Working Paper

TRANSPARENCY INTERNATIONAL
the global coalition against corruption

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Corruption in the Education Sector

All parents hope for a good education for their children. It is the key to the next generation's future, particularly for the poor. It equips young citizens with the knowledge and skills to thrive in their country's economy and to participate fully in society. It is a cornerstone of economic and social development, a human right under international law and a constitutional guarantee in most countries.

But in reality education is often characterised by poor quality and unequal access. For example, a region-wide survey of Africa's education system showed more than 50 percent of respondents signalling numerous challenges to getting a basic education. Classroom overcrowding, poorly maintained primary schools, absent teachers, lack of textbooks and supplies, and unacceptably high fees and expenses were just some of the problems cited.[1] When it comes to higher education, access in many countries depends more on the parents' purse and social status than the talent, effort and merit of the student. Unfortunately, corruption tends to be one of the principal reasons behind all of these problems.

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When present, corruption defeats the very purpose of education: having a universal and open system based on merit and not money. Corruption also compromises international commitments on more equal and accessible schools, such as the targets set out in Education for All (EFA) and the Millennium Development Goals (MDGs). In a corrupt education system, students do not acquire the skills and knowledge that will enable them to contribute meaningfully to their country's economy and society. They learn from a young age to value corruption, accepting it is a norm for them and society.

1. The prevalence of the problem

The public education system in most countries is largely left to the discretion of the central government. Even when education is decentralised, the state usually controls key areas such as the recruitment and deployment of teachers, payrolls and budget oversight. This monopoly leaves room for corruption to occur at different points along the way: in education ministries, school administrations and the classroom. The corrupt transactions that result can be traced to actors at the *political*, *administrative* and *school* level and can undermine good governance.

- *Political.* Education is particularly prone to political interference because of the sizable finances and human resources it employs. On average, it consumes 20-30 percent of a nation's budget. Corruption can take many forms. Politicians may abuse their power when making teaching appointments, promotions or transfers. They may even 'secure' teachers to campaign for them in the classroom during elections.[2] Their political influence also may be used to determine where and what types of schools to build.

- *Administrative.* Corruption can occur at different administrative levels, including within ministries, districts and schools. For example, district inspectors may request bribes from schools in return for a favourable report to the education ministry. Individuals — administrators, teachers and others — may also misuse schools for private and commercial purposes. Educational material and school supplies may be sold instead of being freely distributed. Unauthorised fees may be charged for public schools and universities (see sidebar).

- *School.* Teachers may be absent from the classroom, not teach the required curricula or extort services from pupils. Sexual exploitation of students by teachers and professors is a common form of corruption in many countries.

2. Education finance

Corruption occurs in the *allocation*, *execution* and *use* of government budgets earmarked for education. Given the overall size of funding for a country's education system, even low levels of corruption in budget management can result in a significant loss of public resources.

The recent decentralisation of schools' financial management responsibilities to the local level has increased the risk of abuses, especially when it has not been

accompanied by monitoring and adequate capacity building measures. With more people and administrative levels involved in education finance, opportunities for fraud and corruption have also risen. Reforms can create confusion about respective responsibilities and resource flows, leaving those within the education system unclear about the changes and their rights under the new system.

Budget allocation. Countries with high levels of corruption invest less in public services, leaving the education sector under-funded.[7] Resources may be channelled from schools in need, especially in rural areas, to those that are already privileged, such as in more urban regions. Funding also may be allocated based on where there are greater opportunities for private gain. Large contracts for building schools, buying textbooks or running meal programmes offer the potential for kickbacks, bribery, nepotism and favouritism. In addition, allocations to schools may be made using falsified data, such as inflated enrolment numbers. This uneven distribution of resources tends to benefit better-off students to the detriment of the poor and affects the equity of a nation's education system. Off-budget allocations are particularly risky, especially when foreign donors provide direct financing to schools and bypass government departments or civil society organisations (CSOs) that could act as intermediaries.[8]

Budget execution. Earmarked resources may never reach schools and universities. In schools studied in Ghana and Uganda as part of TI's Africa Education Watch, it was common to find payments each term delayed up to one year (see sidebar). Instead, finances may be embezzled by officials, misused in rigged tenders, or lost to administrative inefficiencies. Contract specifications may target a specific supplier and closed tendering processes may exclude potential bidders or lead to inflated prices. The extent of these 'resource leakages' can be sizable. According to countries surveyed by the World Bank, between 10 and 87 percent of non-wage spending on primary education is lost.[9] As a result, textbooks may be of poor quality and insufficient quantity, the building infrastructure of teaching institutions may collapse, toilets may not be built and learning materials may go undelivered (see sidebar on pg. 4).

