

# Chapter 5

## Education Reforms and Capacity Development in Basic Education: Illustration from Indochina

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### 5.1 Introduction

Southeast Asia, which had been pursuing a course of largely sustainable growth, was struck in 1997 by the Asian crisis, the impact of which was grave and wide-ranging. However, the region has made remarkable recovery and seems to have turned the bitter experience of post-crisis reconstruction to its advantage: that is, the nations are now addressing reforms accompanied by structural change in diverse sectors including education. The purpose of this chapter is to discuss what is happening in regard to basic education reforms and capacity development in this changing Southeast Asian region.

In the basic education development of developing countries, support on the sector level reliant on a Program-Based Approach (PBA) is becoming the mainstream, as described in earlier parts of this book. This chapter tries to highlight and synthesize significant characteristics of three country cases in Indochina (i.e., Cambodia, Lao PDR, and Vietnam), to be analyzed in more detail in Part III, where education sector program support through PBA that includes Sector-Wide Approach (SWAp) is currently underway. The aim is to examine the characteristics of program formation in the light of the key constituents of the Integrated Framework for international cooperation to education, which we proposed in Chapter 1. Also, by referring to the analytical framework presented in Chapter 3, we analyze how different actors interrelate to each other in the process of decentralization in three countries of Indochina.

### 5.2 A Status of Basic Education in Southeast Asia

As we reviewed in Chapter 1, through adopting a series of development goals and targets, particularly such as the Millennium Development Goals (MDGs) and the Education for All (EFA) goals, the international society has accepted basic education as one of the most important and challenging areas. Nonetheless, the EFA goals themselves have not yet been attained. In the Southeast Asian region, there are countries with many unresolved issues in basic education. In this section, we shall focus on the two EFA goals that are

included in the MDGs, that is, MDG 2 (the universalization of primary education) and MDG 3 (the elimination of gender inequality in primary and secondary education). Using monitoring indicators (net enrollment ratio in primary and secondary education, survival rate to Grade 5, gender disparity, literacy rates for youth aged 15–24), we shall attempt to shed light on the education status of Southeast Asian countries.

Table 5.1 provides data on the conditions of primary and secondary education and youth literacy in Southeast Asia in 1999 and 2005. In primary education, the net enrollment ratio has been increasing at the level of around 90% in most of countries, except Vietnam. The net enrollment ratio in primary education in Vietnam has been significantly decreasing, but the large part of this phenomenon is derived from the population growth and the actual number of primary school attendants has been increasing. In Lao PDR, though net enrolment ratio is on the rise, it remained around the low 80% mark in 2005. Gender inequality is also clearly obvious in some countries (i.e., Lao PDR, Indonesia, and Thailand). Survival rate to Grade 5 is less than 75% in Cambodia, Lao PDR, Myanmar, and the Philippines, which is to say that more than quarter of enrolled children leave school midway. It should be noted that the state of primary education and youth literacy are closely interrelated. In Cambodia and Lao PDR, youth literacy is less than 90%, a low rate compared with other Southeast Asian countries, and gender disparity is also huge in these two countries.

**Table 5.1** Primary and secondary education and youth literacy in Southeast Asia (Compiled by the authors based on the data extracted from UNESCO 2007)

