EMPOWERING PARENTS WHILE MAKING THEM PAY:
AUTONOMOUS SCHOOLS AND EDUCATION REFORM PROCESSES IN NICARAGUA

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Introduction: Philosophical and Political Underpinnings of Nicaraguan Education Reform

This study explores the benefits, pitfalls, and politics of the school reform process around the Nicaraguan Autonomous Schools Program (ASP). The ASP has transferred more power from the State to parents, while demanding more from parents, than any other school reform in the Americas. The ASP and the social movements behind it represent an important school governance reform on the world development stage, and especially in Latin America. In particular, school reform in Nicaragua relates powerfully to our understanding of how market-oriented strategies are being incorporated into elementary and secondary school governance, and raises a key question: has Nicaragua has gone too far by charging fees for public schools even if it has greatly empowered parents at the same time? In addition, Nicaragua followed a reform model that could be categorized as putting the reform cart before the legislative horse. Nearly ten years passed between when the reform was first implemented and the very recent passing of a law to support it. This study seeks to shed light on that decade-long progress.1

Over the past decade, the multi-lateral development community2 has strongly supported decentralization of education in Latin America. Too little is known about the actual attributes of such policies, which often go hand in hand with a call for increased parental and community involvement. Too little is also known about the nature of reform processes most likely to prove successful in navigating difficult political waters and foster beneficial educational outcomes. The origin of the call for increased participation is broad-based; it has been both top-down (e.g. from the multi-lateral community) and more rarely bottom-up (e.g. from grassroots organizations and

1 This study relies significantly upon and updates Gershberg (1999a;1999b;1999c)—which were based on relevant interviews and fieldwork in 1996—and Winkler and Gershberg (2000). Additional fieldwork and interviews were performed in 2000 and 2001.
NGOs). Since 1993, Nicaragua has pursued one of the most radical educational decentralization experiments in the world. The ASP implements a system of school-based management (SBM) that relies on local school councils that (1) have a voting majority of parents and (2) allocate resources that derive in part from fees charged to parents. These councils have broad powers including hiring and firing school principals. Nowhere in the Americas have parents officially been given so much responsibility, and nowhere have they been asked to provide directly such a large proportion of school resources. In addition, there are officially municipal-level councils that aggregate the school-site councils and bring in mayors and other municipal stakeholders. Figure 1 summarizes concisely the overall nature of the Nicaraguan reforms, including which factors and characteristics have been decentralized and which have remained (or become more) centralized.

**INSERT FIGURE 1 ABOUT HERE**

The confluence of transferring responsibilities to school councils and the charging of fees is not coincidental. Both derive from social movements solidly within the so-called “neo-liberal”

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2 By multi-lateral development community, I mean international development agencies and lenders such as The World Bank, the Inter-American Development Bank, and U.S. AID. In addition, PREAL (2002) makes the transfer of school management to parents teachers and communities its number one recommendation.

3 Recent reforms in Chicago have transferred a similar amount of power to parents, but have not required any cash or in-kind contributions from them. By far the most contentious and controversial component of the ASP was the imposition upon parents of fees used, at least in part, to augment teacher salaries. The fee policies raise some serious questions regarding the equity of the ASP and provided the source of staunchest social and political opposition. Ministry of Education officials are fond of trying to play down the size of the fees with the analogy that ten cordobas (C$10) per month was only the price of two beers. The Nicaraguan currency is the cordoba, C$. The approximate 1996 exchange rate was C$8.3=US$1, so the C$10 fee was about US$1.25. Monthly GNP per capita was US$29 (World Bank, *World Development Report*, 1996) or C$240. But, for a poor family, the monthly payments if fully collected could hardly be called inconsequential: a family with six children in school would have to pay C$60 per month in attendance fees and perhaps another C$40 to C$60 per month in materials, examination, and other related fees. C$120 per month could easily be 50% of the family’s household income. Naturally, the result is that they do not pay some or all of the fees or they discourage their children from attending. Gershberg (1996c) has argued that the fee system was a key element for the reform to take hold. If this is true, the Ministry could still have implemented policies that insure their collection while safeguarding equity. The flexibility gained from pursuing the reform through ministerial directives allowed the Ministry to alter the fee system quickly in reaction to problems and opposing pressures as they occurred.
reform model espoused by both the multi-lateral development community and the conservative regimes that came to power in Nicaragua in 1990.\textsuperscript{4} The layering of this philosophy over the famous 1980s Sandinista grassroots education and literacy movements provides an opportunity to examine how the government implemented, via its education policies, a new system of tenets and beliefs about the nature of the state and its role in and responsibilities for providing basic social services. In fact, the philosophical contrast could not be more stark between the Sandinista’s socialist education philosophy and the market-orientation and religious bent of the regimes that came to power democratically in 1990. It is not clear, however, if the new reforms have undone or built upon the accomplishments of the Sandinista literacy campaign, but it is clear that both regimes used education’s power to indoctrinate a culture to very different ends.\textsuperscript{5} Interestingly, the underlying philosophy of the ASP would appear to favor bringing many actors in civil society into the provision and support of education, but this has not been the case. Although the Ministry in the 1990s often had a stated goal of bringing in and working with civil society (including religious and non-religious non-governmental organizations [NGOs] and mayors), it has not happened. In part, this may be due to the facts that NGOs are largely associated with the Sandinistas, and mayors were essentially cut out of the administrative power structure of the ASP.\textsuperscript{6}

\textsuperscript{4} Walker (1997, p. 16) summarizes this concept nicely: “In principle, neoliberals advocate certain basic changes: 1) downsizing of government and the balancing of budgets; 2) privatization of state-owned enterprises; 3) deregulation of private enterprise; and 4) sharp reduction in or elimination of tariff barriers to foreign trade.” I have put the word “neo-liberal” in quotes because I believe that its ubiquitous use has diluted and in some cases obfuscated its meaning. In addition, the word now carries nearly universally negative connotations, and I do not necessarily wish to imply such connotations.

\textsuperscript{5} In this sense both regimes could at least claim to be followers of Paolo Freire’s (1974) \textit{Pedagogy of the Oppressed}. Freire certainly was prescient when he said “I am certain that Christians and Marxists, though they may disagree with me in part or whole, will continue reading to the end.” (p. 21) Both regimes also prove Richard Shaull’s assertion in the preface to the 1974 edition of Freire: “There is no such thing as a \textit{neutral} education process.” (p. 15)

\textsuperscript{6} In fieldwork performed in 2000 we looked specifically to interview actors from civil society (other than parents and parent associations) involved with autonomous schools. We had great difficulty even finding appropriate
Under the Sandinista National Liberation Front (FSLN) regime, the Nicaraguan system of basic education was highly centralized, although during and after the 1979 revolutionary war, the tradition of local payments by parents to support secondary schools was solidified (Arnove, 1994, p. 109). The most famous educational reform of the revolutionary period was the literacy campaign, which has been well-chronicled by Arnove (1994) and others. Nicaragua’s social revolution played out in a significant way through its education system. The literacy campaign itself was devised as a means to pull the country together through a system of voluntarism and education. Interestingly, this strategy required a highly centralized bureaucratic control. As Arnove and Torres (1995, p. 318) assert:

“Nicaragua, during the period of Sandinista rule, 1979-1990, represents the case of a revolutionary society attempting to use education as a principal means of effecting radical social change and overcoming the historic traits of a ‘conditioned state.’”