Use of education resources. Funds that reach schools may not be used according to their intended purpose. Textbooks may be sold instead of being freely distributed, illegal payments may be made by school authorities using falsified receipts or the quantity of goods purchased may be inflated. Counteracting these abuses is further complicated when book keeping at the school-level is not audited or conducted at all. Findings from Morocco and Niger suggest 64 percent of primary schools lack any accounting system.[10]

What can be done?

Transparency and access to information are essential to control and prevent corruption in education finance. There is no stronger deterrent to corruption than public information and exposure. The more that people are informed about budgets — and education plans in general — the more likely that individuals in positions of power can be pressured to respect policies and regulations. For

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Understanding the Corruption Risks for Primary Education

The Africa Education Watch (AEW) Programme is a three-year initiative begun in 2007 by Transparency International (TI) that focuses on developing well-governed, accountable and transparent primary schools.

The seven countries participating in the programme are: Ghana, Madagascar, Morocco, Niger, Senegal, Sierra Leone and Uganda.

In each country, the TI national chapter undertook a country-wide review of the financing mechanisms for primary education and conducted field research to assess schools' good governance, transparency and resource management. Respondents in each country generally included about 1000 households, 60 school head teachers, 60 parent and teacher committee chairs, and up to 20 inspectors or district officials.

While the participating countries presented diverse contexts, findings showed some key commonalities.

- Financial systems: Limited financial information (current and historical) was available at district-level offices and in the schools. Funding and resource provision to schools was unpredictable (i.e. timing and amount of flows). For example, only 35 percent of the head teachers knew what resources to expect. In the cases of Morocco and Niger, this figure fell to just 7 percent.
- Information: Parents had few opportunities for and little interest in the schools' financial oversight. Financial information was also not publicly or easily available.
- Participation: When parents were engaged, typical channels were through parent and teacher associations (PTAs) and school management committees (SMCs). Yet, SMCs were shown as being vulnerable to 'capture' by teachers and/or local elites. Many parents also did not know exactly how to get involved in these structures.
- Corrupt practices: Three common problems that were identified through the AEW surveys were: illegal demands for non-existent funds; the embezzlement of resources; and abuse of power by teachers and officials.

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example, salary funds are better monitored when teachers know their wages and expect them to be paid (teacher salaries can represent an average of 80 to 90 percent of the total education budget).[11] Additionally communities are better able to take part in school governance when they know the flow of resources being received and when the information provided is understandable, simplified and accessible.

Formula funding — a system of agreed rules for allocating resources to schools and universities — is another way to reduce discretionary budgetary powers and contribute to greater equity in education. Direct cash transfers to schools ('capitation grants') can limit opportunities for corruption. However, clear financial rules and regulations must exist and be enforced. Officials need to have the necessary skills to apply them and regular independent audits must be used.

Local stakeholders — parents, teachers and students — can provide useful feedback on decisions such as the appropriate use and quality of teaching materials or the adequacy of school financing received. Also, parent involvement through school management committees (SMCs) that control budgets can be an effective measure, provided members are sufficiently skilled, representative and have been ceded the space to perform their oversight role.[12]

Moreover, open tender systems and clear criteria and procedures are needed as part of an education system's procurement processes. These will help to ensure that schools get the best products and services, particularly when direct purchases are used.[13] Conflict of interest rules and public access to bidding proposals also can help to curb corruption in public contracting.

