TRANSPARENCY INTERNATIONAL

Stealing the Future

Corruption in the Classroom

Ten Real World Experiences

Title Page: Photo: Anissa Thompson
Back Cover: Hazel Arguello Valverde

Stealing the Future

Corruption in the Classroom

Ten Real World Experiences

Copyright © 2005 by Transparency International
All rights reserved

Stealing the Future: Corruption in the Classroom can be reproduced, in part or in its entirety, only with the due acknowledgement of Transparency International and the author of the respective text.

Every effort has been made to verify the accuracy of the information contained in this booklet. The authors are responsible for the accuracy and completeness of the content of their texts. Transparency International does not accept responsibility for the consequences of the use of this booklet in other contexts or for other purposes.

Edited by Bettina Meier and Michael Griffin

Transparency International
Alt Moabit 96
10559 Berlin
Germany

This publication was made possible with the support of the German Ministry for Economic Co-operation and Development (BMZ).

Table of Contents

Foreword — *Muriel Poisson and Jacques Hallak*

Corruption in Education: An Introduction — *Bettina Meier*

Argentina
Procurement: A Textbook Case 16

Bosnia and Herzegovina
A 'Copy-and-Paste' Approach to University Success 24

Brazil
The Hidden Cost of Decentralised Education 31

Georgia
A New Beginning for Georgia's University Admissions 36

Mexico
The Price of a Place in School 44

Nepal
Missing the Target on Child Labour 50

Nicaragua
Building Better Schools 57

Niger
Corruption in Higher Education: People's Perceptions 62

Sierra Leone
Expenditure Tracking: Detecting Leakages at Primary Schools 70

Zambia
Local Administration: A Recipe for Success? 77

Contact Details of Contributors 84

Acknowledgements

I would like to thank the many individuals who have helped develop this booklet, above all the authors of the reports. I am grateful to Hazel Mowbray for helping to prepare this publication and to Cobus de Swardt for his helpful comments. Thanks are also due to regional programme staff at the TI Secretariat for their support.

Translations have been provided by Michele Bantz, Patricia Brutus and Yanina Vega – many thanks indeed! A special *thank you* goes to Milli Lake for her dedication and commitment to this publication, and her patience and good humour. Finally, thanks to Michael Griffin for editing the texts.

The illustrations on pages 21, 32, 46, 48, 61 and on the back cover derive from a drawing contest for youth in Nicaragua, organised by Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) in February 2004. Thanks for allowing us to use them.

Bettina Meier
TI Secretariat
Education Programme

Stealing the Future: Corruption in the Classroom is available as pdf document on the TI website at http://www.transparency.org/global_priorities/education.html

Please send feedback and comments to education@transparency.org

Foreword

The likelihood of achieving the Education for All goals[1] has never been as great as it is today: the international community is committed to attaining access to primary education for all children by 2015 and international aid for education is on the increase. At the same time, however, there is a shared view among educational stakeholders that these goals may never be reached on time, primarily because of the lack of instruments to curb corrupt practices in the education sector. Indeed, in a context of decentralisation, diversification, privatisation and globalisation of educational services, ensuring that funds allocated to education contribute effectively to achieving the goals set is a key concern.

The work presented in this report, which was undertaken by 10 Transparency International national chapters from across the globe, represents a valuable attempt at addressing this concern. It presents first-hand information on opportunities for corruption in different education systems, and documents promising approaches for reducing such opportunities in a variety of domains, including financing, textbook production, scholarships and examinations. Some of the issues discussed, such as procurements, are of relevance to the whole public sector. Others, such as academic fraud, are more specific to education. All of them, however, plead for more transparency and accountability in the management of educational resources.

The conclusions to be drawn from these studies are fully in line with work conducted worldwide on similar topics – particularly, within the framework of the international programme on "Ethics and corruption in education" developed by the International Institute for Educational Planning (IIEP). The crucial role, for instance, played by teachers' behaviour – both in directly reducing corrupt practices within the education sector and doing so indirectly, by promoting ethical values – is confirmed by other studies.[2]

The role that civil society organisations can play in this context is three-fold. First, due to their proximity to local communities and their exposure to school-level developments, they can provide information and provoke

1 At the World Education Forum in Dakar in 2000, 180 countries committed themselves to providing quality education for all the world's children by 2015. The UN Millennium Summit in New York (2000) endorsed the achievement of universal primary education by 2015 as the second Millennium Development Goal.

2 For more information on IIEP's project Ethics and Corruption in Education, please go to http://www.unesco.org/iiep/eng/focus/etico/etico1.html. A list of studies produced by the project can be found at www.unesco.org/iiep/eng/publications/recent/etico.htm

discussion on sensitive issues such as corruption. Second, thanks to the activist role they adopt, they have a powerful influence on a variety of stakeholders (pupils, parents, teachers, local authorities, decision-makers), contributing significantly to raising awareness. They are agents of change, increasing transparency in the daily routines of educational systems and helping to develop and deploy appropriate monitoring mechanisms. Third, through their wider network, they can serve as a bridge between users of educational services and public authorities so as to facilitate access to information, ensuring transparency in educational management and financing, and preventing malpractice.

For all these reasons, we welcome the work conducted through Transparency International's network and hope that its results will contribute to improving transparency and accountability in education – and therefore to reaching the Education for All goals.

Jacques Hallak and Muriel Poisson
International Institute for Educational Planning

Corruption in Education: An Introduction

Corruption in education is a major drain on development and should be drastically curbed
World Education Forum: Dakar Framework of Action (2000)

Education is a human right. For people, it may often be the only way to escape a life of poverty; for nations, it is crucial to development and growth. Education ideally transmits values such as integrity, equality and social justice, and the sense of shared responsibility that is key to social cohesion and good governance.

Corruption in education can have a devastating effect on a country's well being. Its costs - illegal fees and bribes for admission, examination or tuition – are a heavy burden for poor parents. Corruption in the procurement of textbooks or new school buildings is a strain on the education budget and deprives students of the materials and learning environment they need. Corruption in teacher appointment and promotion impacts on the quality of teaching, allowing less qualified and possibly unfit teachers and administrators to reach positions they do not merit. Students who manage to proceed with their education, despite these disadvantages, may be poorly skilled and thus add less value to the economy and public sector during their professional life.

Perhaps the highest cost of corruption in education is loss of trust. If people (especially the young) come to believe that school or university admission and marks can be bought, a country's economic and political future is in jeopardy. The education sector – rightfully – is expected to be fair and impartial. School should transmit concepts of political representation, human rights, solidarity and the public good. Corrupt practices at schools and universities directly contradict these concepts, destroying the trust that is necessary to the development of communities.

Examples of corruption in education

Education is often the only way a family can escape a life of poverty and achieve social advancement, so parents naturally want their children to succeed at school. This leaves plenty of scope for abuse by teachers and officials. The most common forms of corruption in education are:

- Parents may be 'recommended' to buy a book or teaching aid that their child's present or future teacher has written
- Parents may be 'advised' to pay for private tuition in which the teacher, after official school hours, teaches their child the essentials of the curriculum
- Parents may be asked to contribute 'voluntary' donations for school infrastructure or extra-curricular activities. Failure to do so might result for example in schools withholding students' records or report cards.

The Economic Crimes Unit of Russia's Interior Ministry reported in October 2004 that 900 criminal cases had been opened since the beginning of the year concerning bribery in education. Many students, fearing expulsion, remain silent about the extortion by teachers, one official said. Some 150 criminal cases had been opened against heads of educational institutions and officials, including five members of examination boards, three officials from regional education bodies, 10 rectors and deans, 22 professors and assistant professors, and 110 directors and heads of departments. In all, law-enforcement bodies exposed almost 3,500 crimes and instituted 2,500 criminal proceedings, including 878 cases of the theft or misuse of budget and 58 cases of commercial bribery.[1]

Since achieving Education for All (EFA) has been determined as key to development – it forms part of the UN's Millennium Development Goals - school fees are increasingly being removed from basic education. However, fees are not the only cost that parents have to shoulder. Others include school uniforms, contributions for teaching materials, roofing and textbooks etc., or even contributions to salaries and running costs. In extremely under-funded environments, school children may be exploited as unpaid labour to compensate for teachers´ or administrators' meagre income, or as a direct contribution to the school's budget.[2]

But it is not only students and parents who suffer from corruption in education. Corruption in the appointment, promotion and transfer of teachers is a widespread reality in countries where bad teaching conditions prevail. Positions in isolated, rural areas are not popular. Without checks and balances, and given the high discretion of officials, there is plenty of scope for abuse. Bribes

1 ITAR TASS, 26 October 2004.

2 The World Bank's "Voices of the Poor" (2000), a participatory research collecting the opinions of 60,000 poor people around the world, gives some frightening examples of corruption in education and its impact. For further information, go to admin.corisweb.org/files/can_anyone_hear_us1122375557.pdf

and kickbacks maybe required from aspiring teachers to secure placements, transfers or promotions.

> In August 2001, a school in the village of Fang Lin in Jiangxi province in China was destroyed in an explosion. "Witnesses said children as young as eight were forced to assemble firecrackers for local factories in their classrooms. At least 37 pupils and four teachers were killed in the blast.... Some witnesses put the death toll at about 60. Nearly all the victims are believed to have been young children. The school in Fang Lin village was packed with about 200 pupils and teachers when the blast ripped through the two-storey building, destroying four classrooms. A doctor who rushed to the scene said the pupils had been putting fuses into firecrackers at the time of the explosion. The website of the state-run Nanfang Daily said local firework factories had been using primary schools to make firecrackers since 1998. It said the teachers had received a share of the profits."[3]

Teachers also suffer from low or delayed salaries that, in turn, can be a result of corruption at higher levels. Inadequate salaries or late payment have a demoralising effect on teachers, forcing them to do other jobs to make ends meet. The impact on the quality of education they should provide is obvious.

Teachers can be targets of political intervention. Education employs a large number of civil servants and teachers, who have daily access to a great number of citizens. At election time, it is teachers who are tasked with voter education and ballot counting. To secure their 'services', politicians may interfere in teachers' employment, promotion or transfer.

Corruption also occurs at university level where its consequences are particularly damaging since future economic and political leaders are trained there. Falsified diplomas are becoming an increasing concern. Corruption in the licensing of higher education institutions betrays people's faith in education and leaves students with worthless diplomas. Another worrying trend is the dependency of universities on corporate funding, resulting in conflicts of interest for scholars and jeopardising the independence of their research.

3 BBC News, 7 March 2001. See news.bbc.co.uk/1/hi/world/asia-pacific/1207620.stm

Corruption exists within ministries and at lower levels of administration. It can distort budget allocation to the detriment of education. Countries with high corruption tend to invest less in public services, leaving the education sector under-resourced.[4] Insufficient resources may be budgeted as a result of bad planning or resources may disappear on their way to schools. Education consumes a significant part of the national budget – as much as 25-30% in some African countries - and therefore is a potential avenue for corruption.

The recent dismissal of Nigeria's Education Minister Fabian Osuji is an example of high-level political corruption. He allegedly paid six members of the National Assembly US$400,000 in bribes to vote for a rigged education budget. An aggrieved parliamentarian, who was not satisfied with the amount he received, revealed the scam. Nigeria's Independent Corruption Practices Commission has since indicted Osuji.[5]

Procurement contracts for school building or maintenance, textbooks, teaching materials or feeding schemes provide ample opportunities for collusion between public officials and suppliers. Kickbacks to officials who award contracts are a common form of corruption in all sectors, resulting in the purchase of unnecessary or overpriced equipment, the delivery of sub-standard items or under-deliveries. In education, this theft of resources translates into shabby classrooms, leaking roofs, dysfunctional toilets, defective furniture, inadequate textbooks, lack of chalk, blackboards and textbooks etc.

Transparency International and education

Transparency International (TI) has been involved in education since its inception. Many TI members - the national chapters - work with schools and universities to sensitise young people to the effects of corruption. The TI Secretariat has been directly working in education since 2003, documenting chapters' work in ethics teaching and raising awareness of the impact of corruption in the education sector.

To enhance chapters' engagement in education, the TI Secretariat used a grant from the German Ministry for Economic Cooperation and Development to support a number of micro-projects carried out by TI chapters in 2004 and 2005. Their common theme was to assess the extent and forms that corruption in

4 P. Mauro, "The Effects of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis", in Kimberly Ann Elliot, ed. Corruption and the Global Economy (Washington D.C.: Institute for International Economics, 1997)

5 BBC News, 22 March 2005. See news.bbc.co.uk/2/hi/africa/4373963.stm

education takes in selected districts or areas. 10 such projects, representing a variety of approaches and regions, have been selected for this publication.

They were carried out with minimal finance, often with the help of volunteers. They do not pretend to offer state-of-the-art research or to give an exhaustive assessment of conditions at the national level. Rather, they provide snapshots of local realities in 10 countries around the world and are intended to stimulate the debate about corruption in education.

TI's chapter in Argentina, *Poder Ciudadano,* helped the Ministry of Education to increase transparency in the pre-contract phase of a large textbook procurement. *Poder Ciudadano* used three new instruments: consultative debates with publishing houses, an Integrity Pact and declarations of interest by committee members. The terms of the bidding contract were defined jointly and members with potential conflicts of interest were excluded from the selection committee. Though not all instruments were applied to their full potential, stakeholders felt that there was greater impartiality in the selection process, and that trust had been restored.

TI Bosnia and Herzegovina conducted an opinion poll among students at Bosnia's two main universities. Bribes for passing exams, and the buying and selling of diplomas were found to be the most common forms of corruption. Of particular concern to students was the compulsory purchase of textbooks written – or 'copy-and-pasted' – by their own professors and lecturers. A worrying conclusion from the survey's findings was that students appear resigned to the existence of corruption on campus. Almost half of respondents said that, if asked to pay a bribe, they would not report the offence.

A study by *Transparência Brasil* examined leakages in the distribution of funds from Brazil's federal budget to municipalities for the payment of teachers' salaries and training. The study finds that 13% of the total budget of the FUNDEF fund is lost to fraud during procurement, with some municipalities 'losing' up to 55% of their allocation. A major reason appears to be the lack of basic skills at the local administrative level. The councils tasked with monitoring the grants do not have the capacity or influence to do the job effectively.

TI Georgia describes an exemplary reform of the university admissions system. Higher education in Georgia was plagued by corruption until recently with students buying their admissions, grades and diplomas. A Law on Higher Education, adopted in 2004, introduced a Unified Admissions Exam administered by an independent body. *TI Georgia* monitored the first nationwide examinations under the new procedures in July 2005. The exams were found to be well organised and transparent, with almost no room for cheating, and

all stakeholders said they had been well informed in advance. The new system apparently has reinstated trust in the impartiality of the university admissions process.

The Special Report on Education by *Transparencia Mexicana* extracts education sector-related data from its biennial National Survey on Corruption and Good Governance, which records informal payments by households for 38 public services throughout Mexico's 32 federal states. The study reveals that households pay close to US$10 million for bribes to secure access to public education, which is legally free. Every household paid on average US$30 in kickbacks in 2003.

The *Professional Women's Support Group,* an affiliate of *TI Nepal,* examined the effectiveness of 23 NGO-run education programmes for child labourers around the capital, Kathmandu. Some 2.6 million Nepalese children are working, often as domestic workers or in carpet factories. NGOs provide non-formal education or direct scholarships to allow some of them to attend school. Though the survey found no evidence of corruption, there appear to be opportunities for fraud due to the lack of more thorough criteria for the target beneficiaries (more than 20% of beneficiaries interviewed turned out not to be child labourers at all), as well as lack of coordination between the many competing NGOs.

TI´s chapter in Nicaragua, *Grupo Etica y Transparencia* monitored six major school upgrade and repair projects by the Ministry of Education. The group compared the condition of the buildings after completion with the terms set out at the beginning and found evidence of various irregularities, including sub-standard building and overpricing. While the irregularities could not strictly be labelled 'corruption', they derived from the lack of systemic checks and balances that provide opportunities for corruption. The economic loss to the ministry was calculated at US$1,000,000. A major result of the project has been the change in attitude by public officials, who are now much more open to public scrutiny.

TI's chapter in Niger, the *Association Nationale de Lutte contre la Corruption,* conducted an opinion poll of students, parents and educators about the existence of corruption at secondary and higher education institutions in the capital, Niamey. Corruption was found to be rampant in education, especially during examination periods. However, respondents were inclined to tolerate corruption in education since the sums teachers and administrators asked for were considered 'reasonably' small. There was less tolerance for corruption in customs, the police or the judiciary where larger amounts are demanded. While poverty and low pay were found to facilitate corruption, the most important cause was identified as the lack of integrity of teachers and officials – a sig-

nal that poverty is not considered a justifiable excuse for corruption.

