistake had to be clarified by the teacher in Mexico City.

Power was distributed by educational levels. According to this centrally managed model, the Director General of Primary Education, for example, third in the hierarchical ranking in the Ministry of Public Education (SEP), was accountable for all the federally sponsored primary education in the entire country, handling an annual budget of 708 million US. dollars, larger than the combined state budgets of the five more important states of the country. Their Mexico City office "planned" the annual growth of the entire primary education system in the country and directly controlled 157 thousand primary teachers. This third ranking official informally held more power than the Minister of Education.

Efficiency and power distribution rationales primarily triggered the administrative reforms (first phase) implemented in the public education sector in the 1978-1982 period. The decentralization strategy simply shifted the power distribution from educational levels to geopolitical entities. In that fashion, 31 SEP's State Delegations (SSD) were established at the beginning of 1978, with the objective of planning, programming, budgeting, managing, and operating the federally sponsored pre-school, primary, secondary and teacher training education, as well as, their technical support systems in the respective state. The SEP's central authorities were charged with the same responsibilities for Mexico City in addition with some normative and evaluation functions for their respective educational levels.

In order to minimize change resistance and immunity to any externally perceived transformations: (i) the administrative reform was induced "a la blitzkrieg" rather than through a slow and negotiated process; (ii) a continuous technical and political maintenance of the process was set in place and monitored by the highest SEP's officials (on the average, every eight weeks the Minister conducted a three day evaluation retreat with the main actors of the reform); (iii) the most active and visible potential blockers of the process, both from the teachers union and the former centrally managed scheme, were "coopted" into the innovation by offering them the heading of some of the newly created SSD's, which they obviously accepted; (iv) financial, material and technical resources were made readily available to the SSD's; (v) SSD's opened, in turn, several sub-regional branches within the particular State in order to approach a timely and effective response to the demands of teachers, students and parents; and (vi) with time, all the technical and pedagogical managerial support was provided to the SSD's and their regional branches.

Some of the relevant by-products that made the first phase process almost irreversible, was the fact that newly appointed teachers were paid after 30 days on assignment; checks were printed and distributed by SSD's. Heads of SSD's were given decision making responsibilities regarding major aspects of the day to day management of the human, physical, and financial resources associated with the transferred services.

A second decentralization phase to transfer the SSD to the State authorities was attempted in the 1983-1988 period.

This effort failed mainly due to the: (a) strong opposition manifested by the teacher union; and (b) the weakness shown by the central government, more interested in contending with an external debt agenda and the restructuring of the economy.

After 14 years of continuous upgrading of this administrative reform, the educational system has grown to 25 million students, over a million teachers and 140 thousand schools. Access to primary education by the 6 to 14 age cohort is 98%; average internal primary efficiency is over 55%; two out of three 4 and 5 year old children are currently offered some type of pre-school education. Average years of schooling for the adult population has been increased to 6.2 years and the illiteracy rate reduced below 8%.

J.Prawda, Teoría V Praxis de la Planeación Educativa en Mexico. Ed. Grijalbo, Mexico, 1985.

J.Prawda, Logros, Inequidades y Retos del Futuro del Sistema Educativo Mexicano, Ed. Grijalbo, Mexico, 1989.

