

## **Still a long way to go:**

Decentralized education policy as pro-poor growth challenge in Brazil

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- Issue Note -

Education has gained much attention in the public debate in Brazil during the last decade. The country has been benefiting from considerable per-capita income growth rates for quite a number of years, and has even not felt a serious set-back after the out-break of the global financial crisis. Brazil's current growth is however mainly based on labour-extensive extractive industries and therefore not pro-poor. For a more labour-intensive and pro-poor pattern of growth, workers would need more and better education and training.

The government has therefore launched several initiatives to raise the quantity and quality of education in Brazil. Amongst these are education programmes with national reach such as the National Programme for School Alimentation, the National School Transport Programme, the National Programme of the Didactic Book, and the Programme Direct Money to Schools.

The question is to what degree these programmes contribute to the level and quality of education in Brazil and thereby to growth, the decline of poverty and less inequality.

Empirical research conducted by the German Development Institute shows that the contribution of education policies in Brazil are limited despite the programmes started during the last years because of four major factors:

1. The education system suffers from a significant public-private divide, which allows children from better-off families to attend private schools with higher qualified and better paid teachers. Contrary, children from lower income strata with challenging socio-economic backgrounds attend public schools helping these children too little to get out of their family poverty.
2. Further, the public primary education system – as a consequence of a very high degree of decentralisation – is split again into federal, state, and municipal networks of primary schools – adding on to the very uneven distribution of quality education within and across states and municipalities.
3. The massive decentralisation of Brazil's education system, which has been crucial for the country's re-democratisation after the military dictatorship until the mid-1980s, has at the same time led to huge differences in the intensity and methodology of monitoring and education in different states, municipalities and segments of the education system.
4. Last but not least, public education supply is widely dislinked from regional labour demand with the effect that the skills of labour market entrants do not match with the requests of employers with regards to quality and focus.

There is no doubt that Brazil invested quite substantially in education during the last two decades and that without the manifold programmes and initiatives mentioned above, the

situation would be much worse. However, their impact on growth and poverty reduction have still to be increased in terms of efficiency and equity.

A large body of literature demonstrates that the massive decentralisation in the education system in many cases has overburdened municipalities administratively, and therefore resulted in lack of effectiveness, efficiency and transparency in education policies. At the same time, however, have several federal states (among them even poorer ones) have been able to pursue education policies with better effects than other states – with similar initial and framework conditions. This is the case for example for Ceará in comparison with to Pernambuco (both states are situated in the under-developed north east of Brazil). What did Ceará do differently from Pernambuco?

Intensive empirical research conducted by the German Development Institute in spring of 2009 shows that Ceará has pursued a quite determined education policy with programmes such as “Alphabetization at the Right Age” integrating municipal schools into federal state-led education policies. Such determination has been possible in Ceará, if compared to Pernambuco, because of the fact that a public-management oriented business elite has been in power since the mid 1980s, providing education policy with a coherent and continuous approach, while in Pernambuco, the education sector is suffering from a lack of policy coherence and conviction.

Three major policy recommendations can be made on the basis of these insights:

1. The current stage of decentralization with in-place monitoring and oversight at municipal and state level (for examples school councils) – necessary for improving the quality of education - leave much to be desired. This has to be re-thought for making the quality of education more equity-enhancing, a crucial step for unfolding the pro-poor growth potential Brazilian education in theory possesses. Members of school education councils would need more specific knowledge, training and information about their role in order to effectuate the councils as de-facto “controllers” for the quality of education.
2. The Brazilian national level together with state governments needs to develop joint and sustainable strategies ameliorating service delivery at the smallest unit of the Brazilian federation, the municipalities. One way of doing this is offering schools financial incentives for better performance of their children. While this is certainly one feasible way, it puts much implementation pressure on schools, but not necessarily on the public administration of municipalities. These have also to be put more in charge in overseeing the process. Otherwise, intra-state differences will not be tackled at all.
3. Education policy and structural economic policy have to be thought as one continuous line. While it is certainly crucial to offer universal national programmes buffering the general effects of inequality and poverty, further policy strategies need to be developed in order to close the supply and demand gap education is currently not able to close. Education also needs to follow needs of regional growth processes such as in the north east. For example, schools books here have started to provide different, more regionally adapted content to students, showing the backlash of maybe too universalized efforts. Brazil has to find the right balance without “de-universalizing” its primary education mechanisms.