The *National Accountability Group,* TI's contact group in Sierra Leone, carried out an expenditure tracking survey in the Moyamba district. Almost no discrepancies were found between the amounts of school subsidies and teaching materials dispatched from the ministry, and the amounts ultimately received by schools. However, 70% of students interviewed claimed they did not receive materials – probably because central planning was based on flawed data about student numbers at individual schools. Some materials were allegedly on sale and not distributed for free. Delays in the disbursement of teacher salaries seem to exacerbate the problem.

TI Zambia monitored education expenditures in four districts close to the capital, Lusaka. Only minor irregularities were found, with all non-capital expenditures (running costs, materials) dispatched at ministry level reaching schools. The parent-teacher associations, responsible for managing school budgets, seem to be effective in monitoring expenditure because its members have a strong interest in the education of their children.

Conclusions

Taken together, the 10 studies present a panorama of the various forms that corruption in education takes. Preventing it requires interventions from different angles, and the combined efforts of policy makers, administrators, teachers, students and parents. The most salient conclusions from the studies presented here may be summarised as follows:

- Teachers play a crucial role. The Mexican survey reveals that teachers are considered the second most valuable institution in the fight against corruption, surpassed only by family. Dedicated teachers who embody values such as honesty and integrity can have a decisive influence on students' future attitudes and behaviour. The Niger survey demonstrates that even in a very poor country where corruption pervades all spheres of society, citizens consider teachers' integrity as the main factor behind their attitude towards corruption.

  However, the studies also show that arrears in salary payments and low pay in general negatively affect teachers' morale and commitment. According to the Sierra Leone study, "there is little incentive for educated people to become teachers, leaving sub-standard teachers in charge of large classes with the result that most pupils are barely literate when they leave school." The study from Zambia shows that a trained teacher would not be able to feed his or her family on the salary the government currently offers. This must change. A teaching workforce that is adequate-

ly paid, trained and respected will be less prone to abusing its position and more likely to transmit to future generations the crucial values of citizenship and integrity.

- Community participation in school management is valuable in that it increases ownership, but it needs to be complemented by capacity building to ensure that control is effective. The Zambia study suggests that local responsibility for school finances is an effective deterrent to the misappropriation of resources and corruption in general. More local ownership is also a recommendation of the Sierra Leone research group. Ultimately, only local communities, parents and students can tell if the materials received by schools are being appropriately used. However, community participation is only effective when its members have the necessary skills, knowledge and status to stand up to possibly fraudulent intents of public officials. In the Brazil study, the lack of monitoring skills at the local level was identified as the main reason behind the high incidence of irregularities in the FUNDEF programme.

- More must be done to raise public awareness of existing legislation. In many countries, anti-corruption laws and regulation have been in place for years, but citizens do not know about them - often because they are rarely applied. With no visible sanctions, people are inclined to believe that corruption cannot be resisted and therefore will not report it. This vicious circle is clear in the studies from Niger and Bosnia. In both, the respondents identified corruption as a widespread problem in education, but the Bosnians tended not to report it, and both Bosnians and Nigeriens admitted to ignorance of any anti-corruption laws.
More public pressure should be applied to judiciaries and governments to investigate and sanction episodes of corruption, and more public education is necessary to raise awareness of anti-corruption regulations. Citizens need to be encouraged to stand up and denounce corruption and to refuse to pay bribes or other illegitimate fees.

- Transparent, impartial monitoring by independent civil society organisations benefits school finances and increases trust in school administration. The Argentinean textbook selection process shows how publishers are willing to collaborate in creating a level playing-field for contractors. The monitoring of the new university admissions´ examination in Georgia demonstrated people's willingness to embrace anti-corruption solutions when offered. The Nicaragua schools repair project shows how constructive engagement between the ministry and civil society can motivate public officials into becoming more service-oriented and responsive.

We hope that *Stealing the Future: Corruption in the Classroom* will stimulate the debate on corruption in education, and that people from all countries join the fight against it.

Berlin, November 2005

Bettina Meier
TI International Secretariat

For further information, please go to TI's website on education at
http://www.transparency.org/global_priorities/education.html

Argentina
Procurement: A Textbook Case

Summary

In 2003, the Ministry of Education, Science and Technology (MEST) asked Poder Ciudadano (PC), TI's national chapter in Argentina, to assist in the procurement process of more than three million textbooks. The textbooks were to be distributed to all provinces, benefiting almost two million students. The request was due to complaints about the selection process in the initial phase of the textbook purchase. An agreement was subsequently signed between MEST and PC to introduce transparency measures, including open debates about terms of reference, conflict of interest guidelines and the signature of an Integrity Pact.

Context

Argentina's educational system is marked by vast inequalities that adversely affect access to, and the quality of, schooling for boys and girls.

The publication and distribution of textbooks is largely unregulated. There are no standard, compulsory textbooks at any level of education, either nationally or provincially. Schools are free to select the textbooks used in their classes so long as they are in line with the curricula. Thus, high levels of discretion exist for officials and educators in their selection of textbooks. Furthermore, there is a serious lack of information about which books schools actually use.

By 2002, MEST had not undertaken any national purchase of textbooks in at least 15 years. This implies that the ministry had no public policy regarding the deficient provision of school textbooks, above all to disadvantaged schools that could not afford to secure books on their own.

The General Procurement Regime (*régimen general de contrataciones del estado*) establishes competitive bidding as the only legal process for all public contracting. However, textbook purchase is an exception because the books are selected based on curriculum and academic requirements and therefore the procurement process cannot be entirely open. The same applies when the ministry procures goods with the financial support of lending agencies such as the Inter-American Development Bank (IDB). MEST's larger-scale purchases are therefore frequently made through direct purchase.

The loan agreements regulating the purchase of textbooks contain their own provisions. Although the agreements tend to acknowledge the value of public

contracting principles, such as efficiency, competition and transparency, the vulnerability in them is higher because the levels of permitted discretion are greater than in competitive, public bidding processes.

The present study explains why the large-scale purchase of textbooks undertaken by the MEST in 2002 failed and how it changed after PC became involved in 2003-2004 through the implementation of three tools aimed at ensuring a level playing-field for all publishing houses. It also provides an analysis in retrospect, carried out through focus group discussions with MEST officials and publishing houses in 2005.

The project and its findings

In 2002, the MEST launched a process to purchase school textbooks for primary education (*enseñanza general básica)* and secondary education *(nivel polimodal)* public schools in Buenos Aires and the provinces. More than three million books were to be purchased and distributed to 1,815,000 students under an initiative funded by the IDB under the Sub-programme of Scholarships for School Retention. The agreement under which the loan was granted established MEST as sole executor of the loan and stated its execution would be suspended in the event of any challenges during the purchase process.

The contracting method used was direct purchase. A National Advisory Committee (*Comisión Asesora Nacional* - CAN), consisting of 19 educational experts appointed by MEST, conducted a pre-selection of the textbooks on the basis of their suitability for the curricula. It then forwarded its recommendations to the Provincial Advisory Committees (*Comisión Asesora Provincial* - CAP) that were to make the final selection.

While the CAN was in the process of making its selection, a number of publishers voiced their objections to the evaluation criteria, alleged conflicts of interest among the experts involved and other irregularities.

Finally, they formally requested that the purchasing process be halted. The Minister suspended the final approval of pre-selected textbooks until the IDB Procurement Committee issued an opinion. The committee concluded: “The process has mixed up two elements: curriculum and academic selection on the one hand, and the direct purchase method on the other by requesting publishing companies to submit textbooks and their respective prices despite the fact that the prices were not included as selection and/or evaluation criteria.” The IDB recommended that the process be nullified.

In September 2003 the MEST started the process again having asked PC to help ensure the transparency of the process. The total amount of the purchase was

42 million pesos (US$14.5 million at the time), of which 37 million pesos originated from an IDB loan and 5 million pesos from the MEST.

In accordance with the IDB ruling, the academic-curriculum selection stage of the process was separated from the purchase and delivery of textbooks. A Memorandum of Understanding was signed between PC and the MEST in which both parties undertook to create a transparent climate in the textbook selection. Three major umbrella bodies of publishers, *Cámara Editoriales, Cámara Argentina del Libro* and *Cámara Argentina de Publicationes*, funded the project which introduced three main tools: an Integrity Pact, followed by two public debates with publishers and a system to manage potential conflicts of interests among CAN members.

The Integrity Pact (IP)

On 10 October 2003, the MEST and 48 publishing companies signed an IP that established new ground rules with the aim of eliminating any incentives or opportunities for bribery in the public contracting process.

The IP is aimed at lending credibility to the process in the eyes of the public by creating trust between bidders and government; discouraging corrupt practices by assuring bidders that others would also not undertake them; and by reducing the discretion of public officials responsible for decisions related to public contracting processes. Overall, the IP helps to create a level playing-field and introduces transparency to the process. Integrity Pacts have been developed by TI since the 1995 and have successfully been implemented in a number of countries.[1]

1 For further information on TI's Integrity Pacts please visit: http://www.transparency.org/integrity_pact/index.html

Integrity Pact between the Ministry of Education, Science and Technology and the publishing companies participating in the selection process for school textbooks[1]

Be it known to the national and international public opinion that the MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY and the publishing companies participating in the selection process for school textbooks agree to sign the foregoing INTEGRITY PACT, under which the following commitments are undertaken, in full accordance with Argentine legislation:

1. The participating companies and the MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY place importance on the selection of school textbooks taking place on a basis that is free, fair, competitive and not subject to abuse. These companies are pleased to confirm that a) they have not offered or granted, or attempted to offer or grant, and shall not offer or grant, either directly or indirectly, through agents or other third parties, any improper inducement or reward to any public official or consultant, their relations or business associates, in order to obtain or retain any improper advantage in connection with the selection process; b) they have not entered into any agreement or colluded, and shall not enter into any agreement or collude with others in order to have a detrimental effect on any competitor and/or to unduly limit competition for this selection process; c) they shall not offer any gift, commission, recognition or reward of any kind to any public official that, either directly or indirectly, could have an effect on the execution of the selection process; and d) they agree to participate in the 'GROUP DISCUSSION ON THE CRITERIA AND CONDITIONS FOR DIRECT CONTRACTING', during which they shall provide observations as to the various aspects of each criterion and shall contribute to ensuring objective conditions for the selection criteria.

1 The text is a free translation of the document "*Pacto de integridad entre el Ministerio de Educación, Ciencia y Tecnología y las empresas editoriales participantes en el proceso de selección de textos escolares*", signed by the MEST, publishing houses and Poder Ciudadano in October 2003.

2. For their part, the public officials or consultants of the MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY further confirm that they have not demanded or accepted, nor shall they demand or accept, either directly or through third parties, any payment or other favour from participating publishing companies in exchange for giving any of the participants in the selection process an advantage over any other. Furthermore, they undertake to convene the meeting, which shall be coordinated by the FUNDACIÓN PODER CIUDADANO - TRANSPARENCY INTERNATIONAL'S NATIONAL CHAPTER IN ARGENTINA. For the aforementioned event, the MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY undertakes to place at the participants' disposal all information relating to the process in order to set the stage for an informed discussion.

3. This agreement is presented in the name and on behalf of the Presidents/General Managers of the bidding companies. Those that are participating in the form of a temporary partnership or consortium are hereby signing the foregoing Pact in the name and on behalf of each of the Presidents/General Managers of the associated companies.

4. The international companies that participate in this bidding process are entering into the foregoing agreement in the name and on behalf of the President/General Manager of the company's headquarters and this agreement extends to the managers and employees of any subsidiary group located in the ARGENTINE REPUBLIC, in the event one exists.

In witness whereof, this agreement was signed in the CITY OF BUENOS AIRES, on the tenth day of October in the year 2003.

On behalf of the Ministry of Education, Science and Technology:

On behalf of participating publishing companies:

On behalf of Poder Ciudadano – Transparency International's National Chapter in Argentina:

Public discussion on selection criteria and bidding documents

On 22 October 2003, 65 publishing houses and associations interested in the purchase responded to an invitation from the MEST to take part in a debate on criteria for textbook selection. PC prepared a review and drafted criteria for discussion by the group. Publishers and representatives of publishing industry associations took the opportunity to voice their opinions regarding the draft criteria. Several conditions in the original draft criteria were reformulated as a consequence.

Similarly a consultative meeting on the bidding documents, attended by 68 participants, was held on 21 November 2003. On that occasion, issues relating to the submission and eligibility of offers, the contract award and contract implementation (including the delivery and features of the textbooks to be provided) were discussed.

Managing conflicts of interest

In light of the previous year's objections regarding the composition of the advisory committee, PC proposed to MEST that it put in place a transparent process selecting the CAN members. To this end, a system was established that included identifying potential conflicts of interest among CAN members in charge of recommending textbooks to provinces. To ensure impartiality, each CAN member was required to complete a statement in which the following information was recorded: academic background, previous research, teaching experience, public offices held, positions held in the private sector, publications, professional or shareholder relationships with publishing companies, and royalties received. All 19 CAN members completed the declaration, but not all CAP members. Their statements were posted on the official website of the ministry (www.educacion.gov.ar) and made available to publishers.

In addition, the MEST issued guidelines to help determine conflicts of interest that would justify the temporary exclusion of a CAN member. This might be the case where, for example, a CAN member was author of a book, or of parts of a book, or enjoyed an ongoing contractual relationship with one or more publishing houses.

Renzo Leupolz-Rizt, 14 years

Following publication of the statements, publishers submitted a series of remarks relating to the provisional list of CAN members. Based on this assessment, the MEST decided to exclude half of the 19 CAN members entirely, or in part (that is, for certain textbooks or levels of education). The CAPs followed the same procedure but, in their case, the publishing houses made no remarks.

Conclusions

The transparency tools that PC introduced contributed to streamlining the process and ensuring transparency in the selection of school textbooks. Both the publishers and the ministry benefited from this since the new ground rules enabled a process of diversification:

- 48 publishing houses participated in the textbook procurement process, submitting a total of 631 textbooks for both primary and secondary schools
- Of these, the CAN recommended more than half; 20% were not recommended; and almost 30% were found not to match the conditions established under the terms of reference
- Of the total number of publishers, half had at least one textbook selected. The two publishers that had most books selected accounted for 15.3% and 14.7% of the total, respectively.

Although no comparisons can be made with previous years, the findings show that the process enabled a large number of publishing houses to benefit from the purchase.

Recommendations

To document the lessons learned from the 2003 textbook procurement process, PC held three focus-group sessions in July 2005 with:

- MEST officials involved in the process
- Publishing houses that benefited most from the selection process
- Publishing houses that benefited least from the selection process

The discussions revealed the following strengths of the process with regard to the three basic principles of public contracting:

- Competition: a larger number of bidders participated in a process that offered basic guarantees under the Integrity Pact
- Efficiency: the participation of a great number of interested publishers encouraged the selection of products of the highest quality and closest to the definition of needs
- Transparency: the discussions surrounding the parameters for selection

were open and public, and coordinated by a party (PC) independent of the decision-making body. Thus, biased decisions in the CAN could be avoided.

With respect to shortcomings, the primary shortfall was the lack of definition of some aspects of the process, including:

- Lack of sanctions established under the Integrity Pact
- Certain decisions by the CAN and PC regarding selection of texts
- Delays by the provincial bodies

Moreover, the excessive rigour of the declaration of interest led to the exclusion from the CAN and the CAP of some highly qualified experts.

Difficulties were also encountered with the MEST Legal Division, which opposed the idea of an arbitrator and the sanctions established under the IP, explaining that existing regulations were sufficient to adjudicate such cases as they arose. The Pact contained commitments by both sides not to receive or offer, directly or indirectly, bribes or gifts, and not to conspire with other bidders to frustrate another bidder, or to improperly restrict the competence of the bidding procedure. In view of its refusal to sign an IP that superseded local regulatory standards, the MEST ultimately signed an IP without the clause corresponding to the arbitrator and his attributions.

Finally, the absence from the selection process of other stakeholders, notably practicing instructors and teachers, was highlighted.

The most salient opportunity that was mentioned during the focus group discussions was the possibility of replicating the procedure in future purchases by the MEST since the stakeholders had taken note and were beginning to adopt the procedures themselves.

The main threats to the process were the lack of general rules providing a framework for it and the uncertain availability of resources for future school textbook purchases. Both work against the process becoming a MEST public policy. This is compounded by the urgency and short duration of the planning period, which hinders the application of all tools as needed. Finally, the absence of regulations governing the process makes it highly dependent on the political will of the administration holding office.

In conclusion, PC recommends that transparent processes be created at federal level, and that both private sector and educators be integrated into them. Ideally, high levels of predictability should prevail in the procurement process over the long term, enabling future initiatives to be planned a few years ahead.