With the change of government in 1990, decentralization arose as a goal of the new, in essence counter-revolutionary, regime: education decentralization was thus a highly politicized and ideological component of the new conservative administration, but the attempt to use education as a principal means of effecting radical social change was still a characteristic of the government strategy in Nicaragua. Thus, after the 1990 elections brought Violetta Chamorro and the National Opposition Union (UNO) to power, followed by the Liberal Party of Arnoldo Alemán in November of 1996, there were policy efforts to transfer more responsibility and decision-making to the sub-national and school level. As mentioned the system under the Sandinistas had been highly centralized, with a bloated central bureaucracy; in one of its first reform efforts the Chamorro government reduced the staff of the central ministry by over 50 interviewees and little evidence of involvement from them. This was particularly surprising in the case of local priests and other religious leaders given the nature and philosophy of the reforms.
percent by 1992 (Arnove, 1994: 102), one year before the policy reform efforts in this study began. Both the Chamorro and Alemán administrations were relatively conservative and at least partial adherents to the neo-liberal model (See Walker, 1997).

The reforms cut to the core purpose of public education. The implementation of fees, on the one hand, has raised questions about the privatization of public education and has exposed the Nicaraguan government to claims that it is deprioritizing the public interest for the sake of economic stability. On the other hand, the high level of parental involvement and school autonomy hold promise for improved educational outcomes. In addition, the official tax system is so weak that any innovative means to channel more resources to schools deserves serious consideration. Nevertheless, questions about the equity of the reforms are paramount, and it is clear now that if the program’s benefits are as likely to accrue to the poor as to those in a better position to pay.

While concentrating on the politics of the reform process, this paper also explores some critical questions: How has the fee system impacted the lives of parents? How have the fee system and school councils together affected the satisfaction of the key actors? What has been the impact on both quantitative and qualitative school outcomes?

**Background: Educational Outcomes and Investments in Nicaragua**

Despite touted improvements in educational outcomes under the FSLN, the Chamorro government inherited a system in which official government estimates showed only 19 percent of students satisfactorily completed primary school; the yearly primary school drop-out rate was also 19 percent; and the secondary school enrollment rate was 25 percent of the eligible population with a 15 percent yearly drop-out rate (Gobierno de Nicaragua, 1996). In fact, reliable data (comparable to that available for other countries) for the period of Sandinista rule are
largely unavailable since many of the international organizations that compute such data were unable to request or receive them.

In general, the country has made advances in primary school coverage, but rates of repetition, drop-out, and primary school efficiency remain high in comparison to Latin America and in many cases to other similar Central American neighbors. Overall educational expenditure was a respectable 3.9% of GDP in 1997 (PREAL, 2002), up very slightly from 3.5% in 1980. However, educational spending in Nicaragua is more skewed towards tertiary education than perhaps any other country in Latin America. The national constitution stipulates that 6% of central government spending must go to universities (traditionally a Sandinista stronghold). Thus, while university students represent about 3% of the student population, about one third of educational spending is targeted to them. Thus, primary and secondary teachers are paid poorly, about US$42 and US$53 per month in basic salary, respectively. Four out of five students attend public (state) schools,7 and the rest attend private schools, some of which receive government support. Except for some funds raised locally by schools (discussed in detail below) all funds for public come from the central ministry. In primary and secondary school, there are large gaps between urban and rural areas, especially since the latter often have schools that do not offer all years of primary school. Rural teachers and school directors have less training and experience and are often not graduates of normal schools or other certification programs. Nationally, about one third of teachers are not certified correctly for the subject matter or level they are teaching, and this figure reached about two thirds in rural areas. Only about 7% of secondary school students are in rural areas, though about one-third of the national population is rural.8

7 This can be disaggregated 84% of primary school students, 68% of secondary, and 42% or preschool. (IDB, 1999)
8 Data in this paragraph and the next are culled from IDB (1999) and UNDP (2000).
Gross primary school coverage is 97%,\(^9\) 48% for secondary school, and 23% for primary school. The largest problems stem from poor quality which plays a key role in the facts that only 23% of primary students finish without repeating a grade and fewer than half ever finish sixth grade. Over 90% of students finishing sixth grade enroll in secondary school, but over 18% drop out in the first year, and only half graduate. The 1998 literacy rate among 15 to 24 year olds is only 78% and the adult literacy rate is only 67%, among the worst in the Americas and even poor in comparison to Guatemala, El Salvador, and Honduras. (UNDP, 2000; PREAL, 2002)

**Reform Carts and Legislative Horses**

On this background, the major post-1990 policy reform associated with education decentralization was the ASP. The second policy reform of the decade labelled as decentralization by Ministry was La Municipalización de la Educación (The Municipalization of Education, or “Municipalization”), a program through which municipalities received fiscal transfers to administer school payrolls and other limited powers. Post-1992 education reforms in Nicaragua also functioned in conjunction with an effort to establish municipal-level education councils intended to further involve municipal and other local stakeholders.\(^{10}\)

The reforms were the brain child of the minister of education, Dr. Humberto Belli, a dynamic, well-trained conservative (and an open advocate of Christian values) who garnered solid support from the development community (in particular the World Bank, the IDB, and US

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\(^9\) The 97% figure comes from IDB (1999). Note that UNDP (2000) reports that only 78.6% of the primary school age cohort was enrolled in 1997. PREAL (2002) reports net primary and secondary enrollment rates of about 24% and 83%, respectively.

\(^{10}\) Nicaragua has 17 regional governmental units called departments that have hardly any own-source revenues and no elected head such as a governor, and are essentially regional administrative extensions of the central government. Within them, there are 143 municipalities that have more autonomy: municipal presidents are elected, and a significant number are from opposition parties including the Sandinistas. The Ministry of Education appoints a departmental director of education in each department and a municipal delegate in each municipality.
Belli was the only minister from the UNO government to be reappointed by President Alemán, indicating that the new government considered the autonomous schools program, the most prominent educational reform fostered under the previous regime, a success.12

The ASP grew impressively rapidly after its inception in 1993. According to King et al (1996), about 100 secondary schools and over 200 single primary schools had entered the program in three years. There were approximately 250 secondary schools and 4288 primary and preschools nationally. Primary schools became eligible for autonomy only in 1995. In terms of scope, approximately 8,000 of the 32,000 primary and secondary public school teachers in the country taught in autonomous schools by the end of 1996. By 2000, over 50% of primary school students and approximately 80% of secondary students were in autonomous schools. The basic components of school autonomy involved:

- A monthly fiscal transfer to the school principal to pay for teacher salaries, benefits, and basic maintenance. Teachers received their salary in cash rather than checks.