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9. Recurrent (salaries and operating costs) expenses and investment (school building and equipment).
10. Cheema, G.S., and Rondinelli, D.A., (Eds.). *Decentralization and Development: Policy Implementation In Developing Countries*. Sage Publications, 1983.
11. Prawda, J., *Teoría y praxis de la planeación educativa en Mexico*. Editorial Grijalbo, Mexico, 1985.
12. The quest to increase the primary completion rates appeared as policy statement during the 1976-1982 administration. Secretaría de Educación Pública, *Memoria 1976-1982*, Vol 1, (Políticas Educativas) , Secretaría de Educación Pública, Mexico, 1982.
13. Such as repealing tuition free higher education.
14. See footnote 3.
15. The direct (also known as transactional) stakeholders of the educational sector are, by and large, teachers (through teachers unions), school principals, students, parents, policymakers, senior officials, middle managers, and bureaucrats in the Ministries of Education, while the indirect (or contextual) stakeholders are those over which the educational sector does not exert control, and at best, little influence, such as government macro-economic or environmental policymakers. See Emshoff, J.R., and Mitroff, I., "Improving the Effectiveness of Corporate Planning", *Business Horizons*, October 1978, pp. 49-60.
16. There are several group processes that have been developed to bring organizational discrepancies of the five types discussed to light and remove them. See Argyris and Schon, *Ibid.* and Williams, T.A., "The Search Conference in Active Adaptive Planning", *The Journal of Applied Behavioral Science*, Vol 15, pp 470-483, 1979.
17. División de Planificación y Presupuesto. Ministerio de Educación, Santiago, Chile, 1990.
18. Prawda, J., (1985), *ibid.*
19. Jimenez, E., et al. *ibid.*
20. Schiefelbein, E., *In Search of the School of the XXI Century*. UNESCOOREALC, and UNICEF Regional Office for Latin America and the Caribbean. Santiago Chile, 1991. Velez, E., "Colombia's Escuela Nueva: An Educational Innovation". A View from LATHR, No 9, Human Resources Division, Technical Department, Latin American and Caribbean Region, The World Bank, May 1991. Primary Education Improvement Project in Chile. Staff Appraisal Report. LA4HR, The World Bank, Washington, DC., August, 1991.
21. See Argyris, C. and Schon, D., *Ibid.*
22. McGinn, N., and Street, S., "La descentralización educacional en América Latina: Política nacional o lucha de facciones?", *La Educación*, No 99, 1986.
23. Ornelas, C., "The Decentralization of Education in Mexico", *Prospects*, Vol XVIII, No 1, 1988. Prawda, J., *Teoría y praxis de la planeación educativa en Mexico*, Editorial Grijalbo, Mexico, 1985. Prawda, J., *Logros, Inequidades y retos del futuro del sistema educativo mexicano*, Editorial Grijalbo, Mexico, 1989.
24. Weiler, H., "Legalization, Expertise, and Participation: Strategies of Compensatory Legitimation in Educational Policy", *Comparative Education Review*, Vol 27, No 2, pp. 259-277, June 1983. Weiler, H.,

"Education and Power: The Politics of Educational Decentralization in Comparative Perspective", *Educational Policy*, Vol 3, No 1. , pp. 31-43, 1989. Weiler, H., "Comparative Perspectives on Educational Decentralization: An Exercise in Contradiction?", *Educational Evaluation and Policy Analysis*, Vol 12, No 4, pp. 433-448, 1990.

25. Habermas, J., *Legitimation crisis*. Beacon Publications, 1975. Wolfe, A. *The Limits of Legitimacy: Political Contradictions of Contemporary Capitalism*. The Free Press.

26. Freedman, J.O., *Crisis and Legitimacy: The Administrative Process and American Government*. Cambridge University Press, 1978.

27. Carnoy, M., *The State and Political Theory*. Princeton University Press, 1984. Offe, C. *Contradictions of the Welfare State*. MIT Press, 1984. Scase, R. (Ed.). *The State in Western Europe*. St Martin's Press, 1980. Weiler, H.N., "Legalization, Expertise, and Participation: Strategies of Compensatory Legitimation in Educational Policy", *Comparative Education Review*, Vol 27, No.2, pp. 259-277, 1983.

28. Rondinelli's taxonomy could have been used to explain the models. However it was felt that addressing the who, to whom, and the what, served better the purposes of this chapter. In Rondinelli's taxonomy, deconcentration refers to the transfer of authority to non-autonomous lower levels of government, usually belonging to the same sector, which are accountable to the central government (the Mexican case). Delegation is the transfer of government tasks to autonomous organizations, usually belonging to the sector, which may then receive public funding and are ultimately accountable to the central government (no case registered in the primary education of the surveyed countries). Devolution implies the creation of autonomous (independent) subnational units of government, not necessarily belonging to the sector and/or accountable to the central government, which have authority to raise revenue and spend (the Argentinian case, and somehow the Chilean municipalization) . Rondinelli, D., Nellis, J., and Cheema, G. , "Decentralization in Developing Countries: a Review of Recent Experience". The World Bank Staff Working Paper No. 581. Washington, DC., 1984.

29. This is not the case any more. With the adoption by the Chilean Congress of the new Teacher Statute in 1991, the central government decides on working related policies for the public and subsidized schools.

30. Comprised by about 400 primary school proprietors that receive Government monthly subsidies to operate their schools, currently accounting for about 31 percent of total primary enrollment in the country.

31. The 325 Municipal Presidents were appointed by the central authorities during the decentralization process.

32. The 325 municipalities in the Chilean case, and the 31 Delegados in the Mexican case.

33. This type of plan implementation is known in the literature as transactive planning. See Friedmann, J. , *Retracking America. A Theory of Transactive Planning*. Anchor Press -Doubleday, 1973. Friedmann, J., *The Good Society*. The MIT Press, 1979.

