

Corruption in the Education Sector

"Rich children don't have to perform well, they know that their parents' money will guarantee their success. The children understand that what's important isn't knowledge but money" ¹

All parents, but especially the poor, hope for a good education for their children; it is the key to their future. 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 right in most countries.

But in reality, education is often characterised by poor quality and unequal access. For example, more than 50 percent of users of public primary schools in Africa report classroom overcrowding, poorly maintained schools, absent teachers, lack of textbooks and supplies, and unacceptably high fees and expenses.² Access to higher education in many countries depends more on the parents' purse and social status than on the talent, effort and merit of the student.

Corruption is one of the many reasons for these problems. It affects the delivery of education in three ways. First, it reduces available resources, for instance through corrupt procurement and leakage of education funds on their way from the

Treasury to schools and universities. Secondly, it lowers the quality of education, for example by corrupting the process of recruiting qualified teachers and insufficient or poor quality textbooks. Thirdly, it exacerbates inequalities and leads to low enrolment and high drop-out rates³, particularly among the poor who cannot afford to pay bribes and illegal fees for access to schools and universities.

Corruption defeats the very purpose of education. In a corrupt education system, students don't acquire the skills and knowledge that would enable them to contribute meaningfully to their country's economy and society. They learn from a young age that a lack of integrity is an acceptable way of life, allowing these values to become the norm throughout society.

The prevalence of corruption

The public education system in most countries is largely monopolistic, with considerable discretion. Even in decentralised systems, government usually controls key areas such as teacher payrolls and budget oversight. This monopoly leaves room for corruption at all levels: political, administrative and in the classroom itself.

– At the political level, the education sector is particularly prone to political manipulation, because of its size both in terms of finances (it consumes an average 20-30 percent of the national budget), and of the human resources it employs. It is also present in all parts of a

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country. The corruption can take many forms: politicians may interfere in teaching appointments, promotions or transfers, or to 'secure' teachers' services during elections.⁴ Decisions on where to build schools may be influenced by political considerations.

– Corruption occurs throughout the administrative system, at ministry, district and school level. School inspectors may request bribes in return for a favourable report to the inspectorate. School facilities may be misused for private and commercial purposes. Educational material and school supplies may be sold instead of being distributed for free. Schools and universities may charge unauthorised fees.

– Teachers may be absent from the classroom, may not teach the curricula, or may extort services from pupils. Sexual exploitation of students by teachers and professors is also seen as a form of corruption in many countries.

In Bangladesh, where education is free in public schools up to the higher secondary level, 36.5 percent of students must make unauthorised payments. In order to be enlisted in a government scheme of stipends for extremely poor girl students, 32.6 percent have to pay bribes, while over 54 percent of those who actually receive such stipends are forced to pay bribes.

TI Bangladesh (2005): Presentation on 'Corruption and Human Insecurity in Bangladesh', National Press Club 09.12.2005

In Mexico, the average household pays an additional US \$30 per year for education services that are legally free. Also, bribes for obtaining enrolment or exam records from schools were found to be frequent in a Transparency International study in 2001 and 2003.

Transparencia Mexicana (2005): The price of a place in school. In: Transparency International: Stealing the Future. Corruption in the Classroom.

Corruption in education finance

Corruption occurs in the allocation and execution of the education budget, and in the use of education resources. Given the overall size of a country's education budget, even low levels of corruption in financial management can result in a significant loss of public resources.

Recent decentralisation of management has increased the risk of manipulation in education finance, especially if the new discretionary powers of local authorities are not accompanied by monitoring rules and procedures, and adequate capacity building measures. With more people having access to resources, and more administrative levels involved in education finance, opportunities for fraud and corruption have also increased.

In the *budget allocation process*, countries with high levels of corruption invest less in public services, leaving the education sector under-resourced.⁵ In addition, resources may be distorted from areas in need, especially rural areas, to those that are already privileged, such as urban areas. Resources may be allocated to areas with opportunities for private gain. Large contracts for school building, textbooks or school meals offer opportunities for kickbacks from private suppliers, and for all forms of bribery, nepotism and favouritism. In addition, allocations to schools may be distorted by manipulated data, for example, inflated enrolment numbers. This uneven distribution of resources tends to benefit the better-off to the detriment of the poor and disadvantaged, with an impact on equity in education.