3. Examinations and accreditation

In higher education, new technologies and increased competition among students have led to new opportunities for corrupt practices. Academic fraud and the buying and selling of grades and diplomas are frequent occurrences, particularly in Southeast Europe and the former Soviet Union.[14] For example, bribes paid to secure admission to Russia's universities have been estimated at 30 billion roubles (US $1 billion in 2003).[15]

Academic corruption occurs when a student bribes a professor for a good grade or pays her teacher for private tutoring — even when she does not need it. It can also happen when exam papers are sold or someone else sits for a test — a frequent practice in China.[16] Examples of academic corruption abound from around the world.[17] One poll conducted among Bosnian university students found frequent bribing occurred during exams and that most students felt they could not do anything about it.[18]

Corruption in the accreditation of teaching and training institutions is also on the rise. The privatisation of academic institutions and the proliferation of distance-

learning courses and trans-border education have spurred this increase since many times they fall outside state regulatory frameworks. Through these channels, unqualified individuals may find it easy to obtain credentials and academic degrees in exchange for a bribe. Corruption in the accreditation of courses and institutions, coupled with credential fraud, results in students being licensed with poor professional standards. Bogus institutions ('diploma mills') may even issue degrees without providing any teaching at all, placing unqualified doctors and other professionals in positions of authority.

What can be done?

Clear and transparent assessment criteria and regulations are needed, both in student examinations and the accreditation process for teaching institutions. Standardised national exams — administered by independent testing institutions — reduce opportunities for abuses and fraud. Appropriate measures to detect and address problems also must be applied. These should include the physical verification of a candidate's identity, safe storage of exam papers, centralised grading and computerised testing.

The independence of accreditation committees and oversight bodies also is crucial if they are to operate without outside interference. In the provision of trans-border education, standards of transparency and accountability have been set out by UNESCO and the Council of Europe in a code of good practice, which provides a framework for the assessment of foreign qualifications.[21]

4. Teacher management and classroom conduct

Teachers play a vital role in education outcomes. They are expected to maintain high teaching standards and also must use their teaching and classroom behaviour to transmit values such as integrity and respect.

Corruption in teacher management includes favouritism, nepotism, cronyism and bribery in the appointment, deployment, transfer and promotion of teaching staff (see sidebar). Corruption may also occur in the payment of salaries. For example, teachers may have to offer kickbacks to get their pay — a practice common in rural areas or wherever a formal banking system is not in place. 'Ghost teachers' — listed on the payroll but not teaching — are another form of corruption and exact a heavy burden on education budgets. These 'ghosts' may be the result of the poor management of administrative records or the deliberate collusion of teachers and administrators to collect the salaries of teachers who are dead, retired or on unauthorised leave.[22]

Private tutoring, whether by individuals or through 'preparatory courses' offered by institutions, is a rising industry in many parts of the world. It can become a driver of corruption if provided by teachers to their own students. While nations like France, Australia and Singapore prohibit teachers from providing paid tutoring to their students, it is a common practice in Bangladesh, Cambodia and others countries.[23] Research conducted on corruption in education in Africa

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Peru: Fighting Corruption in Education

As part of a countrywide campaign in Peru called 'Education without Corruption', the ombudsman and the national chapter of Transparency International — 'Proética' — invited citizens in six regions to report cases of corruption.

Of the 307 complaints received within four months, the large majority referred to teacher absences and irregularities in their appointments.

Inadequate control mechanisms, limited access to information and a volatile security situation were determined to be some of the forces facilitating corruption in Peru's public schools.[24]

revealed that 47 percent of households in Ghana and 25 percent in Uganda reported paying additional fees for private tutoring.[25] Paid tutoring can develop into a form of blackmail, where teachers teach only half the syllabus during official hours and pressure students to pay for their private classes to learn the rest. They also may threaten students with lower grades if they do not enter their private tutorials.[26]

What can be done?

