Study tour:
What can be learnt from the Lithuanian experience to improve transparency in education?

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What can be learnt from the Lithuanian experience to improve transparency in education?

Report prepared by Muriel Poisson

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Cultural Organization

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Old habits do not die over night. We have to create laws, which have to be brought into practice through the institutions. This will probably take a decade, but when the new generation is brought up and used to the new concepts, this will be part of their personality.

Valdas Adamkus, President of the Republic of Lithuania

Presentation of IIEP Project on Ethics and corruption in education

Several studies conducted during the last decade have clearly emphasised the negative impact of corruption on the economic, social and political development of countries, due to the fact that they increase transaction costs, reduce the efficiency of public services, distort the decision-making process, and undermine social values. They have also showed a strong correlation between corruption and poverty: statistical regressions suggest that an increase of the income per capita of a country by US$ 4 400 will improve its ranking on the index of corruption (international scale) by two points (OECD, 1995). Moreover, it has been observed that corruption tends to contribute to the reinforcement of inequities, by placing a disproportionate economic burden on the poor, and limiting their access to public services.

As a consequence, fighting corruption has become a major concern for policy makers and actors involved in development. In view of the decrease in the international flows of aid and the more stringent conditions for the provision of aid – due to growing tensions on public resources within donor countries, and the pressure exerted by tax payers on governments to increase transparency and accountability in resource management – it is regarded today as a major priority in the agenda of countries and of international agencies of development co-operation. The Drafting Committee of the World Education Forum has expressed this concern in the following terms: "Corruption is a major drain on the effective use of resources for education and should be drastically curbed"[1].

A rapid review of the literature shows that a number of attempts have already been made to tackle the issue of corruption both globally and sectorally. In the social sector, for example, several studies have been conducted on corruption in the provision of health care services. However, it appears the education sector has not been given proper attention by national education authorities and donors, despite the many grounds for attaching a particular priority to the challenge of combating corruption in education:

- No public sector reform aiming at improving governance and limiting corruption phenomena can obtain significant results as long as the case of education has not been properly addressed – given the importance of the education sector, which in most countries, is the first or the second largest public sector both in human and financial terms.

- Any attempts to improve the functioning of the education sector in order to increase access to quality education for all, cannot prove successful if

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[1] UNESCO. 2000. *Dakar Framework for Action. Education for All: meeting our collective commitments.* Adopted by the World Education Forum, Dakar, Senegal, 26-28 April 2000. Extended commentary on the Dakar Action Plan (par. 46).

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problems of corruption, which have severe implications for both efficiency in the use of resources and for quality of education and school performance, are not being properly dealt with.

- Lack of integrity and unethical behaviour within the education sector is inconsistent with one of the main purposes of education; that is, to produce 'good citizens', respectful of the law, of human rights and fairness (it is also incompatible with any strategy that considers education as one of the principle means of fighting corruption).

In this context, the IIEP launched a new research project within the framework of its Medium-Term Plan for 2002-2007, which deals with "Ethics and Corruption in Education". Corruption is defined as "the systematic use of public office for private benefit that results in a reduction in the quality or availability of public goods and services". The main objective of this project is to improve decision-making and the management of educational systems by integrating governance and corruption concerns in methodologies of planning and administration of education. More specifically, it seeks to develop methodological approaches for studying and addressing the issue of corruption in education, and collect and share information on the best approaches for promoting transparency, accountability and integrity in the management of educational systems, both in developing and industrialised countries.

The project includes works on topics of relevance such as teacher behaviour, school financing, textbooks production and distribution or academic fraud. It also includes monographs on success stories in improving management and governance, as well as case studies which facilitate the development of methodologies for analyzing transparency and integrity in education management[2].

Within this framework, the IIEP, together with the Lithuanian Ministry of Education and Science and the Open Society Institute, organized a study tour on 'What can we learn from the ten-year Lithuanian experience in addressing the challenges of improving transparency in education?' (Lithuania, 12-18 October 2003). This report includes the various presentations made during the tour by a wide range of stakeholders involved in the fight against corruption in Lithuania.

The IIEP is very grateful to all the presenters for their valuable insights and contributions and would like to thank them accordingly.

Jacques Hallak and Muriel Poisson

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[2] An information platform, called ETICO, has also been created within the framework of the project. It is available on the IIEP's web site, at the following address: http://www.iiep.unesco.org/research/highlights/ethics-corruption/in-brief.html.

Foreword

IIEP, together with the Lithuanian Ministry of Education and Science and the Open Society Institute, organized a study tour on 'What can we learn from the ten-year Lithuanian experience in addressing the challenges of improving transparency in education?' (Lithuania, 12-18 October 2003).

The main objective of this study tour was to enable a selected number of decision-makers and high education officials to learn from the experience of Lithuania, which has developed successful reforms within the education sector to curb corrupt practices. It was organized at a key moment for the country, i.e. a few months before it joined the European Union in 2004. These reforms, either nationwide or limited to specific districts or municipalities, included in particular:

- the design of the 'student's basket' in the area of financing;
- the development of codes of conduct for decision-makers;
- the adoption of the *Matura* system for university admission;
- the adoption of e-government techniques in the management of the system;
- the setting up of internal and external audit mechanisms;
- the training of local officials on anti-corruption issues; and
- the reform of the official curriculum to include anti-corruption concerns.

The tour presented representatives from the host country an opportunity to explain some of these initiatives to the 12 participating teams from Argentina, Armenia, Botswana, Georgia, India, Kenya, Latvia, Macedonia, Mexico, Tajikistan, Ukraine, and Uzbekistan. Their lectures were completed by selected field visits to schools and training institutions, in order to give participants the possibility to juxtapose their reflections with reality.

This report is a compilation of the various presentations made during the tour by a wide range of stakeholders involved in the fight against corruption in Lithuania. It gives a comprehensive picture of the various strategies developed by both public and private actors to improve, in a sustainable way, transparency and accountability in the management of public resources in the country. It also includes the country reports prepared by the participating national teams.

The programme of the study tour, which is presented in the annex, was developed by the Lithuanian authorities, in close consultation with Jacques Hallak and myself. IIEP would like to thank accordingly Jurga Strumskiene, Head of the International Cooperation Division, Ministry of Education and Science, who was instrumental in the overall organization of this activity, as well as all her colleagues from the Ministry who actively participated to make this event a success.

IIEP is also very grateful to the various institutions that helped make this tour a reality; first of all the Education Support Programme (ESP), the Open Society Institute, which funded the participation of several country teams from the sub-region, and more specifically Virginija Budiene. It is also very thankful to the representatives from Transparency International and OECD, who presented the main activities of their organizations in the area discussed.

Finally, IIEP would like to thank Anne Pawle and Pauline Harvey, who both spent a lot of time transcribing the presentations recorded during the study tour; Camilla Heggedal, who compiled all the information and documents gathered during the tour; as well as Miriam Jones, who edited the final document.

Lastly, we will never forget the strong words pronounced by H.E. Former President, Mr. Valdas Adamkus, during the opening of the tour; we kept them as an enlightening reference throughout our work on ethics and corruption in education. The Youth Anti-corruption Declaration, which was given by youth representatives to parliamentarians at the end of the tour, gave all of us hope for the future.

Jacques Hallak and Muriel Poisson

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List of abbreviations

CABA   Ciudad autónoma de Buenos Aires

CPI   Corruption perception index

DCEC   Directorate on Corruption and Economic Crime

ERTD   Examinations, Research and Testing Division

EU   European Union

EUROSAI   European Division of Supreme Audit Institutions

HE   Higher education

ICT   Information and communication technologies

IIEP   International Institute for Educational Planning

INQAAHE   International Network for Quality Assessment Agencies in Higher Education

INTOSAI   Supreme audit institutions

LAMA BPO   Lithuanian Higher Education Institutions of Organization of Common Admission

MECyT   Ministry of Education, Science and Technology

MES   Ministry of Education and Science

NAFSA   International Association of Education

NGO   Non-governmental organization

OSI   Open Society Institute

PCU   Project Coordination Unit

PHARE   Project on the Development of Anti-Corruption Measures

POC   Project Oversight Committee

POF   Plantas orgánico funcionales

SAI	State Audit Institution
SB	Student's basket
STT	Special investigation service
TI	Transparency International
TTC	Testing technology center
UNDP	United Nations Development Programme

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Part I

Global approach to the fight against corruption

1. State anti-corruption policy

Based on the presentation by Mr. Valentinas Junokas, Director of Special Investigation Service under the Ministry of the Interior

Focus on the Special Investigation Service in Lithuania

Since the adoption of the Act of Independence in 1990, efforts have been made to forestall corruption in Lithuania. Nevertheless, there were clear traces of symbiosis of organized crime groups and corrupt public officials. With corruption penetrating into government institutions and the crime situation getting worse, the general public began to lose confidence in law enforcement and other bodies, and the rule of law was put at risk. With that in mind, the government established the Special Investigation Service under the Ministry of the Interior on 18 February 1997.

Website: http://www.stt.lt/?lang=en

This paper discusses the role of the Special Investigation Service (STT) in the fight against corruption. After a general introduction about the organization, the paper will be structured in two parts: first, an overview of the national anti-corruption programme; and second, what the STT is doing in the education sector. Adopted preventive strategies against corruption, such as codes of conduct, will also be discussed.

