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Popularity of the decentralization reform and its effects on the quality of education

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Abstract Policymakers have increasingly advocated decentralization as a way of enhancing educational quality, although its potential in this area is still subject to debate. This article traces the impetus and popularity of the reform as a policy solution over the past few decades. It argues that three trends in particular have characterized the post-2000 era: a deepening of reforms implemented earlier, an enhanced focus on school decentralization interventions, and a notable increase in schemes in the African region. Interestingly, in individual nations, donor agencies have often encouraged the reforms that make up these trends. The article then examines the empirical evidence on the relationship between decentralization and educational quality, using detailed case studies of Indonesia and Kenya. The case studies not only showcase these decentralization trends but also demonstrate that different decentralization approaches can result in dramatically different outcomes in educational quality. On this front, the article argues that design and implementation features tend to shape quality outcomes—and those features, in turn, are fundamentally shaped by economic conditions as well as by the politics of donors and local stakeholders.

Keywords Education quality · Decentralization · School-based management · Indonesia · Kenya

Over the past two decades, developing nations have made rapid progress in increasing participation in schooling. They have made less progress, however, in ensuring that education is of adequate quality. To address this concern, one reform that policymakers and donors consistently advocate is decentralization. In fact, decentralization is probably the

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single most advocated reform for improving the provision of such basic services as education and health in developing countries. And, while enhancing the quality of formal education is not always stated as an explicit goal of this reform, many supporters argue that decentralization can have a positive effect on quality.

Are there theoretical reasons to expect that decentralization can improve the quality of education? Proponents certainly contend so, borrowing arguments from the first-generation literature on decentralization (see Oates 1972; Tiebout 1956). They ground their claims in two core arguments. First, they contend that locating educational decisions closer to those responsible for delivering education can enhance their relevance, as they are made by people with greater knowledge of local needs and preferences—and, as a corollary, that standardized delivery by central governments cannot address these heterogeneous demands. Second, supporters assert that by locating decision makers closer to parents and the community, decentralization can increase accountability. These stakeholders can then voice their concerns as well as monitor education delivery more directly. Both these features, the argument follows, can significantly alter the quality of education delivery in a country.

Of course, the production of education is a complex process, and many contend that there is no guarantee that decentralization will improve the quality of education through either of these mechanisms. Critics in this vein highlight the possibilities of elite capture, the chances of inequity, and the lack of capacity of local governments and schools to deliver quality education (see Fiske 1996; Winkler 1989). They further emphasize that inconsistent curricular and quality standards, resistance from teachers' unions, and the reluctance and inability of parents to make technical decisions on education matters may in fact reduce, not increase, the effectiveness of education service delivery.

Set against this theoretical debate, my aims in this article are twofold: (1) to investigate key trends in the evolution of education decentralization policies over the past few decades, and (2) to examine the empirical relationship between decentralization and educational quality. I here define "quality education" as education that increases learning and is thus measured as improvements in test scores in the formal primary and secondary schooling system. I address these two aims by first reviewing the decentralization experiences of several countries more generally, to consider the impetus and popularity of the reform; and then by undertaking detailed case studies of Indonesia and Kenya, to empirically illustrate how and why different approaches toward education decentralization can result in differing quality outcomes. Given the popularity of this reform today, enhancing our understanding of its impetus and potential in this arena can have broader policy implications for how nations address the endemic challenge of low educational quality.

At the onset, it is important to establish that although education decentralization initiatives are now ubiquitous, they are not uniform in content. Rather, countless configurations of decentralization schemes exist across the globe, as reforms differ substantially based on what education decision-making responsibility has devolved and what level it has devolved to. For the sake of simplicity, I distinguish between two forms in particular: decentralization of education to (1) local governments and (2) schools. The first form is defined more formally as "the transfer of authority for decision-making, finance, and management to quasi-autonomous units of local governments" (Litvack and Seddon 1999, p. 3), specifically in the arena of education. The second form, here referred to interchangeably as "school decentralization" or "school-based management" (SBM), is defined as "a form of decentralization that identifies the individual school as the primary unit of improvement and relies on the redistribution of decision-making authority as the primary means through which improvement might be stimulated" (Malen, Ogawa, and

Krantz 1990, p. 290). Readers should refer to Rondinelli, Cheema, and Nellis (1983) for a further categorization of decentralization to local governments into the forms of deconcentration, delegation, and devolution; and to Leithwood and Menzies (1998) for a further categorization of school decentralization into the forms of administrative control, professional control, community control, and balanced control.