Off-budget allocations are particularly risky, especially when foreign donors provide direct finance to schools, bypassing government departments or civil society organisations that could act as an intermediary. Frequently, monies are spent without checks on expenditure and quality, leaving schools with sub-standard or unnecessary materials or buildings.⁶

In budget execution, allocated resources may not reach schools and universities – instead, finances may be embezzled by officials or abused in rigged tenders for school building and scholastic materials. Corruption can occur throughout the procurement process, from the initial decision to procure goods or services through contract implementation and supervision. Contract specifications may target a specific supplier, and a non-open tender process may exclude potential bidders or lead to inflated prices due to collusion by the bidders.

As a result, textbooks may be of poor quality and insufficient quantity, the building infrastructure of teaching institutions may collapse, toilets may not be

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built or materials not delivered, all of which diminishes the quality of education and has an effect on its outcomes. The extent of 'resource leakage' in non-wage spending on primary education, as measured in public expenditure tracking surveys, varies between 10 and 87 percent in a number of countries surveyed by the World Bank.⁷ Salary funds are less prone to leakage, because teachers know their salaries and expect them to be paid. However, an estimated 10-24 percent of recurrent education expenditure is allegedly lost to 'ghost' or absent teachers, which is significant given that teacher salaries in most countries represent 80-90 percent of the total education budget.⁸

In the *use of education resources*, funds that reach schools may not be used according to their intended purpose. Textbooks may be sold instead of being distributed for free, illegal payments may be made by school authorities using falsified orders and receipts, or the quantity of goods allegedly purchased may be inflated.

In the Philippines, the supply of public school textbooks was decentralised in the 1990s, and textbook purchases were directly negotiated with suppliers at regional level. Corruption was rampant: bribes to regional education offices could represent as much as 20 percent of a contract. Overall, it was estimated that 20-65 percent of textbook funds were eaten up by pay-offs to corrupt officials. The result was a critical shortage of textbooks in the country's 40,000 public schools, despite high levels of spending. One textbook had to be shared by six pupils in elementary schools, and by eight in secondary schools. *Yvonne Chua (1999): Robbed. An Investigation of Corruption in Philippine Education. Philippine Center for Investigative Journalism, Quezon City.*

What can be done?

First and foremost, transparency and access to information are important means to curb and prevent corruption in education finance. The more that people are informed about budget allocation and execution, and about education plans in general, the more those in positions of responsibility will conform to policies and regulations. There is no stronger deterrent to corruption than public exposure.

Formula funding, a system of agreed rules for allocating resources to schools and universities, reduces

discretionary powers and can contribute to greater equity in education. Direct cash transfers to schools ('capitation grants') can limit opportunities for corruption if schools have the capacity to control funds. Also, clear financial rules and regulations must exist and be enforced, officials must have the necessary skills to apply them, and regular audits by independent agencies are required to control corruption in education finance.

Local stakeholders such as parents, teachers and students can provide useful feedback, for example, on the appropriate use and quality of teaching materials received by schools or the adequacy of school finance. Also, community involvement in school finance, through school committees that control school budgets can be effective, provided the committee members have the necessary skills and social status to stand up against corruption.⁹

In procurement, open tender systems, clear criteria and procedures, especially for direct purchase, are needed to ensure that schools get the best products and services.¹⁰ Conflict of interest rules for decision-makers and public access to bidding proposals also help curb corruption in public contracting.

Corruption and fraud in examinations and in the accreditation of teaching institutions

In higher education, new communication technologies and increased competition among students have led to new opportunities for unethical and 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.¹¹ Academic corruption occurs between students and faculty members, for example, if a student pays a bribe to a professor in exchange for a good exam grade, or if a professor 'recommends' private tutoring to a student who knows the subject well and does not need tutoring. It also occurs between students and administrators or supervisors, for instance, if exam papers are sold or someone else takes the exams, a frequent practice in China.¹² An opinion poll amongst university students in Bosnia in 2004 and 2005 found that bribes during exams were frequent, and that most students did not believe they could do anything about it.¹³ In Russia, the level of corruption to gain entrance to university was estimated to involve 30 billion rubles (US \$1 billion) in 2003.¹⁴

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Examples of academic corruption abound from around the world.¹⁵

Corrupt accreditation of teaching and training institutions is also on the increase, particularly in the context of privatisation of education and the proliferation of distance-learning courses and trans-border education. Also, unqualified individuals may obtain credentials and academic degrees in exchange for a bribe. Corruption in accreditation of courses and institutions, coupled with credential fraud, put a nation at risk because low quality institutions may license students with poor professional standards, or because bogus institutions ('diploma mills') may issue diplomas without providing any teaching at all, placing unqualified doctors and other professionals in positions of authority.

