This recommended reading list is a component of the Decentralization and School-Based Management (SBM) Resource Kit. It presents an overview of current literature on Decentralization, SBM and the featured case studies. While many sources and examples are from OECD countries, we have attempted to obtain examples from Bank client countries where the research evidence exists. The Resource Kit also includes a consultant roster, a recommended reading list and 6 case studies. The case studies describe decentralization and SBM reforms in the Chicago Public Schools, El Salvador’s EDUCO, India’s DPEP, New Zealand’s Self Managed Schools, Nicaragua’s Autonomous Schools, and Spain.

### DECENTRALIZATION

**Hanson, E. Mark (1997). Educational Decentralization: Issues and Challenges**
http://www.thedialogue.org/preal9en.html
Since the 1980s, the transfer of educational decision-making authority and responsibility from the center to regional and local systems has become an increasingly popular reform around the world. At least eight, often interrelated, goals are driving the change: accelerating economic development by modernizing institutions; increasing management efficiency; reallocating financial responsibility, for example, from the center to the periphery; promoting democratization; increasing local control through deregulation; introducing market-based education; neutralizing competing centers of power such as teachers unions and political parties; and enhancing the quality of education (for example, by reducing dropout rates or increasing learning).

As we have seen, over the past decade, decentralization of government has become common throughout Latin America. The education sector is no exception; in the 1990s the number of countries implementing significant decentralization reforms has increased rapidly (see Figure 4.1). At the same time, there has been a worldwide trend to give schools greater decision making autonomy, in the interest of improving school performance and account-ability. School systems as diverse as those in Victoria, Australia; Memphis, Tennessee; and Minas Gerais, Brazil, have given authority to school heads, and then through a variety of mechanisms held them responsible for school performance. The two types of education decentralization—to lower levels of government and to individual schools—have very different origins and objectives. The decentralization of education to lower levels of government has almost without exception been undertaken in the context of a more general decentralization of govern-ment, the causes of which vary widely. In contrast, the decentralization of education to individual schools typically has been motivated by concerns about poor school performance. Both types of education decentralization are well represented in Latin America, and this chapter reviews the evidence to date of their various impacts on schooling.

### SCHOOL-BASED MANAGEMENT


**Odden, A. How to create and manage a Decentralized Education System. New American Schools: Getting Better by Design Volume 2.**

1 Prepared by Karen Edge for the Education Reform & Management Thematic Group, HDNED, World Bank [August 2000]. The author can be reached at kedge@oise.utoronto.ca.

In 1995, the Ontario government required the establishment of school councils. Although the government provided guidance, little of its information was based on systematic knowledge that is problem-focused, applied, and empirical. To fill that need, a study sought to estimate the nature and extent of influence of councils on schools several years after implementation. The study was designed to describe the group processes that distinguish those school councils that influence schools and classrooms from those that do not. This paper describes the forms and sources of leadership that contribute significantly to the effective functioning of school councils and examines evidence on school councils, the nature of council effects on students and teachers, the conditions accounting for school council effects, council decision-making processes, and school council leadership. For the study a three-stage research design was used to achieve the five objectives under consideration. The results indicate that school councils do not add value to the empowerment of parents, the technical work of schools, or the development of students. In terms of effectiveness, evidence from the study suggests that, at best, the influence of councils on school and classroom practices is unlikely to be more than mildly positive. (Contains approximately 70 references.) (RJM)


Reviews 77 empirical and case studies of school-based management (SBM) implementations reported between 1985 and 1995 to determine typical obstacles and promising ameliorative strategies. There is no firm evidence of SBM's effects on students. Administrative-control SBM would probably produce the least amount of school change. Community-control SBM would probably yield the most change. (104 references) (MLH)


http://wbln0023.worldbank.org/Regions+%26+Countries/LAC/LACinfoClient.nsf/4F1B144AAA9938338525664C00017FDB/AAF398DBFA0E495E8525691C0076BF2F

Over the past decade, decentralization of government has become common throughout Latin America. The education sector is no exception, and there has been a rapid increase in the number of countries implementing significant decentralization reforms. At the same time, there has been a worldwide trend to give schools greater decision-making autonomy, in the interest of improving school performance and accountability. School systems as diverse as those in Victoria, Australia; Memphis, Tennessee; and Minas Gerais, Brazil, have given authority to school heads, and then through a variety of mechanisms held them responsible for school performance. This paper, presented at the Annual Bank Conference on Development in June 1999, addresses the issue of school quality in the context of these decentralization reforms.


The proponents of citizen participation in local school management argue that it helps in articulating the community’s demands; contributes to the mobilization of private resources; improves productive efficiency; and enhances public accountability. There is a strong theoretical support for such propositions, although it is more difficult to find empirical evidence to support them. Drawing generalized conclusions on the effects of participation is also made difficult by the wide diversity of country experience, especially in Latin America. The purpose of this paper is to contribute to our understanding of recent school management reforms by describing the various models of participation and local school management, with examples from Latin America.