Author: Pilar Arcidiacano
For further information: http://www.poderciudadano.org

Bosnia and Herzegovina

A 'Copy-and-Paste' Approach to University Success

Summary

Transparency International Bosnia and Herzegovina (TI-BiH) conducted opinion polls at two of the country´s biggest universities, the University of Banja Luka and the University of Sarajevo. The objective was to gauge attitudes to the scale of corruption in the universities, the ways in which it manifests itself, and the willingness of students both to report it or take the necessary steps to prevent it. The two polls were carried out in summer 2004, and spring 2005, in Banja Luka and Sarajevo, respectively.

Context

After the Dayton Peace Agreement in 1995, Bosnia and Herzegovina was divided into two first-order administrative divisions and one internationally supervised district (Brcko District). While the national government has responsibility for foreign and fiscal policy, the Bosniak/Croat Federation and the Bosnian Serb-led Republika Srpska have their own distinct constitutions and are charged with overseeing most government functions.

Since the end of the 1992-95 civil war, Bosnia and Herzegovina has adopted various administrative measures in the context of a long-term strategy of economic and political transition. A significant part of this strategy has been reform of the education system. Among the first group of measures was the ratification in January 2004 of the Lisbon Convention, which provides guidelines for the standardisation of admissions and qualifications in higher education. Bosnia and Herzegovina also signed the Bologna Declaration at the Berlin Summit in September 2003, pledging to become part of the European higher education system based on a common framework.

Unfortunately, as with many other recent reforms, the commitment to higher education reform is more declarative than concrete. In common with other transitional countries, Bosnia and Herzegovina suffers from a lack of quality assurance and critical analysis, underdeveloped research, an absence of evaluation and monitoring mechanisms, non-existent services to support reforms, and a lack of leadership and strategic management. Along with such typical characteristics as a weak economy and distorted social values, all the above circumstances work in favour of corruption, including in higher education.

Some of these issues were addressed in the 2004 Ministry of Education and Culture Audit Report, conducted by the Supreme Office for the Republika Srpska Public Sector Auditing. It found that the ministry had no functional internal audit, no mechanism for internal control, little respect for public procurement law, unsufficient record of financial expenditure and few documentation on donations or credit. This is despite the ratifications made to legislation since 2003, notably a New Universities Law, specific to the Republika Srpska, and state-level amendments to the Criminal Law that contain clauses specific to corruption.

In 2001, the youth group *Milenijum*,[1] an NGO in the Srbac municipalities of northern Bosnia and Herzegovina, launched an anti-corruption initiative in universities with support from various intergovernmental and non-governmental organisations, as well as national and local government. Since August 2003, activists from *Milenijum* have also been working with TI BiH, whose Advocacy and Legal Advice Centre in Banja Luka (Republica Srpska) has been a contact point for students concerned with corruption since its inception.

Against this background, TI-BiH decided in 2004 to launch a long-term Ethics Promotion Programme, focusing on corruption in the education sector, which also includes formal and informal education against corruption. The programme works with universities, municipalities, secondary schools and youth NGOs in Bosnia and Herzegovina, and other South Eastern European countries.

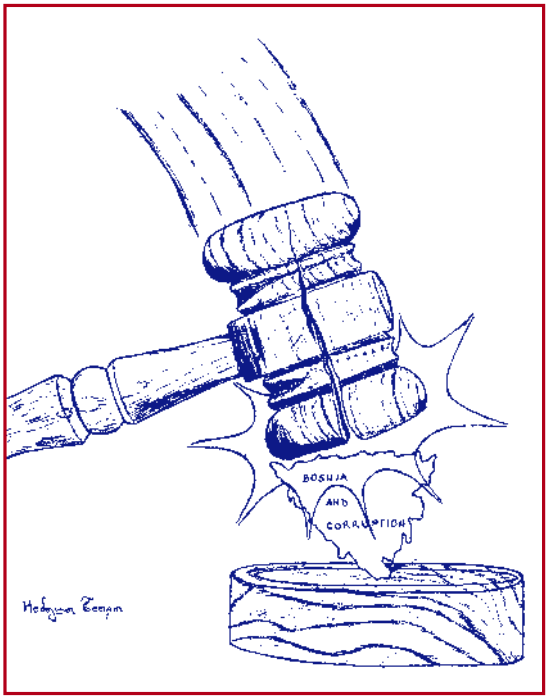
As a first step, TI-BiH decided to analyse public perceptions of corruption in the higher education system with a view to increasing awareness of the issue. To this effect, the present surveys were carried out at the two major universities. Particular attention was given to bribery and nepotism in the admissions and qualification process.

The project and its findings

Twenty volunteers from the Students' Union and various faculties at the Universities of Banja Luka and Sarajevo carried out two surveys over a period of 10 days each in summer 2004 and spring 2005, respectively. The Banja Luka poll was conducted in cooperation with the Student Union in the Law Faculty and included students from all Banja Luka faculties. A total of 299 interviews were held in the form of seminar groups and voluntary individual in-

1 Further information about the youth group *Milenijum* can be found at: www.milenijum-youth.org.

terviews. At the University of Sarajevo, 500 students were interviewed in similar formats using the same questionnaire.



Stamping out Corruption

At both universities, more than 60% of those surveyed replied that corruption did exist at their institution. Most of the examples given referred to the paying or receiving of bribes during qualifying exams. Cases of nepotism were also reported. Such cases tended to involve students being given favour over others, either as a result of family ties to professors or because of the political or financial power of their parents and other relatives. Other indirect forms of corruption were also disclosed, such as the obligation to buy books written by specific authors, usually students' lecturers.

At Banja Luka University, the survey illustrated that 11.4% of students had encountered corruption directly and 56.5% had heard of it affecting their colleagues. Although the amended Criminal Law punishes the giving or taking of a bribe with up to five years imprisonment,[2] alarmingly 42.1% of respondents said they would not report the incident if they were asked to pay a bribe. It was also interesting that 53.2% of students said they "would not react" even if faced with concrete evidence of corruption. In the students´ opinion, none of the faculties was free from corruption, but the highest levels could be found in the faculties of medicine, law and mechanical engineering.

2 Criminal Code of Bosnia and Herzegovina, 2003.

Key findings can be summarised in the following charts:

Table 1:

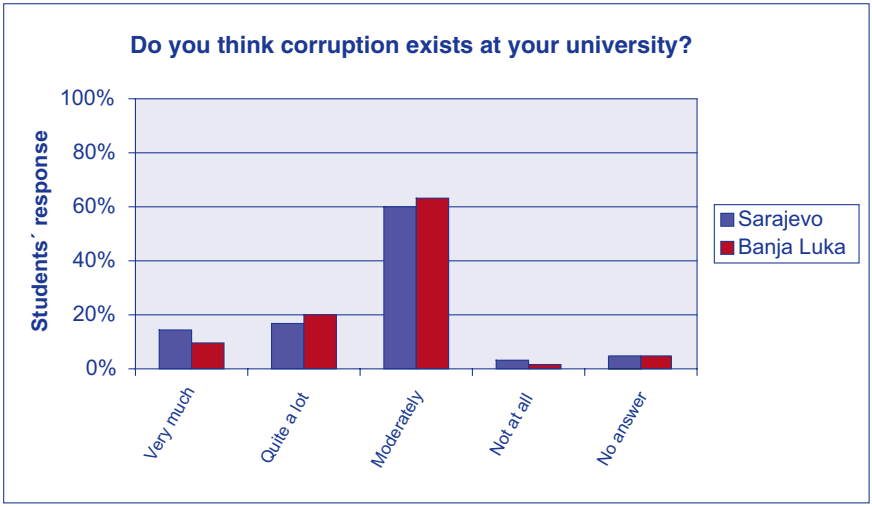
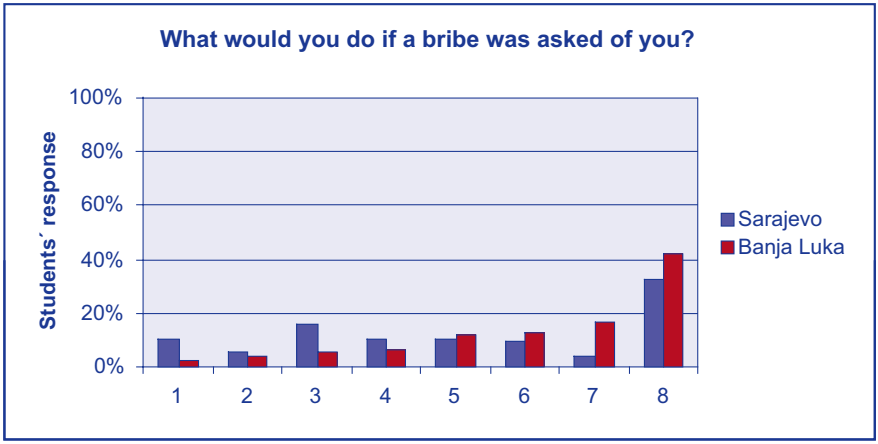


Table 2:



1) I would give the bribe
2) I would report it to the police or prosecutor
3) I would report it to the Deans´ Office
4) I would report it to the Students´ Association
5) I would report it to the media
6) I would report it to the Ministry of Education
7) I would report it to Transparency International
8) I would not react

One example of corruption that frequently came up in conversations with students was the 'copy-and-paste' method. It was revealed that professors publish 'new' textbooks every year or two that are identical in content to ones published before, but students are obliged to buy the material again if they are to qualify for the exam. Other professors alledgedly 'copy-and-paste' material from the books of other academics and sell it as if it were their own. There are many professors in Republika Srpska who are reportedly reliant on the method. This explains why 72% of those questioned in the Banja Luka survey identified the obligatory buying of literature as one of the most frequent forms of academic corruption.

Conclusions

It became apparent during TI-BiH's Ethics Promotion Programme that corruption is still rife in Bosnia and Herzegovina's higher education system in spite of the amended legislation. Students' perceptions of the problem vary considerably, which may be one reason why the new legislation has had so little effect. Perhaps the most worrying conclusion to be drawn from the surveys' findings is that students appear to accept the existence of corruption. Though many expressed their concern with the problem, few were prepared to do anything about it.

The most frequent form of corruption cited in the two surveys was the paying of bribes to pass exams. The buying and selling of diplomas was also an area of concern, with 65.4% of students in Banja Luka calling it "one of the most frequent examples of corruption at university". When asked what they would do if asked for a bribe, the overwhelming majority, particularly in Sarajevo, said they would do little despite having concrete proof of corruption. This indicates either a sustained lack of interest in the problem or, more likely, a lack of trust that the university authorities would do anything about it. Either students do not have faith in the new systems and complaints mechanisms, or they are not yet fully aware of the new laws.

Impact and recommendations

The results of the research were presented on 30 June 2004 at a public debate in the Law Faculty of the University of Banja Luka, attended by the Rector of the University, deans of faculties, representatives of the prosecutor´s office and student organisations, university professors and the media. The Rector stressed the significance of the fight against corruption in the context of the integration of South Eastern Europe into the EU. The subsequent debate indicated a willingness by professors, students and the public to talk about corruption in higher education, but there was a clear indication that awareness needs to be accompanied by visible law enforcement if it is to be effective in tackling corruption. Although universities currently forbid the selling of "compulsory literature", the practice will continue until rectors are granted the power to enforce the rule.

Presenting the findings: 30 June 2004

The debate highlighted the consequences of corruption in education for society in general, notably the promotion of under-qualified personnel to responsibilities they are quite unable to fulfill. However, it was pointed out that corruption is notoriously difficult to prove, particularly in the academic world where guilt is likely to depend on the difference between the word of a professor and the word of a student.

Anti-corruption awareness should be an integrated part of the educational system in order to develop an individual´s understanding of personal rights and responsibilities. This is particularly important in universities and secondary schools where the building of human resources is a vital ingredient in the pursuit of a better future. However, close collaboration will be required with cur-

riculum development specialists to devise educational materials that are compatible. Related subjects, such as civic studies, could be restructured to accommodate subjects such as ethics and good citizenship. Although it is clear that visible law enforcement is necessary, it is crucial that students are also made aware of their rights. In future, it is hoped that the fight against corruption will rely less on external controls and deterrents and more on the self-discipline and self-motivation developed through strong ethical values. TI-BiH, with the support of student organisations and the general public, will continue to lobby for the integration of anti-corruption into the higher education syllabus.

Author: Darijo Lazic

For further information: www.ti-bih.org

Brazil

The Hidden Cost of Decentralised Education

Summary

FUNDEF (Fund for Development and Maintenance of Elementary Teaching and Teacher Profession Improvement)[1] is a redistribution scheme that channels resources from Brazil's federal budget to municipalities so they can pay the salaries and training of teachers in public elementary schools. This study analyses irregularities found by the Inspector General's Office *(Controladoria Geral da União,* or CGU) when auditing FUNDEF and tries to estimate the percentage of resources misused.

It finds that some 13% of FUNDEF's total budget is lost to fraud during procurement with some municipalities losing up to 55% of their FUNDEF allocation. Community councils with a crucial role to play in administering FUNDEF resources are powerless in the face of local authorities, while many municipalities lack the knowledge and skills to effectively monitor the funds.

Context

In such a vast and diverse country as Brazil, access to primary education is not equally guaranteed. Large regional and local inequalities exist in terms of the resources available, impacting on the quality and equity of primary education.

In 1996, the federal government established FUNDEF with the aim of redistributing to states and municipalities the funds needed to pay for teacher training and salaries in public elementary schools. In 2003, the total amount disbursed under FUNDEF amounted to R$28 billion (US$10.37 billion). According to a schedule announced in advance, FUNDEF resources are regularly deposited in a specific account. This mechanism is intended to enhance the planning capability of the states and municipalities, and to facilitate inspection of how the public authorities used them. Councils of representatives from civil society were created at different governmental levels for the purpose of monitoring how funds were spent.

A number of studies have demonstrated the success of FUNDEF in fulfilling its macro objectives, such as the greater inclusion of children in schools, decentralisation of education, and increases in both teachers' salaries and the

1 *Fundo de Manutenção e Desenvolvimento do Ensino Fundamental e de Valorização do Magistério*

quality of their teaching. However, other studies indicate continuing weaknesses, such as uncertainty as to how much the federal authority will pay and the greater occurrence of fraud in poorer municipalities. Several cases have been reported of poor administration of FUNDEF resources and the Congressional Inquiry Commissions have investigated cases of misuse of FUNDEF funds in many municipalities.[2]

Flavia Yn´sa Rivas

In 2003 the CGU initiated a programme of random audits in municipalities across the country in order to assess the use of FUNDEF resources and other transfers from the federal budget. However, comprehensive analysis of the results of the audits was never undertaken. It was against this background that Transparência Brasil (TBrasil), together with the CGU, initiated this project with the purpose of examining in detail the results of the audits conducted in municipalities with low Human Development Indexes.

The CGU provided TBrasil with the reports and audit results made over a 12-month period in more than 500 poor municipalities. Between them, they received a total of R$165 million (US$61 million) from FUNDEF between 2001-2003. The sample constitutes approximately 10% of Brazil's 5,654 municipalities.

2 In 2005, there were 26 news stories about the misuse of FUNDEF resources in the Brazilian press. See www.deunojornal.org.br/busca.php?assunto=463

The study is particularly relevant in the light of a recent expansion of FUNDEF. In 2004, the federal government decided to extend the programme to include all basic education from early childhood to secondary education under a new fund called FUNDEB (Fund for Development and Maintenance of Basic Education). This fund will represent a high percentage of total revenues for many municipalities. The transparency and efficiency of the administration of these resources will, therefore, be even more important.

The project fits into TBrasil's goal of raising public awareness about corruption and mismanagement in public institutions by disseminating analysis and information.

The project and its findings

Only federal transfers were analysed for the project because the CGU is not empowered to audit state and municipal funds. The analysis covered 67 municipalities in the states of Bahia (22), Maranhão (14), Pará (15) and Piauí (16) that receive federal subsidies to finance local education. Mostly rural and far from the states' metropolitan centres, these municipalities are among the poorest in Brazil. They were selected using poverty indicators such as the Human Development Index, and levels of urbanisation and income distribution.

The table below shows the most common irregularities and the percentage of municipalities in which those irregularities were observed.

Table 1: Main irregularities observed

Irregularities	Percentage of municipalities where the irregularity was observed
The community council created to supervise the funds' administration does not work properly or is controlled by the mayor (the authority that the council should inspect)	73%
Embezzlement (or evidence of embezzlement) of resources by means of fraud (false fiscal documents, goods bought but not received by schools, purchases at prices above market value, etc)	63%
Use of funds in expenditures not characterised as basic education	60%
Bad organisation of financial resource management (poor accounting, emission of checks with no funds, withdrawal of resources from the bank account in cash, etc)	52%
Evidence of fraud in public procurement	43%

There are many irregularities that seriously harm the quality and efficiency of the FUNDEF programme, and they are spread across almost all the municipalities in the sample. In 8% of the municipalities, more than 50% of FUNDEF resources disappeared. Only 1% of the sample presented no irregularities at all.