34. In the mexican decentralization process undertaken from 1978 to 1982, the Minister of Education held, on the average, three day working meetings with its central and State representatives staff every 8 to 10 weeks. From March 1978 to November 1982, 22 such maintenance meetings were held by the Minister of Education. Prawda, J., *Teoría y Praxis de la Planeación Educativa en Mexico*, Editorial Grijalbo, pp 202, 1985.

35. If those local officials had been elected by the population rather than appointed by central authorities, as it happens in democratic settings, the decentralization implementation pace would have probably slow down considerably as a consequence of the necessary conciliation that those official would have to undertake among different power groups (some opposing and some favoring the process).

36. For a more detailed technical description of how PPBS has been utilized in the SEP to request and allocate public funds since the late seventies see Prawda, J., *Estado del arte del planeamiento educativo en America Latina y el Caribe*, Vol 1, Mexico. Center Interamericano de Estudios e Investigaciones para, el Planeamiento Educativo (CINTERPLAN), Caracas, Venezuela, 1987.

37. About 1.1 percent annually for primary subsidized schools and 0.4 percent for private-paid schools. The public and private primary education enrollment reduction is mainly a consequence of a decline in the Chilean birth rate- from 1.9 percent in 1970 to 1.67 percent in 1987-, and a significant reduction in primary education dropout rates- from 8 percent in 1981 to 2.7 percent in 1989.

38. In the 1980-1989 period, municipal and private- subsidized secondary enrollment (in both tracks) increased 3.7 percent annually, while private-paid enrollment increased only by 1.1 percent.

- 39.** A zero-sum-game is said to be a competitive or conflicting situation between two opponents (persons or groups), where the gain of one signifies an equal loss to the other. The relevant mathematical work done on Game Theory is provided by Von Neumann, J., and Morgenstern, O., in their classic book: *Theory of Games and Economic Behavior*, Princeton University Press, 1944.
- 40.** While the total enrollment grew from 21.9 million students in 1980 to 25.1 million in 1990 (1.4 percent per year), enrollment in the private system increased from 2.14 million students to 2.47 million in the same period (1.4 percent per year).
- 41.** From 11.91 to 15.44 (both in constant pesos of 1982).
- 42.** The reduction of primary teachers salaries during the last decade was smaller than the one corresponding to secondary teachers (6.8 percent annually) and minimum wage, mostly unskilled, earners (4.4 percent per year).
- 43.** Colegio de Profesores de Chile, 1990. Jars, C. "Información para el análisis de salarios del magisterio". Centro de Investigación y Desarrollo de la Educación, Santiago, Septiembre, 1989. Índice de Precios al Consumidor. Instituto Nacional de Estadísticas, 1990.
- 44.** Emerging from the Financial and National Planning authorities.
- 45.** During the sixties and seventies, Ministries of Education of developing countries justified public spending in education by linking education provision with enhancement of quality of life and a reduction in social inequities. History has proven that such direct linkage has not been achieved, and that a large share of the quality problems and the low productivity of the public education systems in developing countries appear to stem from the inefficient management of available physical, human, and financial resources. LAC Ministers of Education and Finance, as well as representatives of the private sector, and leading think-tank institutions, have recently met in Santiago Chile, under the auspices of UNESCO-OREALC and ECLAC (CEPAL) , to discuss new educational paradigms in the current socio-economic and political context of the LAC region. See *Transformación Productiva con Equidad*, CEPAL, Santiago, Chile, 1990, and *Educación y Conocimiento: Eje de la Transformación Productiva con Equidad*, CEPAL, Santiago, Chile, 1991.
- 46.** Which includes family educational expenditures in supplementary textbooks, teaching materials, school uniforms, and school transportation.
- 47.** From 1986 onward, primary teachers salaries have deteriorated approximately 11 percent per year.
- 48.** In the Mexican case, for example, higher education average unit costs (at constant prices) are about ten and six times greater than those of primary and secondary education respectively. Dirección General de Planeación, Programación y Presupuesto, Secretaría de Educación Pública, Mexico, 1990.
- 49.** Which as explained before, decreased 3.4 percent annually in real terms during the eighties.
- 50.** Dirección General de Planeación, Programación, y Presupuesto. Secretaría de Educación Pública, Mexico. 1991.
- 51.** Capital investment is allocated by the central government to the municipalities through the Ministry of the Interior. The municipalities have to invest the resources in previously approved school construction and maintenance projects, and are accountable to the central government of resource disbursement. On the other hand, recurrent expenses to operate the subsidized educational system is allocated by the central government to municipal and private- subsidized schools through the Ministry of Education.
- 52.** Prawda, J., and Psacharopoulos, G. , "Educational Development and Costing in Mexico, 1977-1990. A Cross-State Time-Series Analysis", forthcoming in the *International Journal of Educational Development*. Appears also in *A View from LATHR*, No 25. Human Resource Division. Technical Department. Latin America and the Caribbean Region. The World Bank. Washington, DC. November 1991.
- 53.** Not offering the legal six grades required in the mexican primary education cycle.
- 54.** B. Fuller has provided considerable evidence showing that text-books, writing materials, and teacher quality consistently influence student achievement. However these findings have not been tested controlling by managerial scheme variable (centralized and decentralized). Fuller, B. *Raising School Quality in Developing Countries. What Investments Boast Learning*. The World Bank Discussion Papers, No 2, Washington DC. 1986.
- 55.** Prawda, J., and Psacharopoulos, G. (1991), *ibid*.
- 56.** In 1987, there were about 6,000 public in Mexico City, not counting the Metropolitan area (14 percent of the public teaching labor force) collecting a bi-weekly salary and not working. The demographic changes in the Mexican large urban areas--rural immigration to the slums and the emigration of the better off to the

