Improving Financing and Governance in Education

The World Bank

November, 2013

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Factors affecting a fluid demand of skills

As time passes, more and different skills are needed.
Workers' skills had become a constraint on firm expansion by 2008. (percent of firms considering factor a 'major' or 'very severe' constraint)
Foundations for Addressing Skill Gaps

- **Data and information**
  - Focus is on diplomas, not skills
  - Limited information on quality of education and training

- **Central Planning Legacy**
  - Little autonomy and accountability centered on compliance with “norms”

- **Inefficient Use of Resources**
  - Slow adjustment to demographic shifts
Overcoming the Impediments

- **Turning the Lights On**
  - Generate information on education quality and on skills demand

- **Performance Management**
  - Balance expanding autonomy in exchange for an accountability relationship
  - Relationship focuses on performance

- **Performance-Based Financing**
  - Reduce inefficiency: larger class sizes, right-size school network
As of 2012, more ECA countries are using assessment data to improve learning outcomes.
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Source: Authors’ assessment of ECA’s progress with using external assessment to improve policy making.
ECA’s pupil-teacher ratios have fallen by 15.6% since 1990.
Almost empty schools built for much larger student populations are still open.
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Thank You.