This diagnosis is confirmed in Table 2, which analyses the ways in which the money was lost. The irregularities observed in all audited municipalities represent 13% of FUNDEF's total funding to the sample. Fraud in public procurement is the area subject to the greatest embezzlement of funds.

Table 2:

Percentage of the total amount of FUNDEF resources received by the municipality that was embezzled by type of irregularity

Irregularity	Mean	Max.	Min
Evidence of fraud in procurement	13%	55%	1%
Embezzlement (or evidence of embezzlement) of resources by means of fraud (false fiscal documents, goods bought but not received by schools, purchases at prices above market value, etc)	12%	45%	0.2%
Embezzlement of funds earmarked to pay teachers (money received by persons who were not teachers, fraud in the hiring of teacher training courses, illegal hiring of teachers, etc)	11%	42%	0.3%
Illegal payment of teachers and other workers ('ghosts', illegal gratifications, etc)	3%	6%	0.1%
Use of funds in expenditures not characterised as basic education	3%	12%	0.04%
Average for all irregularities	13%		

Results and recommendations

The main conclusions and recommendations are:

- Community councils are unable to pressure local authorities into making a sound and honest management of FUNDEF resources. It is necessary either to establish another supervisory body or to impose sanctions on councils' members who do not carry out their duties.

- Poor municipalities do not have the human resources capable of executing simple tasks, such as complying with federal legislation when buying goods and services, maintaining bookkeeping systems or creating logistical systems to store and distribute goods intended for schools. One way to do this would be to allow state governments to provide municipal governments with an electronic system for services and goods purchased.
- The Ministry of Education responsible for FUNDEF at the federal level is unwilling to deal with citizens' complaints made through an 0800 line. It simply passes on information about alleged irregularities to the federal and state prosecution agencies, or the state audit authorities. The ministry must take a more proactive role, working together with prosecutors and state auditors to increase the likelihood of punishment for those engaging in illegal acts. Careful analysis and mapping of complaints, the training of prosecutors in how FUNDEF works and the design of a more effective anti-fraud strategy are some initiatives the Ministry of Education should consider.
- Federal electoral legislation is excessively indulgent of politicians convicted for corruption. A change in the legislation to prevent corrupt politicians from applying for re-election or for any another government appointment would remove from municipal administrations many individuals responsible for fraud in FUNDEF and other programmes.

The release of the study's findings attracted a great deal of media attention. In an interview with the daily *O Globo*, the Secretary of Basic Education in the Ministry of Education rejected the report's accusations and denied it was guilty of not taking disciplinary action against fraud. He also said that the ministry was in no position to perform an audit function due to lack of personnel.[3] However, TBrasil is determined to continue shedding light on processes vulnerable to corruption and intends to apply the same kind of analysis made in this study to other federal programmes.

Author: Transparência Brasil

For further information: www.transparência.org.br

3 *O Globo*, 12 January 2004.

Georgia

A New Beginning for Georgia's University Admissions

"I do not believe that it is possible to eradicate corruption in Georgia's higher education. It has been there for so long and we have gotten used to it. But looking at this new exam methodology and how it is being implemented, I start thinking that there can actually be a fair admission process."
Kutaisi, a parent

Summary

In 2004 the Georgian parliament adopted the Law on Higher Education, which replaced university-based admissions exams with a Unified Admissions Exam (UAE) administered by the independent National Assessment and Examinations Centre (NAEC). In July 2005, the UAE was held in 14 examination sites throughout the country.

To assess the transparency of the new process TI Georgia conducted a monitoring project from 1 May to 25 August 2005. TI Georgia monitors were present during the exam at all 14 sites for the first two days of the examination process on 11 and 12 July. The NAEC and the Ministry of Education were found to have invested significant effort into informing university entrants, parents, teachers and exam administrators about the new examination process. The examinations were well organised and transparent, and the appeal process was meticulously planned and objective.

Context

TI's Corruption Perception Index 2004 listed Georgia among 60 countries suffering from serious corruption. The 'Rose Revolution' of November 2003, which erupted after the government attempted to falsify the results of the elections, was the culmination of dissatisfaction with its failure to overcome the country's overwhelming corruption. The government that came to power after the Rose Revolution declared that the fight against corruption was one of its central priorities. The education sector, where corruption had previously been widespread, was among the first sectors to be targeted for reform.

The higher education system in Georgia has traditionally been plagued by corruption. Until 2004, students were able to purchase not only their university admission, but also passing grades and eventually a diploma. Individual universities administered their own admissions exams. Admissions bodies, com-

posed of university lecturers, would sit in on oral exams and grade written papers. No independent observers were allowed to monitor the process.

Previously, there were two ways of obtaining a university place. The first involved students in their final year taking private classes offered by the same lecturers who sat on the admissions body at his or her chosen university faculty. The second required the parents of a university applicant simply to bribe the admissions body before the entrance exams. In both instances students' would be "fed" pre-agreed questions in the oral exam and given advance warning of the subjects in the written exam.

Corruption in Georgia's education system is commonly associated with Soviet and post-Soviet styles of governance and was partly the result of the low salaries paid to administrators and teachers. There is now a strong desire to return to an educational system that commands respect and truly facilitates future employment prospects. It was in this context that parliament adopted a new Law on Higher Education in 2004.

The Law targets specific reforms in the higher education system:

- Improvements in administration and governance at all levels (including removing elements of corruption lingering from the previous system)
- Decentralisation to address the diversity of local needs, and promote fiscal and administrative accountability
- In-service training for teachers and administrators to reform instruction
- Parent education to encourage community engagement
- On-going student assessment and programme evaluation for multi-level accountability
- Standardisation in testing toward grade promotion, 11th grade graduation and university admission

In 1999 the Ministry of Education began to implement the Georgian Educa-

tion System Realignment and Strengthening Programme, funded by the World Bank. As part of the programme, the National Assessment and Examination Centre (NAEC) was established in July 2002 to develop new exams for university admission that guarantee objectivity in selecting entrants and reduced corruption. In 2005, for the first time 31,174 applicants sat the new UAE, which consists of three mandatory exams and one optional exam, all administered nationwide.

TI Georgia acts as a source of information on corruption reform in Georgia and helps the government facilitate reform in sectors where corruption exists. For this project, TI Georgia worked in partnership with NAEC and the Ministry of Education to ensure the success and further refinement of the new university admissions process.

The project and its findings

"The Ministry of Education took a big risk when it decided to change the admissions system so drastically, but the risk was worth it. This was an important first step in the right direction. I am glad I was a part of it."
Administrator, Ozurgeti testing centre

A key aim of TI Georgia's UAE Monitoring Programme was to provide an objective overview of the administration of the UAE in order to relay to the public an independent assessment of the openness and validity of the process.

Assessment of the UAE was based upon three criteria:

- Background research, consisting of analysis and meetings with NAEC staff, Ministry of Education officials and American Councils for International Education (ACCELS)[1] staff
- Analysis by monitors of testing procedures and their implementation at testing sites
- An opinion poll questioning test administrators, parents and student test-takers

In addition to interviews with NAEC and ACCELS staff, and the assessment of written materials, background research included monitoring the UAE general rehearsal. This took place on 8 May 2005 at a university in Batumi and was designed to test the practical viability of the new exam procedures and con-

1 ACCELS is an international, non-profit organisation working to advance education, research and mutual understanding across the United States and the nations of Eastern Europe, Eurasia and South Eastern Europe.

tent before they were applied across the nation. More than 1,000 students in Batumi participated in the rehearsal, taking a written test in accordance with the official UAE procedures.

Presenting the findings

Monitoring the testing process involved stationing two monitors at each of the 14 test sites for the first and second day of the examinations. The Georgian Language and Literature exam, a requirement for admission to university, was offered four times at each site during the two days.

Monitors were stationed inside and outside testing centers, and were responsible for monitoring both the examination (from check-in to the sealing and return of envelopes to the NAEC grading centre), and the extent to which parents and students were informed about the new procedures prior to examination day. The latter was achieved by conducting a survey among the parents and students gathered outside the examination centre.

TI Georgia carried out three separate surveys with a total of 973 students, 764 parents and 340 administrators across Georgia. Parents were interviewed outside the testing site while their children sat the exam inside. TI Georgia monitors interviewed test-takers as they exited the test centre. Only students who volunteered to be interviewed were included in the survey.

A large majority of respondents (80% of students, 79% of parents and 96% of administrators) felt confident that the new process would eliminate corruption in university admissions.

Interestingly, only 19.5% of students made use of a special information hotline that was put in place in Tbilisi.

The monitoring of the new system illustrated the degree of planning that had gone into the first sitting of the UAE, further limiting opportunities for corruption. Some examples of the new procedures were:

- Test-takers were seated randomly inside the test centre
- Multiple versions of tests were created
- Names of test-takers were not included on test papers
- Identities of graders were thoroughly protected before, during and after the grading process.
- Video monitors were placed in every testing room, allowing live transmission to parents and other observers outside the centres

The registration procedures also proved effective. Students registered in advance and received direct confirmation that included their personal testing schedule and location, and their photographic identification. The NAEC retained a copy of this information and required each student to produce registration documents and identification on the day of examination. No student was admitted without the necessary documentation.

Table 1:

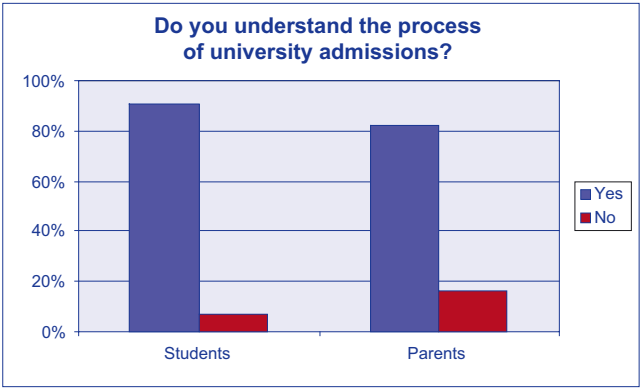


Table 2:

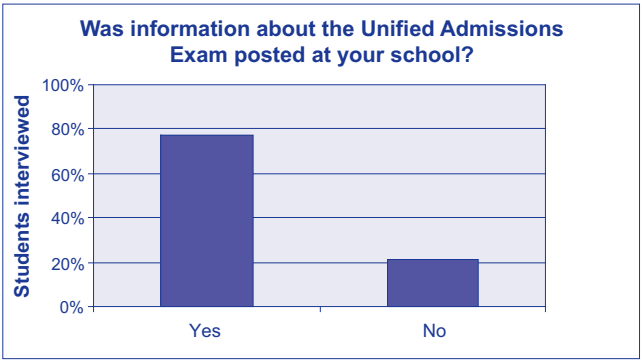
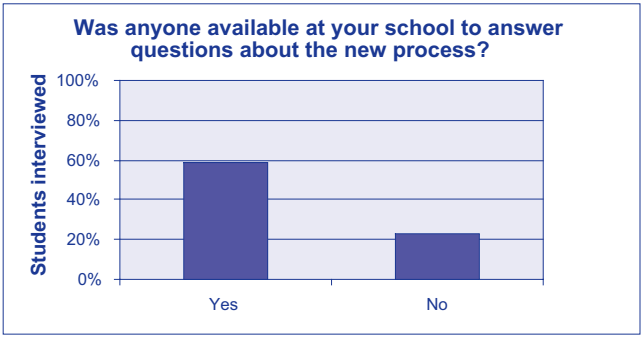


Table 3:



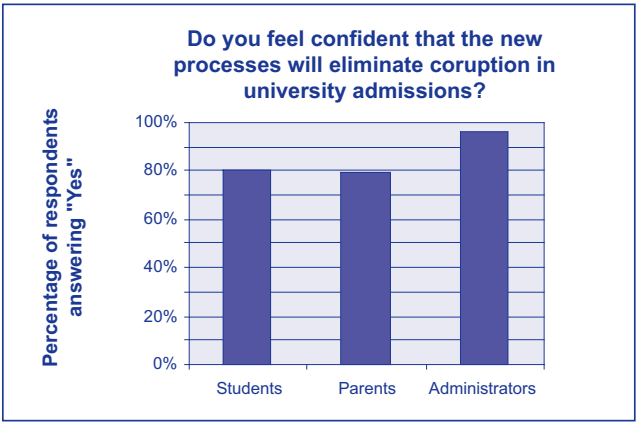
The overwhelming majority of students and parents had a good understanding of the new process. Overall, the new admissions procedure is a dramatic improvement on the previous system. Access to information, though in need of minor improvement, was implemented effectively throughout the country. Some parents indicated that they did not have sufficient access to information prior to the examinations, but this problem was restricted to regions where internet access and electricity are unreliable.

TI Georgia's public opinion survey determined that students, parents and administrators were satisfied with the new test-taking process. The most frequently expressed concern related to the transparency of the grading process. Previously, because the admissions exams were partly oral, grading could not easily be documented or disputed. Now, all grading is carried out in NAEC's grading centre in Tbilisi, the capital. Some exams were electronically checked, while others required both electronic and manual grading.

Because exam papers contained no personal information through which to identify the test-taker, the opportunity to bribe graders was non-existent.[2] Exams that required manual grading were marked separately by two independent graders. The only recommendation TI Georgia gives to NAEC regarding the grading procedures is to better inform the public about the process. This will further reduce suspicion and increase public confidence in the final exam results.

2 The only way corruption in this area could have been undetectable by TI monitors was if the grader had access to bar-code information, which was almost certainly impossible.

Table 4:



Administration of the UAE is rightfully regarded as one of the most successful reform initiatives of the Ministry of Education and the new government. The involvement of TI Georgia's monitors and the significant public interest in the UAE clearly contributed to this success. The UAE was partly funded by the World Bank and partly by the Georgian government.

Impact and recommendations

"Everything went so well that I cannot even believe that it is happening in reality. It is just too hard to believe that, after all of those years when everything in the universities was up for sale, we are now being able to earn something with our knowledge, instead of our parents finances."
Test-taker, Telavi testing center

The findings were originally distributed to the public at a press conference in TI Georgia´s Tbilisi office on 15 July 2005, and subsequently to the NAEC and the Ministry of Education.

Monitoring the new UAE directly benefited the following groups:

- Exam participants - by guaranteeing an independent evaluation of the fairness and objectivity of the UAE, and the transparency of the examination process
- NAEC – by providing it with an independent assessment of the new exam procedures, which it used to adjust and improve the process for next year
- Ministry of Education – by bolstering public confidence in the credi-

bility of education sector reform through an independent evaluation of the transparency of the new examination procedures

The success of the new admissions procedure was important not only in the fight against corruption in the education sector, but also because it demonstrated that Georgia is capable of administering an impartial competition on a national scale. Now that Georgia is attempting to reform its civil service, election administration and other important elements of civil society, it is crucial that the transparent procedures applied to the university admissions system become a model for reforming other fields plagued by corruption.

Authors: Tamuna Karosadnize and Camrin Christensen

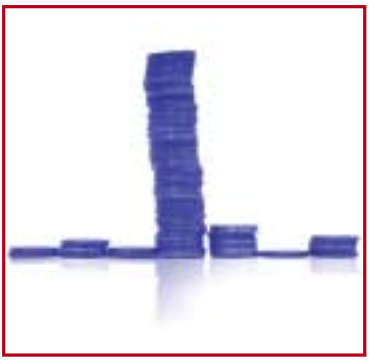
The survey results and press release are available on TI Georgia´s website: www.transparency.ge

Mexico

The Price of a Place in School

Summary

With a view to highlighting the provision of public education and the role corruption plays in it, Transparencia Mexicana (TM) conducted a Special Report on Education as part of its biennial National Survey on Corruption and Good Governance (ENCBG).[1] The project entailed research of the issue and the design of a publication detailing the number of acts of corruption *(mordidas)*[2] reported in each of Mexico´s 32 federal states, as well as the sum of such payments made in exchange for education services. It also provides information on acts of corruption reported in other public services and the opinions of heads of households as to the role of education in curbing such acts. The report enables administrators, parent associations and teachers to determine the extent of corruption in their respective state and to map out their specific responsibilities and competencies.



Context

For Mexicans, education is an important element in the fight against corruption. According to TM's ENCBG, schools are considered the second most valuable institution in the fight against corruption, surpassed only by the family. In 2003, seven out of 10 Mexicans said that large-scale education campaigns could significantly help fight corruption.