STT in the fight against corruption

The main priorities of the STT are to investigate corruption in the public sector, implement corruption prevention measures, and increase anti-corruption awareness among the public. The activities are focused on three elements: prevention, criminal prosecution and education. The STT carries out intelligence activities in detecting corruption-related crimes; conducts interviews and preliminary investigations; and collects, stores, analyses and sums up the information about corruption. In addition, the organization implements, together with other public bodies and civil society organizations, crime control and prevention measures as well as anti-corruption education programmes related to social and economic phenomena. In attempt to

increase the independence of the STT, as well as to widen the possibility of combating corruption in the executive branch, a law was adopted in 2000 making the STT accountable only to the President and to the *Seimas* (Parliament) and no longer to the government.

The STT, just as any other law enforcement institution, acts under the law of secret activities, which means that all kinds of operative measures are described in the law. Before the new criminal procedure code was adopted, the STT had a separate department called the *Crime Investigation Department*, formerly named the *Interrogation Department*. This is now called the *Criminal Investigation Department*. The law on operative activities allows the STT to stage special operations by using not only official sources, but also confidential sources of information, as well as so-called 'controlling investigation'. In Lithuania, the application of this model is called 'the imitation of criminal behaviour'. This model is usually approved by the prosecutor.

The STT also applies means and measures of electronic surveillance, which facilitates the criminal prosecution procedure. If, for example, the STT has information that proves that a public servant is engaged in corrupt practices, the information is submitted to the prosecutor. Then the STT receives permission to place the suspect under surveillance or to apply the model of 'criminal behaviour' to see if the person in question is taking or giving bribes. The STT tries to prove whether the bribe was taken/given voluntarily or whether the person was pressed into it, based on which the person is either convicted or acquitted.

National anti-corruption programme

One key development in the anti-corruption arena is the National Anti-Corruption Programme, which was adopted by Parliament on 17 January 2002. The STT is the main coordinator of the programme, and the implementation period was scheduled for 2002 to 2006. The main tasks of the programme were to ensure an effective and long-term fight against corruption and necessary funding, as well as to establish anti-corruption strategic provisions to disclose persons suspected of corrupt practices. Another task was to identify the areas most affected by corruption and the conditions in which corruption occurs and spreads.

The programme, which comprises more than 200 measures, fights against inconsistencies in the legislation. It develops analytical systems to collect and process data on corruption in the public administration and in the public sector, as well as in legal, financial and economic fields. In addition, it is foreseen to develop and incorporate anti-corruption curricula into the education system, ensure openness and legibility of anti-corruption measures, investigate corruption-related offences in compliance with the privacy requirements, and protect the state secret.

The STT and public education

It is very important to promote a positive attitude towards combating corruption. Public awareness and the prevention of corruption should not only be related to criminal law, but to all kinds of laws, including the field of education. The STT has organized several campaigns against corruption for schools. In order to draw up a draft study programme in the area of the fight against corruption, the STT cooperates very closely with non-governmental youth organizations as well as education and other public organizations, such as the Lithuanian Chapter of Transparency International, the Free Market Institute of Lithuania, the Lithuanian Confederation of Industrialists, the Council of Youth Organizations, and PHARE (Project on the Development of Anti-Corruption Measures) experts. As for the methodological recommendations for anti-corruption education in secondary schools, they are drafted together with representatives of the Ministry of Education and Science.

A result of this study programme was a one-week anti-corruption campaign. This campaign took place in ten of the major Lithuanian cities. Research shows that about 74 per cent of young people denounce corruption. Nevertheless, 60 per cent of young people are ready to give bribes to obtain what they want. The aim of the campaign was to inform society, especially students, and to urge them to take an active position in combating corruption. During the campaign, local authorities and other non-governmental organizations gathered signatures in support of the declaration against corruption, and discussion forums among young people were organized. The campaign was very widely covered by the press. The organization also organized, together with governmental agencies, a number of discussions amongst school children.

In 2002, the STT organized a competition, funded by PHARE, for the best anti-corruption articles of investigative journalism, in which both national and local journalists participated. During the same year, the STT started to provide compulsory courses for senior civil servants. During these courses, the senior civil servants learned about issues such as the liability of corruption and the principles of transparent administration. At the end of the course, the civil servants have to pass an exam on corruption.

As a step in the fight against corruption, the STT and the United Nations Development Programme (UNDP) representative signed in 2002 a document providing a four-fold anti-corruption project. The first part of the project is a round-table discussion about the transparency of funding for political parties. The second part will be a series of TV shows, where various issues on corruption will be discussed. The third part of this project is a long-term educational programme targeted at students of higher education establishments, whereas the fourth part of the project is an investigation of the corruption situation and a public opinion poll. Some parts of the programme have already been implemented, while the remaining parts will take place over a two-year

period. Two thirds of this project is funded by the UNDP, and the remaining part by the Government of the Republic of Lithuania.

Design of codes of conduct

Another important aspect in the fight against corruption is build citizens' trust in the public authorities, and at the same time increase the responsibility of civil servants and politicians. In this context, the STT has initiated and actively participated in the drawing up of the draft of a politicians' code of conduct. Moreover, the inter-representatives of the UNDP, together with the Director of the Special Investigation Service, signed on 15 October 2002 a document on basic wage in order to curb corruption.

Concerning prevention strategies against corruption, the STT has initiated and actively participated in drafting the *Code of Conduct for Policy-Makers*, which is currently under consideration in the *Seimas*. The STT also assisted in the drafting of the *Code of Conduct for Public Servants*, the draft of which foresees the penalties to be applied in case of violation of the standards and principles. At present there are about ten similar codes of conduct; however, there has been no coordination of such efforts. The enforcement of the new code, which will be based on the experience of the Western countries, will hopefully be more efficient in the fight against corruption. The Law of the Republic of Lithuania on corruption prevention was also adopted after an initiative of the STT. This law provides guidelines for tasks in the civil service and the private sector concerning measures for improving corruption prevention as well as the juridical basis. It also describes the entities of corruption prevention as well as giving advice and allocating responsibilities in this field.

It is, however, not possible to limit the fight against corruption to preventive and educational measures. The country must also undertake criminal investigation and prosecution. Even though some cases do not terminate in conviction, the STT has over the years disclosed over 800 cases related to corruption. If the STT does not procure enough evidence to file a criminal case, the information is passed to the President, the Prime Minister, the speaker of Parliament and other members of the government. In some cases, prosecutors as well as heads of departments and vice-ministers have been criminally prosecuted, and terminated in cases that were dismissed.

In order to promote transparency, the STT itself is put under the magnifying glass and observed by other public institutions, as well as by the media and law enforcement institutions. However, since the creation of the organization six years ago, no information has indicated corruption among their own agents, and not a single institution has received similar information about corrupt behaviour of any of the officials, i.e., the general prosecutors, the Police Department or the Ministry of the Interior. As a preventive measure, officials are selected very carefully, and a parliamentary control committee has also been established. In this context it is

important to underline that the financial conditions have been good, which might have dissuaded corruption among officials.

Studies of various models from other countries are useful for a young country such as Lithuania to get a more comprehensive approach towards combating corruption. The President of Lithuania has also made combating corruption one of his priorities. Some progress has already been achieved. In 1999, Lithuania ranked 50th in the Corruption Perception Index (CPI), and in 2003 it fell to 44th position. It would, of course, be desirable to eliminate corruption within a year or two, but a more realistic approach is to use long-term programmes that will hopefully diminish corruption substantially over the next ten years.

To conclude, it is crucial to underline the effects of promoting a positive attitude among people against corruption. The media, as well as the education system, should be included in this task. The investigation of corruption should also go hand in hand with the adequate protection of individual privacy and the guarantee of human rights. In order to do so, it is important to create a comprehensive, integral plan of action for combating corruption. There is no doubt that the organization and implementation of such measures depends on foreign funding and key programmes such as the PHARE, financed by the European Union, and that financial support from other organizations are crucial in the fight against corruption.

2. The right of citizens to transparent decision-making in state institutions: the legislative framework

Based on the presentation by Mr. Toma Birmontiene, Director of the Lithuanian Human Rights Centre

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Focus on the Lithuanian Centre for Human Rights

The Lithuanian Centre for Human Rights is a non-governmental organization established in December 1994. The Statute of the Centre was registered on 5th September 1995 by the Ministry of Justice of the Republic of Lithuania. The main goals of the centre are as follows: to raise general public interest in and gain their respect for human rights; to implement educational programmes; to initiate scientific research in the field of human rights; to analyse the human rights situation in the country; to raise human rights issues and propose solutions to the legislator and government; and to develop educational activities related to human rights. The activities of the centre are targeted at the most pressing issues of human rights, and attempt to fill the gaps in the education sector through teacher training on human rights.

The Lithuanian Centre for Human Rights participates in national and international projects; organizes lectures, seminars, and other events; and designs and implements educational programmes. It also provides consultation and methodological support, and mobilizes scientific, professional, and public efforts in the field of human rights.

Web page: http://www.lchr.lt/

This opening presentation will briefly point out what should be done, and measures to be taken in order to reduce the level of corruption in Lithuania. The paper argues that legal measures are not sufficient in the fight against corruption, and a that solution to the problems cannot materialize without active participation from the citizens.

Right to information

The following main areas deserve attention: First of all, it is crucial that citizens influence the decision-making process and have access to information. Not only information from the institutions and government; they should also have access to, and influence the drafting of, procedures for implementing the elaboration of legal acts. Second, in order to promote transparency, it is important to discuss and talk about the mechanical functioning of the law enforcement institutions.