What can be done?

Of course, clear and transparent assessment criteria and regulations are needed, both in student examination and in the accreditation of teaching institutions. Standardised national exams, administered by independent testing institutions, reduce the scope for manipulation and fraud. Appropriate measures to detect and to address fraud, such as physical verification of a candidate's identity, safe storage of exam papers, centralised marking and computerised examination procedures, must be applied. Better training for examiners and supervisors and high standards of academic integrity need to be actively promoted by teaching institutions.

The independence of accreditation committees and oversight bodies is crucial, so they can operate without outside interference. In the provision of trans-border education, standards of transparency and accountability have been set in a code of good practice by UNESCO and the Council of Europe which provides a framework for the assessment of foreign qualifications.¹⁶

Corruption in teacher management and classroom behaviour

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

Corruption in teacher management includes favouritism,

nepotism, cronyism and bribery in the appointment, deployment, transfer and promotion of teaching staff. Corruption may also occur in the payment of salaries, for example, if teachers must pay a kickback to the administrator of payrolls (particularly in rural areas without a banking system). 'Ghost teachers', listed on the payroll but not teaching, are a heavy burden on education budgets. These 'ghosts' can be the result of poor data management or of deliberate collusion. They may have once existed, but are now dead or retired or on unauthorised leave. Yet their salaries are still paid, to them, to their school or at higher levels in the administrative chain.¹⁷

While absenteeism is not always due to corruption – teachers may be absent for legitimate reasons – an absence rate above 10 percent is cause for concern. In India, for example, an average of 30 percent of primary school teachers were found to be absent on a normal school day.¹⁸ As well as draining the education budget, teacher absenteeism seriously affects student attendance and test scores. Clearly, reduced instruction time reduces education outcomes.

In the framework of a national campaign entitled 'education without corruption', the national ombudsman of Peru, together with the Transparency International chapter 'Proética', invited citizens to report corruption cases in six regions of Peru. Of the 307 complaints received within four months, the large majority referred to teacher absence and to irregularities in teacher appointments. Inadequate control mechanisms, limited access to information and a volatile security situation were found to be facilitating corruption in Peru's public education sector.

Defensoría del Pueblo (2007): Con corrupción no hay educación. Resultados de la campaña piloto Educación sin Corrupción. República del Perú. Documento Defensorial N° 01

Private tutoring, whether by individuals or in 'preparatory courses' by institutions, is a rising industry in many parts of the world. It can become a driver of corruption if provided by mainstream teachers to their own students. While in some countries, such as France, Australia and Singapore, teachers are prohibited from providing paid tutoring to their students after school hours, it is common practice in countries such as Bangladesh and Cambodia.¹⁹ Such tutoring can develop into a form of

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blackmail, where teachers abuse their positions by teaching only half the syllabus during official hours and pressuring students to pay for their private class in which they teach the other half, or threatening them with lower grades if they don't enter the private tutorial.²⁰

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. When teachers must resort to alternative sources of income due to low or delayed salaries, they may be tempted to abuse their position. However, the working environment in its totality, including school infrastructure, sanitation, proximity of cities, the quality of teacher accommodation, career opportunities and prestige of the teaching profession, has a more decisive influence on teacher behaviour than simply salary.

The social status of the teaching profession should be reasonably high and backed by adequate pay and training. The four countries that have achieved high standards of education quality in 2005 – Canada, Cuba, Finland, Republic of Korea ... all hold the teaching profession in high regard and support it with investment in training.