1 The *Encuesta Nacional de Corrupción y Buen Gobierno* (ENCBG) records the instances of corruption experienced by households nationwide in receiving 38 public services provided by the federal, state and municipal governments, as well as by the private sector. The study has been conducted on two occasions, in 2001 and 2003. A record of such instances enables the impact of corruption to be gauged on the basis of frequency and costs reported by the users of each public service provided.

2 *Mordida* is defined in the Dictionary of the Spanish Royal Academy as a "benefit or sum of money received from a private party by a public official or employee, constituting an act of malfeasance of office".

The Mexican Education System (SEM) has been decentralised since 1992 when responsibility for administrating basic education was transferred to the states. The federal government is now only responsible for regulatory, assessment and planning functions.

In quantitative terms, the SEM consists of nearly 31 million students taught by 1.5 million teachers in over 225,000 schools.[5] The SEM is primarily a public school system; eight out of 10 students in Mexico attend public schools.

Primary education coverage stands at 93% while coverage at secondary level is 85%. According to the 2000 census, 1.6 million children do not attend school at all. The dropout rate at primary schools in 2002-03 was 1.5%, compared to 6.9% for secondary schools.

Table 1:
Primary and secondary education basic indicators, academic years selected.

	1990-1991	1995-1996	2000-2001	2002-2003
General				
Illiteracy rate %	12.1	10.6	9.2	8.8
Average schooling, grades	6.5	7.0	7.6	7.8
Primary education				
Coverage %	93.5	93.2	92.9	93.1
Dropout %	4.6	3.1	1.9	1.5
Failure rate %	10.1	7.8	6.0	5.4
Students per teacher	30.5	28.3	24.6	26.7
Students per school	175	154.2	149.4	149.4
Secondary education				
Coverage %	67.1	72.7	81.6	85.6
Dropout %	8.8	8.8	8.3	6.9
Students per group	33.0	32.1	30.0	30.0
Students per school	217.9	200.0	188.7	190.3

Source: Secretariat of Public Education.

Civil society involvement is an important element in the fight against corruption in public education. For example, shortly before the start of the academic year 2005-06, parent associations documented cases in which administra-

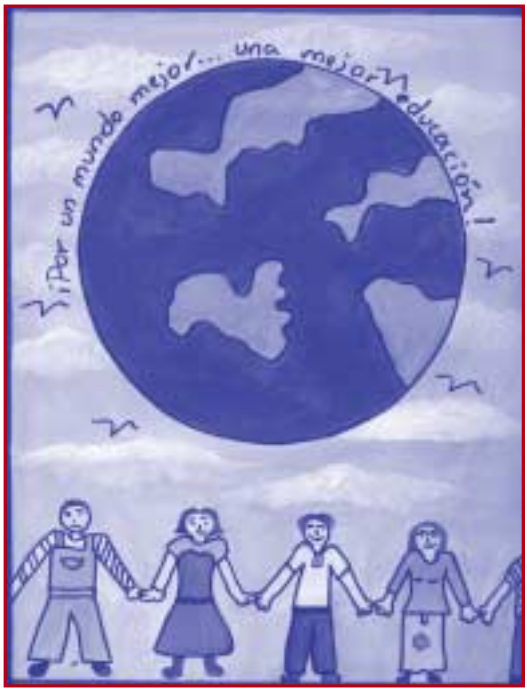
5 Figures from the 2002-2003 academic year. Instituto Nacional para la Evaluación de la Educación, "La calidad de la educación básica en México 2004".

tors at a few public educational facilities were 'encouraging' a mandatory payment of fees. The case was widely publicised and, in response, the Secretariat of Public Education created a telephone hotline for reports to be called in. Another example is TM's collaboration with the National Chamber of the Mexican Publishing Industry (CANIEM)[6] in designing a methodology to diagnose transparency in the distribution of textbooks to secondary public schools, an activity where irregularities have previously been reported. The findings of the diagnosis were submitted to the Federal Public Education Secretary and public officials responsible for the distribution of textbooks. As a result, a code of conduct is currently being established for CANIEM members.

The project and its findings

The ENCBG measures the experiences of heads of households with regard to corruption in the performance of an administrative responsibility or the delivery of a public service. The ENCBG was previously conducted in 2001 and 2003. On both occasions, the sample size was large enough to disaggregate the data by federal state; the margin of error of the national data was less than 1% and additional external oversight was conducted.[7]

Of the 38 public services on which the ENCBG collects data, two are directly related to the education sector: "attainment of an enrolment



Glenda Arajon Palacios, 10 years

6 Cámara Nacional de la Industria Editorial Mexicana

7 The ENCBG 2001 used a strictly random, nationwide sample of 13,790 individuals to be interviewed. Of that number, 72% of interviews were conducted with the ideal respondent, the head of household; 20% with the spouse; and the remaining 8% with an adult member of the household. The ENCBG 2003 used a strictly random, nationwide sample of 14,019 individuals. Of that number, 73% of interviews were conducted with the head of household; 19% with the spouse; and the remaining 8% with an adult member of the household.

record from a public school" and "attainment of academic or exam records from public schools". Two others are indirectly related to the sector: "attainment of a disability or health certificate" and "attainment or expedition of birth or death certificates, marriage licences or divorce papers" from the *Registro Civil* or Office of Vital Records and Statistics.

Heads of household were asked: if they had completed the formality in the 12 months prior to the survey; if upon completing the formality, they had to pay a bribe; how many times they paid a bribe; and how much was paid on each occasion. On the basis of such variables, the number of annual bribes and the average sum paid could be calculated and a National Index of Corruption and Good Governance (Indice Nacional de Corrupción y Buen Gobierno, or INCBG) could be drawn up. With respect to the perceptions module, the ENCBG provides five situations in which the opinions of those surveyed could be ascertained as to the role of education in the fight against corruption.

The Special Report on Education brings together four indicators based on the findings of the ENCBGs of 2001 and 2003:

- **National Index of Corruption and Good Governance 2001 and 2003**
  This indicator allows the scale of corruption to be gauged with regard to the provision of public education services examined in the ENCBGs. The tool allows comparisons to be made between federal states and public services. The measurement uses a scale of 0 to 100: the lower the value of the Index, the lower the level of corruption.
- **Number of annual bribes 2001 and 2003**
  This reports the number of acts of corruption in which heads of household reported they were engaged in the 12 months prior to participating in the survey.
- **Average annual sum per bribe 2001 and 2003**
  This constitutes the average amount that heads of household reported having to pay in bribes in the 12 months prior to participating in the survey. It enables the amount of bribes paid for public education services to be determined and its impact on a household's economy.
- **Total annual sum of kickbacks 2001 and 2003**
  This constitutes the monetary aggregate that heads of household reported having to pay in kickbacks for education services.

Mexican households view education as an important element in the fight against corruption. According to the ENCBG of 2003, seven out of 10 of those surveyed believed that large-scale educational campaigns could significantly help fight corruption. However, the number of individuals who believe that education could significantly help fight corruption dropped in comparison to 2001, when four out of five were of that opinion.

According to the ENCBG, households believe that education received at home is more significant in the fight against corruption than that received at school. In 2003, nine out of 10 believed that improving home schooling could significantly help fight corruption while eight out of 10 thought the same about classroom education. The heads of household surveyed consider schools (and teachers) the second most valuable institution in the fight against corruption, surpassed only by family. Schools are mentioned before the media, army and police.

Claudia Schnabel, 13 years

Broadly speaking, a drop was recorded in the level of corruption in the educational sector between 2001 and 2003. The INCBG rating for the formality "attainment of an enrolment record from a public school" stood at 3.8 in 2001, while in 2003 it fell to 3.3. The decrease was more pronounced for the formality "attainment of academic or exam records from public schools" with the Index rating dropping from 4.7 in 2001 to 3.4 in 2003.

Despite the decline, the sums paid by households in bribes to secure access to public education services are sizeable. Mexican households paid over 102 million pesos (nearly US$10 million) in bribes to ensure access to the education services examined in the study over the 12 months prior to the ENCBG 2003. Households paid an average of 300 pesos (US$30) to secure these mandatory and free services.

The situation is not so favourable when other factors are considered. For example, in the case of securing enrolment records from public schools, while households experienced a 60% drop in the number of bribes paid annually between 2001 and 2003, the average sum paid annually increased by 110%.

In 11 federal states, instances of corruption increased in the case of "attaining academic or exam records from public schools" between 2001 and 2003. In 14 states, a drop was reported in the instances of corruption reported for the serv-

ice, while changes could not be ascertained in seven states[7] as the sample size was not large enough to perform the analysis.

Between 2001 and 2003, 10 federal states experienced an increase in the level of corruption in the case of "attaining an enrolment record from a public school" while 10 other experienced a drop in this type of corruption. Such changes could not be ascertained in 12 federal states[8] as the sample size was not large enough to perform the analysis.

Impact and recommendations

The ENCBG findings have been widely disseminated by public presentations, private meetings, forums, conferences, pamphlets and newsletters. On two occasions, TM organised the "Making Good Governance a Reality in Mexico Forum", a space where public officials, civil society and representatives of the private sector share policies aimed at curbing corruption in public services. TM has also developed the information system "System of Good Governance Experiences" to share such types of experiences.

A third edition of the ENCBG will be conducted during the second half of 2005. Since decision makers would have had very little time in which to formulate and carry out corrective policies following the unveiling of the Special Report on Education, the report's impact could not be determined in this edition of the survey. The data will be measured quantitatively in the fourth edition.

The survey highlighted not only the gravity of the problem of corruption in Mexico but also the role civil society can play in its downfall. It is hoped that the dissemination of its findings will go some way toward harnessing education as a tool in the fight against corruption.

Author: Transparencia Mexicana

For further information: www.transparenciamexicana.org.mx

7 Data for Colima and Sonora states was not calculated in 2001. In 2003, data for Chiapas, Nayarit, Quintana Roo and San Luis Potosi states was not calculated. Data for Zacatecas was not calculated in either year.

8 Data for Aguascalientes, Baja California Norte, Nuevo Leon, Oaxaca, San Luis Potosi, Sonora, Tamaulipas and Zacatecas was not calculated in 2001. In 2003, data for Chiapas, Jalisco and Michoacan was not calculated. There was no data for Coahuila in either year.

Nepal

Missing the Target on Child Labour

Summary

In Nepal, there is a strong perception that effective implementation of child labourer education schemes cannot be verified because of inadequate monitoring and evaluation systems. The Professional Women Support Group (PWSG), an affiliate of TI Nepal, undertook a study to assess the transparency and effectiveness of child labourer support programmes run by NGOs. The financial information of 23 NGOs offering support for the education of child labourers was reviewed, and interviews conducted with NGO representatives, child labourers and donors. Results showed a lack of clear selection criteria for child labourer beneficiaries, as well as duplication of work and lack of co-operation between NGOs.

Context

Nepal has a population of 23.1 million people, of whom 9.5 million are under the age of 14.[1] According to the 2004 national report of Child Workers in Nepal (CWIN)[2], the Ministry of Labour and Transport estimated that 2.6 million children aged between 5-14 are engaged in different sectors of child labour activity of whom 1.27 million work in the worst forms of child labour as defined by the International Labour Organisation (ILO).

Child labour is a vicious cycle; once child labour exists in a family, it may continue for generations. Poverty and the lack of job skills force parents to put their children into the labour market instead of into schools. If children receive no education, they will not be able to make enough money to educate their own children when they become parents. Poverty is therefore both a cause and an effect of low educational achievement.

The government and international donors have started to focus their attention on the welfare of working children. Nepal has set a target of Education For All by 2015 and to achieve it schools are instructed not to charge fees up to grade five. However, private schools do charge tuition fees, as do government schools above grade five. Even at schools where no fees are charged, parents are expected to shoulder the cost of school uniforms, stationery and examinations and this added burden prevents many children from completing their education. According to CWIN, almost 50% of children drop out before completing primary education.

1 Central Bureau of Statistics, 2001

2 CWIN is an NGO working for the elimination of child labour. See www.cwin.org.np

Nepal boy. Photo: FowleyArt

Most development activities in Nepal are dependent on donor aid and the education sector is no exception. International organisations usually channel their assistance to children's education through local NGOs or community-based organisations (CBOs). CBOs typically provide direct support to child labourers in the form of textbooks, stationery, uniforms and tuition fees for private and secondary schools. Some NGOs support parents through micro-finance activities so that they are better able to subsidise their children's education. NGOs also run schools offering non-formal education that do not follow the academic year and exist solely for child workers who have insufficient time to enrol in formal education programmes.

The donors' preference for sub-contracting their service provision has led to the creation of a great number of NGOs offering education to working children. To assess the effectiveness of their programmes, PWSG defined the objectives of its study as follows:

- assessing the level of financial transparency in NGOs working in the area of child labour education
- assessing the budgetary information of donors and other disbursements to working children by local NGOs
- assessing whether the aid provided has reached its intended recipients.

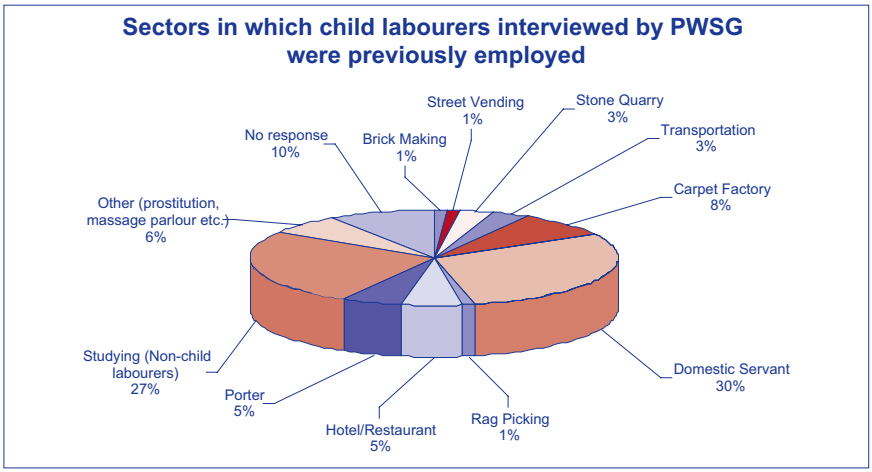
The project and its findings

The PWSG conducted the study in the Kathmandu Valley in June-July 2005. Founded in July 2004, the PWSG is an independent, non-profit entity of 33 professional women whose goal is the creation of a cleaner society by facilitating advocacy programmes against corruption and conducting research. PWSG has launched several awareness-raising campaigns whose major focus has been school-level education.

The overall objective of the study was to monitor the funds channelled by various international NGOS, bilateral donors and His Majesty's Government of Nepal to NGOs, and to assess the impact of education programmes on child labourers. The survey examined how children qualified for funding assistance; how the funding was received and spent; the transparency of this process; and the children's response to such programmes. The study made use of two components: opinion polls and focus group discussions, involving NGOs, donor and students.

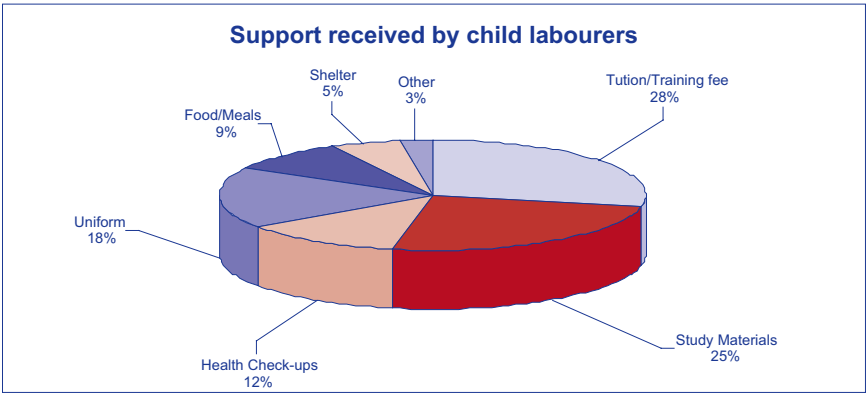
Nine donors based in Kathmandu Valley were identified who met the two main criteria of the study: working with child labourers and in education. However, only four provided information for the study, along with a list of the 25 NGOs they funded. Subsequently, 23 of the 25 NGOs were visited, their financial information was reviewed and interviews were conducted with their representatives and the beneficiaries of their programmes. The study team did not assess information from the other two NGOs because they were based outside the study area.

Table 1:



All 23 surveyed NGOs implement education programmes directed at child labourers. Over the period 2002-2005, together they supported 8,861 child labourers and received a total budget of NR115,173,062 (US$1.62 million) for education-related programmes. Of the 23 NGOs, 21.7% supported children at public and private schools, while the remainder provided direct non-formal or skills-based education. These projects run for periods varying from nine months to three years, depending on funding support.

