

Seminar on: “Ethics, transparency, and anti-corruption measures in education”  
*Budva, 22-25 October 2006*

## Tools to fight corruption in the education sector: *focus on contracting, teacher management and exams*

Jacques hallak and Muriel Poisson

© IIEP-UNESCO



1

### Reminder: major practices of corruption in education

Areas	Corrupt practices	Impact on education
School building, rehabilitation	<ul style="list-style-type: none"> <li>• Fraud in public tendering</li> <li>• Embezzlement</li> <li>• School mapping</li> </ul>	Access Quality <i>Example:</i> bad location of schools; too high or too low use; demand for places unattended
Equipment, Textbooks, Food	<ul style="list-style-type: none"> <li>• Fraud in public tendering</li> <li>• Embezzlement</li> <li>• Bypass of criteria</li> </ul>	Equity Quality <i>Example:</i> school meals free to the rich and not available for the poor; lack of consistency between textbooks and curricula*
Teacher appointment/management	<ul style="list-style-type: none"> <li>• Favouritism</li> <li>• Nepotism</li> <li>• Bribes</li> </ul>	Quality <i>Example:</i> less qualified teachers appointed
Teacher behaviour	<ul style="list-style-type: none"> <li>• “Ghost teachers”</li> <li>• Bribes (for school entrance, exams, assessment, private tutoring, etc.)</li> </ul>	Equity Ethics <i>Example:</i> disparity in staffing by schools; discrimination against the poor
Examinations and diplomas	<ul style="list-style-type: none"> <li>• Selling of information</li> <li>• Favouritism</li> <li>• Nepotism</li> <li>• Bribes</li> <li>• Academic fraud</li> </ul>	Equity Ethics <i>Example:</i> unjustified credentials available to students who can afford to pay bribes**
Information systems	<ul style="list-style-type: none"> <li>• Manipulating data</li> <li>• Selecting/suppressing information</li> </ul>	Equity Ethics Policy priorities <i>Example:</i> omitting data on repetition/dropout; less priority on quality improvement
Specific allowances (fellowships, subsidies, etc.)	<ul style="list-style-type: none"> <li>• Favouritism</li> <li>• Nepotism</li> <li>• Bribes</li> <li>• Bypass of criteria</li> </ul>	Access Equity <i>Example:</i> inflating enrolment figures to increase financial transfers

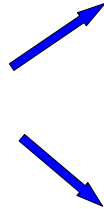
© IIEP-UNESCO

2

## Outline of the presentation

Corrupt practices – 3 major areas of concern:

- Contracting
- Teacher management
- Exams



- Definitions
- Scope and magnitude
- Forms of malpractice
- Examples of strategies

Concluding remarks

© IIEP-UNESCO

3

## I. Contracting

© IIEP-UNESCO

4

## 1. Definitions

- *Procurement* refers to the acquisition of goods and services by any individual or organization (public, private, international)
  - *Contracts* are the means by which public money is spent and public policy is implemented
  - *Contracting* includes all activities that, in the shape of a contract, channel government expenditure
- Ex.:* privatisations, licenses and other types of contracts, which also affect the budget

© IIEP-UNESCO

5

## 2. Scope and magnitude

- Profits of corruption are particularly high in school construction and textbook contracting
  - ▶ Bidders 'encouraged' to pay bribes, since sales levels are guaranteed
- However, service provision which imply long-term contracts, can present more monitoring challenges in order to assess the quality of the service provided, such as for school-meals\*