	Net enrollment ratio in primary education (%)		Survival rate to grade 5 (%)				Gross enrollment ratio in secondary education (%)		Youth literacy (15–24) (%) <sup>f</sup>			
			1999		2004							
	1999	2005	1999	2004	1999	2005	1995–2004	Male	Female			
	Total <sup>a</sup>	GPI <sup>b</sup>	Total	GPI	Total	Total	Total	GPI	Total	GPI	Male	Female
Cambodia	85	0.91	99	0.98	56	63	16	0.53	29 <sup>c</sup>	0.69 <sup>c</sup>	88	79
Indonesia	–	–	96	0.96	–	89	–	–	63	0.99	99	99
Lao PDR	80	0.92	84	0.95	54	63	33	0.69	47	0.76	83	75
Malaysia	98	0.98	95 <sup>c</sup>	.00 <sup>c</sup>	–	98 <sup>c</sup>	69	1.10	76 <sup>c</sup>	1.14 <sup>c</sup>	97	97
Myanmar	80	0.99	90	1.02	–	70	34	1.00	40	0.99	96	93
Philippines	92	1.00	94	1.02	–	75	76	1.09	85	1.12	94	97
Singapore	82	1.00	–	–	–	–	66 (Male)	1.02	63	1.03	99	100
							67 (Female)					
Thailand	–	–	88 <sup>d</sup>	0.96 <sup>d</sup>	–	–	–	–	71 <sup>d</sup>	1.05 <sup>d</sup>	98	98
Vietnam	96	–	88	–	83	87 <sup>e</sup>	62	0.90	76	0.97	94	94

<sup>a</sup> Total value of male and female.

<sup>b</sup> Gender parity index (GPI) is the ratio of female to male values of a given indicator. A GPI of 1 indicates parity between sexes, while a GPI above or below 1 indicates a disparity in favor of one sex over the other.

<sup>c</sup> The data are for the school year ending in 2004.

<sup>d</sup> The data are for the school year ending in 2006.

<sup>e</sup> The data are for the school year ending in 2002.

<sup>f</sup> Number of literate persons aged 15–24, expressed as a percentage of the total population in that age group.

Most notable is the gross enrollment ratio in secondary education in Cambodia, Lao PDR, and Myanmar, which are below 50%. Comparing the data between 1999 with the one for 2005, despite the steady increase in gross enrollment in secondary education, these three countries still struggle to increase the number of enrollments. Cambodia in particular has a very low ratio at around 30%. In Cambodia and Lao PDR, gender inequality in secondary education is far greater than in primary education, with the 2005 gender parity index (GPI) showing gender enrollment disparity at 0.98 and 0.95 respectively for primary education, and 0.69 and 0.76 for secondary education.

Although Table 5.1 does not provide any direct grounds for argument, enrollment disparity is not only seen in gender but also in regions and income levels, the differences posing a grave problem. The poor, the ethnic minorities, the disabled, and other socially vulnerable groups are not being given sufficient access to opportunities for primary education. Even if the national average for net enrollment in primary education surpasses a certain level, improvements over and beyond that require universal diffusion and inequality redress in the remaining regions and groups. Meanwhile, in most of Southeast Asian countries where the enrollment ratios in primary education exceed 90%, the priority challenges are the diffusion of secondary education and the qualitative improvement of primary and secondary education. It is particularly important to note that policies for educational opportunity expansion that would lead to the lowering of the quality of education should not be pursued. In short, the greatest task awaiting international cooperation in education in Southeast Asia is the leveling of inequality seen in regions and groups that are lagging behind in the diffusion of primary and secondary education while providing quality EFA (Nielsen and Cummings 1997; World Bank 1999).

An overview of Southeast Asian countries reveals the following interregional disparities, with an exception of Vietnam. There is a gap between the two groups of (1) the original 1967 signatories to the Association of South-East Asian Nations (ASEAN) (i.e., Indonesia, Malaysia, the Philippines, Singapore, and Thailand) and (2) the other countries that joined ASEAN after the 1990s, (i.e., Cambodia, Lao PDR, Myanmar, and Vietnam). The countries that belong to the first group have basically recovered from the effects of the Asian financial crisis of the late 1990s and have achieved a significant level of economic development. Despite facing a variety of uncertainties, politically and socially, they are relatively stable. By contrast, the countries in the second group, remarkable though they may be in regard to their recent economic growth, still require a vast amount of aid from donor countries and international agencies. Politically and socially, they remain unstable. Such being the social background, education poses different challenges to these two groups. This is one of reasons why in this book we focus on countries in the second group which are mainly located in Indochina.