Table 2:



NGO support to child labourers mainly covers scholarships (admission and tuition fees), books, uniforms and stationery. For children at secondary school, NGOs also provide tuition fees since this support is not forthcoming from the government. NGOs are also involved in awareness raising, advocacy of children's rights, micro-finance activities and vocational skills training.

Quantitative data was acquired using structured questionnaires. Information from NGOs was collected through interviews with programme and finance directors while donor information was acquired from programme officers. The opinions of child beneficiaries were obtained through a specially designed questionnaire that was administered to 95 programme beneficiaries with the aim of assessing whether they were receiving the intended support and the extent to which they were satisfied. The age of those interviewed ranged from five to 18 years. In addition, focus group discussions with NGO representatives and child beneficiaries were held to assess the scope and impact of the programmes.

The research team encountered various obstacles in the course of the study, notably a reluctance by donors and NGOs to provide the required information. Resistance was also encountered from NGO officials who refused to cooperate with the research team during fieldwork. The research team approached nine

donors, but only four responded. As a result, a comparative study of donor and NGO budget transparency could not be conducted.

Main findings

- In Nepal, an organisation achieves NGO status through the recommendation of the Social Welfare Council (SWC). NGOs have to submit annual reports to the SWC but, due to the lack of a standardised system of monitoring, there is little assurance that the reports are fully accountable. There is no standard format for reports and they are not easily accessible to the public.
- A majority of donors monitor the actions of their recipient NGOs on the basis of quarterly reports and field visits. NGOs have to submit financial reports to obtain the next instalment.
- 39% of NGOs review their financial reports through an external auditor and 22% use internal auditors. The rest (39%) are reviewed by a combination of internal and external auditors, or a board of directors. 74% review their financial reports once a year, while 13% carry out a review every six months.
- 82.6% of NGOs said that there was good transparency on financial matters among staff. However, 17.4% of NGOs questioned refuted this and claimed staff did not have satisfactory access to financial information. 74% of NGOs said the public had access to their budgetary information, but only 17.4% actually publish their financial reports. 21.7% did not respond.
- Of the 95 beneficiaries interviewed, 29.5% were employed in the domestic service sector. The next largest group receiving support (26.3%) were ordinary students who did not work at all. In many cases, no provisions were in place to ensure that those receiving support were the intended beneficiaries.
- 52.6% of the beneficiaries were satisfied with the support they received despite the fact that it was decreasing on a yearly basis.

The focus group discussions revealed that many parents were sharing the expenses of education because the sponsoring NGOs were unable to provide them with full support. Moreover, there appeared to be no coordination between NGOs engaged in child labour education support programmes. This resulted in overlapping and duplication of work, a fact freely acknowledged by NGO representatives during the focus groups.

There did not appear to be proper child labour selection criteria. Many NGOs were found to be supporting children who were not labourers and were already studying in school.

Nepali village kids. Photo: FowleyArt

NGOs' representatives said they depended entirely on donors to continue their programmes and that there was, therefore, uncertainty about their sustainability.

The majority of students interviewed attended government schools. Typically, NGO support did not meet all their expenses and many parents had to share the cost, paying for uniforms, stationery, local transport and tiffin. Most NGOs sponsored tuition fees only. Students received on average NR1,000 (US$14.10) a year. Only 17.4% of NGOs provided more than NR2,500 (US$35.25) per year, and 43.4% of NGOs did not respond.

In previous years, beneficiaries received NR 2,200 (US$31) as an admission fee. The reason for cutting the admission fee, according to the NGOs, was that they had increased the number of children they were sponsoring. The children reported that they had been told by their sponsoring NGOs that they would receive support through the 10th grade (i.e. School Leaving Certificate) provided they did not fail examinations. Most NGOs monitor their supported students once a month, while others monitor them every four months through school visits and by checking their performance record.

Conclusions

- NGOs are contributing to the eradication of child labour through education but the support provided is minimal and many beneficiaries apparently do not belong to the target group. NGOs are reducing the

amount the original target group was supposed to get in order to reach more students.

- The support that NGOs provide per student per year in government schools is around NR1,000. (US$ 14,10) This level of assistance is too low to keep poor students in formal education.
- There is a duplication of work due to a lack of communication between NGOs and donors. There also seems to be a lack of transparency and accountability by NGOs, which are reluctant to disclose the number of students supported, the schools where they study and the actual support provided. When provided with the number of students allegedly supported and their schools, the study team could not find many students who confirmed this was true. For example, one NGO claimed to have enrolled students at schools with good facilities, but the study revealed that this NGO was actually supporting children in schools with much poorer facilities.
- Overall, NGOs and donors seem satisfied with the achievements of their projects. There is a perception that children's awareness has increased and that child labour has been reduced in recent years. Many children have been enrolled in education programmes, developing their confidence and opportunities. According to the Central Bureau of Statistics, enrolment in primary education has increased from 65.2% in 1991 to 80% in 2001. The retention rate at primary level has also improved from 36.8% in 1991 to 51% in 2001.

Impact and recommendations

The results of the findings will be disseminated to donors, government, NGOs and child labourers through an information workshop. They will also be provided with copies of the main findings. If a follow-up study is to occur, it may be necessary to provide incentives for NGOs to publish their financial data.

The results of the project point to the following recommendations:

- The need for standardised selection criteria for child labour eradication programmes so that the actual target group benefits
- Improved cooperation and coordination between NGOs to avoid duplication of work
- NGOs and donors must consider the issue of sustainability
- Donors must undertake greater monitoring.

Authors: Ms. Rosy Adhikari and Dr. Milan Adhikary

For further information: http://www.tinepal.org

Nicaragua
Building Better Schools

Summary

In late 2004 and the first half of 2005, *Grupo Cívico Etica y Transparencia* (EyT), TI's national chapter in Nicaragua, monitored six large construction contracts and procurement processes related to the maintenance of schools. This project was part of a longer-term programme Supervision and Evaluation of Public Works with the Ministry of Education (MECD). The aim was to assess the quality of goods and services provided, and to verify they were in line with the amounts paid and the terms of the contracts. The study found (a) that the quality of contracted works was inferior due to poor technical supervision; and (b) that weak project pre-investment and poor administration caused extra contract costs, delays in start-up of works and irregularities in payments of legal fees.

Context

The MECD has faced repeated allegations of corruption in recent years leading to a loss of credibility in the institution. These allegations concerned payments to non-existent teachers, inflated registration costs, payment of bonuses to senior officials disguised as supplementary wages and illegal payments to unions linked to political parties.

EyT is a non-government organisation whose mission is to build a more democratic Nicaragua by fostering the integrity and transparency of its institutions. EyT's Anti-Corruption Programme includes the prevention of corruption in public contracting processes. In 2003, EyT signed a cooperation agreement with the MECD that included a long-term project entitled Corruption Prevention in the Education System. The agreement gave EyT unrestricted access to the ministry's files and documents. EyT subsequently conducted two micro-projects: the Technical Evaluation of Furniture purchased by MECD in 2004 and the Supervision and Evaluation of Public Works in 2005. Both areas constitute important lines in the ministry's procurement budget.

While the Technical Assessment of Furniture project found the quality of goods to be compatible with the technical requirements set out in the bidding documents, the second project on the Supervision and Evaluation of Public Works found serious deficiencies in compliance both with the technical and cost requirements. This report focuses on the second project.

1 This information does not reflect EyT´s views, but is based on media reports.

The project and its findings

The aim of the project was to identify areas of vulnerability and the types of irregularities in the implementation of school maintenance contracts. To achieve these goals an EyT consultant temporarily joined the MECD to facilitate the collection of hard data related to the allocation of public works contracts. The results were then analysed by a working team composed of a technical coordinator (civil engineer) and 10 graduates from the *Universidad Nacional de Ingeniería* (UNI), one of Nicaragua's most prestigious universities.

The team reviewed 24 tender processes executed between 2004 and July 2005. The documents reviewed included contracts, bidding documents, plans, designs, invoices, correspondence, supervisory reports used for estimates or advance payments, total or partial receipts, and documents related to additional costs arising from incomplete works, time extensions or changed orders, which the ministry terms *permutas* (exchanges).

Of the 24 tenders, six were selected for monitoring that affected 34 schools and six Education Secretariats. The total contract value of the six amounted to 42.45% of the total cost of public works commissioned by the MECD during the period addressed. All six met two key criteria: they were located in rural areas far from the Education Offices and were therefore more susceptible to irregularities; and their costs represented a significant part of the MECD's public contracting budget. The projects were located in 18 municipalities under the departments of Madriz, Boaco, Granada, Masaya and Managua.[2]

The evaluation included three components:

- Analysis of administrative procedures on public contracting processes
- Compliance with legal provisions
- Technical appraisal of works.

Analysis was based on the provisions of the Public Contracting Act and related rules (Law No. 323), in addition to national and international construction norms. The offices of the General Division of Investment and Cooperation (DGIC) and the Central Acquisitions Unit (UCA) in the MECD provided the EyT team with technical and legal information related to the public contracting process. Research was subsequently carried out with the cooperation of the directors of the UCA and the DGIC, works supervisors, administrative staff, local ministry officials, master builders, builders, contractors, school directors and teachers, UNI engineers and citizens from locations where the assessments were conducted. The research mainly took the form of a desk study, including

2 Managua, although also the capital city, is one of Nicaragua's 15 administrative divisions and thus includes both rural and urban areas.

data analysis, tabulation of quantities and estimates of economic losses.

Technical assessments were carried out *in situ* to compare contract details with findings on the ground and included laboratory trials of the structural materials (concrete and masonry) used in the projects to determine their resistance.

Inferior quality of works

Findings relating to inadequate supervision of works:

- Low frequency of inspection visits to check satisfactory quality control
- Lack of quantitative and qualitative details of project progress in supervisory reports, mainly in the phases of land movement, foundation building and demolition
- Use of lower quality materials[3] and building procedures[4] than those agreed in the contract (see picture)

Poor quality concrete in Boaco

- Supervisory reports indicate advances were paid for work that was never carried out
- Laboratory trials needed to ensure materials meet national and international standards are few and unreliable.

Additional costs to contracts

The following list contains irregularities that resulted from the project's weak pre-investment phase (preparation, evaluation and design):

- Delays in start-up of works due to late advance payments
- Irregularities in the collection of legal fees[5]
- Inefficient management by MECD supervisors, generating significant delays and posing risks to future international aid commitments

3 Insufficient resistance of concrete used in one project in Boaco, confirmed by *in situ* inspection and subsequent laboratory trial. Other projects in Madriz and Granada presented poorly made doors, roof leakage and the use of river sand of uncertain quality.

4 In one project in Masaya, workers let the concrete mix harden during their break due to lack of supervision. There was evidence of poor storage of building materials at another in Madriz.

5 Contrary to Law 323 and a clause in the award contract, the MECD has arbitrarily imposed a surcharge of 0.05% of the value of the works to pay for fees for lawyers and notaries. In high-value projects this can represent a considerable sum, which tends to diminish the participation of contractors in the bid process.

- Large number of changes in contract scope,[6] many of which are executed without authorisation
- Prioritisation of the financial cost of a contract at the expense of technical considerations, such as the quality of labour, material and equipment[7]
- Approvals granted for unreasonable contract extensions, resulting in additional supervision costs
- In one case a ministry technician approved a hydro-sanitary design without holding a license to do so.

Impact and recommendations

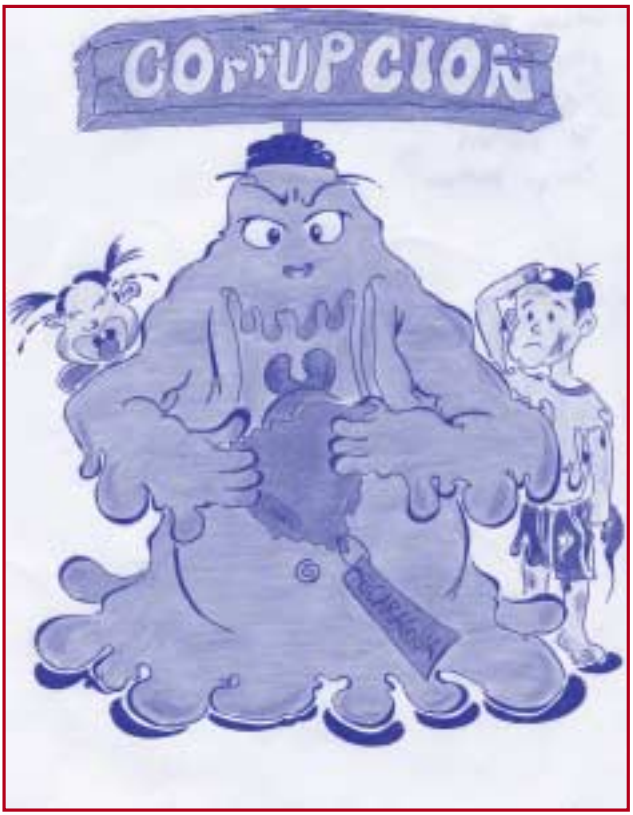
EyT estimates that the MECD suffered losses of C$16.97 million (US$800,000) from the six projects studied under the Supervision and Evaluation of Public Works project. The main causes were inflated costs, low-quality materials, poor building practices and additional supervisory expenses. Regular monitoring of public works projects helps to curb corruption since the very presence of inspectors on site is a warning to any player in the contracting process that is bent upon fraudulent behaviour.

As a result of the study, EyT made the following recommendations to the MECD:

- Increase the number of supervisory visits to projects in remote places to at least three times a month
- Raise the awareness of inspection staff with regard to professional ethics, the provisions of the Public Contracting Act, and the basic norms of design and construction
- Seek technical support in the pre-planning, design and supervision of projects from the *Universidad Nacional de Ingeniería*
- Strengthen quality control by rigorous laboratory testing of materials
- Conduct regular internal audits with particular attention to quality of work, quantities of work additional to the amounts captured in advance reports, legal honoraria, and changes to contract duration.

6 In general the changes take place at the land-movement stage, implying significant additional costs in all projects. For example, a project to construct external works at schools in Managua with an original contractual value of C$4.43 million (US$217,048) saw costs rise by C$254,550 (US$12,474), or 5.7% as a result of unplanned changes.

7 In the same Managua project, one member of the assessing committee suggested disqualifying an offer because of lack of documentary evidence to confirm the technical skills of the master builders. This nearly disqualified the company that was later awarded the contract on grounds of quality and best bid, and reveals that bid assessment is often undertaken by poorly qualified staff.



Agata Rostrán, 14 years

In the light of the recommendations of this and previous studies, the MECD has come to value EyT's work and has requested a follow-up by authorising it to conduct further studies in its Legal Advisory Department. The main achievement has been the change in attitude at the MECD. Senior officials are now in favour of more open accounting and citizens' involvement, while MECD staff, including departmental heads, headmasters and teachers, all demonstrated high levels of participation in the study. Close cooperation during the furniture-monitoring project undoubtedly prompted a reliable working relationship that greatly enhanced conduct of the public works study.

The project strengthened EyT staff's skills by introducing them to new research techniques and further integrating EyT's fight against corruption with other institutions, notably the MECD and the university. It helped to reduce the number of poorly built works in the districts covered and provided incentives for transparency among the direct beneficiaries of the MECD's activities, particularly students, parents and teachers. Other NGOs engaged in the fight against corruption will be able to act more readily in implementing similar kinds of research in education or other sectors as a result of the study.

Author: Luis Aragon

For further information: www.eyt.org.ni

Niger

Corruption in Higher Education: People's Perceptions

Summary

To gain a better understanding of the role corruption plays in Niger's educational system, the *Association Nigérienne de Lutte contre la Corruption* (ANLC/TI) conducted a survey of 500 students, teachers, parents and officials in secondary and higher education in Niamey, the capital, in November 2004. The aim was to analyse the scale of corruption, the forms it takes and public perceptions of it.

Corruption and the laws that prohibit it are poorly understood and in many cases unknown by the majority of respondents, whatever their level of education, but there is a strong conviction that it affects all spheres of activity, whether public or private. Corruption is considered very widespread in education, but the majority of respondents think it is less serious than in other sectors because it is only visible at the beginning and end of the school year. Corrupt methods are used to achieve transfers to specific institutions; to achieve success in examinations and gain qualifications; to procure scholarships to study abroad; to gain positions and postings; and to win promotions.