The right to have an on-going, transparent process in the law enforcement institutions in Lithuania is indeed related to access to information. In Lithuania, the right to information was historically formed as a priority journalistic right. It was stated that it was 'a provision on writers' rights to receive information'. Journalists then were

identified as one individual and 'privileged group' with privileged access to information. One of the chapters of the aforementioned Law expressed 'that all institutions are entitled to give or to submit information to journalists, during the maximal period of one week.'

Other groups of citizens were only declared as having the right of access to information, but this right actually had yet to be enforced. Therefore a specific law was especially drafted, which implemented the right of access to information *vis-à-vis* the state and municipal institutions. Paradoxically, there was a certain opposition to the elaboration of this law from journalists, because not all journalists understood or even agreed that citizens should be given the same right of access to information. However, this opposition was not well-founded, and the existing law declares: 'the right of all citizens to have access and receive information from the state and municipal institutions.'

However, it is probably a tradition related to the professional nature of journalists that their right to access information is more protected compared to other groups. Journalists should not only be given the right to access information, but should also disseminate that information to society. Journalists do also disseminate private information about so-called public figures, regardless of the Civil Code. In Lithuania there has been controversy and discussion about the definition of a 'public person'.

Another issue is the protection of journalists' sources of information. These sources can be 'verified outwards' by the Constitutional Court, as it is important to protect the confidentiality of the sources. Moreover, a commission has been established in Lithuania that takes decisions as to whether certain information should be considered as classified or not. There is for example an on-going discussion about whether a church should be considered as *classified information*.

The right to influence the decision-making process

In the context of information and transparency in certain institutions, it is very important to understand the principles on the basis of which decisions are made. It is a question of harmonizing private and public interests in an institution. All citizens are eligible to the right to know how and in what way this decision-making process functions, as well as how a civil servant is doing his/her job, i.e. whether decisions made are motivated by personal interest or whether there is a conflict of interests.

According to a survey carried out in 2001 in the framework of the Action Plan of Supporting Human Rights programme, a third of the respondents pointed out that the right to have access to information from the principal municipal institutions was 'functioning poorly', and only 16 per cent said that they felt that they had this right.

It is important to keep in mind that when a legal procedure decision is followed or regulated by citizens, it might have a significant influence on the level of transparency. In Lithuania, so-called 'coherence meetings' are held among the most important

committees, during legislative processes. When a certain committee decides to convene this type of hearing, professionals like citizens can voice their opinions.

To conclude, it is important to underline that there is an abundance of legal acts concerning human rights in Lithuania. This paper has only mentioned the law on access to information and the right of all citizens to exert influence in the decision-making process. Despite the fact that a much progress has been made in the field of corruption, the survey mentioned in this paper shows that Lithuania still has to raise citizens' awareness to promote transparency concerning the decision-making process.

3. Implementation of the state anti-corruption policy in Lithuania and possible future policies: the parliamentary standpoint

Summary of the parliamentarian discussion where, among other participants, the following persons hold a presentation on the above-mentioned subject: **Mr. Rolandas Pavilionis**, *Chair of the Committee on Education, Science and Culture of Seimas (Parliament of Lithuania);* **Mr. Alvydas Sadeckas,** *Chairman of the Parliamentary National Security and Defence Committee;* **Ms. Nijole Steibliene,** *Chair of the Standing Commission on Anti-corruption of Seimas; and Mr.* **Andrius Kubilius**, *Member of the Budget and Finance Committee.*

Focus on the Parliamentary commission on anti-corruption in Lithuania

For resolving short-term or limited assignments, the *Seimas* may form standing commissions to examine special problems or to form *ad hoc* investigatory, control, revision, preparatory, editorial and other commissions to examine or fulfil another mission of the *Seimas*. The standing Commission on Economic Crimes Investigations, which is made up of 10 members, was formed upon a decision of the Seimas on 30 November 2000. On 31 October 2001, a new law on the *Seimas* Anti-corruption Commission came into force, according to which the Commission was renamed the Commission on Anti-corruption.

The main tasks of the commission are to investigate phenomena and events of corruption and its associated problems, as well analyse the decisions taken by state and municipal institutions, organizations and enterprises that allow corruption, crimes and other breaches of the law in the economic and financial systems. The commission also forwards proposals to the *Seimas*, government and other institutions about passing and improving legal acts, corruption prevention, economic and financial crimes.

Lithuania has accomplished good results the in the field of corruption. Law-making in Lithuania is adequate and well-equipped. In addition, the country is equipped with a Special Investigation Service, which is a special institution responsible for investigating inter-alleged corruption cases and for implementing anti-corruption measures. The business sector and associations of different companies are also starting to show an interest in anti-corruption measures. For example, the project Lithuanian Corruption Map – carried out by Transparency International – received 70,000 Litas from the Government of Lithuania in 2003, along with support from the business sector.

Nevertheless, the problem of corruption, despite the efforts made, has not been eradicated in Lithuania. Regrettably, according to public surveys, 27 per cent of respondents claimed that 'they have been confronted with corruption in universities and also in pre-school education system.'

The question is how can corruption be combated and to what degree are the activities implemented effective? How quickly is it possible to achieve a 'zero level' of corruption – if at all? In Lithuania, the problem of corruption has recently been linked with national security, as it is a common feeling that corruption is an important threat to national security as it often stimulates crime in a society. The objectives of, for example, the Committee on National Security and Defense, are to tackle those problems regardless of whether it is political corruption or if it is prevention of crime.

Anti-corruption measures adopted by Parliament

An anti-corruption commission was set up in Parliament in 2001. This is the only commission in Parliament that has its own laws. It took over from another commission, established in 1995, whose general role was to fight crime. However, as it became unable to fight corruption, it was replaced by this new anti-corruption commission. The commission includes both the 'position' and the 'opposition'; the Speaker represents the position and his Deputy represents the opposition. The composition of the commission must always be approved during a plenary session and it meets once a month.

Another important body is the Committee of National Security and Defence of the *Seimas*. The parliamentary committees are, as in any other parliament, the main units of the Parliament where the Parliament members work and perform their functions. The committee tries to resolve problems related to the legislation on corruption issues, and proposals are then given to the plenary session in Parliament.

Despite an institution's willingness to fight corruption, it can sometimes be a place where corruption occurs. If an official violates public and private interests, this is more or less an issue of professional ethics. The problem arises when the actions of an official boarder a criminal offense but it is difficult to prove that it is a crime. This is a very subtle legal situation, which engenders many problems. It is no secret that people often believe that officials take bribes. The problem is, however, that is it often very difficult to prove, unless he/she is caught red-handed. Today it is possible to dismiss an official for corruptive behaviour, but there will be no criminal prosecution unless there is hard evidence. Therefore curbing this kind of corruption amongst officials is very difficult.

Anti-corruption awareness

It is a paradox that society, on the one hand, condemns any manifestation of corruption, while on the other hand, a number of the members of society, as well as of the civil service, are ready to give or take bribes. However, efforts have been made to raise anti-corruption awareness. Courses for public servants have been put in place, as well a number of anti-corruption programmes related to high and secondary schools. Regardless of all existing legislative frameworks, the fight against corruption and investigations into alleged cases of corruption do not always go smoothly. Some of

the reasons for this are insufficient qualifications of civil servants and other officials to fight against corruption, and the absence of special training and competition among institutions.

Another aspect of awareness and citizenship concerns different society campaigns. Lithuania currently has few examples of these types of campaigns, but the US Common Cause Initiative is a good example of campaigns propelled by society. Much attention in this framework was given to anti-corruption activities and to state control measures. One example of a society campaign from Lithuania was when young people formed a movement before the last election. As a result of this, an anti-popular front was formed and it was claimed that this would expand to become an anti-corruption activities body. It is also worth mentioning that an active citizenship should also involve the opposition forces.

Legislation

Concerning the political sphere, Parliament has agreed on the need to form a new law on financing political market organizations and political campaigns due to the fact that the actual government legislation cannot ensure full transparency of their funding and the financial support that is given to political forces. Another package of anti-corruption measures includes a number of the Codes of Ethics and Codes of Conduct, which are specially designed for politicians, civil servants, judiciary and prosecutors.

Nevertheless, maybe the most important thing is to change the general mindset and way of thinking. As a consequence, much significance should be put on sanctions in order to prevent cases of bribery. Experiences from law enforcement institutions show that the best method of prevention is to sanction criminals. On the other hand, using preventive measures would, in theory, mean that there would be no crime. Therefore it is not possible to decide whether the state should give more attention to criminal prosecution or to preventive measures, as both are crucial in the fight against corruption. Undeniably, more should have been achieved in terms of criminal prosecution. It is also critical that the work of combating corruption by criminal sanction methods not be carried out by one institution. This was previously the case when the STT alone was responsible for combating corruption.

Experiences from other countries could also help Lithuania in the fight against corruption. In the USA, for example, much attention is paid to lifelong training. The abuse of profits and negligent behaviour are equally damaging and detrimental. It is also crucial to be aware of the conflict between professional and private interests. Sometimes the borders are not always clear, but as a US official once said: 'if you are not certain about whether or not you are violating, unintentionally, the regulations of professional and personal conflict, try to ensure maximum transparency and just think whether you want your child to see what you are doing or not.' A good benchmark should be that if the answer is negative, you should stop doing it.

It is, however, important to have an overall approach to anti-corruption measures and to foresee liabilities before any malpractice occurs. For example, in awaiting the financial support coming from the European Union Financial Assistance Programmes, it is crucial to put in place preventive mechanisms to avoid any abuse of the funds received. Transparency in the process of absorption of those funds is indeed also a necessity. In order to achieve these goals, civil servants must be trained, and mechanisms put in place that would allow close monitoring.