### **5.3 The Implementation of Education Sector Program Support**

#### ***5.3.1 Education Sector Program Support Through PBA***

Sector program support through PBA including SWAp is the attempt to support the education reform process itself of developing countries by means of aid coordination

and system capacity improvement while balancing education subsectors with a view to achieving EFA goals (King and Buchert 1999; Hirosato 2001; Lavergne and Alba 2003). As lessons were learned from disparate project-based cooperation seen in education as well as in sectors other than education, many donors have come to embrace sector program support since the mid-1990s. One of the evolved forms of sector program support is the Sector Budget Support. The moves toward decentralization having become established, the aid-receiving financial mechanism of the developing country is no longer under the control of the ministry governing each sector. The money is now being controlled by the central government, which handles the overall budget (Ministry of Finance) and is being transferred to local governments. Although the prerequisite is for the government of developing country to have the ability to explain and to take responsibility for what happens and for ensuring the transparency in regard to the flow of aid money, the transitional acceptance of aid money into the government budget makes this form of cooperation one that aims to make developing countries financially independent in the long run.

Still, in reality, there are problems. The prerequisites for the success of Sector Budget Support are ownership and partnership, but concerns over these have not been completely removed (King 2004). Neither can it be denied that the sector program drafting process itself exhibits the tendency to rely on foreign consultants employed by aid agencies (Samoff 1999). Numerous problems exist regarding the issue of whether it is possible to create partnership between the government of a developing country and aid agencies or between aid agencies themselves (Kitamura 2007). It is often the case that negotiations over their respective interests take more time and labor than at first envisaged and no reduction in transaction cost relating to aid as intended by PBA is evident. Besides, even if SWAp does succeed and Sector Budget Support is given the go-ahead, it might well have the opposite effect and lead merely to the reinforcement of dependency on aid agencies and foreign consultants by the developing country because an exit policy with a time frame cannot be clearly incorporated. What is more, the problems of implementing sector program support are countless. For example, despite purporting to share or simplify the procedures accompanying aid, complications still arise. Also, the lack of systems or implementation capacity on the part of the developing country and the inadequacy of the capacity or experience of the aid agency have been suggested. Such problems notwithstanding, the inevitable path for almost all donors is the promotion of the sector program support through PBA. With the accumulation of more hands-on experience on the part of the actors, this vehicle is likely to continue evolving as the new approach to international educational development and cooperation.

### ***5.3.2 The Implementation of Support in Indochina***

Sector program support through PBA is already being administered in several sub-Saharan African countries. In Indochina, the program in Cambodia has been

given a certain amount of appraisal as a pioneering example (Forsberg and Ratcliff 2003), and Vietnam and Lao PDR are in the process of introducing programs (Hirosato 2001).<sup>1</sup>

### 5.3.2.1 Cambodia

The commitment of the Cambodian Government to basic education development is shown in the National Strategic Development Plan (NSDP) 2006–2010, based on the Rectangular Strategy that places emphasis on four elements constituting the pillars of the national development plan, and the Cambodia MDGs, the Cambodian version of the global development agenda. The sector program support through PBA in Cambodia adopts a Sector Budget Support format as the mechanism for decentralized budget allocation and education service provision. In the Education Sector Development Program approved by the Asian Development Bank (ADB) in 2001, in addition to the conventional project-based loan, the Cambodian government introduced a special scheme for Sector Budget Support called the Priority Action Program (PAP), and through financial aid toward this PAP, policy and budget support was provided with the aim of achieving a balanced development of the education sector as a whole (ADB 2001a). The PAP funding was sent directly to the provinces without going through the Ministry of Education, Youth and Sport. This meant that the local government was vested with greater authority and decision-making power, providing an important impetus in promoting decentralization.

To actually implement the 5-year plan<sup>2</sup> that is called the Education Strategic Plan (ESP), which defines the basic strategies in the education sector of Cambodia, a 5-year program called the Education Sector Support Program (ESSP) was created. The ESSP spans the same 5 years as the ESP. The ESSP designates specific target

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<sup>1</sup> UNICEF (2005) gives an account of the education sector SWAp and PBA in Asian countries including Indochina regarding their status, problems, and outlook, in a report of the conference held in Vietnam in November 2004 with the participation of developing country governments and aid agency officials involved.