CASE STUDY READINGS

CHICAGO (Chicago Public Schools)


In 1989, Chicago (Illinois) Public Schools began an experiment with the radical decentralization of power and authority. This book tells the story of what happened in Chicago's elementary schools in the first four years of this reform. Implicit in the reform was the theory that expanded local democratic participation would stimulate organizational change in the schools, which in turn would foster improved teaching and learning. With longitudinal case study data on 22 schools, survey responses from principals and teachers in 269 schools, and supplementary system-wide administrative data, the authors identify 4 types of school politics: (1) strong democracy; (2) consolidated
principal power; (3) maintenance; and (4) adversarial. Findings suggest that in about one third of the schools, expanded local democratic participation served as a strong level for systemic changes focused on improved instruction. Case studies of six actively restructuring schools illustrate how the principal's role is recast under decentralization, and how ideas and information from external sources are brought to bear on school change initiatives. (Contains 14 tables, 42 figures, and 266 references.) (SLD)

The Chicago School Reform Act of 1988 gave a Local School Council (LSC) strong powers not typically seen in such bodies. An overview of how this LSC has worked is offered here. The report draws primarily on the results of a survey of LSC members conducted between May 1995 and February 1996. It examined three primary areas: the background of LSC members, how LSCs operate and carry out their mandated functions, and the links between the LSC and the surrounding community. The six chapters here include an introduction, qualifications of LSC members to govern local schools, LSCs as viable governance institutions, a closer look at schools with problem councils, tips on listening to LSC members, and an interpretive summary. The study found that almost all LSC members quietly oversee school policy and carry out their official duties of evaluating the principal, approving the budget, and approving and monitoring the School Improvement Plan. Their most frequently cited contribution to the school is improving core academic programs, followed by improving the school's physical environment, improving attendance and discipline, and increasing parent involvement. Overall, the vast majority of LSCs operate as viable governance organizations that responsibly carry out their mandated duties and are active in building school and community partnerships. (RJM)

Focuses on changes in student achievement in Chicago (Illinois) public schools since the passage of the 1988 Chicago School Reform Act and notes corresponding changes in funding, staffing, and leadership. Uses data from a longitudinal study of 10 elementary and four high schools. (SLD)


Websites of Interest
Chicago Public Schools. <www.cps.k12.il.us/aboutCPS/Statistical_information/attendance
Chicago Public Schools-Office of Accountability. <www.acct.multi1.cps.k12.il.us/accountability.html>

EL SALVADOR (EDUCO)
This paper measures the effects on student outcomes of decentralizing educational responsibility to communities and schools. In El Salvador, community-managed schools emerged during the 1980s when public schools could not be extended to rural areas because of the country's civil war. In 1991, El Salvador's Ministry of Education decided to draw on this prototype to expand preprimary and primary education in rural areas through the EDUCO program (Educacion con Participacion de la Comunidad). The present EDUCO schools are each managed autonomously by a community education association elected from among the parents of students. The associations take a central role in administration and management. They are also responsible for contracting teachers and maintaining schools. Drawing on a national survey of schools, 38 EDUCO schools and 154 traditional rural schools were compared for third-graders' achievement on standardized tests of mathematics, language and school days missed due to teacher absence. Analysis controlled for student characteristics and selection bias, using an exogenously-determined formula for targeting EDUCO schools as an instrumental variable. Findings indicate that the rapid expansion of rural schools through EDUCO has not adversely affected student achievement yet has diminished student absences due to teacher absences. It was concluded however that this expansion may have effects on achievement long-term. (Contains 20 references and extensive statistical data tables.) (Author/SV)

Based on a principal-agent model, this paper investigates the organizational structure that made the El Salvador's primary school decentralization program (EDUCO program) successful. First, we employ the “augmented” reduced form educational production function by incorporating parents and community involvement as a major organizational input. We observe consistently positive and statistically
significant EDUCO participation effects on standardized test scores. Then we estimated teacher compensation function, teacher effort functions, and input demand functions by utilizing the theoretical implications of a principal (parental association)-agent (teacher) framework. While the EDUCO school teachers receive piece rate, depending on their performance, wage payment is relatively fixed in the traditional schools. Empirical results indicate that the slope of wage equation is positively affected by the degree of community participation. This finding can be interpreted as the optimal intensity of incentive. Hence, teacher’s effort level in the traditional schools is consistently lower than that in the EDUCO schools, indicating a moral hazard problem. Community participation through parental group's classroom visits seems to enhance the teacher effort level and thus increases students' academic performance indirectly. Parental associations can affect not only teacher effort and their performance by imposing an appropriate incentive scheme but also school-level inputs by decentralized school management. Our empirical results support the view that decentralization of education system should involve delegation of school administration and teacher management to the community group.