- The formation of a Consejo Directivo (Directive School Council), a school site council led by the school director, with a voting majority of parents, charged with powers over budget; personnel; and (officially) some curricular decisions and evaluation and planning functions.

11 See Kampwirth (1997) for a concise summary of the Christian values and ideological framework of the education administration and teaching materials in the 1990s.
12 In addition, one should not underestimate Belli’s personal skills in his ability to survive the change in regime, as well as his U.S. academic credentials and his international stature. He was, for instance, asked to direct the reform of the Ecuadorian educational decentralization.
• The implementation of supposedly mandatory school fees for secondary school students and supposedly voluntary school fees for primary students. The fees may be for monthly attendance and/or exams; registration forms; services such as diploma processing; library use; and other services (such as use of a computer lab). These fees were used to augment teacher salaries or perform other operations as deemed necessary.

Though it represented a fundamental change in the way that a significant portion of the national system of education was governed, the ASP was not established in national law. The ASP had not been ratified by the national legislature or approved by other elected officials, but rather was governed for nearly ten years by a series of Ministry internal directives, many of which were not in the public domain. The Ministry officials proudly proclaimed that the reform process was one of “hechos no de derechos” (accomplishments, not laws). This provides an interesting alternative to the more common process in countries like Mexico and Colombia, where the decentralization legislation was well-established as a pre-requisite to reform. This strategy provided some tangible benefits aside from the mere speed of the reform. The Nicaraguan government, and the Ministry more specifically, learned a great deal from the early experiences of the ASP -- and this knowledge undoubtedly impacted positively on the legal and administrative framework (as we explore below).

This strategy also played a role in a more general strategy for weakening the largest teachers union, The Asociación Nacional de Educadores de Nicaragua, (National Association of Nicaraguan Educators, ANDEN), which was still politically associated with the Sandinistas. Kampwirth (1997: 122) notes: “The new MED [Ministry of Education] sought to relate to a civil society that was organized from above--that is, by the MED itself.” None of the participatory mechanisms examined in this study provides space for union participation. Four teachers unions
vie for power, and several Ministry officials and even union representatives felt that it was the fighting between them that had allowed the autonomous schools program to succeed, particularly because it had enabled the government to exclude them from the policy formation process. One sign of decreased union power is the declining willingness of teachers to participate in strikes. An implication that emerges is that weakened union power simplifies the fight to implement controversial decentralization reforms.

Kampwirth (1997: 122) adds that “there is an important difference between the Sandinista conception of civil society as comprised of organizations, albeit imperfectly autonomous organizations, and the Chamorro administration’s conception of civil society as based on individuals.” Thus, the Ministry’s chosen strategy was part of an attempt to alter the power dynamics in the education sector inherited from the Sandinistas, including the inculcation of Christian values. The Nicaraguan strategy of relying on Ministry directives rather than law avoided a very bitter legislative battle over the program. At the same time it helped establish some of the merits of the program first, and this helped the reform survive years of bitter legislative negotiations.

The danger with this strategy is, of course, that the reform is more easily reversible until it is firmly and legally established. Luckily (for Ministry officials and others in Nicaragua favouring the ASP) the results of the 1996 presidential election probably assured the program’s short-run survival. The Minister of Education was the only minister from the Chamorro government to be re-appointed by President Alemán. This rare move indicated the perception held by the new government that the ASP was a successful program, since the ASP was clearly the most prominent educational reform fostered under the previous regime. However, at the end of the Chamorro administration, uncertainty both imperilled the program’s stability and put
many participants (actual and potential) in a “wait and see” mode.\textsuperscript{13} Yet another pitfall with this process has been considerable confusion (or even purposeful manipulation) on the part of government officials and other participants over the precise rules governing the ASP, as discussed below. For instance, the rules for school councils picking school directors has changed several times as have the practices and policies around the fees.

\textit{The Process and Politics of Fostering Autonomous Schools}

Secondary schools were targeted for autonomy first. The logic was that they were larger, fewer, generally run by more experienced principals, and more accustomed to charging fees than primary schools. Presumably these characteristics contributed to the success of the program. The size of the schools helped ensure that the fees imposed would generate significant additional income. Their smaller number allowed the program to have a quick and significant impact. Their more experienced principals provided much-needed leadership, and their history of fees helped quell public outcry over the increased cost to parents. In addition, the Ministry hand-picked the first 20 secondary schools for their strong, competent leadership and their capable and interested parents. The lesson here is obvious but worth stating: determine the features that will make success most likely, start with a few model schools, and make sure they work.

Since 1993, the autonomous schools program has relied heavily on the municipal Ministry of Education delegates in each of the 143 municipalities. Mostly women and many of them former teachers, these officials are almost exclusively loyal to the Ministry and not to the Sandinistas. Moreover, the education delegates create an important presence for the central government at the local level because they exist in each and every municipality.

\textsuperscript{13} A new minister could have discarded the ASP with a wave of his/her pen. The number of schools entering autonomy ground to a near halt in the last six months of the Chamorro government.
The Ministry recognized the need for a cadre of loyal local representatives to promote the program and make sure that its ideology was presented in the most attractive possible light. With support from USAID, it trained its delegates in the philosophy, goals, and components of the reform and the strategies for promoting it. This training took place in a central location, and it is clear from our interviews that it served its purposes well. In addition to the initial training, delegates received assistance in overcoming some of the obstacles encountered in the early stages. For instance, opponents of the autonomous schools program (most prominently ANDEN) publicly equated autonomy with privatization; the delegates we interviewed could all eloquently explain, from the Ministry’s point of view, the difference between the two concepts.14

The first step in the process of becoming an autonomous school is a request by the teachers, often after being urged by the municipal delegate. The teacher vote for autonomy is not, however, a secret ballot, and in fact teachers may be treated differently or even fired depending upon how they vote (Fuller and Rivarola, 1998). Because many of the teachers who vote against autonomy are members of ANDEN, the result is a political battle at the school level. It is not difficult for the teachers to perceive from the outset that autonomy is potentially disadvantageous. The delegates’ primary selling point with the teachers in the early years was