<sup>2</sup> Since 2000, three 5-year plans have been adopted: (1) 2001–2005, (2) 2004–2008, and (3) 2006–2010. ESP and ESSP can be accessed via the Cambodian Ministry of Education website [<http://www.moeys.gov.kh/en/index.htm>] (retrieved in April 2007).

<sup>3</sup> Under the current PAP system, to prevent any non-transparent flow of funds, 12 education subsectors have been selected as eligible for PAP. Each year's budget is allocated strictly for each of the 12 PAP areas. Yet, this system does not allow for any transfer of budget, for instance, between areas that have a surplus and areas that have a shortfall. To give greater flexibility to budget implementation, the 12 PAP areas are to be reorganized into five program areas and budget allocation is to take place for each of the five programs under Program Budgeting, which commenced in 2007. The PAP areas in operation now include access improvement and quality improvement in each of the educational stages, teacher training, nonformal education, early childhood care and development, scholarship to those on low income, and improvement of the education administration system. For more details on PAP in the education sector, see MoEYS (2005a).

values in the 12 areas of PAP.<sup>3</sup> To support ESSP, the ADB approved in 2004 the Second Education Sector Development Program, incorporating assistance toward education opportunity expansion and basic skills training in lower and upper secondary education (ADB 2004a). Meanwhile in 2004, the World Bank approved an education sector support project with the aim of improving and equalizing access to primary and lower secondary education (World Bank 2004a), and conducted a sector study for improving the quality of education (World Bank 2005a).

Nevertheless, the PAP mechanism crucial to the sector program support in Cambodia and the effect that its funding brings are sometimes described as not necessarily delivering the expected improvement (World Bank 2005b; MoEYS 2005b) with regard to the education indicators relating to the EFA goals, because of the lack of PAP management capacity in local authorities and schools and the mismatch between PAP funds and needs. This means that there are problems as well with capacity strengthening at the local and school levels in the sector program support through PBA.

### **5.3.2.2 Lao PDR**

In Lao PDR, the National Growth and Poverty Eradication Strategy (NGPES), the Laotian version of the poverty reduction strategy paper, was adopted in 2004. The education sector was named as a key sector for action in poverty reduction, alongside agriculture, forestry, health, and transport infrastructures, and is considered to be a linchpin in the strategy. Aware that action in the education sector is vital and indispensable to poverty reduction, the Ministry of Education had to take on the responsibility for drafting and implementing an education development program with emphasis on poverty reduction. The switch to a more comprehensive approach as exemplified by PBA became necessary.

Primary education development in Lao PDR relating to the achievement of the EFA goals has been supported chiefly by the World Bank's Second Education Development Project (World Bank 2004b), and ADB's Basic Education (Girls) Project (ADB 1999) and Second Education Quality Improvement Project (ADB 2001b). Principal bilateral aid donors had supplied technical cooperation by cofinancing with the World Bank or with the ADB. In November 2006, ADB approved the Basic Education Sector Development Program (ADB 2006a), which aims to give primary and lower secondary education support through PBA. A sector development program modality combining a program loan and investment loan has been introduced. The aim of this aid modality is for the program loan to deliver policy support and an investment loan to deliver primary education access expansion and equalization together with an expansion of lower secondary education opportunity expansion. In parallel with the implementation of the Basic Education Sector Development Program, technical assistance relating to the reinforcement of education SWAp/PBA is being provided in Lao PDR. Thus, the promotion of program formation for basic education support is expected to get off the ground properly (ADB 2006b).

Still, although this Basic Education Sector Development Program includes the reinforcement of education administration and management capacity for decentralization, the Laotian SWAp/PBA has not adopted the Sector Budget Support and ordinary program loan is provided.