suburbs--and the rigidity to transfer teachers from one school district to another, or from one educational level to another, imposed by the Union, has made the above situation worse with time. Dirección General de Planeación, Programación, y Presupuesto. Secretaría de Educación Pública, Mexico, 1989.

57. Teachers out of pre-service training schools start their professional career in rural schools, mostly, located in very small and isolated rural communities. With time, they acquire the legal rights (institutionalized in the Mexican Teachers Statute and the corresponding regulating By-Laws) to move to larger, mostly urban located, public schools. The opposite professional move, from urban to rural areas, is seldom undertaken in Mexico, and no package of incentives and disincentives to induce it, has to date been implemented.

58. About 3,700 primary, mostly municipal, rural schools with enrollments of six students or less in fourth or eight grades were not included in the 1988 and 1989 applications of SIMCE, because the current assessment instrument is not valid and reliable for small groups (six or less students in fourth or eighth grades).

59. In a sample of 1074 private subsidized schools drawn randomly from the metropolitan area of Santiago, Chile.

60. Jara, C., *ibid.*

61. Highest scores, for both the 1982 and 1988 Spanish achievement tests, were registered in the private paid primary schools located in the high income neighborhoods of Santiago, while the lowest scores were recorded in the rural municipal schools.

62. Mexico is perhaps the only LAC country with reliable historical data on regional educational disparities dating back as far as 1976.

63. During the first phase, lasting from 1978 to 1982, some planning, pedagogical, and managerial responsibilities were transferred from the central government (Ministry of Education) to its State representations. From 1983 onwards, there was an attempt to transfer these same responsibilities from the Ministry of Education State representations to the State authorities. The latter process failed.

64. The ratio between the highest and lowest provincial primary completion rate for the 1970-1976 and 1974-1980 student cohort was reduced from 2.8 to 2.3 times.

65. This notion translates: (i) at the municipal level, with lack of procedures, guidelines, and appropriate training to execute educational programs derived from sector policies, and administer efficiently the resources of their assigned municipal schools; and (ii) at the school level, with lack of suitable training aimed at improving the school principals managerial and technical pedagogical supervision skills.

66. See Weiler, H., (1989, 1990). *ibid.*

67. See footnote 29.

68. The 327 municipalities in the case of public preschool, primary, and secondary schools. Private proprietors in the case of private- subsidized and private paid schools.

69. The modifications to the current Subvention Law, now being discussed in the Chilean Congress, aims at changing the monthly average attendance of the subsidy formula into a quarterly average student attendance. This recommendation protects against unjustifiably penalizing schools for student absenteeism not directly imputable to the student, such as the ones prompted by rain and flooding in the rural areas.

70. There is full coincidence between the lessons learned from the evidence provided by the surveyed countries and the conditions and factors affecting the implementation of decentralization suggested by Rondinelli, et al (see footnote 22).

71. While it legitimize local governments and works to advance local priorities, it threatens to increase spending pressures and decrease efficiency in resource use.