14 The argument over the correctness of labeling the autonomous schools program as “privatization” is instructive. It is true that the program does not fit the traditional and popular definition of the term. Autonomous schools are not private schools independent of the state and its regulations. Public funds do not follow students to private institutions as a result of the program, and the autonomous schools continue to receive per-student allocations from the state (see Arnove, 1994: 113-116, for a discussion of government involvement with private schools in Nicaragua). Private groups cannot set up their own schools and receive funds via the program; it is not a voucher program. While the school-site councils have some power over personnel, budgeting, and curriculum, all their decisions are overseen by the Ministry at both the local and the regional level. The fee system is a form of user charge, which, while unarguably within the neoliberal ideology, is not the same as privatization. Nevertheless, by some definitions (see Fox and Riew, 1984), the increase in the proportion of funding received from parents constitutes at least a “partial privatization” of public school finance.
the promise of increased salaries supported by school fees. This was perhaps the most inventive, if controversial, aspect of the program. Teachers may have substantial reason to oppose autonomy, particularly because of the new power it gives principals and parents to hire and fire them. The potential for increased pay is an incentive that compensates for the loss of the security often provided by a powerful union. One could argue that it was unnecessary to combine a fee policy with school autonomy, but the government clearly considered fees important to the success of the program. Local financial participation was seen as critical to the enhancement of accountability, and in any case there was a need to raise more money for the sector. Of course, the long-term effectiveness of increased pay as a way of inducing teachers to participate depends upon the reality of increased pay, and so far this has not proven consistent. In fact, the monies collected have declined precipitously in many schools in the past 3-4 years, disappearing in many poor primary schools. Concomitantly, in recent field work in 12 schools, we found a generally low level of participation of teachers in the councils compared to parents and directors.

After entering autonomy, a school is governed by the principal along with the school site council, which always has a voting majority of parents. In practice, parent members are selected in a variety of manners, some more democratic than others. “More democratic” practices observed included the election of all parents in a general assembly and the election of all teachers regardless of rank or seniority. “Less democratic” practices observed included the selection of all parents and/or teachers by the school principal, the mayor, and/or the Ministry delegate. Thus, the vagueness in the rules or laxness in their enforcement--in part a result of the Ministry’s strategy of “accomplishments, not laws”--allow school-site councils to be selected idiosyncratically. It is clear that, given such opportunity, local actors will interpret the rules of the game on their own and that principals, teachers, parents, and municipal officials and Ministry
delegates will compete for control of the organism that is granted considerable power over school governance.

In primary school the fees were, by constitutional law, voluntary. However, instances of teachers refusing to administer exams to non-paying primary school students were not rare, and even cases of teachers or principals refusing to admit students occurred in the early years of the reform. In these situations, the Ministry delegates and the mayors played a key role in conflict resolution by “reminding” school staff that the fees were voluntary. But even if they were often successful in supporting the students, it is hard to escape the class-based social environment created within the institutions that are supposed to play an equalizing role. The Ministry could have mollified this situation by firming up guidelines and by using what they learned in the early stages of the reform to incorporate these guidelines into law.

Schools exhibited a broad range of fee collection strategies. In relation to the size of the monthly transfer received from the Ministry, total fee collection ranged from 0% to as much as 161%. In other words, some schools derived nothing from fees while others used them to more than double their available resources. Fee policy was set by the school councils, obviously based only loosely upon Ministry guidelines. Councils allocated fee revenue according to the priorities they established.15

15 Interviews revealed that if fee revenue was substantial, the councils typically allocated half to teacher remuneration and half to maintenance/repair; purchase of furniture or other amenities such as computers or library books; and/or social events. However, if fee revenue was low, councils tended to cut the teacher remuneration first. The salary bonus for teachers ranged from 0% to 50% of their monthly income for secondary school teachers and 0% to 30% for primary school teachers. Unfortunately, this is probably why we found morale to be particularly low among teachers in very poor, and particularly rural, communities where autonomy has wrought none of the promised financial rewards for teachers. Thus the flexibility in the reform process has brought benefits but also threatened the early abandonment of the reform. On a more minor note, the Ministry had some early trouble with the actual fiscal transfers to some autonomous schools. This disgruntled some teachers and caused them to withdraw their support of the reform. Had a similar problem occurred with a program with more legislative backing, it would be easier to outlast this kind of typical early administrative trouble. However, if the strategy is to pursue reforms via ministerial directives, it is especially important that nuts and bolts accountability issues, like payroll, run smoothly from the very outset.
Table 1 shows more recent data for all autonomous schools. While most schools collect few or no fee revenue (less than 2%), the majority do collect at least some, and many schools collect very significant revenues, say over 5%. Since the funds collected are discretionary, even 5% of total revenue could be nearly all discretionary spending.\textsuperscript{16}

\textbf{Citizen Participation and Autonomous Schools}

In sum, it is clear that the level of real citizen participation in the ASP is significant. School-site committees are given real powers and parents have a voting majority. The committees were constituted and functioning at every school we visited, and King et al (1996) presents preliminary results indicating that school governance has improved and that most stakeholders are supportive of the reform. We noted that the committees made important decisions, in several instances voting to replace the school principal and deciding how to allocate revenues from fees. This provides some support for the hypotheses (developed, for instance, by Esman & Uphoff, 1984) that participatory groups perform better when given 1) more than advisory status and 2) responsibility over raising and managing funds.\textsuperscript{17}

In addition, it is clear that the reform strategy followed by the Ministry played a helpful role in fostering effective school councils. The rules governing the councils changed form several times (for instance, they changed size to allow smaller councils) and the methods for selecting council members have also been re-worked based on early experiences. Finally, the Ministry was able to choose a few schools likely to succeed early on and then hold them up as

\textsuperscript{16} Table 1 shows calculations made by the author from data provided by the Ministry of Education.
\textsuperscript{17} The hypotheses are explored further in Gershberg (1999c).
examples to the rest of the country. The Nicaraguan reform strategy clearly created a space for learning by doing that supported the swift spread of the ASP.

In early February 2002, the Nicaraguan parliament approved the new Ley de Participación Educativa (LPE, Law of Educational Participation). After ten years, the reform now has a legal backing. Significantly, the law officially does away with autonomous schools (colegios autónomos) for schools of educational participation (colegios de participación educativa); however, the law keeps most aspects of the ASP in tact including the school councils. The name change, at least at present, appears to be a political conciliation though it does provide a blueprint for how the reform might now proceed. The law, for instance, emphasizes that education must be free. Most importantly, the law states that all autonomous schools are now schools of educational participation, and that all other schools must soon convert as well. So the ASP will now become universal, albeit under a different name. In the coming months, the details with be solidified by the Ministry, but this time in negotiation with the legislature.