© IIEP-UNESCO

6

### \* *Corruption in school meals contracting, France*

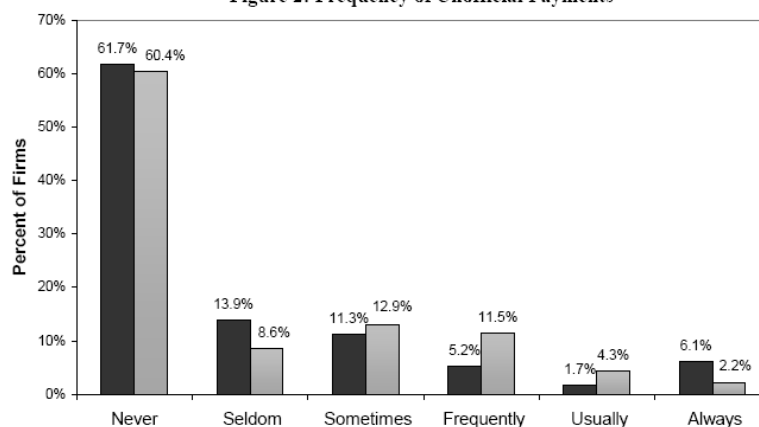
- *Background:* Contracting of school meals represent 26 billions of francs every year, shared between 15 private enterprises
- *Sodexho* proposed to pay for and manage the construction of a kitchen to fabricate the meals (price calculated into price per meal). But the kitchen was over-dimensioned. Result: the community lost a lot of money
- *Scolarest* signed a contract giving them the right to sell school-meals for 14 years. According to the contract, the city must pay for non-consumed meals. The contract foresaw 421 000 meals/year in 1996, but the real number was 363 000. Result: the city paid 1,6 million Francs extra

© IIEP-UNESCO

7

### \*\* *Unofficial payments to secure a contract with the Government, Croatia*

Figure 2: Frequency of Unofficial Payments



\* Source: BEEPS  
2002: 139 observations; 1999: 115 observations

Source: World Bank, 2005.

© IIEP-UNESCO

8

### 3. Forms of malpractices

Stages	Main risks
Decision to contract/contract characteristics	- Risk of channel benefits to an individual or an organization - Vague, nonexistent or over specification
Contracting process	- Invitation to tender not publicized, or little time is given to present offers - Bidders or contractors collude to influence prices or to share the market
Contract award	- Evaluation criteria not clearly stated in tender documents, leaving no grounds to justify the decision - Bureaucratic corruption bribes kickbacks political considerations*
Contract implementation and supervision	- Contract changes and renegotiations after the award - Corruption at sub-contractor level - Cost overruns and/or supply of inferior materials or less equipment

© IIEP-UNESCO 9

#### *\* Abuses of procurement legislation, Croatia*

In its annual audit report for 2002, the SAO found the following errors and abuses of procurement procedures:

- Use of the Restricted Procedure for contracts where the financial threshold in the LPP requires the use of the Open Procedure
- Bidding documents containing “irregular” terms and conditions that breach the provisions of the LPP
- Bidding periods shorter than the minimum number of days specified in the LPP
- Inaccurate use of the provisions of the LPP relating to the assessment of bidders’ qualifications
- Inadequate record-keeping and recording of procurement proceedings

*Source:* CPAR, 2005.

© IIEP-UNESCO

10

## 4. Strategies

Stages	Strategies
Decision to contract/ contract characteristics	<ul style="list-style-type: none"> <li>- Preparation of written contracting procedures, fixing explicit selection criteria</li> <li>- Contracting requirements and specifications made by outside consultants or external auditors,</li> <li>- Pre-qualification of bidders*</li> </ul>
Contracting process	<ul style="list-style-type: none"> <li>- Promotion of additional competition</li> <li>- Bidding procedures/documents publicly and timely available</li> <li>- Use of electronic procurement systems**</li> </ul>
Contract award	<ul style="list-style-type: none"> <li>- Selection of bids by a central body (integrity pacts)***</li> <li>- Setting up of a series of successive filters, based on technical, qualitative and financial criteria</li> <li>- Reliance on written justifications, bid openings in public</li> </ul>
Contract implementation and supervision	<ul style="list-style-type: none"> <li>- Internal and external supervisory and control systems</li> <li>- Efficient rewards and penalties systems for contractors</li> <li>- Role of 'watchdogs' played by communities</li> <li>- Mechanisms to handle complaints****</li> </ul>