### 5.3.2.3 Vietnam

In Vietnam, the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) was created in 2002. This is the Vietnamese version of the poverty reduction strategy paper, designating various numerical targets including those in the education sector. Adopted in 2005 was the Hanoi Declaration on Aid Effectiveness, a Vietnamese version of the Paris Declaration. Thus since 2006, the CPRGS was absorbed into the Socio-Economic Development Plan 2006–2010 developed by the Vietnamese Government. All aid agencies now have as their chief aim, the alignment of support to this 5-year plan. A key feature is the emphasis on the mutual complementation of diverse aid modalities in the education sector as well.<sup>4</sup>

Vietnam, having been a country subject to EFA-FTI since 2003, is in an advantageous position with regard to funding for the achievement of EFA goals. For instance, the World Bank's Primary Education Project for Disadvantaged Children in Vietnam is applied to poor regions or ethnic minority regions with low school attendance rates. The responsibility for implementing the project is mostly given over to the local governments and communities (World Bank 2002). As a means of guaranteeing the delivery of high-quality EFA, a concept known as the Fundamental School Quality Level (FSQL) has been introduced. This is an agreement between the Vietnamese Government and aid agencies regarding the minimum quality of education that should be guaranteed across the entire country on a uniform basis. The FSQL of primary education is stipulated as the quality of education to be guaranteed by the Ministry of Education and Training (MOET) in the Primary Education Project for Disadvantaged Children by the World Bank (World Bank 2002). As to lower secondary education, the ADB financed Second Lower Secondary Education Project sets as a loan covenant that the MOET develops a similar FSQL (ADB 2004b).<sup>5</sup>

Furthermore, in primary education, the World Bank approved in 2005 the Targeted Budget Support for the National Education for All Plan Implementation Program (World Bank 2005c). Under this program, primary education subsector SWAp is underway under the auspices of the Vietnamese Government and the World Bank, the Department for International Development (DFID) of UK and other

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<sup>4</sup>This view is based on the interview survey the author conducted in Vietnam in November 2006.

<sup>5</sup>A similar concept is that of Minimum Service Standards, whose introduction is planned in Indonesia.

European countries' bilateral aid agencies. The program is notable in its attempt to increase the number of schools that reach the FSQ by means of specifying the schools that do not satisfy FSQ and by giving budget support to the government. As a mechanism of implementation, Sector Budget Support is being conducted experimentally by reinforcing and using a budget allocation mechanism called the National Target Program (NTP) of the education sector that is administered on the provincial level (World Bank 2005c).

Lower secondary education is being supported by a series of secondary education projects run by the ADB. As mentioned earlier, the MOET is developing FSQ at the lower secondary level under the Second Lower Secondary Education Project, and its formal approval is expected in 2008. If the FSQ is approved and if greater transparency is achieved for NTP, a decentralized budget allocation mechanism, it would be possible to provide budget support using NTP for the benefit of lower secondary education. In turn, it would create an opportunity to develop a basic education development program using SWAp/PBA, based on a consensus among the Vietnamese Government, the World Bank, the ADB, and major bilateral aid donors. Thus, at least in terms of funding, we anticipate a more coordinated action toward the achievement of EFA goals.

## **5.4 Political Actors Who Undertake Decentralization**

### ***5.4.1 Decentralization in the Education Sector of Developing Countries***

To explore the applicability of the analytical framework proposed in Part I, we have taken three countries in Indochina as an illustration. Let us now consider how political actors in particular interrelate to each other in the process of decentralization. Before the analysis, however, we should summarize an outline of the properties of decentralization in the education sector of developing countries.