Context

Niger's population of almost 12.6 million is mainly rural and has a very low level of education. Only 19.9% of men and 10.6% of women are literate, and only 50% of school-age children were in school in 2004, compared to 37.3% in 2000. Despite significant success in providing children with school places, recent studies show that the situation is worrying with regard to access and fairness. Only 40.4% of girls are attending school and 48.4% of all children in rural areas.

The average salary of a teacher varies between FCFA 90,729 (€137) and FCFA 119,440 (€182) per month, depending on qualifications and experience. Recruitment to the public sector has been frozen for 10 years due to an IMF economic reform programme. The compromise solution has been to recruit contract teachers who receive a monthly salary of FCFA 40,000 (€60) at primary level and FCFA 60,000 (€80) in secondary schools. Such teachers have no teacher-training experience.

The debate on corruption is very recent in Niger, only developing with the ad-

vent of democracy and the emergence of civil society. There have been a number of cases in which important procurement contracts were allocated by mutual agreement, but no real charges of corruption or of inappropriate expenditure were lodged. In October 2003, the government established a national commission responsible for developing strategies to combat corruption. Its remit is to:

- Study the phenomenon of corruption in Niger
- Define anti-corruption strategies
- Devise a programme of action against corruption
- Make recommendations relating to the fight against corruption.

The project and its findings

The survey sample was made up of 500 randomly chosen individuals and included secondary school students, students from the University of Niamey and technical schools, educational administrators (heads of institutions, managerial staff, ministry officials), teachers and parents. Of the sample, 55% were students in secondary or higher education, 25% were students' parents, 15% were teachers and 5% were administrators. The sample was composed of 310 males (62%) and 190 females (38%), and 93.8% had been educated to secondary level or above. Most of the people interviewed were young, with 39% aged 13-24, and 44% between 25 and 44 (see table 1).

Table 1:

Distribution of respondents by age

Age group	Number of respondents	Proportion
13 - 24 years	191	39%
25 - 44	331	44%
45 - 54	63	12%
Over 55	25	5%
Total	500	100%

Student interviews were held in six junior high schools, five senior high schools, one *complexe* (an institution offering junior and senior high school programmes), six professional institutes and the University of Niamey. Others were held at places of work and parents´ homes. The sample was not an exhaustive profile of Niamey's population, but the fact that interviewers operated in 52 different districts indicates they were able to canvas a wide range of opinions. The survey was carried out over a period of 10 days by five interviewers who were given a day of training before starting. Interviewers met at the ANLC/TI head office every afternoon to review progress and draw lessons for the rest of the survey.

According to the survey findings, 98% of respondents have heard about corruption, 36% think it is a serious problem, 35% think it is very widespread and 17.2% think it is widespread. However, only 28% of those questioned said they have been victims of corruption themselves and nearly 49% said they had had no personal experience of it. The principal sources of information about corruption are the press (nearly 41%), personal experience (23.5%) and word of mouth (18.6%). These results may be interpreted in two ways: either respondents dared not admit that they have been involved in corruption, or the perception of corruption is much greater than its actual extent.

According to those interviewed, all sectors of the economy are affected by corruption, with education in prime position (35.8%), followed by customs (20.2%)

Discussing the findings in the ANLC office

and the police (see table 2). Almost 96% of the people questioned said they were aware of corruption in the education sector. Their principal sources of information were relatives (32.4%), the press (27%) and personal experience (24.5%).

Table 2: Corrupt sectors

Sectors	Number of respondents	Proportion
Education	179	35.8%
Customs	101	20.2%
Police	40	8.0%
Government departments	33	6.6%
Justice	31	6.2%
Health	19	3.8%
Finance	15	3.0%
Tax	11	2.2%
Others	71	14.2%
Total	500	100%

Corruption in the education sector mainly occurs in connection with examinations (46%), but also when students seek grants (8.6%) and in the management of institutions (7.8%). But 11.4% of respondents did not specify situations in which corruption occurs in education and a significant 19.8% did not reply to the question (see table 3).

Table 3: Situations in which corruption mostly occurs

Situations	Number of respondents	%
In connection with examinations	230	46%
When study grants are awarded	43	8.6%
Management of institutions	39	7.8%
In class	32	6.4%
Others	57	11.4%
No reply	99	19.8%
Total	500	100%

According to the respondents, corruption takes three forms in examinations:

- Corruption brings markers face to face with students' parents whose primary concern is their children's success
- Corruption appears through intermediaries who take money from parents with a view to approaching exam markers
- Teachers, or their accomplices, form groups at exam time to offer fraudulent services and guarantees of exam success. Such teachers may know members of examination boards and ask for sums of money from parents. Sometimes they offer their services to students who then have to persuade their parents.

Acts of corruption generally take place at the home of the parent or teacher, or at other places agreed with the bribe taker. Sums demanded vary according to the objective sought:

- FCFA 1,500-3,000 (€2,25-4,50) to re-register a child who has been excluded
- FCFA 25-30,000 (€37.50-45) for a student to be registered in another institution
- FCFA 50-100,000 (€75-150) for the BEPC (*Brevet des Etudes du Premier Cycle*; Nigerien exam taken at 16)
- FCFA 150-200,000 (€225-300) for the baccalaureate
- FCFA 200-300,000 (€225-450) for a grant to study abroad
- Monthly payments are often made to gain contractual teaching positions.

Corruption occurs at specific times in the educational calendar: at the beginning of the school year; the examination period; pupil recruitment; when grants are allocated; and during the examinations which teachers sit for appointment to contractual positions. Corruption also occurs when teachers or students wish to transfer from one institution to another, when annual reports may also need to be falsified.

Over a third of respondents (35.8%) consider education Niger's most corrupt sector. Since it concerns all parents and employs so many people, corruption in education affects more people than any other sector. However, given that the sample is made up entirely of people involved in the education system, the result is hardly unexpected. More surprisingly, some 60% of respondents think corruption is less serious in education because the sums involved are smaller than in other sectors. The fact that corrupt individuals in education are not very wealthy encourages a perception that the small amounts paid in bribes are somehow excusable. Corruption in education is also perceived as less serious because it occurs only at the beginning and end of the school year.

Although poverty and low levels of remuneration are considered the major causes of corruption in education, the most often cited cause is the lack of personal integrity (see table 4). This shows that poverty is not considered an adequate reason for an individual to lose his or her moral integrity.

Table 4: Causes of corruption

Causes	Number of respondents	Proportion
Lack of integrity	77	15.4%
Poverty	75	15%
Bad governance	64	12.8%
Low level of remuneration	57	11.4%
Desire for personal enrichment or easy earnings	46	9.2%
Impunity	20	4%
Fall in the level of the students	20	4%
Student laziness	15	3%
Injustice	15	3%
Other	12	2.4%
No reply	99	19.8%
Total	500	100%

Nearly 53% of respondents think that it is impossible to eliminate corruption. Indeed, corruption is considered the main activity of some individuals in important economic sectors. Some respondents said that it would be difficult to fight corruption so long as the salaries of public employees remained so low and that, as a consequence, it was not worth denouncing it. Respondents do not approve of denunciation, particularly when those concerned are parents and teachers.

With respect to bribes paid by parents, while most parents considered this an immoral act, the success obtained gave them satisfaction. If a student still fails, parents rarely claim back the bribe, and then only with discretion. Claims are rarely made to the authorities.

Replies from an interview with a woman respondent

Have you heard anything about corruption in Niger in recent years?
Reply: (Laughs) You must know better than me, Madam, or why have you asked the question. It's become part of life in Niger over the last few years, since the arrival of democracy and a multi-party system with the recession in the 1990s. We are all aware of it, but that's how it is.

Why do you say that corruption is more developed and very serious in the education sector?
It's in this sector that corruption can do a lot of damage to the economy, as it's the sector that should teach moral values and integrity to children. Corruption in the education system compromises the future as the sector is at risk of producing corrupt politicians ("elected representatives").

Have you personally encountered any corrupt practices in the education sector?
Yes, several times. I attempted to corrupt a teacher and I also tried to act as an intermediary. If you don't do that, it's the children of the rich who get the qualifications and jobs, and our children will always fail and remain poor like us. I am illiterate but I have a lot of contacts in the education sector. You do what you can to survive in a poor country like Niger.

Do you think that corruption can be eliminated in Niger?
It's impossible at the present time. It is even a job for some people who act as the visible corrupter in dealings with corrupt individuals. They have become experts in the field. For example I started *a tontine* (revolving fund) at the beginning of the school year with a group of friends in order to do something for my two daughters during the exams at the end of the year.

Housewife, age 43

Conclusions and recommendations

After the survey, the results were reviewed at a workshop attended by members of ANLC/TI, representatives from several associations involved in the defence of human rights and the team that carried out the survey. ANLC/TI sent the final report to the relevant ministries, the Prime Minister's Office, the media, the institutions investigated and various interested associations. The results were published in the newspapers *Le Démocrate, Le Républicain* and *La Roue de l'Histoire* in January 2005.

Given that the survey was carried out several days after the presentation of the 2004 Corruption Perception Index, it had considerable impact. The Nigerien Association for the Protection of Human Rights (*l'Association Nigérienne de Defense des Droits de l'Homme, ANDDH*) and the Nigerien Workers' Federation (*Conféderation Nigérienne des Travailleurs, CNT*) have encouraged the ANLC/TI to extend the enquiry to other sectors. The report may help to pressure the authorities into taking preventive measures and imposing sanctions on corrupt individuals, particularly during the examination period.

Most players think that it is difficult to combat corruption in a country as poor as Niger. The government could fight corruption in the education sector by increasing teachers' salaries, applying the laws already in force and by eliminating impunity. Civil society organisations must help by increasing awareness of the impact corruption has on the country's economic and social development. Corruption is an offence under Article 130 of the Criminal Code, as is illegal enrichment (Order 92). It is alarming to find out that the majority of those interviewed are scarcely aware of the law, though most had a high degree of education.

Author: ANLC-TI

For further information write to: anlc-ti@intnet.ne

Sierra Leone

Expenditure Tracking: Detecting Leakages at Primary Schools

Summary

In this project, the National Accountability Group (NAG) implemented a Public Expenditure Tracking Survey (PETS) on the education sector in Moyamba district by soliciting information as to the amount of school fees subsidies head teachers received and the learning materials that were delivered. The project took place in June and July of 2005 and was modelled on a Ministry of Finance PETS from 2002 that concluded that nearly half the school fees subsidies in that year were unaccounted for and over a quarter of the materials had disappeared.

The current study indicated a significant improvement in the delivery of fee subsidies and teaching materials at 28 randomly selected schools in Moyamba district due to the recruitment on an independent auditing company to manage the disbursement. However, after fees and commissions were deducted, schools on average received only 88% of the school fees subsidies allocated by government while interviews with pupils indicated that they had received

Photo: Che Chapman

only 70% of materials allotted due to flawed government data on student enrolment.

Context

The education sector in Sierra Leone is a shambles, particularly in areas outside the capital, Freetown. The corruption institutionalised under successive administrations has led to the diversion of resources in all areas of service provision, but education, the highest employer of civil servants in the country, has been the hardest hit. The decade-long civil war (1991-2002) was disastrous for education and tens of thousands of pupils were denied access to school due to displacement and the threat of violence. The war was characterised by the wanton destruction of school buildings and health clinics, and atrocities against the population.

The education sector continues to be beset by problems. Teachers' salaries are abysmally low and are often unpaid for months, and then only after civil servants have extorted a percentage. As a result, there is little incentive for educated people to enter the profession, leaving sub-standard teachers in charge of large classes. The result is that most pupils are barely literate when they leave school.

The passage of the Local Government Act (2004) heralds new prospects for governance in Sierra Leone as 19 local councils assume responsibility for key aspects of service delivery, including health and education. Greater accountability and transparency in local council activities could yield enormous benefits for schools though this ultimately depends upon the vigilance of civil society.

The NAG is Sierra Leone's only civil society membership organisation dedicated to the promotion of transparency, accountability and integrity in government. The project was made easier by NAG's extensive network of partners in each of the country's 12 provincial districts. The main challenges were the season and location of the project: the rainy season coincides with the end of the academic year, making travel difficult in the rural district of Moyamba where some areas are only accessible through hazardous boat journeys. Difficulty in obtaining resources further delayed the project with the result that surveyors were only dispatched after many schools had closed, requiring them to select schools where the head teachers remained in residence.

Photo: Che Chapman

The project and its findings

The programme was modeled on the Ministry of Finance PETS undertaken in 2002, which revealed startling figures about corruption in the education sector. The PETS Task Team concluded in that year that 45.1% of the funds disbursed for school fees subsidies were unaccounted for, and that nearly 28% of teaching and learning materials had disappeared.

Questionnaires were conducted in each of the 14 chiefdoms in Moyamba district, and two schools in each were randomly selected for the study. Moyamba was selected because of its compact size, proximity to Freetown, the project's limited resources and NAG's effective network of partners in the district.

To provide a comparison of conditions two years after the 2002 PETS, the project focused on the same two indicators previously used to gauge expenditure in the education sector: school fee subsidies, and the disbursal of teaching materials.

The methodology is based on the World Bank PETS strategy. Questionnaires were designed to solicit from head teachers the amount of school fees subsidies and teaching materials received by each of the 28 schools selected. Interviewers received training in Freetown on how to conduct the research. As a pilot study, the training team invited questions and suggestions from the sur-

veyors who were selected from social studies graduates from the national university, as well as residents of Moyamba district with previous surveying experience.

The processing of data was relatively straightforward though there was a problem with the accuracy of the questionnaires. Surveyors reported that some head teachers had kept no written record of teaching and learning materials received, and their responses in the questionnaires were often estimates. This coloured the results as some head teachers reported receiving above or below the actual disbursed amount.

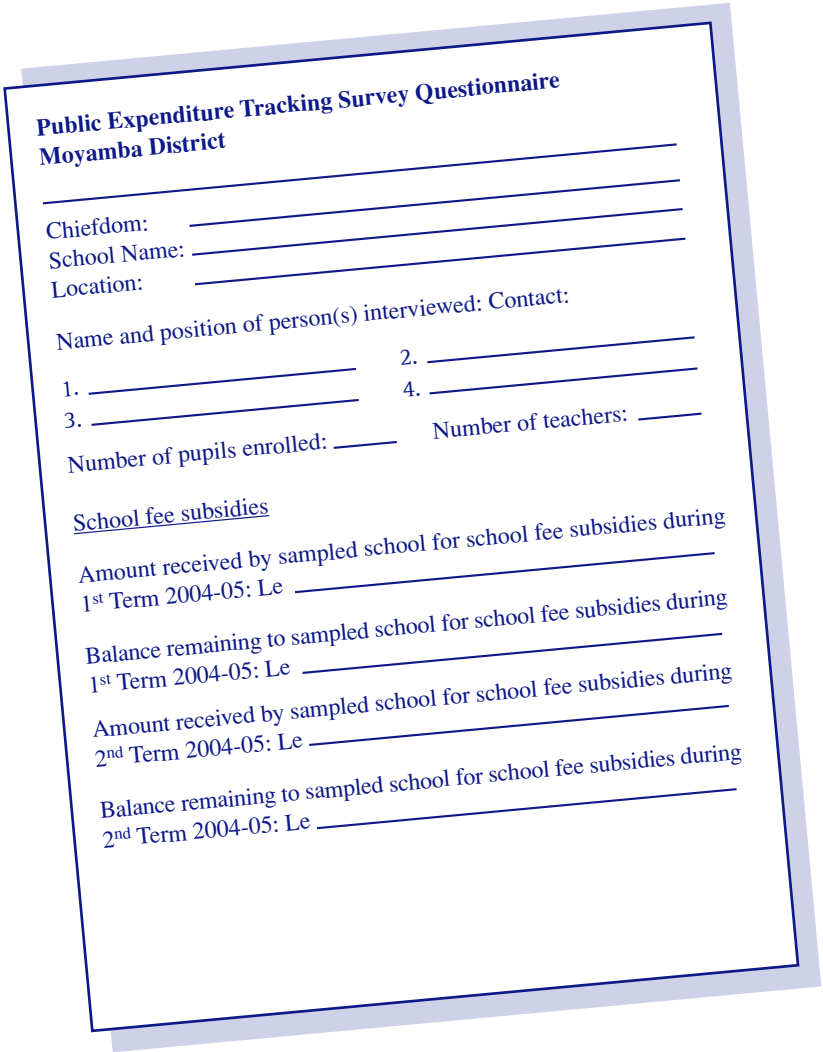
The findings of the study reflect a general improvement in service provision since the 2002 financial year. Following the earlier PETS, the Ministry of Finance hired an independent auditor to deliver school fees subsidies to government-assisted schools[1]. In all 28 cases, the subsidies received reflected precisely the sums the government reported as having disbursed. This has led to an increase in funds received by schools on the one hand, but the auditor, KPMG, extracts a 10% commission, plus Le 20,000 (around US$7) on delivery to each school, reducing the amount of cover per student. Thus, schools in the survey received roughly 88% of the total disbursed by the ministry. Discussions with head teachers emphasised the continued inadequacy of the allotted amounts, forcing pupils to purchase their own desks and chairs at great expense. Community members showed that they were often required to pay "extra fees". On average, school fees subsidies amount to less than Le 2,000 (US$0.70) per student per term, making the government's promise of "free education for all" a farce.