© IIEP-UNESCO

11

### *\* Prequalification of bidders, New York city*

The City School Construction Authority evaluates the capability and credentials of potential firms:

- Experience
  - Quality and timeliness of past performance
  - Financial capability
  - Reliability and responsibility
  - Safety record
  - Compliance with equal employment requirements
  - Compliance and enrolment with wage, hour and fair labour standards
  - Integrity of the firm, its key people, affiliates, current and past owners
- Firms need to be in existence at least for two years

The Contractor Qualification Unit (CQU) looks at the firm performance on its four most recent largest contracts and reviews the firm's work history.

*Source:* Thomas, 2005.

© IIEP-UNESCO

12

## **\*\* E-procurement: some basic principles**

- **e-GP:** use of information technology systems and networks by governments in conducting their procurement relationships with suppliers and contractors for the procurement of works, goods, services and consulting services
- **Key principles:** transparency, non-discrimination, equality of access, open competition, accountability and security of process
  - ▶ *Implications:* Bid advertising, technological neutrality, technical standards for interoperability and security, good audit trails, cost and ease of participation
- **All procurement stages concerned:** pre-qualification, advertising, preparation and issuance of bidding documents, receipt of bids, bid opening, evaluation of bids, clarification and modification, notification, publication of results

© IIEP-UNESCO

*Source:* ADB, IADB, World Bank, 2005.

13

## **\*\*\* The Integrity Pact for textbooks, Argentina**

- In 2003, the Ministry of Education (MEST) asked an NGO to assist in the procurement process of more than 3 million textbooks
- The MEST and 48 publishing companies signed an Integrity Pact (IP) to eliminating opportunities for bribery
- 65 publishing houses and associations took part in a debate on textbook selection criteria, submission and eligibility of offers, contract award and contract implementation
- Each member of the National Advisory Committee was required to complete a statement (publications, public offices held, positions held in the private sector, relationships with publishing companies, royalties)
- Following the publication of these statements, half of the 19 CAN members were excluded from the process

© IIEP-UNESCO

*Source:* Arcidiacano, quoted by Meir and Griffin, 2005.<sup>4</sup>

### **\*\*\*\* *Transparency in public procurement, Croatia***

Basic requirements:

- Publishing comprehensive information on procurement operations (legislation, invitations to bid, contract award notices, data on procurement expenditure on a web-based electronic public procurement bulletin)
- Undertaking of value-for-money assessments of major public investment projects, in order to inform parliamentarians, the Government and the public about the efficiency of such expenditures
- Launching of a formal benchmarking and performance measurement system for public procurement, to establish the current state of development of the public procurement regime, track progress and record and report on performance outcomes

© IIEP-UNESCO

*Source:* CPAR, 2005.

15

## **II. Teacher management**

© IIEP-UNESCO

16

## 1. Definitions

Malpractices in teacher management can have different forms in:

- Recruitment
- Deployment
- Promotion
- Daily management

© IIEP-UNESCO

17

### *Management of teachers in Macedonia*

- In schools, teachers are appointed by the school director after a selection process. In case of complaint, the appointment is discussed by the School Board
- New appointees are usually sent to rural schools, which are often affiliated to larger urban schools where the recruitment process takes place
- The final appointment of school principals is done by the MoES. However, the applications are first assessed by the School Boards and then sent to MoES, which also asks the opinion of the BDE advisors before deciding
- Risk of corrupt practices?

© IIEP-UNESCO

*Sources:* OECD, 2005.