Generally, the diffusion of "basic education of high quality" is considered to be the public policy to be pursued by the developing country government. Yet, under the influence of neoliberalistic thought, today's developing countries favor decentralized education-sector management and education reform including deregulation and privatization based on market forces and competition. Thus, as a means of diffusing basic education of high quality, while emphasizing the role of government, the efficiency of basic education diffusion is being pursued through a rethink of the division of labor between central and local governments and through the introduction of market forces and competition. Notably, if in education sector management, authority and finance are being devolved from the center to the regions, local governments and communities actively take part in the process of policy-making, and the responsibility and capacity of implementation of these agents increase, a highly cost-effective management is said to become possible (McGinn and Welsh



1999). In addition, Southeast Asian nations including the countries of Indochina have local communities that are multicultural, multiethnic, and multilingual, and the perception of education differs according to region and ethnic group. To impose a uniform basic education diffusion policy on these communities will not match local needs; instead, it may even trigger inefficiency in education sector management. For this reason, the majority of basic education support efforts relating to the achievement of EFA goals are being implemented in the context of decentralization.<sup>6</sup>

The designation of the division of labor between central and local governments and the efficient management of schools are points at issue in education reform in developing countries as well. However, sufficient investigation has not been made into the effect of the efficiency-oriented neoliberalism that lies behind the education reform of developing countries of that age. Developing countries do not have the institutional conditions for such ideas to take root; instead, noninclusive competition and selection intensify, and often the weak (the poorest countries and the poor people in developing countries) are ignored, resulting in the widening of the gap between countries and regions, according to some views. For the moment, the rational stance would be that high-quality achievement of EFA goals cannot be materialized by decentralization alone (Bray and Mukundan 2003). In the current context of progressive and inevitable globalization, it is vital to discern the negative side of globalization. One reason why arguments arise about the division of labor between central and local governments is the ambiguous definition of the relationship between the local government and the different suborganizations of the education-related ministries in terms of the transfer of authority and finance from the central level of educational administration and finance. This either leads to confusion on the local or school level or no actual action being taken despite designation of roles by legislation.

## **5.4.2 *Decentralization Policies in Indochina***

In view of such a background and context of the introduction of decentralization policies, the following is an illustration of what characterizes decentralization policies in Indochina, focusing on the roles of actors in the public domain, the actors who support the political system in each country.

### **5.4.2.1 Cambodia**

Cambodia adopts a multiparty system: the Cambodia People's Party (CPP) has the majority in central and local assemblies, and together with the Funcinpec Party,

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<sup>6</sup>On the subject of the degree of transfer from central to regional government with regard to decision power, responsibility, and operation, Hanson (2006) defines the three forms of decentralization – deconcentration of authority, delegation, and devolution, and summarizes the various issues and questions relating to decentralization.

it forms the ruling coalition; the Sam Rainsy Party is the minority opposition. Because of this multiparty system, posts in the Ministry of Education, Youth and Sport are allocated to members mainly of the CPP and the Funcinpec Party. The CPP and the Funcinpec Party share the vice-ministerial post. The two parties rival each other visibly over assignments of personnel within the ministry.<sup>7</sup> This structure is reduplicated in the education administration and finance on the provincial and district levels, leading to an increased transaction cost in decision-making and policy implementation on education administration and finance and greatly affecting the resources allocation within the education sector. In order to analyze such a situation, we can apply the framework (diagram) of the interrelationship among actors in promoting education reform. Public interest takes precedence over private interest, and political parties are normally expected to respect this principle. However, in case of Cambodia, consideration is given to an interest of political parties (or even individuals who belong to political parties) before an interest of general public. In the framework, it would be possible to make clear how public administration receives strong influences of political parties at different levels (from central to local).

Still, decentralization in Cambodia, motivated politically by the desire to promote democracy, was started as part of public-sector reform. The Seila Program introduced in 1996, supported by the United Nations Development Programme (UNDP), is a vehicle for promoting decentralization and a new mechanism for reinforcing the functions of commune councils and village development committees. However, as for decentralization in the education sector, 75% of decisions were made by the central government in 2003. This is a very high concentration at the center, in contrast to the mere 11% by local governments and 14% by schools. The feature of decentralization in the education sector is “deconcentration” of authority but the central government retains power over personnel and resources allocation (Turner 2002; Losert and Coren 2004; World Bank 2005d).