The Municipalization Program

Many countries (e.g., Brazil and Chile) implemented policies that transfer some school administration responsibilities to municipalities. Nicaragua, through the Municipalization Program, was no exception. At the same time that the Ministry first started developing and promoting the ASP as one form of decentralization, it formulated and began to implement a Municipalization process that transferred certain, limited powers to municipalities chosen to participate. Early publicity from the Ministry touted the two programs equally as efforts to“decentralize.” While the ASP grew rapidly despite lacking a legislative base, municipalization—which was started at the same time as the ASP also by ministerial directives—has been all but abandoned as a national reform by 1996. Fewer than 10% of the
nation’s municipalities had entered the program in the four years since its inception. Since this seems to have occurred because of a policy decision within the Ministry to prioritize the ASP, it can certainly be counted as beneficial that the Municipalization Program was not legislated. Such a process would have resulted in a large waste of administrative effort as well as large expenditure of political capital. One interesting lesson learned is that a central ministry can indeed set up two reforms, one more controversial than the other, as a way to hedge its administrative investments.\textsuperscript{18} Once again, the Nicaraguan case makes it clear that prioritizing the creation of a legislative framework, as most countries have done, is no golden rule.

*Initial Strategic Dichotomy Faced in Education Reform Strategies*

But there are advantages and disadvantages to beginning a reform process with a series of changes via ministry directives without strong legal backing. Any reform process confronts an initial strategic dichotomy: Start with a comprehensive normative framework, or start with de facto changes. This dichotomy is summarized in Figure 2.

![INSERT FIGURE 2 ABOUT HERE]

The first will emphasize consistency, comprehensiveness and a clean sense of what the final outcomes should look like. It has the disadvantage that it can maximize opposition, build in unforeseen problems, and enforce a one-size-fits-all approach. It may also emphasize pork barrel politics. The second will emphasize operational viability, local responsiveness, and a sense that doing is the best way of learning. It also has the potential advantage of giving education administrators, such as the minister of education -- rather than governors or other

\textsuperscript{18} In fact, as originally constituted, the two programs were essentially contradictory. Schools that become autonomous in the few municipalities that had entered the Municipalization Program were no longer subject to the authority of the municipality. But when the two programs were initially developed, it was not clear which one would win out.
politicians without specialized knowledge of the education sector -- more direct control over policy development while providing an initial buffer to difficult political battles. However, it may yield reforms that are vulnerable to being reversed or abandoned, particularly if political battles are heated and sustained. It may also create confusion or a lack of transparency in the reform process, and scandals or mistakes may put the entire reform movement in jeopardy.
Nicaraguan School Reform in Comparative Perspective

As described in detail above, the Nicaraguan reforms relate to current trends worldwide to bring free-market concepts into school governance. The World Bank has been evaluating a range of outcomes of the ASP for the past five years and has thus far been rather positive and supportive. My own work on Nicaragua, while not entirely critical, has been less sanguine. On the other hand, Winkler & Gershberg (2000) show that the trend towards school autonomy (in the absence of charging fees for attendance) does show promising results in Latin America and a few U.S. cities with primarily poor public school populations.

In addition, there is a growing qualitative and quantitative research literature on the characteristics of high performing or effective schools that mirrors the much larger literature on successful organizations. These intellectual trends dovetail with work on participatory development, empowerment as alternative development, and parental participation and suggest that high performing schools are characterized by strong leadership, highly qualified and committed staff, a focus on learning, responsibility for results, and (perhaps) effective parental participation in school governance. Another set of literature reviews the evidence on the process by which schools improve and yields conclusions that are consistent with the effective schools research. For example, in an evaluation of school improvements on three continents, Dalin (1994) concludes that essential ingredients in successful reforms are a sustained commitment to quality improvement, local empowerment to adapt programs to local conditions, strong emphasis

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19 Two well-known examples would be Chubb & Moe (1990) and Hanushek (1994).
21 See Gershberg (1999b,c; 2002). See also Arnove (1994), which stops in 1993 when the ASP was in the initial planning stages.
22 See (1) Wohlstetter (1994); (2) Creemers (1994); (3) Darling-Hammond (1997); (4) Svedoff (1998). For literature on successful organizations, see: (1) Barzelay (1992); (2) Lawler (1992). See also PREAL (2002) which recommends that teacher salaries be linked to performance and that both pre- and in-service training be improved.
on school and classroom practice, and strong support linkage between education authorities and
the school “via information, assistance, pressure and rewards.” Finally, although there is little
evidence that fiscal decentralization or reforms such as municipalization improve educational
outcomes, there is growing evidence that SBM holds promise.24

Many analysts (e.g., Esman & Uphoff, 1984; Marc, 1992; Carroll, 1992) have
hypothesized and, to some extent shown, the links between stakeholder participation and
improved efficiency, effectiveness, or other outcomes. Table 2 presents a summary judgement of
the potential factors for improved effectiveness of government services from stakeholder
participation in Nicaragua. Table 2 shows that the potential for improvement was very high.

INSERT TABLES 2 AND 3 ABOUT HERE

OECD (1998) develops a methodology for measuring the degree of education
decentralization and groups educational functions into four categories: the organization of
instruction, personnel management, planning and structures, and resources. The content of each
group is given in Table 3 along with a summary judgement about the results of the ASP thus far.

Given the difficulty of isolating the effects of such complex reforms on learning and
educational attainment, Table 3 examines how the Nicaraguan reforms have changed factors
known to be related to learning. Ultimately, the goal is determining the right mix, for any given
country’s institutional context, of centralized and decentralized for the sets of decisions listed in
Table 3. This, not a massive push to decentralize all decisions, holds the most promise for
improving outcomes.

No decentralization reform can, of course, convert school principals who are accustomed
to passively following ministerial orders into dynamic leaders overnight; however, it can provide

24 For positive impacts of SBM in Chicago, see Bryk, Thum, Easton, & Luppescu (1998). For work on SBM in
Memphis see Ross, Sanders, Wright, & Stringfield (1998). See also Winkler and Gershberg (2000)
a transparent, competitive selection process for school principals which selects, in part, for leaders. To the extent that the ASP has achieved this, we would expect an environment conducive to more effective schools. Decentralization can contribute to excellent teaching in a variety of ways. When decisions on significant pedagogic matters are transferred to schools, teachers are empowered and motivated to work collectively to improve the services delivered to students. When school principals are given the authority to carry out meaningful evaluations of teaching staff, teachers can focus their training on what they need to improve. When resources for training and training decisions are given to the school, teachers and principals can purchase the training they need (demand-driven) rather than the supply-driven training provided by the education ministry. Table 3 indicates that in the areas of Personnel Management the Nicaraguan reform holds promise.