18

## 2. Scope and magnitude

- Teachers are the largest proportion of civil servants in most countries
- Salaries of teachers is the largest component of education costs (50-90%), hence impact of distorted behavior is proportionately high
- Teachers misbehavior can undermine the crucial aims of education
- At the same time, context where:
  - ▶ Teachers poorly paid (US\$ 128 per month in Macedonia)
  - ▶ Over-supply of some teachers (paid but don't work)
  - ▶ Unequal distribution of qualified teachers (see in rural, mountainous and remote areas in Montenegro)

© IIEP-UNESCO

19

## 3. Different forms of malpractices

Teacher appointment, management (transfer, promotion), payment and training	<ul style="list-style-type: none"> <li>- Fraud in the appointment and deployment of teachers (favoritism, bribes, gifts). <i>See patronage system in Mexico</i></li> <li>- Discrimination (political, social, ethnic)</li> <li>- Fraud in credentials/use of fake diplomas</li> <li>- Bypass of criteria</li> <li>- Pay delay, sometimes with unauthorized deductions</li> </ul>
Teacher behavior (professional misconduct)	<ul style="list-style-type: none"> <li>- Lack of transparency and accountability in managing time on task: ghost teachers*, absenteeism, double payments, fake information on overtime work, undeclared sick leave</li> <li>- Illegal fees (for school entrance, exams, assessment, private tutoring, etc.)</li> <li>- Favoritism/nepotism/acceptance of gifts</li> <li>- Discrimination (political, social, ethnic)</li> <li>- Abuses in <u>private tutoring</u></li> <li>- Sexual harassment or exploitation</li> <li>- Bribes or favors during inspector visits</li> </ul>

© IIEP-UNESCO 20

## *The case of ghost teachers\**

- Teachers listed on the payroll but who no longer or never did exist
- Some did exist but are now dead or retired and no longer present in a school
  - ▶ *Teachers who resigned, absconded, on leave without pay, on study leave without permission*
- Others are deliberately created at the school or next higher level to increase the funding to a school or District

Country	Education	Health
Honduras 2000	5	8.3
Papua New Guinea 2002	15	-
Uganda 1993	20	-

© IIEP-UNESCO

*Sources:* World Bank 2001, 2004; Reinikka 2001.

21

## 4. Strategies

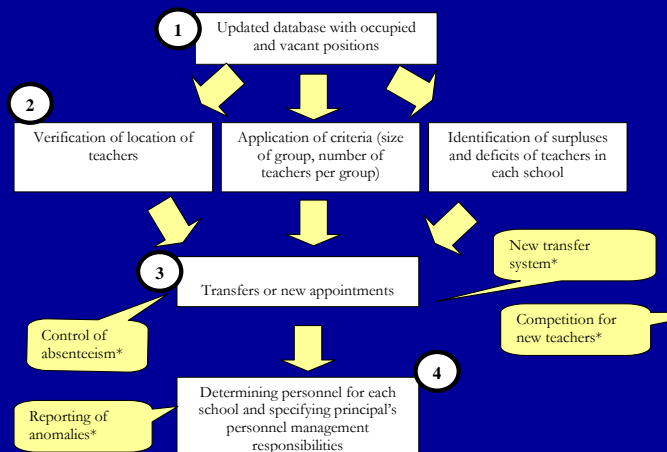
- Establishment of “a clean list of staff”
- Auto motion of personnel functions
- Setting of clear and objective criteria/procedures
  - ▶ e.g. competition based on credentials
  - ▶ Audit of the certificates and diplomas given to teachers
- Easy access to information from within the system/in response to requests
  - ▶ New information system at central, local and school level
  - ▶ Single centralised and transparent system of archives
  - ▶ Public posting of information

© IIEP-UNESCO

22

### Example: the case of Colombia

In Bogotá, 240 000 additional pupils (33% of total) enrolled with no additional recruitment of teachers for half of them, thanks to the redeployment of existing staff – 1998-2003



Source: Peña & Rodríguez. 2004. *Human resource management in Bogotá (1998-2003)*. IIEP (forthcoming).