To sum up, the most important point related to the fight against corruption is the creation of a general anti-corruption environment in which active citizenship has the greatest importance and significance. Lithuania is a young democracy, and active citizenship has yet to be developed in the society. The education system will play a crucial role in this process, and hence in the fight against corruption.

4. Transparency for regional decision-making: e-empowering public control

Based on the presentation by Dr. Arūnas Poviliūnas, Vilnius University, Department of Social Theory

This presentation will discuss how information and communication technologies (ICT) can work as a tool to empower small rural communities in Lithuania. After a brief presentation of the project on e-empowering in Lithuania, the paper deals with the concepts of social exclusion and of 'asocial families' before discussing the basic forms of e-democracy.

The purpose of the project *Transparency for Regional Decision-Making: E-Empowering Public Control* is to improve transparency in the regional decision-making process through electronic implementation of public control mechanisms. The target groups are regional decision-makers, businessmen or stakeholders, municipal officers, local community members, politicians, and local activists. The project activities are based on the participatory research on existing social relations and the desired social changes in the area of e-empowering.

Social exclusion

There are several concepts of social exclusion; it is possible to adopt a *structural* or an *interactive* approach. The *structural* approach delineates the norms and values of society. It focuses on the characteristics of excluded social groups and analyses conditions that provoke behaviour that does not correspond to what is accepted as society's norm. Several major questions are raised by the structural approach, such as: what are the social, economic, political, legal and cultural conditions that are most likely to exclude some social groups from the mainstream of societal development? What are the characteristics of excluded social groups? And how can social exclusion be best minimized and controlled?

As to the *interactive* approach, this focuses on the definitions and actions both of the socially excluded groups, objectively given, and of the groups who label themselves as socially excluded, as well as the interaction between the two. The type of questions raised in the interactive concept of social exclusion are: What are the reactions of the labeled social groups to the labels they obtain? What – if any – are the changes in their behaviour, and how do these changes influence the social relations between the labeled groups? And finally, how does the self-perception and identity of the labeled groups change?

Preconditions and consequences of social exclusion of local communities

In Lithuania, the rural communities are faced with exclusion from mainstream development. Public opinion and common and political discourse do not always consider rural people to be potential agents in the development of the society. In other words, the common philosophy is that only farmers should deal with agriculture and only businessmen should take care of business. Another common idea is that the representatives of local communities do not have social or civic competences that represent their interests.

A consequence of this situation is that the network of the institutions supporting the public sphere, such as postal agencies and cultural and educational institutions, are suffering because of top-down reforms. In addition, the government and local municipalities do not invest enough in local development.

Asocial families

Concerning families that are defined as 'asocial' – because of excessive drinking, drug or other toxic material abuse, unmoral behaviour and bad guardianship of their children – are registered by the municipal agencies of the protection of children's rights. According to the statistics for Lithuania, the number of asocial families, as well as number of children living in such households, has increased gradually since 1995 (see *Figure 4.1* below).

Figure 4.1 Number of asocial families and children in Lithuania (in thousands)

■ Number of asocial families　　■ Number of asocial children

　　　　© IIEP-UNESCO
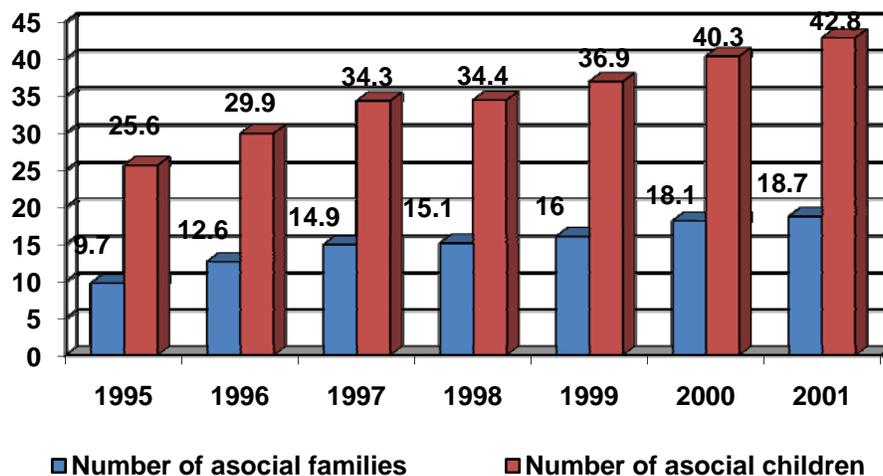
Measures to fight against social exclusion

One way to fight against social exclusion is to increase citizens' participation. This means that institutions of local government should ensure direct citizens' participation by organizing projects and meetings, as well as promoting and supporting different civil initiatives. The Department of Social Theory at Vilnius University is, for example, working with certain communities and municipalities on such projects through building interactive websites. These websites increases participation and make information more accessible. However, getting people to use these tools remains a challenge for educators.

In order to increase transparency, institutions of the local government have to organize their work in a way that is comprehensive and transparent to society. One method of improving communication between local government institutions and citizens is to produce information brochures for dissemination. Citizens also have the right to meet the decision-makers in the different local government institutions, seek public and reasonable answers to their questions or give comments directly to the decision-makers.

Basic forms of e-democracy

Concerning the basic forms of e-democracy, they are based on three principles; *participation* (people have the right to participate in elections, election campaigns, lobbying, charity work and civil dialogue), *information* (which should be guaranteed through the decision-making process, online broadcasting, public e-services, personalized information delivery and leadership) and *control*. The first two principles (participation and information) should be controlled through surveys, consultations, cooperative decision implementation, and public accountability.

All of these different types of participation, information and control measurements should be considered as instruments to improve e-democracy rather than serve as goals. Hence, in the short-run it is best to do only what is really needed and use the mechanisms that are already working. Two criteria to adopt in order to implement an e-democracy are: first, to know how many citizens are truly involved in decision-making; and second, to establish if the quality and acceptability of decisions are really improved.

To conclude, e-democracy is today still a rapidly evolving multifaceted phenomenon. Its effects are, however, versatile and hard to predict. Innovative practice of e-democracy is not yet ubiquitous, and constant support of past experiences is required. The main problem is to overcome the habitual idea that *functions* (i.e. services, decisions and routine) *come first*, *democracy later*.

5. Education of politicians and civil servants of municipalities: means for combating corruption

Based on the presentation by Mr. Zenonas Streikus, Director of the Dainava Training Centre for Civil Servants and Local Administration

Focus on Dainava Training Center for Civil Servants and Local Administration

The center, founded in 1996 by the Ministry of the Interior of the Republic of Lithuania, has several activities, such as training civil servants; conducting surveys on the training needs of civil servants; preparing training programmes, training material, courses and seminars; organizing international conferences and other events concerning the qualifications of civil servants; and preparing projects in the field of training.

The programmes focus on the development of national and local administration, as well as on training for heads of small districts and municipalities. The center also focuses on accounting and finance, the training of politicians, the management of the public administration, and the legislation on labour.

Web page: http://www.fmmc.lt/VALA/eng/member10.htm

This paper discusses the means for combating corruption and for increasing transparency by training politicians and civil servants in the public administration. It will examine the training approach adopted by the centre as well as how the local administration is organized in Lithuania.

Dainava Training Centre

The main strategic aim of the centre is to help civil servants in the local administration and districts to develop their skills of governing and project administration. The centre organizes over 100 training seminars and conferences and receives about 4,000 civil servants every year. The clients are mainly from municipalities and small neighbourhoods, but the center does also train civil servants from department in ministries as well as employees from enterprises. The centre interacts with different international organizations and applies the same training activities performed by other international centers. It holds membership in several international organizations such as The Network of Institutes and Schools of Public Administration in Central and Eastern Europe, The International Council for Local Environmental Initiatives, Standing Conference of European Public Service Training Agencies, and the European Network of Training Organizations.

The main philosophy of the training centre is that corruption and democracy interfere with each other. Because a well-functioning democracy plays a crucial role in the fight against corruption, Dainava builds partnerships between the state and governmental institutions, and the seminars encourage this type of partnership. The most important

programme is the information network, which is devoted to allowing citizens to follow the decisions taken by the state and municipal institutions. Information is indeed one of the foundations of a democracy, and it is therefore crucial to make it more accessible.

Lithuania, which became an independent state in 1990, has started a new democracy. Nevertheless, as most post-Soviet countries, decision processes are often very top-down – the government placed at the top takes all the decisions without consulting the citizens. This governing process is not only a governing mechanism, it also penetrates into the way citizens think. Before independence in 1990, when writing the postal address, one had to write 'Lithuanian Soviet Republic', followed by the street address, and at the end, the name of the person. The individual or the citizen was not accorded a lot of value.

The training centre's goal was to turn this situation up-side-down, i.e. to change the decision-making process into a structure that functions from the bottom upwards. Before, the department of education used to take all the decisions concerning the programmes. Today, schools, children, parents, and those who directly receive the services are consulted and can to a certain degree influence the decisions of the educational divisions. They do not, nevertheless, directly influence the decision-making process, because it depends on the municipal counselors and municipal administrations. The centre tries, during the training courses, to convince politicians and municipal counselors that giving more power to the citizen brings along many positive factors.