Working conditions for teachers are admittedly difficult in many countries. Low salaries and an adverse working environment may contribute to teachers abusing their position. However, the overall atmosphere — including school infrastructure, sanitation, proximity to cities, the quality of teacher housing, career opportunities and the prestige of the profession — has a more decisive influence on teacher conduct than simply salary. These dimensions must be addressed as part of the policy response. For example, changes in salary should be accompanied by measures that serve to raise the social status of teachers. The four countries that have achieved the highest education standards — Canada, Cuba, Finland and South Korea — all hold the teaching profession in a high regard and have supported it with additional investments in training.[27]

At the same time, regular and fair inspections — and clear and consistent sanctions for infractions — are necessary to prevent corruption in teacher management and behaviour. For example, teachers should be prohibited from offering paid tutoring to their own students and be appropriately reprimanded when caught. Sadly, in education as in other public services, such misconduct and abuse of office often go unpunished. A study in India found that only one in 3,000 head teachers had ever fired a colleague for repeated absences.[28]

Effective control mechanisms and a good working environment are as much a deterrent to corruption as are fairness and equity. If appointments, promotions and transfers are made on the basis of merit and performance, teachers are more likely to apply the principles of impartiality, fairness and performance in their dealings with students. When employment-related decisions are taken, a clear criterion should be used and proof of qualifications and relevant experience demonstrated for hiring practices.

As part of the recommended changes, teacher codes of conduct can help to undo entrenched habits and encourage ethical behaviour. Such codes serve as a collective recognition of teachers' responsibilities and ethical standards and are ideally developed by their professional associations.[29] For example, a 2005 study found that teacher codes in South Asia have had a positive impact on the commitment, professional behaviour and performance of teachers and staff, helping to reduce teacher absenteeism.[30] However, the mere formulation of codes is not enough. For codes to be effective, teachers must be aware of them and understand their terms. When violations occur, a complaint mechanism also must be in place and ethical guidance made available.[31]

Building civic awareness and transmitting ethical values help shape social behaviours and make society intolerant of corruption. In this sense, a good education is itself a deterrent to corruption.

Conclusions

Public demand, adequate incentives (for teachers and professors) and effective control mechanisms are the keys to preventing corruption in the education sector. Well-educated citizens who are aware of their rights and entitlements are more likely to demand the transparency and accountability required to raise the quality of a country's education system. Building civic awareness and transmitting ethical values help shape social behaviours and make society intolerant of corruption. In this sense, a good education is itself a deterrent to corruption.

The following policy recommendations can help to start this virtuous cycle:

- Clear and objective criteria and regulations are needed in education finance and management. These should help to guide decisions on where schools are built, which teachers are appointed and demoted, what examination processes are used, and how much — and which — school fees are charged. Criteria must be transparent and accessible to the public, particularly when it comes to the role of school management committees.

- Channels to denounce misconduct and corruption should be established to encourage 'users' of education to report problems. At the primary and secondary school level, pupils and parents should have an opportunity to voice concerns and file complaints. At universities, independent bodies should be established to deal with claims of academic fraud and other forms of corruption.

- Adequate control mechanisms — such as regular audits and inspections — must be applied to detect corruption and fraud. Clear accountability lines for reporting abuses and system dysfunctions are needed. Also the use of individual school bank accounts and 'tagged' budget lines can help.

- Action must be taken against perpetrators of corruption. Illegal behaviour must be punished and laws applied. Lack of enforcement is probably the biggest obstacle to curbing corruption. If impunity prevails, all other strategies are bound to fail.

- The public and media should have access to financial data and other information. In many countries, accurate, reliable and up-to-date statistics may be hard to find due to a lack of capacity and resources. However, access to information is a *sine qua non* for social control and perhaps the most important means to preventing corruption.

- Public scrutiny and social control are key deterrents to corruption. An informed citizenry that expects education to be delivered responsibly and equitably is a powerful tool for preventing abuse. Social control can be institutionalised through SMCs as long as parents who volunteer have the skills, training and sufficient information to perform their duty.

- Capacities must be built within institutions to ensure officials and educators can apply and enforce existing regulations.

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Transparency International (TI) is the civil society organisation leading the global fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, Germany, TI raises awareness of the damaging effects of corruption, and works with partners in government, business and civil society to develop and implement effective measures to tackle it. For more information go to: www.transparency.org ISSN 1998-6408