© IIEP-UNESCO

23

## III. Academic fraud

© IIEP-UNESCO

24

## 1. Definitions

Use of public office for private gain in the academic field, especially regarding:

- Examinations
- Certificates and diplomas
- University/college research
- Publications

© IIEP-UNESCO

25

## 2. Magnitude and scope

- Academic fraud is increasing everywhere
- Example: in the USA
  - ▶ 30% primary, 70% secondary students cheat
  - ▶ 40-70 confirmed frauds in bio-medical research per year
- In some countries, it has become a business\*
- It is a threat to societies, because it throws a doubt on the quality of diploma and degree holder

*“Bribes have so corrupted institutions that they have virtually disintegrated” (comment by a Russian critic of the education system)*

© IIEP-UNESCO

26

### *\*A few examples*

- *China:* Hired “gun men” take exams for anywhere between \$200 to \$1200
- *India:* Fees for manipulating entrance test scores are between \$80 to \$20 000 for the most popular programs, such as computer science, medicine or engineering
- *Pakistan:* Paper setters ran their own tuition centres where candidates, on payment of substantial fees, are granted access to at least part of the examination papers
- *South Africa:* An exam scandal forced the provincial agriculture department to withhold bursaries
- *USA:* [www.cheathouse.com](http://www.cheathouse.com) offers free essays  
[www.fakedegrees.com](http://www.fakedegrees.com) sells diplomas from USA colleges

© IIEP-UNESCO 27

### 3. Forms of malpractice

Stages	Risks
Examination development	<ul style="list-style-type: none"> <li>- Leakage</li> <li>- Test preparation</li> </ul>
Administration of examinations	<ul style="list-style-type: none"> <li>- Impersonation</li> <li>- External assistance</li> <li>- Smuggling of foreign materials</li> <li>- Copying</li> <li>- Substitution of scripts</li> <li>- Ghost centers</li> </ul>
Marking	<ul style="list-style-type: none"> <li>- Marker malpractices</li> </ul>
Issuing of certificates and use of results	<ul style="list-style-type: none"> <li>- Distortion of exam results to give access to university (influence, bribery)</li> <li>- Distortion of exam results for the allocation of scholarships (influence, bribery)</li> <li>- Diploma mills and false credentials</li> </ul>
Certification and accreditation	<ul style="list-style-type: none"> <li>- Accreditation processes based on non-transparent criteria</li> <li>- Payment of bribes to obtain successful certification or accreditation</li> </ul>

© IIEP-UNESCO 28

### \* Student perception of academic fraud in SEE

Perception of students...	Bulgaria	Croatia	Moldova	Serbia
▪ on the percentage of students who think that the official selection process is bypassed in their faculty	37.1	35.1	38.4	44.9
▪ on the percentage of their colleagues that are illegally admitted in their university/faculty	18	18	40	15.1
▪ on the percentage of students who believe that there is possibility for admission test scores to be illegally changed	32.9	27.5	36.1	36.3
▪ on the percentage of students who think that there are illegal activities concerning students ranked in the admissions list	26.6	32.2	60.9	39
▪ on the percentage of students who believe that there are illegal changes in the quotas of those who do and don't pay	20.3	25.2	47.1	32.8
▪ on the percentage of students who have paid for taking an exam or receiving a certain grade	6.5	1.5	28	3.8

© IIEP-UNESCO

Source: OSI, 2005.

29

## 4. Strategies

Stages	Strategies
Examination development	- Moving from traditional exams to testing systems - Increasing security: several exam themes (Uganda, Indonesia), confidentiality, anonymity
Administration of examinations	- Reinforcing control mechanisms: checking the identity of candidates, organising unannounced visits (India) - Increasing the cost of misbehaviours* (e.g. non-payment provision in case of leakage)
Marking of scripts	- Centralising the marking of scripts - Use of electronic device to detect fraud**
Issuing of certificates and use of results	- Outsourcing/subcontracting the management of exams***

© IIEP-UNESCO 30

### *\* Example of sanctions*

- Cancellation of results, repetition or exclusion from exam, fines, prison sentences (Malawi, Kenya); sacking of professors (Korea)
- *China*: Deduction of 30 to 50 % for writing one's name on the test paper on the wrong place
  - ▶ *Disqualification for one year for whispering and copying; for two years for fabricating certificates or interfering with examination personnel; and for three years for impersonation*
  - ▶ *Malpractice by examination officials, bribery, etc. punishable either under the State Secrets Act of the Criminal Code*
- *North Dakota (USA)*: A bill to punish the use of a degree from a diploma mill as a legitimate credential