This article proceeds in the following manner. In the section "Popularity of education decentralization policies in the developing world" below, I trace the popularity of the scheme over time and highlight that the 2000s have witnessed a deepening of reforms implemented earlier, an enhanced focus on school decentralization interventions, and a notable increase in schemes in the African region. In the section "Decentralization and the quality of education" I consider empirical evidence on decentralization and educational quality, acknowledging that the reform's effects have largely been heterogeneous across nations. To explain why this might be so, I present the two case studies of Indonesia and Kenya. The Indonesia case illustrates the importance of implementation, while also emphasizing some of the unintended consequences of decentralization on equity. Indonesia implemented a "Big Bang" decentralization scheme in 2000 with the assistance of the World Bank, and since then has continued to deepen its reform and implement school

Table 1 Key decentralization reforms in selected developing countries

Decentralization to local governments	Decentralization to schools
Pre 2000	
Argentina	Argentina
Bangladesh	Brazil
Bolivia	El Salvador
Brazil	Guatemala
Burkina Faso	Honduras
Chile	Hong Kong
China	Israel
Colombia	Mexico (AGE)
Ethiopia	Nicaragua
India	Thailand
Russia	
South Africa	
Sri Lanka	
Tanzania	
Uganda	
Post 2000	
Albania	Benin
Cambodia	Gambia
Indonesia	Indonesia
Nepal	Kenya
Pakistan	Madagascar
Rwanda	Mexico (PEC)
Sierra Leone	Niger
Vietnam	Qatar
	Senegal

Source: Author's own compilation from literature

decentralization in line with broader trends noted earlier. Yet, issues related to uneven implementation, lack of clarity over responsibilities, and poor transparency are commonly acknowledged to have limited decentralization's potential in enhancing learning. The Kenya case illustrates the trend of decentralization in the African region and the challenges related to design. Historically, Kenya lacked a consistent decentralization strategy. Therefore, its education system today is an incoherent mix of centralized and decentralized elements, which has resulted in poor accountability, on one hand, and excessive redundancy on the other. Counterintuitively, though, the strongest evidence in favour of school decentralization also hails from Kenya; this evidence highlights the potential of decentralization if the country gets its policy right. In the final section, I summarize my conclusions.

Popularity of education decentralization policies in the developing world

Decentralization is a popular reform in the developing world. According to the World Bank (2008), most client countries have decentralized responsibilities to at least one lower level of government. Just as widespread has been the adoption of school-based management practices—countries as diverse as Argentina, Thailand, Israel, and Senegal have all experimented with the initiative in one form or another (Barrera-Osorio, Patrinos, and Fasih 2009). Table 1 highlights reforms for a sample of selected countries, illustrating decentralization's prevalence both before and after the year 2000.

Efforts in the 1980s and 1990s

Among the earliest decentralizing nations, a broader political or economic reform was usually the impetus for transferring decision-making authority to local governments. In much of Latin America, for instance, decentralization formed an integral part of wider political democratization movements (Litvack, Ahmad, and Bird 1998). In other countries, such as South Africa and Sri Lanka, decentralization emerged as a tool for addressing ethnic diversity and conflict (World Bank 2008). In contrast, in the former Soviet Union and Eastern Europe, decentralization of education authority accompanied the important shift from a command to a market economy (De Grauwe 2005).

Many school-based management interventions accompanied the education reforms that were decentralizing authority to lower levels of governments; a myriad of different factors motivated many others. The EDUCO community school model from El Salvador, for instance, was implemented due to a desire to expand schooling after the end of a civil war (Jimenez and Sawada 1999); while in Hong Kong and Thailand, enhancing school effectiveness was a key goal driving school decentralization (Bruns, Filmer, and Patrinos 2011).

Regardless of the explicit goals proffered by governments for decentralizing education, sceptics observe that such programme has seldom resulted from grassroots pressure to improve the quality of education (De Grauwe 2005; King and Guerra 2005; Smoke 1993). On the contrary, these critics posit that, on the contrary, education decentralization has usually resulted from a push by multilateral agencies. This push is certainly evident in the World Bank's strategy, which has supported the reform since the 1990s both through its advocacy and by dedicating a growing proportion of its financing to decentralization projects. Estimates indicate that between 1990 and 2006, the Bank's commitment to

projects with a decentralization component stood at approximately USD 32 billion, spread over almost 90 countries (World Bank 2008). Other scholars note that the earliest decentralizing nations were probably more concerned with dismantling large, costly bureaucracies than in specifically improving learning outcomes (Caldwell 2005). Consistent with this proposition is the fact that evidence on the efficacy of education decentralization at that time was still overwhelmingly pessimistic (see Leithwood and Menzies 1998; Shah, Thompson, and Zou 2004).