Global Campaign for Education (2005): Global Education for All Monitoring Report.

http://www.campaignforeducation.org/resources/resources_latest.php

At the same time, regular and fair inspections are necessary to prevent corruption in teacher management and behaviour. Sadly, in education as in the public service in general, misconduct and abuse of office often go unpunished. An example is the above-quoted study on teacher absenteeism, which found that only one in 3,000 head teachers in India had ever fired a teacher for repeated absence.²¹

Effective control mechanisms and a good working environment are as much a deterrent to corruption as are fairness and equity in teacher management. If appointments, promotion and transfers are made on the basis of merit and performance, teachers are more likely to apply principles of impartiality, fairness and performance in their dealings with students. Therefore, appointments, transfers and promotions should be made on the basis of clear criteria, and proof of qualifications and relevant experience must be demonstrated. With

regard to private tutoring, teachers should be prohibited from providing paid private tutoring to their own students.

Ethical behaviour can be stimulated by teacher codes of conduct. Such codes serve as a collective recognition of teachers' responsibilities and ethical standards. They are ideally developed by teacher associations themselves.²² A 2005 study in South Asia found that teacher codes have a positive impact on the commitment, professional behaviour and performance of teachers and staff, and contribute to the reduction of teacher absenteeism.²³ However, the mere formulation of codes is not enough. For codes to be effective, teachers must be aware of them and understand their content, and an effective complaint mechanism must be in place to deal with violations and to ensure that ethical advice is available.²⁴

Conclusions

First, clear and objective criteria and regulations are needed in education finance and management, whether in decisions on where schools are built, in teacher appointment and demotion, in examination processes or in any other process and decision. Criteria must be transparent and accessible to the public and, above all, to parents.

Second, channels to report misconduct and denounce corruption should be established to encourage 'users' of education to report incidences of corruption. At the school level, pupils and parents should have an opportunity to voice concerns and to file complaints. At universities, independent bodies should be established to deal with complaints about academic fraud and other forms of corruption.

Third, adequate control mechanisms must be applied to detect corruption and fraud. Regular audits and inspections are needed.

Fourth, action must be taken against perpetrators of corruption. Illegal behaviour must be punished, and laws applied. Although this may seem obvious, lack of law enforcement is probably the biggest obstacle to curbing corruption. If impunity prevails, all other strategies are bound to fail.

Fifth, the public and the media should have access to

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financial data and other information. Certainly, in many countries accurate, reliable and up-to-date statistics are hard to find, most often due to a lack of capacity and resources. However, access to information is a sine qua non for social control of education delivery, which is perhaps the most important means to preventing corruption.

Sixth, public scrutiny and social control are key deterrents to corruption. An informed citizenry that is aware of its rights and entitlements and expects education to be delivered responsibly and equitably, is a powerful tool in preventing abuse. Social control can be institutionalised through the participation of skilled citizens in school management.

Finally, capacities must be built within institutions so that officials and educators can apply existing regulations.

In conclusion, public demand for quality education, together with adequate incentives for teachers and professors, and with effective control and sanction mechanisms, are the keys to preventing corruption in the education sector. Demand for quality education is itself built on education – well-educated citizens who are aware of their rights and entitlements are more likely to demand the transparency and accountability that produces quality education. Building civic awareness and transmitting ethical values help shape future social behaviour that will not tolerate corruption. In this sense, a good education is itself a deterrent to corruption.

1 Quote on the Ukraine. From: Narayan, Deepa with Raj Patel, Kai Schafft, Anne Rademacher and Sarah Koch-Schulte (2000). *Voices of the Poor: Can Anyone Hear Us?* World Bank, Oxford University Press, p. 98.

2 Michael Bratton (2007): Are you being served? Popular Satisfaction with Health and Education Services in Africa. *Afrobarometer Working papers* No 65.

3 Countries with high levels of corruption tend to have high drop-out rates. Gupat, Davoodi, Tiongson (2000): Corruption and the provision of health care and education services. *IMF Working Paper* 00/116.

4 In the Philippines teachers were found to be used by politicians to manipulate voter registration and ballot counting. Yvonne Chua (1999): Robbed. An Investigation of Corruption in Philippine Education. Philippine Center for Investigative Journalism, Quezon City.

5 Paolo Mauro (1997): The Effects of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis. *IMF Working Paper* WP/96/98.

6 According to workshop participants on 14.11.2005, Berlin, TI workshop Corruption in Education.

7 Levels of leakages in Ghana 1998: 49 percent, Peru 2001: 30 percent, Tanzania 1998: 57 percent, Uganda 1995: 87 percent, Zambia 2001 fixed school grant 10 percent, discretionary grant 76 percent. Source: Jacques Hallak / Muriel Poisson (2007): Corrupt schools, corrupt universities: What can be done? International Institute for Educational Planning, UNESCO p. 105.