© IIEP-UNESCO

31

### *\*\* Use of ICTs to detect fraud*

- *Philippines*: Identification of « statistically improbable results », especially in schools where marks appear to have risen sharply
  - ▶ In one case, five of the six highest scoring schools on a national examination had previously recorded poor results
- *Europe and North America*: use of softwares to detect plagiarism ([www.turnitin.com](http://www.turnitin.com))

© IIEP-UNESCO

32

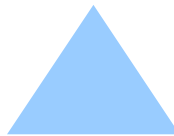
### \*\*\* *Outsourcing exam management*

- *Azerbaijan*: State Student Admission Commission, with a computer-run process: construction of tests, administration of exams, grading tests and processing admission to universities, candidates informed of their results
- *Kyrgyzstan*: Since 2002, admission into universities based on the National Scholarship Test (run by Independent Testing Organization, with multiple-choice aptitude tests, administered with strict security measures)
- *Ukraine*: External assessment of educational achievements through the Testing Technology Centre and regional centers: unified program requirements, unified format, unified examination procedures
- *SEE*: Various initiatives (e.g. Examination centre, Montenegro, Assessment unit in Macedonia)

© IIEP-UNESCO 33

### Concluding remarks

CREATION AND MAINTENANCE  
OF REGULATORY SYSTEMS



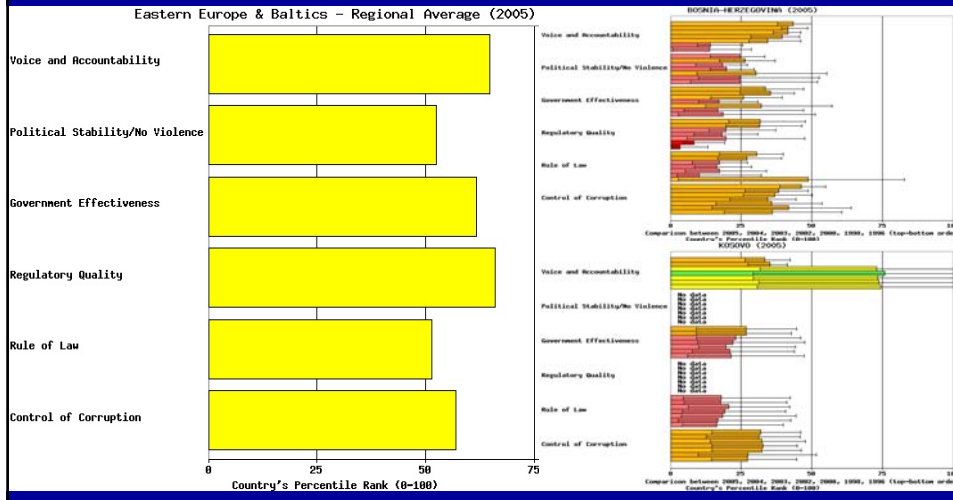
STRENGTHENING MANAGEMENT  
CAPACITIES

ENCOURAGEMENT OF ENHANCED  
OWNERSHIP

© IIEP-UNESCO

34

## Regional perspective



Source: Kauffmann, 2005.

© IIEP-UNESCO 35

## National perspective: the case of Albania

Winners of the World Bank small grants program:

- Training of coordinators of students' government for an efficiency and supportive youth parliament in the process of decision-making and the fight against corruption in schools
- Organization of an anti-corruption caravan in 12 prefectures of the country for a replication of successful experiences in the fight against corruption
- Strengthening accountability mechanisms and the inclusion of community in improving public services through better use of public funds, enhancing public transparency in 5 communes

Source: World Bank, 2006.

© IIEP-UNESCO 36