In Cambodia, where the state administrative infrastructure (including the education sector) is very weak, a rapid devolution to the local level of power as well as funding transfer involve a high risk of negative results. That is, the local governments and administration that should control the process of devolution are not capacity-ready, which means it is possible to foresee the lack of success in devolution that would deliver quality and efficiency improvements in a public service like education. In view of how devolution is being handled under the multiparty system in Cambodia and the nature of devolution that results therein, the passing of a new education act is of critical importance in regard to clearly defining the legal and regulatory frameworks. As of 2007, the education bill had not been formally passed, but the bill includes regulations on the roles and responsibilities, lessons and learning, personnel, resources allocation in the education subsector, and regulations on the jurisdiction and responsibilities of each education administration stratum (Royal Government of Cambodia 2005). This clearly shows that capacities become weaker at lower levels of education

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<sup>7</sup>The restrictive elements in education reform have been arising from such conflicts in interest between political parties.

administration, as we have presented in the framework of the interrelationship among actors in promoting education reform.

The mechanisms that implement decentralization in the education sector in Cambodia are the following. First, the local education administration bodies are provincial education offices (in 24 locations nationwide) and district education offices (185 offices nationwide). As explained in Section 5.3.2.1 the structure of education administration and finance in Cambodia and its budgeting mechanism was altered by the PAP, which was introduced to create a mechanism whereby funding is distributed from the national treasury on the central level to the provincial treasury, and from thereon to the provincial education offices under the jurisdiction of the Ministry of Education, Youth and Sport. Budget management, as well as allocation on the provincial level is carried out by the newly created provincial budget control committee. Then, from the provincial education offices, the budget is allocated to each district education office, and the newly created district budget management committee is made responsible for the management of funding. The budget allocation to schools takes place under the coordination of the district budget control committee and is in negotiation with the district education office (Sub-Working Group No. 3 2004).

#### 5.4.2.2 Lao PDR

The political setup in Lao PDR comprises one-party rule by the Lao People's Revolutionary Party (LPRP), which has been governing since the 1975 socialist revolution. Since 1986, Lao PDR has been undertaking its own version of Perestroika, *chintanakhani mai* (literally "new thought"), aimed at raising itself from the economic doldrums. In the economic sector especially, the New Economic Mechanism (NEM) was implemented, treading the path of reform by switching from a planned economy to a market economy. The political structure under the one-party system in Lao PDR is characterized by government party members and non-party members. The non-party members follow the decisions made by party members or are put under the supervision of party members. However, it is non-party members who often carry out the actual administrative work. Party members are reliant on non-party members in the implementation of government administration. This structure has created a distorted relationship between party and nonparty members in terms of authority and administrative capacity, resulting in inefficiency that pervades central and local administrative bodies. In short, underlying the one-party rule by the LPRP, there is actually a two-party system of party and non-party members<sup>8</sup>. The inefficiency of decision-making and policy implementation relating to education administration and finance is similar in situation in terms of the increased transaction cost that arises under the multiparty system of the Cambodia government.

Decentralization in Lao PDR has experienced a whirlwind of changes since the socialist revolution of 1975, with a tussle between centralization and

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<sup>8</sup>Field survey by the authors (November 2006).

decentralization affecting sectors including education. In the mid-1980s, in the course of economic reform, decentralization was promoted, in a move away from the centralistic administrative system. However, the budget system for decentralization was not in place, and the shortage of capable administrators on the local level, essential for propelling devolution, led to utter confusion. In 1991, the system had to revert to centralization. Later, in the post-1997 aftermath of the Asian currency crisis, the macroeconomic scene and government financial difficulties further deteriorated. For the purpose of financial reconstruction and administrative streamlining, decentralization was restarted in 2000. In specific terms, the promulgation of the presidential decree relating to deconcentration assigned new roles to the state, county and village. The state turned into a strategic unit for development, the county the unit for planning and budgeting, and the village the unit for basic implementation (Government of the Lao PDR 2000).