Efforts in the 2000s

Since the mid-1990s, several factors have further invigorated enthusiasm for the reform. The growing consensus that such inputs as desks, textbooks, and blackboards are not enough to enhance learning (see Glewwe and Kremer 2006; Hanushek 1995) has forced governments and donors alike to find alternative policy prescriptions. A handful of newer studies that suggest that decentralization can be beneficial to educational quality, after all (see Channa and Faguet 2012), have understandably pushed stakeholders toward governance reforms as the main alternative prescription.

Indeed, the persistent, widespread issues of poor educational quality in developing countries, on one hand, and the strong push by donors toward achieving the Education for All (EFA) goals, on the other, have contributed to making decentralization even more popular today. This popularity, however, makes an inventory of all the education decentralization programmes implemented since 2000 not only close to impossible but also of limited analytical value in understanding policy evolution. Instead, in this article I present three interrelated trends that have been particularly prominent in recent years; together, these trends characterize the kind of decentralization policy changes we have seen most commonly in the post-2000 period.

Deepening of decentralization efforts

First, although a few notable fresh interventions occurred, such as those in Indonesia and Pakistan, many more decentralization policies in this period involved the deepening of existing reforms. One such initiative commonly seen was to strengthen legal frameworks for decentralization. Both in Brazil and in the Indian states of Karnataka and Andra Pradesh, for instance, the government promulgated new laws expounding on local fiscal responsibilities. Another area for improvement that proved popular in the post-2000 era was that of fiscal design: some countries—Russia and Uganda, for example—moved to formula-based allocations in order to improve transparency in their fiscal systems.

One reason for the prevalence of this particular trend was that most countries had already decentralized in some form or other by the late 1990s; for those countries, deepening was simply a form of organic growth in public-sector reform. Yet another reason was that many countries faced multiple challenges in their early experiments with the scheme. As a result, a whole strand of literature was dedicated to exploring these early instances of decentralization "gone wrong" (see Prud'homme 1995; Tanzi 1995). Scholars in this vein highlighted (among other challenges) misaligned incentives, weak or stalled implementation, unfunded mandates, and serious issues in capacity and training. Unsurprisingly, throughout the 2000s countries suffering from such problems turned—for both funding support and technical advice on how to strengthen their reforms—to the multilateral agencies that had often advocated decentralization in the first place.

Examples of post-2000 projects that the World Bank funded to strengthen previous education decentralization reforms include, to name a few: capacity-building initiatives in Bolivia and Ethiopia, elementary decentralization in El Salvador, and interventions targeting marginalized communities in Brazil. In fact, even the newly decentralized countries of Indonesia and Pakistan pursued deepening efforts through much of the 2000s, with the assistance of the Bank.

Focus on school decentralization schemes

School decentralization reforms, in particular, have gained popularity in the past 15 years. In most instances, these schemes involve the empowerment of school councils comprised of school teachers, parents, and community members. Many—albeit not all—reforms also provide grants that schools can use based on school-improvement priorities set by these councils.

In many countries, implementing SBM was a kind of deepening effort, a logical extension of broader education decentralization interventions that had already been put into place. The Philippines, for example, implemented a Big Bang reform in the 1990s and supplemented it with school autonomy programmes in the early 2000s. Similarly, Mexico underwent decentralization to local governments in 1992 and then went on to implement its biggest SBM programme in 2001. Of course, not all countries adopting these schemes decentralized education to democratic local governments first. Qatar is an important example. In 2003, Qatar—which, in contrast to the Philippines and Mexico, is a constitutional monarchy—launched independent schools funded by the government but managed locally as part of its experiment with school decentralization.

Increased decentralization activity on the continent of Africa

Finally, recent years have also seen African countries as diverse as Kenya, Morocco, Chad, and Benin all decentralizing elements of their education systems. Before the 2000 period, in contrast, colonial and postcolonial dynamics had favoured highly centralized government systems in the region (Barrett, Mude, and Omiti 2007). This shift toward decentralization came on the back of two trajectories: first, increased stability and political reforms in the region; second, an increasing inflow of aid to social sectors.