El Salvador - Community Education Strategy: Decentralized School Management from LAC

Report discusses innovative program to improve rural basic education in El Salvador. Called EDUCO, the program collaborates with the Ministry of Education and is based on direct involvement of parents, teachers, and community groups in defining and administering education services (in primary and secondary schools). Also involved in institutional strengthening activities at the central and regional levels. Broad government reform program calls for decentralization and private participation in social service delivery. EDUCO serves as a pilot program for the government, which plans to expand the strategy.

INDIA (District Primary Education Program-DPEP)


Having steadily raised primary enrollment rates over the past four decades, India is preparing to meet the challenge of improving the overall quality of primary education. This report draws on a collaborative program of research and studies done by the Indian government and major Indian research institutions and scholars on primary education. It synthesizes the findings of hundreds of Indian studies, many of which were commissioned especially to support a major new Indian program for improving primary education in disadvantaged areas. The report identifies the benefits of primary education and the principal challenges facing Indian education and outlines a comprehensive strategy for reaching the goal of universal and primary education of good quality.

The focus is on three main challenges: expanding access, raising learning achievement, and reducing gaps in education outcomes across states and among groups. The report provides various suggestions for solving the challenges of education in India, such as increasing financing for primary education; improving the preparation, motivation and deployment of teachers; improving the quality of textbooks and the efficiency of their production; and strengthening managerial and institutional capacity.

NEW ZEALAND (Self-managing schools)


NICARAGUA (Autonomous Schools)


This qualitative study, conducted in 12 Nicaraguan primary and secondary schools, reports how teachers, parents and school districts have interpreted the 1993 reform that granted managerial and budgetary autonomy to school-based councils. The data were drawn from focus groups and interviews with school-based staff and parents and then analyzed by a multinational team of researchers. This article reports on three main areas: variability across school contexts, differing interpretations of ‘autonomy,’ and resulting changes in schools. The research found that the highly variable school contexts into which the school-based management reform has been introduced have an important effect on how the reform is adopted and received. Cohesive schools with a strong sense of mission and those in somewhat wealthier areas report more success, highlighting
effects on accountability and shared responsibility. By contrast, internally fractured schools in poorer areas tend to emphasize negative aspects of autonomy, including financial ones. From CER


Despite its growing popularity, school-based management is seldom evaluated systematically with respect to its impact on student performance. This study examines the impact of the current school autonomy reform in Nicaragua on learning within an educational production function approach. Results show that autonomous public schools are indeed making more decisions about pedagogical and administrative matters than do traditional public schools, but because there is a lag in transforming school decision-making after a school becomes legally autonomous, autonomy de jure does not appear to have any impact on student test scores. However, another autonomy variable which measures the actual level of decision-making by the school is positively associated with student test scores. In particular, schools that exert greater autonomy with respect to teacher staffing and the monitoring and evaluation of teachers appear to be more effective in raising student performance.


This is a first report on the impact of Nicaragua’s recent education reform on how schools operate. A school-household survey was conducted in December 1995 which collected initial data on schools that became autonomous in the past few years and those that did not. The report focuses on differences in the decision-making environment in different types of school and summarizes the views of members of the academic community with respect to the level of their influence in key decision-making areas such as pedagogy, salaries and incentives, and infrastructure. The data indicate systematic differences between autonomous and non-autonomous public schools and private schools, but it would be premature to interpret these differences as the full impact of the reform. Education indicators such as achievement test scores are not yet available. The impact of the reform will undoubtedly be felt over the next few years. The current analysis is only the first step in an assessment of its impact.

SPAN


Educational decentralization initiatives can range from arbitrary exercises of coercive power (Argentina in 1978) to conscientiously planned interventions driven by the national political will (Spain in 1978). Many motives drive decentralization initiatives and consequently shape their strategies. Successfully facilitating the effort requires knowing where the planners want it to go, and why. Venezuela's effort in the late 1960s made decentralization the centerpiece of national economic development. A very different attempt was made in the early 1990s. It was driven by aspirations to reduce bureaucratic stagnation, centralized inefficiencies and corruption. Argentina used decentralization as a rationale to shift the financial burden of primary education to the provinces in 1978 and the same shift for secondary education in 1991. The Colombian initiative of 1991 was no less than a desperate effort to save the nation from the social, political and economic chaos generated by brutal and corrupting drug cartels and four terrorist guerrilla armies.

From LAC


This paper describes and analyzes the experience of school-based management (SBM) in newly democratized Spain (1985-1990). The authors find that the School Councils played a significant symbolic role in local democratic participation, but did not actually exert much influence on school affairs. The article argues that building an incentive structure for teachers to participate more in the Councils, requiring more administrative training, opening Council membership to more people, and delegating additional power to the Councils would have improved SBM's performance. (abstract from PREM)