Decentralization can facilitate and reinforce a focus on student learning by providing the information required to assess learning problems, by devolving appropriate pedagogic decision-making to the school, and by allocating additional resources to schools with special needs. The visible product of this process is a solid school improvement plan, constructed with the active participation of teachers and the community, and with real possibilities of being implemented. Good information on student learning, and on the value-added of the school, is essential to the diagnosis of learning problems that is an important part of the school improvement plan. Good information is also essential to monitoring progress towards attaining learning goals. The devolution of appropriate pedagogic decisions is critical to the local design of solutions to local learning problems. Table 3 shows that in decisions around resources have been significantly decentralized in Nicaragua. Far less has been decentralized in the area of Organization of Instruction, though it is not clear that doing so would improve outcomes. Fuller and Rivarola
(1998), for instance, document that while the Ministry was promoting autonomous schools, it also developed and implemented centrally a new curriculum and Dewian method of instruction that proved highly popular with teachers.

Establishing responsibility for results, or accountability provides the incentives necessary for sustained educational improvement. A school system with accountability requires a set of measurable learning goals, up-to-date information on school performance towards meeting those goals, rewards and sanctions for meeting goals or not, and active monitoring of progress. The actor held accountable is typically the school principal or the staff of the school. The actor holding the school accountable may be the education ministry, a school council, or both. King and Özler (1998) find that the degree of decision-making actually exercised by autonomous schools varies greatly, and there is a positive and statistically significant relationship between the degree of decision-making exercised and student achievement. Furthermore, the strongest positive relationship to learning was found for variables measuring decision-making by the school-site councils on teacher staffing and monitoring of teacher activities. Again, in the areas of Personnel Management and Resources the goals in Nicaragua may be in line with achieving the right mix of centralized and decentralized decision-making.25

The Central in Decentralization

Thus, the study of decentralization requires an examination of the continued and important role of central government in such decentralization policies, a role that has too often been ignored (Tendler & Freedheim, 1994). It also likely requires some centralized action and support. Three main central functions are paramount in any effort to foster parental participation: (1) establishing a supportive legal and bureaucratic environment within which the participation will

25 See Gershberg (1998a,b) for a discussion of getting the mix of decentralization and centralization right, as well as for an application to Nicaragua.
take place (we call this “creating the space for participation”); (2) compensatory financing and the promotion of equity; and (3) technical support and training.

The central government’s support for the autonomous schools during the reform process went well beyond the explicit programs already mentioned, and the financial support supplementing the transfers, at least in the first four years, went well beyond the fees that schools were encouraged to collect. To some extent this additional financial support was hidden in the system or at least not well publicized by central Ministry officials. One obvious subvention was the subsidy for each student exempted from fees. Students qualified for the exemption if they were poor, high-achieving, or children of teachers. As stated in the comanagement agreements between the school director and the Minister, the Ministry provided C$5 for each exempted student.26 One might also point out here that if the fees were intended to be truly voluntary there would have been no need for the Ministry to lay out guidelines for exemptions. In any case, this policy resulted in a direct central government financial support of autonomous over traditional schools. Further, while the comanagement agreement established transfers to the autonomous schools on a capitation basis, there was no set rule or formula for doing so. They were essentially negotiated or unilaterally determined by the Ministry in a less than transparent manner. One high-level official revealed that there were direct instructions from the minister to compute higher transfers to autonomous schools in poor communities.27 Support for this policy had to be

26. While this transfer is less than the fee received by paying students, not only did traditional schools not receive this subvention but in fact they were bound by an old agreement to transfer 25 percent of the fees they collect to the Ministry of Education. These schools had never collected primary school fees, but did collect secondary school fees, even under the Sandinistas, and continued to collect fees, or voluntary contributions, for primary schools as well. The government did not provide the transfer for exempted students if the total per student transfer to the school exceeds C$30. This policy was redistributive, since it targeted resources to schools with the lowest per student transfers.

27. The Ministry claimed that the transfers are computed via a formula, but this was not entirely true. Initially, it had considered using a formula developed by the World Bank but having determined that the transfers would have been too small for its objectives it developed a “Nicaraguan formula.” While this formula is largely based on the number of teachers and their characteristics, this same official stated, “Here, we do not have rigid formulas, not like steel,
obtained from the Ministry of Finance, whose support for the program has obviously been critical. In theory, the new education law will make the process of fiscal transfers to schools and compensatory policies more transparent.

There was clearly a perception on the part of local officials that World Bank support, for instance, through a teacher incentive program, was targeted to autonomous schools. Whether or not this was the case, the perception was significant because it provided added incentives for teachers to accept autonomy lest they lose out on still more opportunities to supplement their salaries and improve their schools. Delegates expressed fear that they would lose out on World Bank money if they failed to bring schools into autonomy.

Taken together, this systematization of financial preferences for primarily poor autonomous schools served as the de facto compensatory policy making up in part for their limited capacity to collect fees. The lack of transparency in this “compensatory program” could certainly have been cleared up, though perhaps this more clandestine subsidization of poor autonomous schools helped mute accusations of favoritism or abandonment of the state system. And, if the Ministry truly believed in the program, this extra support may have been helpful for its success. However, more and more schools have entered into autonomy, the Ministry’s fiscal

but neither like butter... under the instructions of the Minister not to be too hard or too soft.” School-site interviews revealed that central payment of substitute teachers were much more complete and effective under autonomy and Ministry officials told us that the Ministry of Finance has provided extra funds to support this policy. The Ministry of Education also negotiated additional funds for school infrastructure repairs, and its officials had instructions to give priority to autonomous schools in poor communities where parents were asked to contribute in-kind services in lieu of fees. Prioritizing the autonomous schools filtered down to the local level as well. The Ministry’s delegates admitted and in fact often seemed proud that they managed to increase the number of teachers in autonomous primary schools and that when deciding where to place new teachers they looked first to the autonomous schools. As one delegate put it, “We prioritize autonomous schools. This is not to say that we leave out the rest of the schools, but the autonomous schools are now the focus of the system, and so we ought to prioritize them.” Part of the dynamic seems to stem from the increased claim-making ability on the part of parents through the school-site councils. Delegates hear more clamor for added teachers, for instance, from autonomous school parents, so they answer those claims more readily.
capacity to subsidize was taxed, and this too led to a decrease in school-level revenues and an increase in fiscal problems for autonomous schools.

One compensatory policy not explored by the Ministry would be a poverty-based match of parental contributions and other funds raised locally by schools. Autonomous schools in poor communities could receive matching funds for all local funds collected. This would produce multiple benefits and should be acceptable to the for several reasons: (1) It would maintain the sense of local financial involvement that in theory makes parents more dedicated to participating in school affairs. (2) It would also maintain the increased accountability and citizen oversight that come when people feel that they are paying directly for a service. (3) It would increase the likelihood that compensatory funds are targeted to supporting teachers’ salaries. (4) It would combat the inequity that results from throwing schools more at the mercy of the endowments of their communities. In short, a matching mechanism would preserve the ideological base upon which the Ministry has built the program while also addressing dire compensatory issues.