Growing stability and political reforms in the region contributed significantly to amplified decentralization efforts. In Sierra Leone, for instance, the end of civil wars in the early 2000s prompted renewed interest in decentralization to local bodies. In Rwanda, stability after the end of genocide in the 1990s allowed the country to begin decentralizing to lower tiers of government in the 2000s. Although the third wave of democratization and the associated multiparty political systems are commonly acknowledged to have arrived in the region by the early 1990s (see Rakner, Menocal, and Fritz 2007), in the post-2000 period decentralization programmes were a component of public-sector reform fueled by democratization processes in some countries and by changing political leadership in others. Uganda's National Resistance Movement, for instance, acceded to power in 1986 and pushed through decentralization efforts until the late 1990s. Likewise, in Malawi a democratically elected government came to power in 1993 and pursued decentralization efforts, culminating in the first local democratic elections in 2000 (Ndegwa and Levy 2003).

Besides political reform, a significant increase in funding for social sectors in recent years also contributed to the region's decentralization activity (Gershberg and Winkler

2003). The Highly Indebted Poor Countries (HIPC) debt initiative, for instance, was accelerated in the 2000s, forgiving the external debt of many African countries in exchange for commitments to invest in basic education. Further, slow progress in achieving Millennium Development and Education for All goals resulted in a large injection of donor funds through the Global Partnership in Education initiative in several countries in the region. This funding increase also encouraged the launch of decentralization programmes, as most donors believed that such reform would provide the right institutional environment in which to expand access and quality (Gershberg and Winkler 2003).

In line with the first trend, the multiple programmes implemented in Africa often involved deepening existing reforms such as those in Ethiopia and in Tanzania; both countries launched programmes to strengthen capacity for their previously implemented schemes. Similarly, in line with the second trend, some countries (e.g., Benin and Niger) experimented with SBM during this period. Other countries that had education decentralization projects in the post-2000 era in the region include Cameroon, Chad, Ghana, Malawi, Mali, and Nigeria. In addition, three prominent randomized controlled trials in the SBM arena in the 2000s were conducted in Kenya, The Gambia, and Mozambique, further highlighting the region's increased decentralization activity.

Decentralization and the quality of education

In this section, I examine the empirical link between decentralization and the quality of education in some detail. I review quantitative literature in the arena to demonstrate that the reform certainly has the ability to affect educational quality positively. However, the detailed qualitative case studies of Indonesia and Kenya that follow demonstrate that this potential is not always realized. Why might this be so? Together, both cases show that design and implementation can alter decentralization's effects on quality. They also indicate that economic conditions and the politics of key stakeholders (e.g., donors and political parties), in turn, usually shape design and implementation policies. Table 2 provides a summary of key comparative statistics for each country.

Linking reforms and educational quality

The evidence base in the arena of decentralization and educational quality has been the subject of a number of comprehensive literature reviews, including those of Barrera-Osorio, Patrinos, and Fasih (2009), Bruns, Filmer, and Patrinos (2011), Channa and Faguet (2012), and Channa (2014). In short, these reviews demonstrate the somewhat encouraging potential of decentralization, while also highlighting that the schemes' effects have been heterogeneous across nations.

To elaborate: the evidence shows positive associations between decentralizing authority to lower levels of governments and quality, in Argentina (Galiani, Gertler, and Schargrodsky 2008) and Russia (Freinkman and Plekhanov 2009), for instance; but not, for example, in Chile (Di Gropello 2002). Evidence is similarly mixed concerning the link between decentralizing authority to schools and quality. Some evidence indicates that school-based management can improve test scores—as researchers working in Kenya (Duflo, Dupas, and Kremer 2008), Indonesia (Pradhan et al. 2011), and the Philippines (Khattri, Ling, and Jha 2010) have shown—and reduce repetition, failure, or dropout rates, as it did in Mexico (Bando 2010; Murnane, Willet, and Cardenas 2006; Skoufias and

Table 2 Case studies factsheet

	Indonesia	Kenya
Basic information		
Population	254 million (2014 estimate)	45 million (2014 estimate)
GDP per capita (PPP)	USD 5,200 (2013 estimate)	USD 1,800 (2013 estimate)
World Bank classification	Lower middle income	Low income
Key Education Statistics (year recorded in brackets)		
Primary GER	109 (2011)	112 (2009)
Secondary GER	81 (2011)	60 (2009)
Primary NER	94 (2011)	82 (2009)
Secondary GER	75 (2011)	50 (2009)
Survival to end of primary	88 (2010)	78 (2004)
Achievement statistics	PISA 2012 mathematics—ranked 63 out of 64 nations tested	*No international comparisons available*
Governance and decentralization		
Independence date	1945 from Dutch rule	1963 from British rule
Government structure	Federal in first few years after independence. Then unitary republic	Federal in first year after independence. Then unitary republic
Decentralization reform date	Big bang in 2000, with additions through 2000s	Original local government act in 1963. Reforms in flux since then
Education decentralization content	Moderate	Weak
	Local governments responsible for education delivery but fiscal devolution limited	Local governments have in the past few decades had little authority over education delivery. System highly centralized
SBM content	Moderate	Moderate in specific aspects
	Local councils receive BOS funds and are allowed to use based on school priorities	Harambee system gave communities control over establishing schools. RCT tested a stronger form of SBM
Impact on quality	Evidence base thin and contradictory	Evidence base thin overall
		RCT on SBM type intervention of monitoring contract teachers suggests *improvements in quality*

