

Motivation

The study was motivated by the observation that despite substantial increase in public spending on basic services since the late 1980s, several officially reported output and outcome indicators remained stagnant, in particular official reports of primary enrolment.

Objectives

To measure the difference between intended resources, i.e. the capitation grant (from the central government) and resources actually received (by the schools); and to collect quantitative data on service delivery at the schools.

Main findings

On average only 13% of the annual capitation grant (per student) from the central government reached schools in 1991-1995. There was a slight improvement in the last years of the survey period, but still in 1995 only 20 cents of each dollar spent reached the schools. Large variations in grant received across schools (schools in better-off communities experienced a lower degree of capture). Large variations in leakage across schools: larger schools appear to receive larger share of the intended funds (per student); schools with children of better off parents experience lower degree of leakage and schools with higher share of unqualified teachers experience more leakage. Asymmetric information has adverse effects on the flow of funds to frontline providers and service delivery and schools with greater capacity to influence local officials are granted higher shares. Other than corruption in the procurement system, the common explanation of the diversion of funds was that districts reallocate capitation grants to other activities unrelated to education, but there is no evidence that spending in other sectors increased, quite the contrary.

Leakage

87% (on average) in 1991-1995.

Leakage appears principally at the district level. Based on the yearly data, 73% of the schools received less than 5%, while only 10% received more than 50% of the intended funds. When constraining the sample to the last years of the sample period: only 2% of the total capitation grant reached the school in 1995.

Ghost workers

20%

Absenteeism

27%

Other findings

The survey also showed that, instead of being stagnant, primary enrolment had increased by 60% between 1991 and 1995. Performance of the education sector had improved much more than the official information system reported. Anecdotal evidence is found that teacher's salaries suffer from delays. However, survey indicates that salary payments reach schools relatively well. The survey confirmed that public primary education was mainly funded by parents: on average they contributed to 73% of total school spending in 1991, 60% in 1995. Parental contribution continued to increase despite higher public spending during 1991-95.

Sample

18 districts (out of 39); 250 public primary schools

Sample design

A stratified random sample of 250 government primary schools, 18 local governments districts and the relevant central government ministries. Criteria: broad regional coverage, representative of the population of schools in the selected districts. For each region, 2 or 3 districts were drawn with a probability proportional to the number of schools in the district, yielding a sample of 18 districts out of 39; in the selected districts, the number of schools ranged depending on the total number of schools in the districts.

Resources monitored

-Annual capitation grant from the central government (financial and in-kind transfers)

-Panel data 5 years: 1991-1995

-2 levels (central government (enrolment) and facilities)

Contact

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Main report

Ablo, Emmanuel and Ritva Reinikka (1998) "Do Budgets Really Matter? Evidence from Public Spending on Education and Health in Uganda," *Policy Research Working Paper* 1926, The World Bank, Washington D.C.