In addition to compensatory funds and the aforementioned Dewian pedagogy, the Ministry made a concerted effort to improve central evaluation during the school reform process. With significant support (both financial and technical) from the World Bank, the central Ministry began testing larger and larger representative samples students and augmenting their ability to improve accountability. Student assessment measures that were used to help the World Bank evaluate the ASP were adapted and implemented by the Ministry as national policy in 1997.28

Conclusions and Lessons Learned

The Nicaraguan case provides valuable insight into educational reform processes labeled as decentralization. The Nicaraguan reform has been a top-down process solidly within the neo-

28 See PREAL (2002) for a discussion of Nicaragua’s student assessment system in the context of other systems in Central America.
liberal model. Since this kind of reform is on the rise in Latin America (in part because of support from the development community), it is important to understand the benefits and pitfalls of its implementation.

One can put the reform cart before the legislative horse.

Decentralization was achieved not through legislation but through ministerial directives. This allowed an extended period of experimentation and learning by doing in both the administrative and political arenas of the reform. The Ministry likely would not have achieved as much if it had tried to pass the appropriate laws first. The moment to turn from experimentation to consolidation is difficult to discern, however, and harder to achieve. Waiting too long undermines the confidence key actors have in the future of the program and endangers the survival of the reform itself.

Where money is involved, take with one hand but give with the other.

Charging fees and augmenting other school revenue potentially buys the loyalty of the teachers, who otherwise would be the primary losers in the reform, but unless the promise to augment their salaries is fulfilled, low morale will threaten the reform. In order to achieve this goal without sacrificing equity, compensatory programs and policies must be clearly thought out and effectively implemented. Now that the new education law will apparently lead to a greater diminution of school-level fees, new strategies should be explored for supporting school centrally to mobilize local support and help improve working conditions for teachers.

Both the central and the local levels must be made stronger and more inclusive.

School-based management programs in Nicaragua will relied heavily on a cadre of well-trained local representatives of the central government. The importance of the Ministry delegate training cannot be overemphasized, nor can central training of parents and other actors. The
Nicaraguan reforms have not necessarily helped reduce central administration. In fact, there is little reason to believe that they should reduce central bureaucracy. To the contrary, they have necessitated an expansion of key offices such as budgeting and finance, which have had to manage entirely separate and in some way more challenging budgeting systems for different categories of schools.

**Pick the schools and other participants, but at the same time let them pick themselves.**

On the one hand, school-based management in a context in which such practices are new to the stakeholders needs to start small and selectively. On the other hand, it is important that key stakeholders be allowed to “buy in” to the reforms, at least in the early stages. The fact that teachers to some extent choose to make their schools autonomous has been important.

Overall, the Nicaraguan decentralization reforms provide a very interesting and innovative example from which to learn. Of course, it remains to be seen if positive results will be generated in the most important aspect, student outcomes. At least, as Fuller and Rivarola (1998) point out, the program has made student achievement a more clearly defined goal for more stakeholders than before. And King and Özler (1998) provide some evidence that the kind of school-level decision-making advocated (though not necessarily achieved) by the autonomous schools program improves student outcomes. However, if some of the serious equity issues cannot be resolved, the reform is sure to fail for political reasons, and its legacy will be increased disparities in performance and opportunity between populations. Nevertheless, the unique characteristic of the reform is the extensive role of the school-site council in setting policy for school governance and the initial results indicate that this arrangement is at least achievable and potentially beneficial. Finally, among Latin American school reforms, there is no other example for study in which the parental contributions are so sizable while being controlled by the councils.
themselves. Whether or not the program proves successful, development institutions and education analysts are sure to learn a great deal more from the experience.

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Table 1: Basic Fees\textsuperscript{29} as a Proportion of Central Transfers
Primary and Secondary Schools, Nicaragua 1998-1999
(Aportes Voluntarios and Matriculas as a Percentage of Ingresos for All Schools)
\((AV+MA)/(AV + MA + Transferencias Corrientes)\)

<table>
<thead>
<tr>
<th>Range</th>
<th>Number of Schools</th>
<th>Percentage Total Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 percent</td>
<td>311</td>
<td>42.78</td>
</tr>
<tr>
<td>1 percent</td>
<td>106</td>
<td>14.58</td>
</tr>
<tr>
<td>2 percent</td>
<td>58</td>
<td>7.98</td>
</tr>
<tr>
<td>3 percent</td>
<td>33</td>
<td>4.54</td>
</tr>
<tr>
<td>4 percent</td>
<td>21</td>
<td>2.89</td>
</tr>
<tr>
<td>Between 5 and 10 percent</td>
<td>80</td>
<td>11.00</td>
</tr>
<tr>
<td>Between 10 and 15 percent</td>
<td>59</td>
<td>8.12</td>
</tr>
<tr>
<td>Between 15 and 20 percent</td>
<td>32</td>
<td>4.40</td>
</tr>
<tr>
<td>Between 20 and 25 percent</td>
<td>13</td>
<td>1.79</td>
</tr>
<tr>
<td>Between 25 and 30 percent</td>
<td>8</td>
<td>1.10</td>
</tr>
<tr>
<td>More than 30 percent</td>
<td>6</td>
<td>0.83</td>
</tr>
<tr>
<td>Total Number of Schools</td>
<td>727</td>
<td>100</td>
</tr>
</tbody>
</table>

Maximum percentage: 35 %

Type of School

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Schools</th>
<th>Percentage of Total Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primaria</td>
<td>582</td>
<td>80</td>
</tr>
<tr>
<td>Secundaria</td>
<td>138</td>
<td>19</td>
</tr>
<tr>
<td>Primaria/Secundaria</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Not Reported</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>727</td>
<td>100</td>
</tr>
</tbody>
</table>

\textsuperscript{29} Schools charge fees or encourage contributions for a wide range of activities and services, such as computer use, food, school supplies, uniforms, and even library use. Here we look at only “aportes voluntaries,” which are voluntary monthly contributions, and “matriculas,” which are funds solicited upon enrollment.
Table 2: Effectiveness Gains from Participation, Nicaraguan ASP