Shapiro 2006) and Brazil (Paes de Barros and Mendonca 1998). Further evidence from The Gambia (Blimpo and Evans 2011) indicates that decentralization can reduce student and teacher absenteeism. Yet, mixed findings from cross-country analyses of the Latin American region (Gunnarsson, Orazem, Sánchez, and Verdisco 2009) and of 42 countries (Hanushek, Link, and Woessman 2011) participating in the Programme for International Student Assessment (PISA) further confirm that SBM's effects may, indeed, vary from country to country, implying that more thorough considerations of country context may be warranted.

Indonesia case study

By the middle of the 1980s Indonesia had achieved universal primary enrolment, leading many to proclaim it as a model of excellence for the rest of Asia. Quality of schooling in the country, however, remained poor, with most students leaving the education system without the necessary literacy and numeracy skills (Behrman, Deolalikar, and Soon 2002). According to the 1999 Trend in International Mathematics and Science Study (TIMSS), the performance of Indonesia's eighth-grade students stood below international standards, with an average score in mathematics of 403 against the benchmark of 500 (TIMSS 2015).

Besides quality, equity was also of great concern in the predecentralization era. Remote parts of the populous island nation suffered from a lack of such resources as desks and textbooks (UNESCO 2006), while disparities in enrolment at the secondary level between the children of the richest and the poorest 20% of households were a significant 37 percentage points (Kristiansen and Pratikno 2006). Moreover, one fifth of the country's districts had junior high participation rates that stood at lower than 60% (ibid.).

Decentralizing Indonesia

In the aftermath of the Asian financial crisis in the late 1990s, the rupiah was devalued, inflation increased, and Indonesia's economy significantly contracted. This mounted pressure on the government's public education budget (Behrman, Deolalikar, and Soon 2002). The crisis also posed the additional challenges of maintaining school enrolment and ensuring progression to higher levels of education.

In 1999, Indonesia promulgated two ground-breaking laws on decentralization as part of a broader democratization reform. The nation's Big Bang decentralization followed almost three decades of highly centralized autocratic rule under President Suharto and encompassed sweeping electoral, governance, and constitutional reforms (Guess 2005). Importantly, the scheme also passed responsibility for service delivery, including education, down to over 30 provinces (comprising approximately 400 districts). Beginning in 2005, election—rather than appointment—of the leaders of devolved local governments further enhanced accountability in service delivery (Skoufias, Narayan, Kaiser, and Dasgupta 2011).

Although many authors contend that the evolving political landscape and growing dissatisfaction within provinces over power sharing were the main driving forces behind decentralization (see Simatupang 2009), international agencies also played a prominent role in its implementation. Not only was education decentralization on the World Bank's list of recommendations to deal with the issues of low quality and increasing financial pressure of schooling, but the broader reform also served as a key condition in the post-crisis IMF rescue package offered to Indonesia (Kristiansen and Pratikno 2006).

Education decentralization reforms

Historically, the Indonesian education system was extremely centralized. This changed dramatically with the implementation of the decentralization scheme in 2001, when districts became responsible for establishing new schools and for setting local education policies (World Bank 2012). As is common in most decentralization programmes, the centre continued to maintain control over setting and maintaining national competency standards, curricula, and education calendars, and over implementing evaluations (King and Guerra 2005).

Indonesia's reform also made provision for sharing the human resource management responsibilities for teachers. It gave district governments the responsibility of employing all teachers in the public-school sector (with the exception of those for madrasah schools) and the authority to hire and dismiss contract teachers. Because teachers were civil servants, the centre continued to set salary levels and ranks. Nonetheless, district governments could transfer teachers, recommend promotions, and provide supplementary benefits and incentives (UNESCO 2006).