Local administration in Lithuania

There are 60 municipalities in Lithuania, and on average they are four times bigger than the municipalities in other European countries. One main task is to initiate the creation and establishment of new, smaller communities. The Dainava centre has organized many programmes together with the Centre of Civil Initiatives and Transparency International's division in Lithuania in order to initiate the foundation of new communities. For example, a project named Competence Building of a Chief Executive of the Neighborhood was run from September 2002 until May 2003. This project created 36 new communities founded within 24 neighborhoods. Before this project there were only nine communities.

In 1995, the structure of local authorities in municipalities changed to favour anti-corruption measures. This change was indeed needed, as the citizens did not have a great deal of trust in the local administration. The principle for the year 1995 was as follows; the normal procedure was that the local council should be composed of politicians, with the Board at the administrative level. This scheme seemed quite correct, but at the same time there was a gap between the political and administrative levels. So it was decided to create a political level which was formed by the council.

This made it easier for people to know who was responsible for the decision-making process.

Up to the year 2002, the following structure existed: the council, committees, commissions and a controller dealt with the political level, and the administration of the municipalities implemented the decisions (see *Figure 5.1* below). After 2002, decision-making power was taken away from the mayor and the council (see *Figure 5.2*). Dainava Training Centre tries, however, to incite political relationships and a shared political trust between the municipalities' administration, the council and the mayor.

Figure 5.1 Local administration until 2002 in Lithuania

| COUNCIL | **POLITICAL LEVEL** |

| COMMISSIONS | COMMITTE | CONTROLLER |

| BOARD | **POLITICAL-EXECUTIVE LEVEL** |

| NEIGHBOURHOODS | MAYOR | VICE MAYOR |

| ADMINISTRATOR | **EXECUTIVE LEVEL** |

DIVISIONS AND DEPARTMENTS OF LOCAL ADMINISTRATION
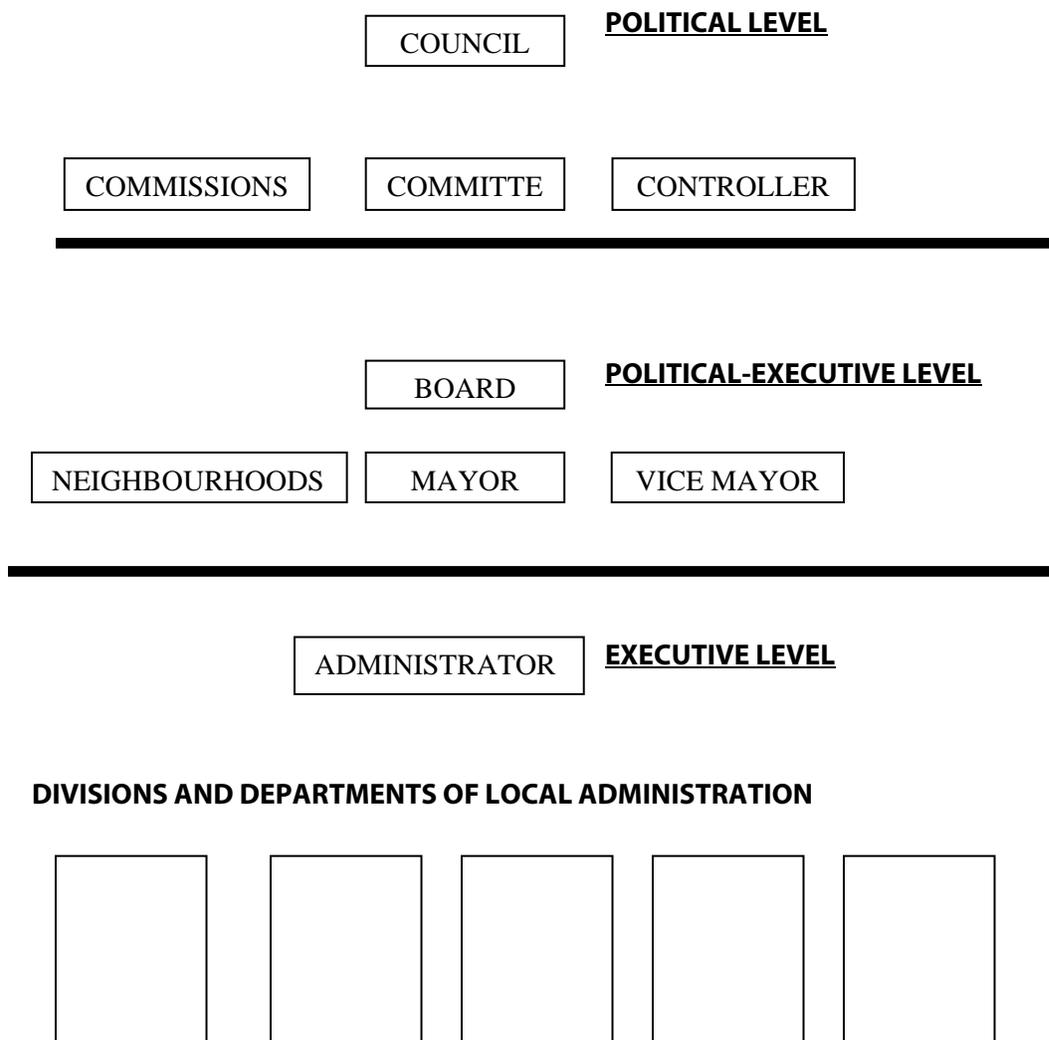
Figure 5.2 Local administration 2003
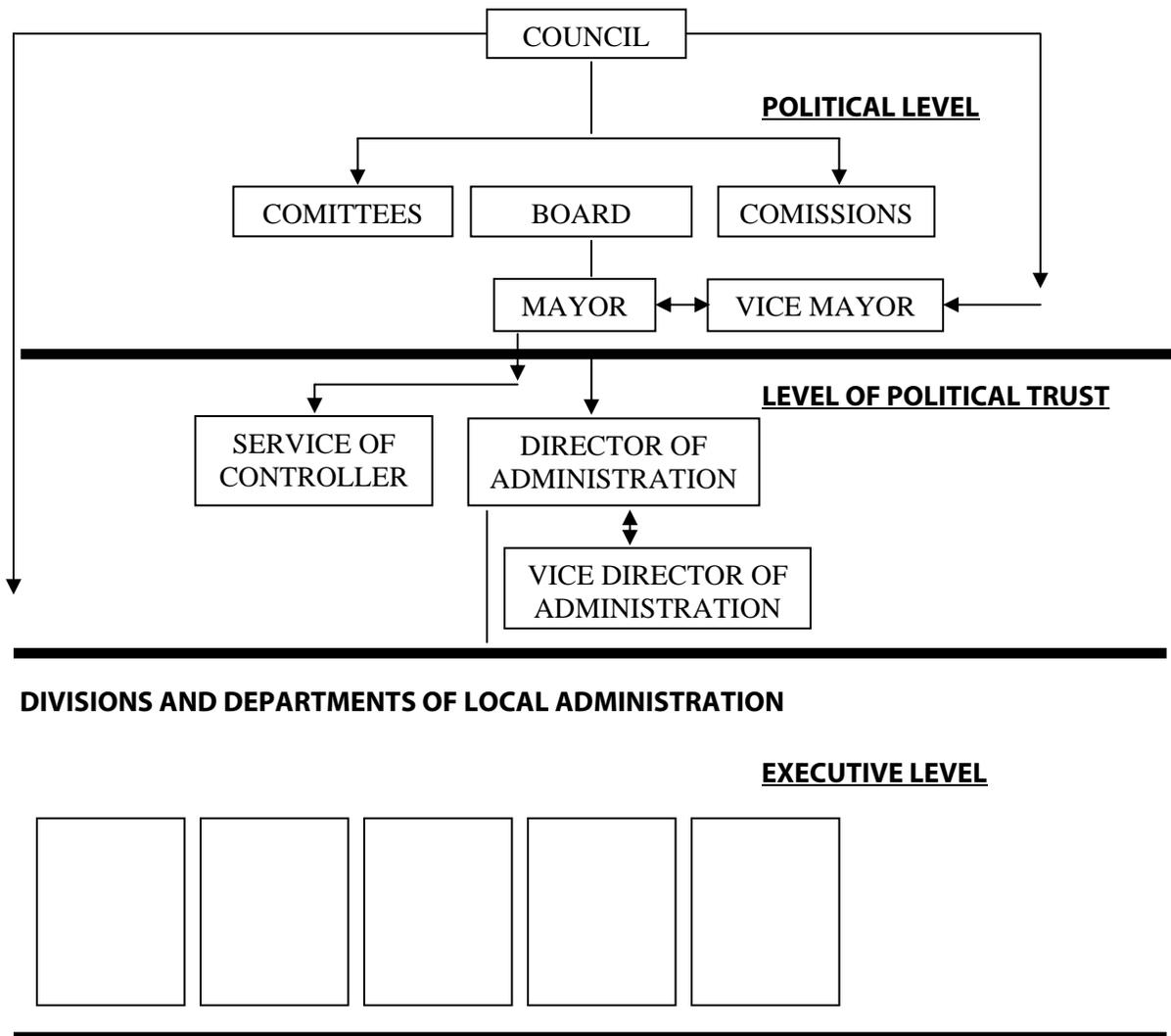
Citizens and voting systems stand up in the council. The citizen has the right to choose not only the party, but also five candidates from that party. The elector must write these candidates on the ballot sheet. It is worth mentioning that the participation rate is quite high in Lithuania, and at the municipal level citizens have quite a lot to say. If a citizen is, for example, not satisfied with something concerning the school system, he or she could perhaps change the situation by expressing his or her opinion. In order to gather the individual citizen's ideas into something more organized and powerful, the centre has initiated a Foundation of Communities. These communities speak on behalf of the citizens. In addition, several training programmes are devoted to cooperation among non-governmental organizations (NGOs) and governmental institutions concerning the Control Service in the local administration structure.