<table>
<thead>
<tr>
<th>Potential Factors for Improved Effectiveness from Participation</th>
<th>Conditions Observed in Nicaragua Via the ASP School Councils</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. More accurate fit of services to recipient demand.</td>
<td>Council power over personnel leads to better fit between principals and teachers and the populations they serve. Councils have more flexibility to change school calendar to account for parental work seasons. Fee revenues invested in areas prioritized by parents. Some adaptation of curriculum to account for parental interests and concerns.</td>
</tr>
<tr>
<td>2. Adaptation of standardized government programs to local conditions.</td>
<td>Councils have altered centrally-suggested fee policies to account for local socio-economic conditions. Some evidence of other adaptations.</td>
</tr>
<tr>
<td>3. Reduced costs of communication with poor and rural populations on issues involving other government programs.</td>
<td>Some evidence that school construction has improved in rural areas and that existing World Bank projects function better because they rely on community participation promoted in the reform.</td>
</tr>
<tr>
<td>4. Increased sectoral resources through local resource mobilization, based on either self-help, user charges, or matching grant basis.</td>
<td>School fees have greatly increased the resources available in some schools. Municipalities have also been goaded into contributing some modest additional resources.</td>
</tr>
<tr>
<td>5. Gains in technical knowledge, both from and to local populations.</td>
<td>Clearly, parents serving on councils receive training and gain knowledge and expertise that last beyond their time of service to the council. In addition, the central government has learned more about the priorities for and needs of the sector.</td>
</tr>
<tr>
<td>6. Better accountability and performance, derived particularly from factors 1 and 4, as well as stakeholders acting as watchdog entity.</td>
<td>Many stakeholders indicate that accountability and performance have improved. Fuller assessment is still needed.</td>
</tr>
<tr>
<td>7. Lower costs through cooperation.</td>
<td>Little evidence of such an effect.</td>
</tr>
</tbody>
</table>

Potential Factors for Effectiveness Adapted from Esman & Uphoff (1984). Results reported from Gershberg (1999c)
Table 3: Types of Decisions That Can Potentially Be Decentralized and Those That Have Been Decentralized in Nicaragua

<table>
<thead>
<tr>
<th>Decision Type</th>
<th>Examples of Decisions</th>
<th>Nicaraguan Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Management</td>
<td>Hire and fire school principal. Recruit and hire teachers. Set or augment teacher pay scale. Assign teaching responsibilities. Determine provision of in-service training.</td>
<td>Yes, but limited Yes Yes, but variable Unknown</td>
</tr>
<tr>
<td>Planning and Structures</td>
<td>Create or close a school. Selection of programs offered in a school. Definition of course content. Set examinations to monitor school performance.</td>
<td>No Unknown No, or little No</td>
</tr>
<tr>
<td>Resources</td>
<td>Develop school improvement plan. Allocate personnel budget. Allocate non-personnel budget. Allocate resources for in-service teacher training.</td>
<td>Yes Yes, with center Yes Mixed</td>
</tr>
</tbody>
</table>
## Figure 1—Framework for Analyzing Accountability in Autonomous Schools Program, Nicaragua

<table>
<thead>
<tr>
<th>Framework Aspect</th>
<th>Comment/Summary Judgement</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Finance</td>
<td><strong>Significant transfer of central authority to schools</strong>: Though the Ministry continues to finance the system centrally, contributions to schools from parents play a growing role in resources available to schools for the first five years. Now, their role appears to be diminishing. Schools have greater control on the expenditure side: principals and school councils have increased discretion over spending patterns. Councils altered centrally suggested levels of contribution; however, there is a strong, if non-transparent, central role in financially supporting poor autonomous schools over poor state schools. Regarding grants-in-aid, the Ministry uses newly-developed grants to autonomous schools to transfer resources for salaries, benefits, maintenance, and utilities based on capitation principles and average costs at the school before autonomy. But transfers are not truly formula driven.</td>
</tr>
<tr>
<td>II. Auditing &amp; Evaluation (Financial, Performance, Operational, &amp; Programme)</td>
<td><strong>Moderate transfer of central authority</strong>: Very little change in central functions regarding financial audits, which rely on a small number of random audits and analysis of departmental performance reviews. Some increased vigilance on the part of parents and teachers due to interest in financial contributions to schools. School and Municipal councils perform program evaluations, but may be ineffective due to lack of sufficient training. Strong recentralization of evaluation as the central government began a new and much more comprehensive method of quantitative and qualitative evaluations concomitantly with the ASP.</td>
</tr>
<tr>
<td>III. Regulation &amp; Policy Development</td>
<td><strong>Little change in central authority</strong>: Norms, standards, text books and basic curriculum still developed centrally. New centrally developed curriculum has proven popular. Local councils have some leeway in 1) developing curriculum, though they have done so little in practice and 2) text selection, though the Ministry only pays for their own. Little or no attention by local actors to improving teaching methods.</td>
</tr>
<tr>
<td>IV. Demand-driven Mechanisms (Expression of Demand)</td>
<td><strong>Significant change in some schools</strong>: Required, voluntary, and (in some cases) extorted fees reflected and influenced parental demand for schooling, especially at the secondary level. Participation of parents in local councils provides community input to provision of services.</td>
</tr>
<tr>
<td>V. Democratic Mechanisms (Voting, Citizen Participation, &amp; Conflict Resolution)</td>
<td><strong>Significant transfer of central authority de jure; varied results de facto</strong>: Where school councils function according to norms, parents, through elected representatives, are given significant voice in school policy including budget, personnel, and curriculum. Principals are elected by the school councils.</td>
</tr>
<tr>
<td>VI. Service Provider Choice/Mix (Public, Private, and NGO Provision)</td>
<td><strong>Little change</strong>: though autonomous schools represent a significant change in school administration, the public sector is still responsible for service provision. Parents do not have increased capacity to choose schools via vouchers or other mechanisms. NGOs and private organizations do not run autonomous schools. NGOs and other civic organizations play a small role in education. School administrative structure could, however, facilitate future civic involvement.</td>
</tr>
<tr>
<td>VII. Civil Service and Management Systems</td>
<td><strong>Very significant change in central authority</strong>: principals and the school councils gain considerable control over management of personnel and budget. Municipal-level Ministry delegates are the front line, having gained primary responsibility for recruiting and overseeing autonomous schools, training participants, and resolving disputes.</td>
</tr>
</tbody>
</table>

Source: Framework developed in Gershberg (1998a,b)
Figure 2: Initial Strategic Dichotomy Faced in Education Reform Strategies

1) High Legislative Involvement: Start with a comprehensive normative and legal framework (e.g., Mexico, Colombia). The Ministry of Education may play a role, perhaps even a leading role, in the development of policies and legislation, but these must pass through the politicized process of gaining approval from the national legislature.

Emphasizes:

- Consistency
- Comprehensiveness
- Clean sense of final outcomes

Disadvantages:

- May maximize opposition
- Builds in unforseen problems
- Prevents learning by doing
- Enforces a one-size-fits-all approach
- Subsequent changes may be costly
- May emphasize pork-barrel politics

2) Low Legislative Involvement: Start with *de facto* changes (e.g., Nicaragua). The Ministry of Education plays the lead role in the development of policies and implements them without gaining approval from the national legislature.

Emphasizes:

- Operational viability
- Local responsiveness
- Learning by doing
- Subsequent changes may be less costly
- Putting reform in the hands of education officials

Disadvantages:

- Reforms vulnerable to reversal or abandonment
- May create confusion or lack of transparency
- Scandals/mistakes can doom entire reform