In line with the second decentralization trend, noted earlier, Indonesia additionally incorporated important SBM principles into its education system through regulations and additional directives in 2003 and 2005 (World Bank 2012). These gave schools the authority to manage operations such as planning and budgeting. Teachers themselves were meant to maintain control over pedagogy, learning plans, and the selection of textbooks, as long as they met the minimum standards set centrally (UNESCO 2006). To further establish the autonomy of the school, the government issued block grants that could be used based on a school's own priorities. Moreover, the government mandated schools to form school committees (SCs) of parents and prominent community members. Whereas earlier SCs had only raised funds, the new directives now gave committees the enhanced task of providing input on all school matters, participating in the management of funds given to schools, and collecting additional money in support of education.

Following decentralization, new policies also made changes to financing. For example, they allowed districts to generate their own taxes and also to borrow, within limits. This local financing, nonetheless, remains limited and to date represents only 10% of total local revenues (Skoufias et al. 2011). Local governments thus continue to rely heavily on central transfers or block grants, although the central government has implemented a move toward formula-based grants to provinces and districts.

Effects on quality of schooling

The evidence base concerning the impact of Indonesia's ambitious reform is, as yet, thin and contradictory. Most studies in recent years have focused on improving the fiscal design of the initiative rather than on the rigorous evaluation of the outcomes of decentralized service delivery. Simatupang (2009) is an important exception. Using data from 1994 to 2006, Simatupang reports that more than half of Indonesia's municipalities experienced positive changes in education outcomes in the post-reform period; she finds an overall statistically significant reduction in dropout rates at the primary and high school, postdecentralization.

Along a different vein, Kristiansen and Pratikno's (2006) study of four districts provides moderate support for the intervention's perceived impact on quality of education. Based on the results of over 500 household surveys, they report that 81% of parents believed the

quality of their children's schooling had improved after the reform. SC members, school management, and district officials interviewed for a comprehensive World Bank study in 2012 concurred: they noted that block grants had had a positive effect on transition rates to junior high schools and on enrolment rates of poor students, and had overall also improved student academic performance.

On the other hand, Skoufias et al. (2011) find that although electoral reforms have resulted in higher revenue generation from districts' own sources, more district-level budget surpluses, and greater expenditure on education, there was no significant impact on service delivery outcomes in the two years following implementation. Where SBM is concerned, the World Bank (2012) study mentioned above likewise concludes that the status of SBM implementation in schools was not statistically correlated with student test scores. Both investigations suggest that the short time period between implementation and the study may be the key reason why researchers cannot yet discern the benefits of decentralization.

Decentralization challenges

Besides the short time period since reform, several other challenges may be preventing Indonesia from realizing the benefits of decentralization. One key issue in the country has been uneven implementation. Take school councils, for instance. Many schools did not have an active school committee for several years after the reform (Pradhan et al. 2011). Where they did exist, councils often selected members instead of electing them, meetings between the principal and full committee members were rare, and parents tended to be overly deferential toward school management on decisions (World Bank 2012). Yet, a randomized controlled trial on the subject suggests that providing block grants together with election of SC members and/or linkages with a village council can result in significant improvements in achievement (see Pradhan et al. 2011). This finding indicates that, had implementation been stronger across the board, more improvements in quality would have been likely.

A related implementation concern has been a lack of clarity about the roles and responsibilities throughout the education bureaucracy. Policymakers had originally propagated devolution as a means of clarifying the ambiguity and redundancy prevalent in the system previously, yet considerable overlaps remained between roles in the sector even after the intervention (Kristiansen and Pratikno 2006). Years after reform implementation, several reports indicate that government officials and SC members were unclear about their responsibilities (Brodjonegoro 2004; World Bank 2012).

Finally, fiscal design and transparency are also areas where Indonesia has struggled. Toi (2010) highlights that the disparity in revenue-sharing between local governments actually widened as a result of decentralization, thus increasing inequity in education. Although transfers to local governments are now formula-based, imperfections in the formula imply that the equalizing property of these grants is weak (Hofman and Guerra 2005). A lack of self-sufficiency in revenues and the inadequacy of the transfer grant from the centre have further resulted in a notable neglect of development expenditures at the local level (Brodjonegoro 2004). Moreover, according to Kristiansen and Pratikno (2006), even five years after decentralization the government had not made any expenditure data available to local oversight bodies or to the civil society—resulting in a total lack of accountability on this front. Due to this lack of transparency, local government officials often were unclear about what funding was available to them.