The Control Service is a separate institution and organized in the following way: The Mayor proposes some candidates for this position, and the council, by secret vote, has to elect someone for this position in the Service of Controllers. This person, the Controller, is responsible to the council and to the Mayor, and to those who elected him. This service draws up the controlling plans separately from the Mayor and the council, who make the decisions themselves. Traditionally they are accountable to the council and to the citizens at least once a year. The problem is that those working in the Control Service are, unfortunately not professionally trained. Denmark is now, however, helping Lithuania to prepare these professionals to become good auditors. Training is organized together with the State Control Committee.

The Dainava centre organizes training through special methods. Following this training the controllers apply this system in their daily work. For example, if some disorder occurs in their colleague's work, they make sure that there are no problems within the community. This control service has its own budget allocated by the council, and their salaries are quite high, which should guarantee some professional skills. Also, the rules for the public procurement service are quite complicated; for example if one wants to buy something to the value of more than 30 euros, it is necessary to launch a call for tender. Due to this system the Dainava centre organizes special training in the public procurement service or for people from the education sphere. The centre also organizes training for mayors, where several hours of training are dedicated to corruption research results and information about the corruption map in Lithuania. After these seminars, the discussions are outlined in the newspapers, and they produce, in cooperation with the media, a special issue containing the news of the local authorities .

The centre usually organizes training for people who are responsible for the decision-making process. A seminar will soon be organized for the vice-mayors and mayors, together with the Ministry of Education. As the people in the municipalities are responsible for education matters, the Ministry of Education could communicate directly with those responsible for the decision-making process in the municipality. It is indeed the Ministry of Education that is responsible for the school programmes. For the day-to-day life in schools, however, it is the municipality that takes on this responsibility. The centre tries to organize meetings so that the two institutions – the Ministry of Education and the Municipality – could meet in order to find optimal solutions. Today, people have access to the decisions taken in the municipalities. The Municipal Council has in addition organized meetings, to which citizens are invited, and the Mayor often holds an 'open day', when people can come and visit him.

Concerning the financial situation and allocation of resources, it is usually the government that sits on the money, which of course belongs to the citizens. The citizens trust the counselors to distribute this money wisely. It is the counselors and the Mayor that are responsible for the decision-making and implementation processes. Statistics show that people became more trustful of the state's institutions and municipality institutions after the government gave more power to the

municipalities. About 33 per cent of the national budget goes to the municipalities, which represents about one third of the National Budget. In addition, Denmark helps to finance this decentralization process in Lithuania. It is worth mentioning that the administration of this financial aid has been very transparent and professional.

To conclude, it is important to underline that good governance requires the engagement of citizens in policy-making. One way of fighting corruption is, as this paper argues, to improve the skills of governing and public administration. In a democratic society, however, the aim should not be to empower a political and administrative elite, but rather to strengthen the competences and capacities of self-governing of the citizens. Training and access to information is hence crucial to create a transparent and efficient society.

6. The role of mass media in fighting corruption and assuring transparency of public decision-making

Based on the presentation by Mr. Rytis Juozapavičius, journalist

People's perception of journalists

Journalists in Lithuania enjoy very high confidence rating, and politicians have to take account of their presence. According to statistics, 71 per cent of the population have trust in the media, and journalists are seen as crucial key players in the fight against corruption as they raise corruption awareness in the population. The majority of Lithuanian population believes that the media has contributed substantially by disclosing cases of corruption and broadcasting programmes dedicated to this issue.

Citizens' attitude towards journalists' role as watchdogs against corruption is, however, changing for the worst. The media no longer covers corruption issues sufficiently. One reason for this is that investigating journalism, which is the main procedure in the fight against corruption, demands highly skilled journalists. In addition, these cases are often very time and resource consuming. It is much easier to have reporters reporting on scandals or on the life details of celebrities. Hence, the number of investigated corruption cases covered by the media is decreasing.

The political elite in Lithuania, however, does not trust the media. Only 33 per cent have confidence in the media, whereas in the population in general there is a 71 per cent confidence rate. The political elite is afraid of talking in public about the problems that exist in the media. Politicians who do so simply will not be elected to Parliament during the following elections.

Concerning information about cases of corruption, the media is often informed via law enforcement bodies. These bodies do probably not intentionally transmit the information to the media as, according to Article 8 on the law on access of the public to information, full protection is given to sources of information. This article is very much suited to the law enforcement bodies as it is favourable to the fight against corruption.

Problem of corruption and brain-drain among journalists

There is no doubt that journalists in Lithuania contribute positive input in the fight against corruption. There are, however, also some negative aspects concerning journalism in this country. One is that the media is gradually starting to silence itself on certain issues. Acting against powerful financial groups becomes a risky task for the media, and journalists are therefore not always willing to take the risk in trying to get information about a case of corruption. The issue of, for example, the financing of

political parties is probably one of the major sources of corruption and often a difficult issue to handle.

According to certain experts on the media, there is a tendency for the best journalists leaving their job to work in public relations. Working in mass media is no longer seen as an intellectual exercise, and it is difficult to start any sort of intellectual debate. Another issue is that, as confirmed by some investigations conducted by the USA, the media are often paid off to keep the silence on certain affaires. Lithuania is quite high on the list of such countries.

The mass media must, according to law, present an official list of their stakeholders, as well as information concerning loans. This provision is, however, not enforced in practice, and up till now it has been difficult to know who are the real owners of media companies. This is indeed a problem of transparency. A Commission of Ethics of Publishers and Journalists of Lithuania does exist, but is in many cases ineffective. Although rumors on journalists accepting bribes are circulating, the commission does not take any measures.

At the same time, if some of the members of this commission try to activate any measures against one or another broadcaster whose programmes disclose violence or are related to violence – which is considered to be harmful for minors – they would simply be crushed by powerful companies. Hence, there is very little transparency in the media, and the media reports are accountable to almost nobody.

A paradox in Lithuanian society today is that, on the one hand, over 70 per cent of the population speaks out against corruption, but at the same time the same percentage of respondents is ready to bribe an official to solve a problem. This might reflect that people have the impression that without bribery it is not possible to achieve goals in a society.

Public awareness is a key word in the fight against corruption, and one way of promoting it could be to introduce a media literacy course in the school curriculum. The Radio and TV Foundation reallocates over 3.5 million Litas (just over US$1,300,000) annually. The resources of this fund could be used for this purpose.

To conclude, the media should get engaged in education, create awareness and inform the public through giving official and positive examples on how to act without accepting bribes. In this way people can see that is it possible to climb the political ladder without accepting corruption.

Part II

Education as a useful tool to curb corrupt practices

7. Anti-corruption education project

Based on the presentation by Ms. Daiva Penkauskienė, Director of the Centre for Modern Didactics

Focus on the Modern Didactics Centre in Lithuania

The Modern Didactics Centre was founded in 1999. Its main activities include providing in-service courses for teachers of general education, teaching staff from colleges and higher education institutions; organizing summer and winter camps; publishing training materials; and administration of the information centre.

Web page: http://www.vpu.lt/sdc

This paper provides insight into the anti-corruption education project, its main objective, how it is structured, and a brief comment on teachers' roles in the context of corruption.

Background

The State programme[3], which is coordinated by the Special Investigation Service in Lithuania, aims at promoting intolerance towards corruption, as well as developing and implementing anti-corruption programmes in education and science. This programme is carried out in co-operation with NGOs and the mass media. The Anti-Corruption Education Project, which now covers 11 schools, is part of this framework on anti-corruption strategies at a national level.

The project is under the guidelines of the Law of Corruption Prevention, which states that: 'Raising anti-corruption awareness is an integrated part of society's education in order to develop individual ethics and citizenship, understanding of personal rights and responsibilities for society and State, in order to maintain the implementation of corruption prevention goals.' The law further states that: 'Anti-corruption education is implemented in all types and levels of educational institutions according to developed programmes, by mass media and other means.'

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[3] For more information about the state programme, see the paper by Mr. Valentinas Junokas, Director of the Special Investigation Service.

The anti-corruption project is funded by the Open Society Fund-Lithuania and the Royal Danish Embassy in Lithuania, and is coordinated by the Modern Didactic Center. It has been carried out thanks to expertise from the Center for Education Development and PLS Rambull Management, as well as help from the following partners: the Ministry of Education and Science in Lithuania, the Ministry of Foreign Affairs, the Special Investigation Service, and Transparency International Lithuanian Chapter.

Objectives

The anti-corruption project's global objectives are to make known the danger of corruption and to promote intolerance toward corruption. More specifically, the project aims to:

- introduce the concept of corruption, its causes and effects, i.e. promote *knowledge* about corruption in education;

- promote intolerance toward corruption, i.e. instil *values and attitudes*;

- demonstrate ways of fighting against corruption, i.e. develop *skills*;

- support programmes and standards of education by promoting democratic values and attitudes.

Activities

The project is built on five main phases: first, building project team pilot schools; second, developing anti-corruption training programmes; third, testing anti-corruption education strategies and methods in schools; fourth, arranging an anti-corruption week in project pilot schools; and finally, developing methodical recommendations to the Ministry of Education and Science, and to secondary schools in Lithuania.