Regarding education administration, the Ministry of Education has jurisdiction over the national level and 18 provincial education services have working-level responsibility over the implementation of primary and secondary education. The provincial education service is controlled by the Ministry of Education but is under the direction of the state governor. The state governor has certain budgetary powers and education is part of the area where he exercises his spending power. Positioned below each state level are district education bureaus, 142 in total, serving as the frontline organization of education administration, supporting schools and local bodies and promoting educational activities. The responsibilities of the Ministry of Education are: planning the country's education system; giving advice and recommendations regarding education policies and supervising education activities across the country; developing curriculum; editing and publishing textbooks; compiling and distributing teaching materials; training new teachers; providing in-service training; and administering higher education, education finance, and human resources management within the education system, either directly or indirectly through subordinate organizations. The Ministry of Education also has the authority to institute or abolish educational institutions, the authority to determine the organization and functions of the provincial education service and the district education bureau, and the authority to issue regulations, directives, and notices as necessary relating to education. Teacher assignment is basically carried out through a Ministry of Education response to requests by the state and county. Still, education administration in real terms is in turmoil due to the transition process from centralized to decentralized control. Numerous structural problems in education planning, budgeting, and human resources are set to emerge (ADB 2003).

### 5.4.2.3 Vietnam

In Vietnam, the rushed socialist state-building after the post-Vietnam War unification of 1975 hit a bottleneck. As a countermeasure, the *Doi Moi* ("renovation" through the market-oriented economic mechanism) was adopted in 1986. Under the one-party socialist system of the Vietnamese Communist Party, the party is superior to the government and all policies had in effect been planned and drafted centrally by the party at the center. The education sector was no exception. The National Assembly was merely a body for

rubberstamping the policies of the party. The MOET and the provincial Departments of Education and Training had merely been executive devices. However, with the progress of *Doi Moi*, since the 1990s, the Communist Party has stopped at indicating the basic direction only, strengthening the roles of the National Assembly as a deliberative body, the MOET as an education policy forming body, the provincial Departments of Education and Training and district Bureaus of Education and Training as implementation bodies. In basic education administration in particular, the central–local division of labor means that the MOET at the center drafts the overall education plan, coordinates with other government bodies, appropriates its share of the national budget and negotiates with donors, organizes the curriculum and creates guidelines on content, and prepares educational statistics and data. Meanwhile, on the local level, the provincial Department of Education and Training draws up the education plan on the provincial level, implements lower secondary education and is responsible for teacher training at the primary and lower secondary level. The district Bureaus of Education and Training is responsible for implementing primary education (Orbach 2002).

In Vietnam, decentralization has gone so far as to include the mobilization and allocation of budgets. Local government expenditure in the government sector constitutes more than 40%. Compared not only with developing countries but also with developed countries, this is a relatively high proportion. Yet, as the local administrative system itself is still in a transitional phase, the facts are not very clear. One of the reasons why the status of Vietnamese local government administration is difficult to grasp is that the decentralization undertaken by this one-party ruled nation takes on two aspects: one, the transfer of power to various people’s committees at different levels, and the other, the transfer of power to education administration bodies working at the local level. Looking at the administration of primary education, it is possible to see the “dual subordination” that all education administration bodies are subject to. The provincial Department of Education and Training is subservient to the guidance and control of the provincial people’s committee as well as to the guidance and inspection of the MOET. The district Bureau of Education and Training submits to the guidance and control of the district people’s committee as well as the guidance and inspection of the provincial Department of Education and Training. We need to clarify how far the local governments are dependent on central government and to what extent they have autonomy under this principle of dual subordination. In addition, one of the features of decentralization under *Doi Moi* is the adoption of the slogan, the “socialization” of education. Many non-government schools including semi-government, “people-run,” and private schools were created and the burden has grown for beneficiaries of the education services. The fear is that this has led to an ever-widening gap in access to education services between different households and regions.

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