Conclusions

Despite its promises, decentralization has not been a panacea for Indonesia's quality challenges. Quality of education remains low: the country ranked next to last on the PISA 2012 mathematics achievement test (PISA 2015). Besides inadequate facilities, scholars highlight serious issues related to poor teacher attendance and corruption in the bureaucracy. More capacity building and training, as well as enhanced transparency and horizontal accountability, may thus be useful in improving decentralization's ability to address these concerns. Further, even after decentralization, inequalities based on socioeconomic status and geography have persisted. Although the centre has supported the periphery through special funds allocated to national programmes on education, these have not been sufficient to address the equity challenge. The above suggests that a lot more remains to be done if Indonesia wants to enhance student learning.

Kenya case study

On a continent where coups and revolutions have been prevalent, Kenya experienced noteworthy economic and political stability up to the 1990s (Smoke 1993). This stability, together with the abolishment of school fees in primary schools in 2003, resulted in large increases in enrolment (Bruns, Filmer, and Patrinos 2011). Gross enrolment ratios at the primary level crossed the 100 mark in 2003, and by 2005 primary net enrolment stood at approximately 75 (UIS 2014). The higher enrolment did not imply higher quality: According to one of the few assessments available in the country, in 2006 only 3 out of 10 children in third grade could read a story in English or do simple division calculations from the second-grade curriculum (Bold, Kimenyi, Mwabu, and Welcome 2012).

Early decentralization efforts

At the time of independence in 1963, Kenya inherited a system of local government from the British. These local governments had functioned primarily during the interim years before independence (1960–1963), had performed reasonably well in the provision of basic services, and had been well supported by a decent revenue base and central government grants (Menon, Mutero, and Macharia 2008).

The original constitution of the nation built on this existing system and provided for strong provinces that were charged with some responsibilities surrounding delivery of basic services such as primary education (Rocaboy, Valliancourt, and Hugounenq 2013). However, shortly afterward, the country's first president initiated changes to the constitution to limit the provinces' authority. Many note that he did this to prevent other ethnic groups from building local power bases that could challenge his rule (Kremer, Moulin, and Namunyu 2003). The government, however, argued that centralization in service delivery was necessary not only to promote tribal unity in an ethnically fractionalized nation but also to address increasing financial pressures and poor service delivery (ibid.).

Over the following few decades, in spite of both local and international pressure to strengthen them, the local governments became more and more marginalized. In 1966, for example, a commission charged by the president recommended ambitious reforms to empower local governments. Rather than implementing these reforms, however, in 1969 the parliament enacted the Transfer of Functions Act, which abolished most of the financing provided to the periphery and took away local control over primary education

(Smoke 1993). In the 1970s and 1980s, ruling regimes largely continued to ignore IMF recommendations to stop the weakening of local governments, and they increasingly recentralized government responsibilities. The share of spending by local governments to GDP fell from 3.26% in 1970 to a mere 1.22% in 2000 (Rocaboy, Valliancourt, and Hugounenq 2013). Local governments, with their limited decision-making authority, nonetheless continued to exist side-by-side with a deconcentrated government system that had been responsible for implementing directives made by the centre since independence (Menon, Mutero, and Macharia 2008).

The centralization of the broader system notwithstanding, education in Kenya had always incorporated at least some decentralized community control of schools through the institution of Harambee. "Harambee" literally translates to "let's pull together"; it is a movement with precolonial roots that encouraged local communities to work together to raise funds for schools and other public goods (Kremer, Moulin, and Namunyu 2003). To promote enrolment in the early years after independence in particular, the government had made an open commitment indicating that if local communities built schools and kept them functioning for a short period through Harambee, the centre would allocate teachers to these schools. According to Kremer et al. (2003), however, the way this local institution was used created distortions in the system. They elaborate that although this open commitment allowed a rapid expansion in education, the disconnect between local authority and central financing resulted in a more-than-optimal number of schools and a less-than-optimal level of financing for nonteacher inputs—both of which probably reduced, rather than enhanced, educational quality.

Decentralization in the 2000s

By the 2000s, the system had evolved into a mix of centralized and decentralized elements. Ad hoc amendments and approvals had resulted in an inconsistency in the services that had devolved to local bodies in different regions; additionally, redundancy between the local government and the deconcentrated system persisted in many key functions (Rocaboy, Valliancourt, and Hugounenq 2013). Moreover, political decisions, rather than a transparent formula, dictated financial allocations to local bodies, further adding to the opacity of decision-making. Critics highlighted the related issues of a poor institutional environment, low-capacity building, corruption, and weak citizen participation (Bold et al. 2012; Menon, Mutero, and Macharia 2008).