As for the pilot project, two teams took part in the project, both as participants and developers of the project. The selection and composition of schools were done according to certain criteria. One of the criteria for the selection of the participant schools was geographical, so as to cover the different regions of Lithuania. Each school or project team was assigned different roles and tasks. In the beginning the teams were taught about corruption and anti-corruption strategies in general. Project activities are based on studies, seminars, workshops, lectures, consultations, debates, discussions, lessons, campaigns, conferences, and the development of educational materials.

After the seminar, the teams went back to their respective schools and taught the others what they had acquired during the training. Teachers having participated in the training are indeed expected to continue promoting the project and carrying out the activities after the project has come to an end. However, the fact that teachers are not

paid for teaching this anti-corruption programme, and the consequences this might have, remain to be discussed.

Structure and contents

The anti-corruption training programme is based on 12 modules: an introduction, the concept of corruption, situation analysis, the place of anti-corruption course in the curriculum, programme aims and objectives, expected outcomes, main terms and concepts, syllabus, didactic approaches, references, lesson examples, and finally, the list of programme developers.

The teams are now preparing the programme for the schools jointly with experts from the coordinator and partner organizations. The final version of the programme is almost finished and it will be further improved following careful analysis by teachers and other stakeholders. The final draft was presented in November 2003, when all the stakeholders that participated in the project met. Team members have also visited the schools participating in the project to see how the campaign was progressing, and the evaluation was very positive.

Teachers and corruption

The idea was first of all to introduce the concept of corruption into courses on ethics so as to promote intolerance for phenomena of corruption. But the corruption programme is now integrated into several subjects, such as political sciences, civic education, history, ethics, psychology, informatics, and foreign languages. This does not necessarily mean that teachers need a lot of additional training materials, as they use ordinary textbooks. Moreover, in Lithuania there are now new curriculum guidelines, and as they are quite broad, the teacher is allowed to develop his/her own contents. This gives an opportunity to integrate anti-corruption into the curricula.

Teaching values is not an easy task. Financial anti-corruption, for example, is a very sensitive subject for each individual, and the teachers themselves who need to teach about corruption and anti-corruption sometimes find it uncomfortable to continue the project. However, when the teachers become uncomfortable, it implies that there has actually been an evolution in the project, as it has gotten into their consciousness.

To conclude, it is important to underline that for an anti-corruption programme to succeed, it is, as this paper states, crucial to integrate the concept of corruption into all areas. It is not only a question of knowledge and curricula, but also of changing attitudes and values.

8. Youth against corruption project

Based on the presentation by Ms. Virginija Pakšienė, Coordinator of debate clubs and Representative of the Education Debate Centre in Lithuania

Focus on the Education Debate Centre

The Education Debate Centre was founded in 1999. Its main activities are the administration of debate clubs in Lithuanian schools, organization of debate seminars for schools and the general public, and organization of summer debate camps.

Web page: http://www.idebate.org/main/member.asp?mID=45

The Debate Centre is a non-governmental organization that focuses on debate as a formal method of educating. Supported by the Open Society Fund Lithuania, it promotes critical thinking through various debate-related activities, such as seminars for teachers and students, summer camps, tournaments, and students' congresses. Moreover, it provides schools with informational assistance. Its overall objective is to help the young Lithuanian generation to become socially aware citizens, involved in dealing with the problems facing the country and the world, and finding solutions for a better future.

The Youth Against Corruption Project is one of the projects developed by the Debate Centre in co-operation with the Ministry of Education and various NGOs. Initiated in August 2000, it has now reached its final stage. Its main goal was to involve young people in an active campaign against corruption. It focused not only on high school and university students, but also on local community leaders, official civil servants, local authorities, and national governmental institutions. It was hoped that this would encourage stronger cooperation between the younger generation and governmental institutions, and strengthen the fight against corruption in the country.

The project included various anti-corruption actions, but concentrated mainly on discussion and debate. Thirty schools from 17 different cities in Lithuania organized debates in schools, local municipalities, public libraries, and youth centers. In Fall of 2002, several national debates were organized, involving students from various high schools all over Lithuania, on topics such as punishment for bribery, anti-corruption education, and others. In addition, four national and international anti-corruption youth forums were held in the summer of 2003; one of these, the International Corruption Youth Forum, welcomed high school and university students from Belarus, Kazakhstan, Latvia, and Estonia, and included several seminars and workshops. Finally, anti-corruption folders and pictures were made to foster the civic self-expression of students and their intolerance towards corruption.

In order to evaluate the success of the project, a survey on participants' opinions was carried out in September 2003. A total of 316 project participants were questioned in the survey: 85,2 per cent of them were Lithuanians and 14,8 per cent were from other countries. The results show that 92 per cent evaluated the project as very useful and necessary. More than a half of respondents (64.4 per cent) stated that they did not have any special interest in corruption before the debates, and 14.3 per cent stressed that debates actually encouraged them to take a deeper look at this issue. More than 68 per cent of the respondents noted that they acquired a lot of new knowledge on corruption through the debates (see *Figure 8.1* below).

Figure 8.1 Respondents' opinions about the debates on corruption
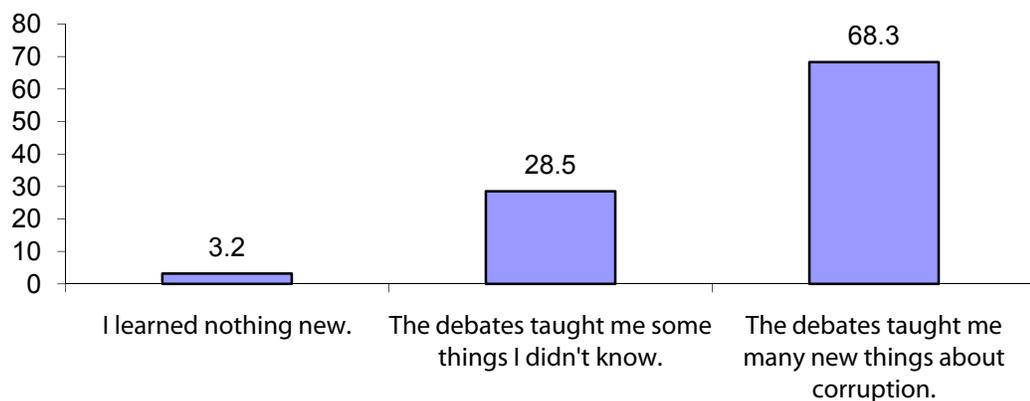
Participants noted that the project allowed them to collect a lot of information about concrete corruption cases in Lithuania and abroad. The research done by the students themselves helped inform them about corruption in other countries, as well as in their own. Debaters thus used various sources of information for preparation, but the top ones, according to the results, were the Internet (72.2 per cent) and newspapers (60.1 per cent). Debaters used for their argumentation evidence from their native country, and also from foreign states (EU countries, countries in accession).

It can be said that the main goal of the project, i.e. to disseminate information on corruption issues among young people and to defy the ignorance towards solving the problem of corruption, was achieved. Active discussions allowed the debaters to identify the true meaning of corruption and to find out about its forms, causes, how it spreads and strategies of prevention (see *Figure 8.2* below). The point receiving most attention during the debates was corruption prevention. Participants did not have research the problem of corruption, but the reasons why it occurs, and then provide their ideas on ways of combating it.

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Figure 8.2 What participants learned about corruption during the debates
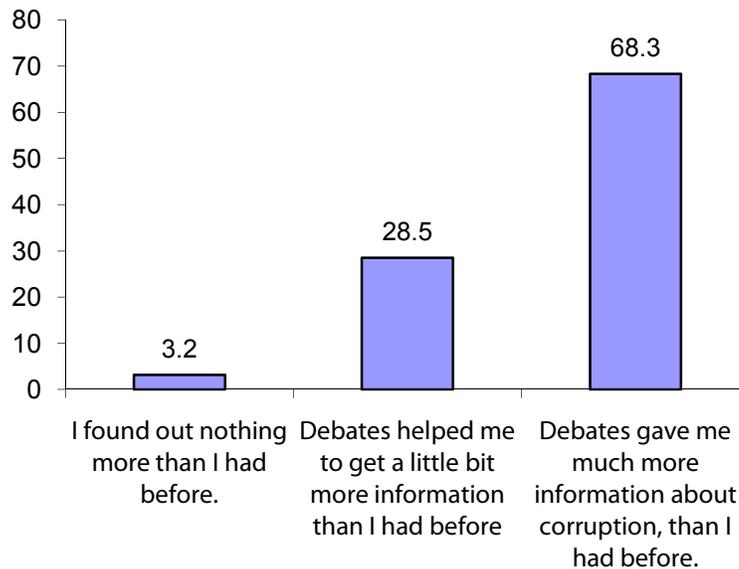
Active discussions caused positive changes in the minds of youth. Indeed, during the first part of December 2002, the majority of the respondents defined corruption as bribery, while the results during the second part show that young people had grasped corruption in a wider sense – as the practice of abusing public positions for private gain (see *Figure 8.3* below). This change indicates a deeper and better understanding of this phenomenon among young people.