The provision of teaching and learning materials in Moyamba district is handled not by the government, but by Plan International, an international NGO involved in child welfare. Plan was effective in delivering all the promised teaching and learning materials, as recorded in their report, as well as some supplementary textbooks. Minor discrepancies were reported in the figures though this could be attributed to the rough estimates given by head teachers.

While not intended as a scientific study, the questionnaires directed at pupils indicated that they generally received only about 70% of the materials allotted to them. Because the provision of materials is based on the previous year's enrolment figure, teachers are sometimes forced to distribute them to larger numbers of pupils than was originally intended. However, discussions with community members revealed that some head teachers are suspected of selling portions of the received materials to supplement their incomes.

1 School fee subsidies are paid to the schools by the Ministry of Finance through an independent auditing company, KPMG.

Questionnaire for Head Teachers



Public Expenditure Tracking Survey Questionnaire
Moyamba District

Chiefdom: _____
School Name: _____
Location: _____

Name and position of person(s) interviewed: Contact:

1. _____ 2. _____
3. _____ 4. _____

Number of pupils enrolled: ____ Number of teachers: ____

School fee subsidies

Amount received by sampled school for school fee subsidies during 1st Term 2004-05: Le _____

Balance remaining to sampled school for school fee subsidies during 1st Term 2004-05: Le _____

Amount received by sampled school for school fee subsidies during 2nd Term 2004-05: Le _____

Balance remaining to sampled school for school fee subsidies during 2nd Term 2004-05: Le _____

Conclusions

The conclusions of the survey include the following:

- While the use of KPMG to disburse school fees subsidies allows a greater percentage of the total to reach the schools (roughly 88%), it would be preferable if KPMG were to receive a flat fee for its administrative costs so as not to reduce the amount received per pupil
- The provision of teaching and learning materials in Moyamba district is not representative because of Plan International's intervention
- Greater levels of community involvement in schools should be encouraged. The lack of transparency of many head teachers is a major risk in every school in the country. If they are not required to keep proper accounts of expenditures, and of the disbursal of the materials they receive on their pupils' behalf, they are no longer accountable. This final stage in the disbursal process is now the most crucial area to monitor.

Impact and recommendations

Conduct of the programme has helped the NAG develop its own capacity to carry out empirical research and the 2004 PETS will remain in its institutional memory. This is timely since, under the Local Governance Act, responsibility for supplying schools will fall to the 19 local councils at the beginning of the 2005-06 academic year. NAG has begun negotiations with the Decentralisation Secretariat to support a nationwide PETS on the education sector. This will be the first test of the ability of local councils to fulfil their new responsibilities.

As in other developing countries, civil society remains the primary check on government abuses in Sierra Leone. The advantage of using NGOs to conduct anti-corruption surveys is that they are independent. The Anti-Corruption Commission is hardly in a position to tackle pervasive corruption because the post of commissioner is a presidential appointment and the office is therefore politicised. A further irony is that government efforts to ensure accountability are fraught with allegations of corruption; the Ministry of Finance's annual PETS, for example, is allegedly riddled with misappropriation. The disadvantage of NGOs in Sierra Leone is that they have little sense of cooperation and similar organisations end up duplicating one another's work.

The challenges encountered during project implementation included the reluctance by government officials to hand over documents related to school fees subsidies. Others were mainly logistical. It is now acknowledged that Moyamba district was a poor selection for study because Plan International, not the government, was responsible for the delivery of teaching and learning ma-

terials for the 2004-05 academic year.

It is recommended that future PETS in the education sector be enlarged to include the tracking of teachers' salaries, including the delays in disbursal, since the latter exacerbate the problem of teachers' demands for extra fees. The NAG also recommends a deeper level of investigation, targeting the local community, to harness its participation to ensure that the materials received by schools are used appropriately. Efforts should also be made to discover the scale of the extra charges levied from pupils, and the circumstances in which teachers demand them.

While some changes will be made in the conduct of future programmes, the proposed nationwide PETS on education will be based closely on the experience in Moyamba district. Timing will be a key element of the process, and the next PETS will take place at the beginning of the following academic year. At that time, all paperwork from the third term will have been completed and head teachers will have returned to their schools.

Authors: Salia Kpaka and Joshua Klemm

For further information: www.accountability-sl.org

Zambia

Local Administration: A Recipe for Success?

Summary

The study Funding of Basic Education in Zambia was conducted from 6-30 July 2005 by Transparency International Zambia (TIZ), as a follow-up to the World Bank-funded Education Sector Delivery Survey (ESDS) of 2002. It canvassed the views of 145 respondents from four different districts of Zambia. It found that the incidence of corruption in the use of funds at the basic school level (ages 6-15) is low. This was attributed to the systems in place providing for more accountability of stakeholders in the management of the school. However, it was also apparent that corruption may be insignificant because the income base upon which it is supposed to thrive is very low.

Context

The education sector in Zambia has undergone a dramatic transformation since the 1990s when the government shifted to a policy of cost-sharing with parents in both primary and secondary schooling. The introduction of semi-autonomous Parent Teacher Associations (PTAs) in the latter half of the decade was aimed at complimenting this policy. PTAs were tasked with the technical and administrative oversight of their respective schools. They often have responsibility over fundraising, setting priorities and monitoring the usage of funds. The government gives quarterly grants for administrative and running costs, such as chalk, paper, books, desks and other amenities, but the general complaint is that this grant is not sufficient to run the schools. PTAs must conduct independent fundraising to cover the costs of maintaining infrastructure, such as teachers' houses or the upkeep of the school vehicle. Parents typically incur additional costs, such as payments for school uniforms, school and examination fees, and any contribution to school development projects suggested by the PTAs[1].

While the system encourages high levels of accountability in school management, it has proven less effective in rural areas with a low resource base where PTAs have been unable to deliver all of these tasks. Indeed, many view the system as a way for the government to abrogate its responsibility to adequately finance education.

1 Parents often incur maintenance fees (for building work or school transportation) payable to school administrations and allocated to the PTAs. Fees of this nature are specific to grades eight and nine.

Of particular concern in the performance of the education sector is the low remuneration of teachers. In a country where the ideal bread-basket is estimated at K830,000 (US$160.70) per month for a family of six living modestly, the average gross salary of a college-trained teacher is only K720,000 (US$139) per month. Even in urban areas, payments are often delayed for as much as two weeks after the due date and teachers rarely receive allowances for overtime or acting positions.

Consequently, there is now a trend particularly in urban schools, for teachers to supplement their meager income by conducting private tuition. It is frequently argued that this trend has tended to compromise the quality of education given to students in school. This ultimately impacts on poor households who cannot afford fees for extra tuition.

In order to assess weaknesses in education, in 2002, the World Bank funded an ESDS with three main components. The first part analysed the flow of expenditure from the Ministry of Education to the schools. The second examined how the funding that reached the school, whether in cash transfers or educational materials, affected pupils' test scores. The third part of the study examined school and household characteristics to ascertain the impact of educational funding on enrolment.

With regard to financial management and accountability, the ESDS study found little evidence to suggest that funds earmarked for schools by the state are failing to reach their target beneficiaries. Although funds allocated are reaching the schools for which they are intended the ESDS study found a lack of financial information at school level and recommended a strengthening of capacity at lower levels of the educational system. Task forces were subsequently formed at district and school levels, comprising the officer in charge at the district police station, representatives of teachers' unions, school managers, church leaders, the District Education Board Secretary (DEBS), the head of the Parent-Teacher Association (PTA) and the Education Standards Officer. So-called "strong rooms" were also established to store examination papers.

The project and its findings

The study focused on the basic school level, which encompasses primary and lower secondary school up to grade nine. Its main objective was to establish a link between the prevalence and extent of corruption in the sector arising from its pattern of funding. Specifically, the study focused on identifying corrupt practices that may occur as a result of loopholes in the systems adopted for school management.

The schools in the sample were chosen randomly and represented a mix of rural and urban schools from the districts of Chongwe and Chibombo (close to Lusaka), and Ndola and Kalulushi from further afield. A total of 146 respondents involving 20 schools were interviewed, including four DEBS (formerly District Education Officers), 20 head teachers or school managers, 38 teachers and 84 PTA members or parents with school-age children. The samples were adequate representatives of the total population, given the scale of the study.

Questionnaires were prepared for each of the four categories of respondents to gauge individual opinion. They were administered through personal interviews by a TIZ research team.

The study revealed that overall levels of corruption were negligible. While there may be corrupt practices in higher educational establishments, there was little evidence of its existence at the basic school level. Parents may feel compelled to pay bribes in the process of enrollment, or desperation resulting from the inadequacy of grants or salaries could lead to school authorities offering bribes to district officers, however, the structures and systems put in place as a reaction to the ESDS report seem to have been largely effective in deterring corruption. At the core are the PTAs, who provide checks and balances, and oversee management of the schools. They were found to have representatives

Photo: Che Chapman

on all tender committees when large school purchases were decided as well as acting as co-signatory for school cheques. Financial and activity reports for any development taking place at a school are presented to the PTA during the annual general meeting. PTAs can also call an extraordinary meeting to clarify or address matters that are considered urgent.

In comparison to 2002, when the ESDS identified the lack of financial information as a shortcoming, the TIZ study found far greater transparency in 2005 with regard to the disclosure of information to and from provincial and district education authorities, head teachers, teachers and members of the community. One measure taken since 2002 is the display of information in head teachers´ offices on school budgets and expenditure of both government grants and PTA fees. In this study, 95% of the schools surveyed kept up-to-date records of financial transactions, and copies of quarterly reports to the DEBS were made available to teachers and PTA members. In addition, quarterly audits were conducted and, at district level, three of the four DEBS had accounts monitoring units for schools in the district. Previously, it was difficult for schools and the community to monitor how much the government had released to the school because the money would end up at the district level and was often used for non-school activities.

The survey also examined whether school funds were being misappropriated. Of the head teachers and teachers interviewed, about 90% reported no cases of financial malpractice in the management of school funds. Table 1 shows the percentage break-down of perceptions of corruption in the utilisation of funds and the procurement of teaching materials. Respondents were asked: "What is your perception of the level of corrupt practices regarding procurement and utilisation of funds at your school?"

Table 1: Perceptions on corruption in utilisation of funds and procurement of materials

	Corruption is prominent (%)	Corruption does not exist (%)	Not sure (%)
Head teachers	0	95	5
Teachers	5	85	10

Respondents claimed that corruption was largely absent due to the greater involvement of stakeholders and improved disclosure of information.

However, there were obviously some negative tendencies in the disbursement

of funds to schools from the Ministry of Education. All schools, irrespective of area, experienced delays in receiving grants from the government and this directly affected their operations. However, no link was established between delayed disbursements and corruption. The study revealed that potential corruption was averted as a result of the clear separation of roles among the various players in school management systems. In all schools surveyed, officials and citizens performed different functions in such a way that accommodated and encouraged checks and balances.

In all schools the preparation of the budget was effected by a finance committee comprising teachers and PTA members; implementation of the budget by the head teacher and teachers; procurement by the school bursar and teachers; monitoring of expenditure by the finance committee; and approval of payments by the head teacher (or the finance committee). According to all respondents, this arrangement brought about greater transparency and accountability than the previous system where the head teacher would only work with the bursar when procuring school equipment, thereby diffusing the potential for corruption. Table 2 outlines the involvement and participation of various stakeholders in the financial administration of the school.

Table 2: Involvement and participation by stakeholders in financial administration of schools

	Preparing Budget	Implementing Budget	Purchasing	Monitoring Expenditure	Approving Payment
Head Teacher	X	X	X	X	X
PTA Committee	X			X	
Some Teachers	X	X	X		
Community Members	X	X			
District Education Office (DEBS)				X	
School Accountant	X		X	X	
Finance Committee	X	X	X	X	X

Delayed disbursements, such as late payment of salaries, also affected teachers at a personal level. The study found that teachers' allowances were in arrears by up to eight months in some cases. Many were owed leave days but could not take them due to lack of substitutes or because there was no leave pay. Some 70% of teachers made their own arrangements for accommodation if the government was unable to provide it. Many teachers had to make ends meet by other means, such as farming or providing private tuition. Though these factors all affected teachers' performance, none could be directly linked to corruption.

The study's main findings are the following:

- The incidence of corruption at the primary level is negligible and insignificant. There may be a prevalence of corruption at high school level, but this was not the focus of the study.
- The low level of corruption at basic school level is a result of the structures and systems in place which allow for greater participation by a cross-section of stakeholders in the management of a school's affairs. Increased access to financial information has led to greater transparency and the system of checks and balances ensures greater accountability. PTAs also play a significant role in maintaining this transparency because they are composed of local stakeholders.
- While PTAs may be unable to deliver all of their tasks, they seem to be effective in overseeing school finances.
- Delays in disbursing grants to public schools were common, affecting operations in all schools.
- Corruption may be insignificant, especially in rural schools, because teachers have little to offer parents or the community in return. Teachers may influence the admission of pupils into their schools for some financial rewards, but this is very limited.
- Corruption was not evident because the income base upon which it thrives is very low. Parents who take their children to public schools are not in a position to pay extra for free services. This may discourage teachers from asking for bribes.

Recommendations

This was the first time a study of this nature has been conducted in Zambia. It was carried out in an atmosphere free from interference and in an environment in which respondents were free to express themselves without fear. Regrettably, officials in the Ministry of Education headquarters were not readily available to support this initiative. However, officials at district level were very cooperative and facilitated contacts with the selected schools. The findings show that transparent systems and structures in basic schools and other public institutions can help to minimise the incidence of corruption.

Photo: Che Chapman

Authors: Stuart Nsana and Clint Mbangweta

For further information: www.tizambia.org.zm

Contact Details of Contributors

Poder Ciudadano
Piedras 547 “2”
Buenos Aires 1070AAJ
Argentina

Phone/Fax: +54-11-4331 4925

TI Bosna i Hercegovina
Gajeva 2
78000 Banja Luka, RS
Bosnia and Herzegovina

Tel: +387 51 /216-369
Fax: +387 51 /216-369

Transparência Brasil
Rua Francisco Leitão 339, cj. 122
05414-025 São Paulo (SP)
Brasil

Phone/Fax: +55 11 3062 3436
+55 11 3062 3475

Transparency International Georgia
26, Rustaveli Ave
0108, Tbilisi
Georgia

Phone: +995-32-92 14 03
+995-32-93 21 29/ 99 93 35
Fax: +995-32-92 14 03

Professional Women’s Support Group (PWSG) c/o
Transparency International Nepal
P. O. Box 11486
New Plaza Putalisadak
Kathmandu
Nepal

Phone: +977-1-436 462
Fax: +977-1-4420 412

Grupo Cívico Etica y Transparencia
Planes de Altmira del Casino
Pharaos 2 c. abajo,
75 vrs. Al lago, Casa No. 16
Managua
Nicaragua

Tel +505 270 3660
Fax +505 270 3556

Association Nigérienne de Lutte contre la Corruption (ANLC)
BP 10423
Niamey
Niger

Tel +227-733 181
Fax +227-740 461

National Accountability Group (NAG)
P.O.Box 1312,
18 Dundas Street
Freetown
Sierra Leone
West Africa

Tel: + 232 22 240995
Fax:+ 232 22 241054

Transparency International Zambia
Stand no 3880, Kwacha Road
Olympia Park
PO Box 37475
Lusaka
Zambia

Phone: +260-1-290 080
Fax: +260-1-293 649

Stealing the Future – Corruption in the Classroom presents ten micro-studies carried out by Transparency International chapters in 2004 and 2005 in Argentina, Bosnia and Herzegovina, Brazil, Georgia, Mexico, Nepal, Nicaragua, Niger, Sierra Leone and Zambia.

Through case studies, public opinion polls, household surveys and tracking of expenditures at the local level, *Stealing the Future – Corruption in the Classroom* provides snapshots of the effect of corruption in education on the lives of average people. It illustrates the need for civil society to work hand-in-hand with parents, students and teachers to hold government, schools and universities accountable for good education.

TRANSPARENCY INTERNATIONAL
International Secretariat

Alt Moabit 96 · 10559 Berlin · Germany
Tel.: 49-30-34 38 20-0 · Fax: 49-30-34 70 39 12
e-mail: ti@transparency.org
www.transparency.org