To address some of these concerns, the government, with the assistance of doners, launched the Kenya Local Government Reform Programme (KLGRP) in 1995. Its goals were to streamline the delivery of services and increase the financial resources available to local governments. By the early 2000s, this deepening initiative was successful in giving at least some financial independence back to local bodies (Rocaboy, Valliancourt, and Hugounenq 2013). However, restrictions remained on how local governments could dispose of these increased funds. A concomitant directive also delegated authority to electoral districts or constituencies to develop local projects for service delivery under an elected member of parliament. The move added yet another type of local bureaucracy to compete with local governments and the deconcentrated administrative system (ibid.).

In line with a similar, broader trend in the region, in 2003 a new government promised a renewed commitment to devolution. Because the legal basis for local governments was still grounded in the original 1963 Local Government Act, the central government attempted to establish a new decentralization framework in the constitution in 2005 (Menon, Mutero, and Macharia 2008). The provision failed to win in a popular vote referendum. In August

2010, yet another constitution was proposed, restoring decision-making autonomy to local bodies; it was subsequently approved through a referendum for gradual implementation. A new local government law was also drafted to clarify the role of local bodies (Rocaboy, Valliancourt, and Hugounenq 2013). Despite these recent changes, though, the fate of decentralization in the country still remains in flux.

Effects on quality of schooling

Given the status of decentralization in Kenya, one can say very little about the relationship between the intervention and the quality of education. Understandably, much of the literature on the topic from this country focuses on design issues and challenges, not on service delivery outcomes.

One exception is due to Duflo, Dupas, and Kremer (2008). The authors evaluate a randomized controlled trial of a reform with an SBM component that was implemented with funding assistance from the World Bank and a regional NGO. The intervention, piloted between 2005 and 2007, provided funds to 140 schools to hire an extra primary school teacher. PTAs in half the schools were then randomly selected to receive training on monitoring the contract teacher and on soliciting performance information. The authors report that students in all the schools that received an extra teacher performed better than those that did not. Moreover, the effect on test scores was greater in schools that had received training on monitoring teacher performance, thus indicating support for SBM-type initiatives. The authors also note a reduction in overall teacher absence as a result of the intervention. Another paper by Sang and Sang (2011) is similarly positive: The authors spoke to 20 public secondary school teachers in Trans-Nzoia County and reported that decentralizing authority to school boards of governors has had many positive effects. Their respondents asserted that the reform enhanced local ownership of decision making, improved relations with the community, and resulted in more efficient allocation of school budgets.

Conclusions

Some thirty-odd constitutional amendments later, Kenya's government is finally streamlining its decentralization efforts. Until recently, local bodies had limited constitutional authority, and the multiple institutional arrangements that existed at the local level diluted accountability and created redundancy in education provision. Yet an experimental trial does suggest that SBM-type reforms have the potential to improve educational quality in the country. To convert this potential into reality, Kenya not only needs a strong legal framework for decentralization, but must also rationalize service delivery, reduce distortions in the system, and substantially enhance the authority of local governments and schools. Of course, many of these initiatives are already underway, with the adoption of the new constitution and a renewed interest in education decentralization. However, it remains to be seen how successful these efforts will be in the area of education delivery.

Conclusions

As I indicate in this article, decentralization in the education arena is a popular reform. By now, almost all developing nations have experimented with the reform in one arrangement or another. Yet the evidence linking decentralization to improvements in learning is mixed.

Although a handful of evaluations—such as those from Argentina, Brazil, Mexico, and the Philippines—do demonstrate that decentralization has the potential to address quality concerns in developing countries, in many countries this potential is not realized.

Why might this be the case? This article presents some potential answers. The case study of Indonesia demonstrates how issues related particularly to implementation can limit decentralization's effects, while the Kenya case study stresses how design problems can likewise prevent the reform from affecting educational quality in a positive way.

Certainly, researchers must conduct much more empirical research in order to further understand how the complex relationship between decentralization and educational quality manifests in different contexts. As the size of this literature grows, researchers need to focus on two areas in particular: (1) which specific design elements of decentralization work well and which work less well, and (2) which prerequisites allow decentralization to achieve its potential to enhance learning. In the latter area, the empirical evidence already shows support for community participation (Faguet 2004), capacity building and training (Duflo, Dupas, and Kremer 2008), and time and experience with the reform (Bando 2010; Borman, Hewes, Overman, and Brown 2003). However, many instances exist where even the presence of these conditions has not resulted in better quality; this suggests that additional factors may be relevant in the developing country context, such as physical resources and teachers.

Finally, many countries that have decentralized education have also struggled with widening gaps between different geographies and between students from different social backgrounds. Needless to say, as countries deepen their decentralization efforts, initiatives that can narrow such gaps and thus enhance equity must sit firmly at the top of the post-2015 agenda.

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