8 Harry A Patrinos and Ruth Kagia: Maximising the Performance of Education Systems. The Case of Teacher Absenteeism. In: Edgardo Campos (ed) (2007): The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level. World Bank, Washington, p. 69.

9 A study carried out by Transparência Brasil in 2004 found that a lack of monitoring skills at local level was the main reason behind the high incidence of irregularities in a major funding scheme for basic education. *Transparência Brasil: The Hidden Cost of Decentralised Education*. In: Transparency International: Stealing the Future. Corruption in the Classroom (2005). Similarly, high absence rates among teachers in community-controlled Indian schools suggest that local control may not be enough to curb absenteeism. Nazmul Chaudhury, et al (2006): Missing in action: teacher and health worker absence in developing countries. *Journal of Economic Perspectives* 20 (1).

10 Integrity Pacts – agreements between a government department and all bidders for a public contract that they will not pay or offer bribes and will not collude with competitors – can be an effective tool to prevent corruption. The "TI minimum standards on public contracting" provide a useful benchmark of good practice. For more information, see http://www.transparency.org/global_priorities/public_contracting/

11 Jacques Hallak / Muriel Poisson (2005): Academic Fraud and Quality Assurance: Facing the Challenge of Internationalisation of Higher Education. International Institute for Educational Planning, UNESCO. <http://www.unesco.org/iiep/eng/research/highered/polforum/Papers/Day2/HallakPoisson.pdf>

12 Rumyantseva, Natalia (2005): Taxonomy of corruption in higher education. In: *Peabody Journal of Education* 80 (1).

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- 13 Darijo Lazic (2005): A 'Copy-and Paste' Approach to University. In: Transparency International: Stealing the Future. Corruption in the Classroom.
http://www.transparency.org/publications/publications/stealing_future
- 14 Rosijskaja Gazeta 16.08.2005.
- 15 For more information, see Higher Education Corruption Monitor of the Boston College. Center for International Higher Education at
http://www.bc.edu/bc_org/avp/soe/cihe/hecm/
- 16 UNESCO-CEPES / Council of Europe (2007) Revised Code of Good Practice in the Provision of Trans Border Education.
http://www.aic.lv/ace/ace_disk/Recognition/leg_aca/Cod_e_TE_rev2007.pdf
- 17 Harry A. Patrinos and Ruth Kagia: Maximising the Performance of Education Systems. The Case of Teacher Absenteeism. In: Edgardo Campos (ed) (2007): The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level. World Bank, Washington.
- 18 Nazmul Chaudhury, et al (2006): Missing in action: teacher and health worker absence in developing countries. *Journal of Economic Perspectives* 20 (1).
<http://econ.worldbank.org/external/default/main?theSitePK=477916&contentMDK=20562060&menuPK=546432&pagePK=64168182&piPK=64168060>
- 19 Mark Bray (2003): Adverse effects of private supplementary tutoring: Dimensions, implications and government responses. International Institute for Educational Planning, UNESCO.
www.unesco.org/iiep/eng/publications/recent/etico.htm
- 20 Mark Bray (ed. 1999): The shadow education system: Private tutoring and its implications in nine post-socialist countries. Open Society Institute.
www.soros.org/initiatives/esp/articles_publications/publications/hidden_20070216/hidden_20070216.pdf
- 21 Nazmul Chaudhury, et al (2006): Missing in action: teacher and health worker absence in developing countries. *Journal of Economic Perspectives* 20 (1), p. 2.
- 22 For example, the Teacher Code of the Ontario College of Teachers in Canada, a self-regulatory body with investigative and disciplinary powers. For more information, see S. Van Nuland, et al (2006): Ethics in Education. The role of teacher codes. International Institute for Educational Planning, UNESCO.
- 23 B.P. Khandelwal and K. Biswal (2005): Teacher Codes of Practice in Bangladesh, India (Uttar Pradesh) and Nepal: A comparative study. International Institute for Educational Planning, UNESCO.
- 24 The above mentioned study finds that most teachers did not have a copy of the code, and they ignored information on how to lodge a complaint against a teacher or staff member.

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