Figure 8.3 Respondents' opinions of the most accurate definition of corruption (in %)
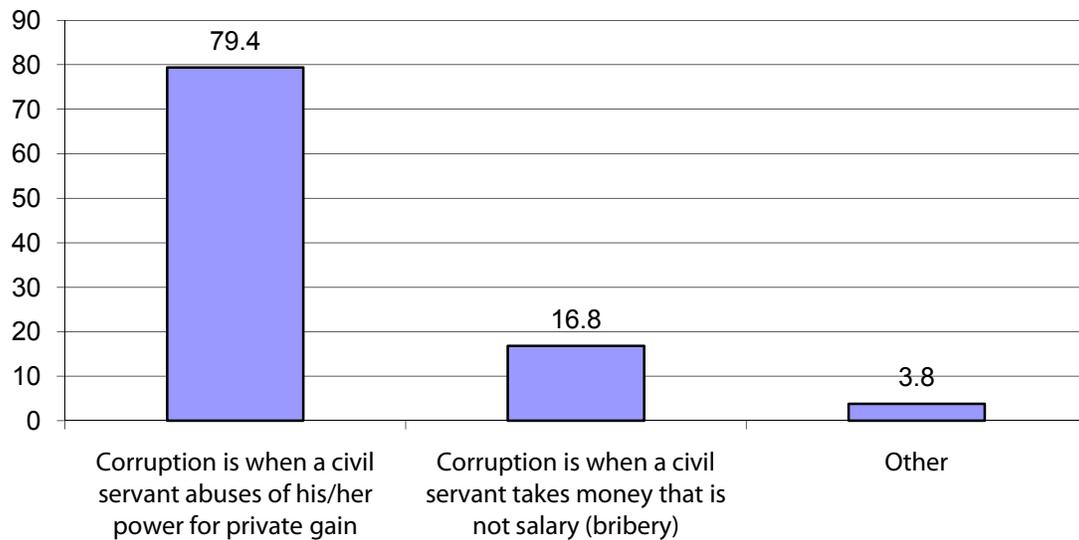
Having a better understanding of corruption helps to make a more adequate judgment about it. A total of 52.7 per cent respondents thus said they changed their opinion about corruption following the debate (see *Figure 8.4* below). Most important is the fact that 79.9 per cent said that they regarded corruption as a negative, or even an intolerable phenomenon. It is expected that such an attitude of intolerance can greatly contribute to corruption prevention and ensure more active participation of the civil society in the fight against corruption in Lithuania in the future.

Figure 8.4 Changes in attitudes towards corruption following the debates (%)
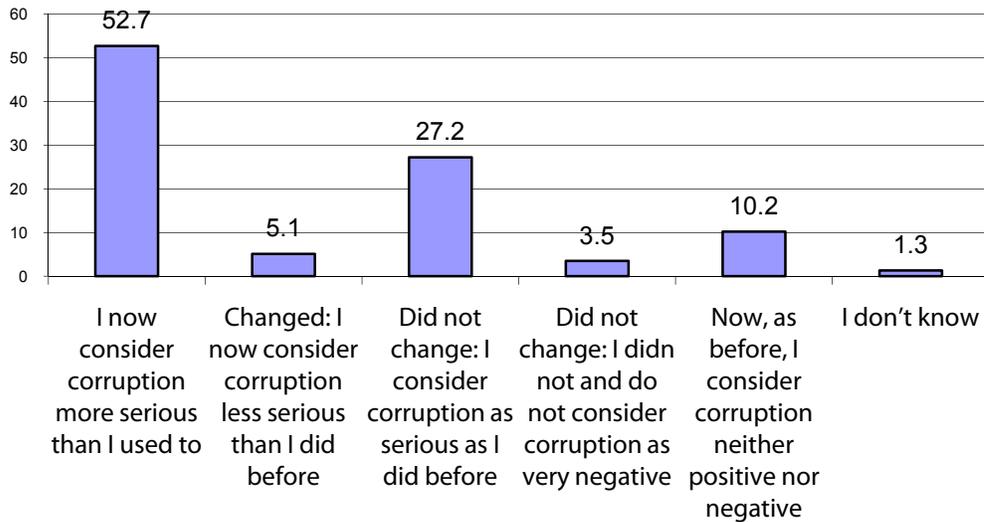
Another important result of the project is that young participants stand in very clear positions on the most effective ways of fighting corruption (see *Figure 8.5* below). The majority think that the most important, the most necessary methods to fight corruption are: to improve laws (65.8 per cent), to educate a new generation to grow up with a new way of thinking (53.5 per cent) and to educate society (51.6 per cent). This is quite understandable, as people's mentality and problems of the legal system were named as the most important causes of corruption.

Figure 8.5 What are the most effective ways of lowering the level of corruption? (%)
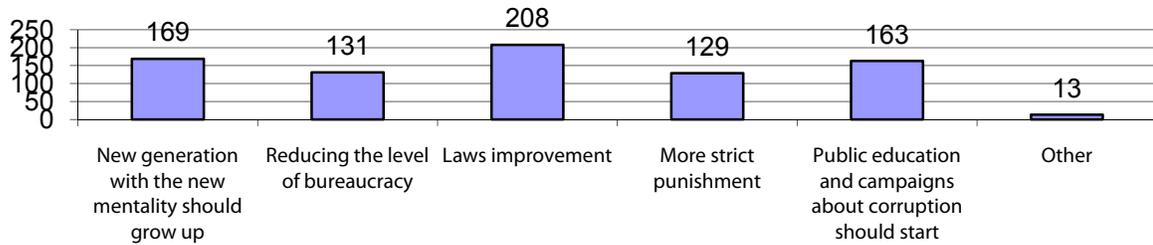
A booklet presenting the overall project has been prepared to share this experience with other actors and institutions. Based on all the activities developed and all the arguments brought up during the debates, it constitutes the proposal of young people to local and national authorities. It ends by an Anti-Corruption Charter written by the students themselves, which lists a number of strategies and actions to fight against corruption. Representatives from the Youth Against Corruption Project formally submitted this charter to the Lithuanian Parliament at the end of the study tour.

9. Debate on whether anti-corruption education should be introduced into school curricula

A play debating the pros and cons of the integration of the anti-corruption issue in the curriculum by students from Kaunas involved in the Youth Against Corruption Project is presented below. This was performed for the Study Tour participants.

The play consists of two opposing teams: the Affirmative Team, which supports the revolution, and the Negative Team, which opposes the revolution. Each team is composed of three speakers. The first speaker speaks for five minutes and the second speaker for four. During their speeches, members of the other team are allowed to interrupt and provide counterarguments. Three different speakers from each team intervene alternately. At the end of the debate, the third speaker from each team summarizes the arguments and counterarguments put forward. Extracts of the debate are given below.

Affirmative Team speaker:

> Honourable delegates, ladies and gentlemen and our honourable opponents. Today I am the first speaker of the Affirmative Team, and we strongly believe that anti-corruption education should be introduced in the school curriculum. I would like to introduce you to the 'ill and blame' of the current situation and then present you a cure proposed by the Affirmative Team and show the benefits it could achieve. So the 'ill' of the current situation in Lithuania is that corruption is widespread in governmental institutions, health and security institutions, even judiciary. So the 'blame' is that we cannot stop corruption completely by changing the laws: the main thing we can do is to change the attitude of society and increase the awareness of the citizen.

> Ladies and gentlemen I strongly believe that schools all have the greatest potential to do that, they have the greatest potential to educate youth in a spirit of awareness.

Chairperson:

> Do you think that people are actually unaware that corruption is bad?

Affirmative Team speaker:

Thank you Madam for the point. Firstly, school is a great place to do this because 90 per cent of the children attend school, so this information would reach them. The second thing is that school is the right place and it is ready to do that. Third thing is that 'awareness' is 'effectiveness'. If you do not have the potential to make it accessible to society, then corruption will still be there in the future. It is very important for young people to realize the main principals of democracy, to realize their rights and duties and to be ready to defend them. Because corruption actually violates Lithuanian democracy and the quality of life.

That is why our plan focuses on anti-corruption education. It should be introduced into the school curriculum from the very first grade to the last one. It should be introduced into formal education and into informal education. Anti-corruption education should be considered not as a separate subject, but should be integrated in already existing subjects, such as history, languages, maybe geo-politics or things like that. For example, the teacher gives a talk on, say language, and she initiates a discussion on the topic of corruption. That is really the only way to raise children awareness. It would not cost very much additional expense because financial backing has already been given. As this is a strong argument, I beg you to support the motion. Thank you very much.'

Chairperson:

Now we welcome the first speaker of the Negative Team.

Negative Team speaker:

Ladies and gentlemen, corruption is a cancer and cancer cannot be defeated by 'magic', in the same way that corruption cannot be defeated by education. What we think, today, is that only a 'stable' fight against corruption gives good results; that is why education cannot fight corruption by itself. First of all let us use the arguments of the 'Affirmative Team'. They said that the purpose of this anti-corruption education is to inform a negative attitude towards corruption, but statistics show that 76 per cent of citizens condemn corruption anyway, so we feel that the negative side of corruption is already understood. That is one reason why anti-corruption education is useless.

Well, now, what do we think about anti-corruption education in school? We feel that anti-corruption education at school will be unjustified and inefficient, because, first of all, tuition has no influence without action, Ladies and Gentlemen, as child psychology is 'words versus action'. At

school, children may be informed about the negative phenomenon of corruption but, as this assistance knows, 72 per cent of adults are ready to give bribes when there is a need. This cannot be changed. The children will often face the situation where 72 per cent of adults will give a bribe to a doctor or somebody when they are in need. Children will be forced to believe that it is essential to give a bribe if you want to be given a service. And psychologists have noticed that the strongest influence in forming a child's 'balance and attitude' is made by action. We are definitely sure that children will follow the actions of their parents or other people even though they are taught the contrary at school.

Let me illustrate this by an example. Imagine that a grown-up man with a child has to give a bribe to a doctor, so that his grandson can be given some treatment or operation to save his life. Then that child will memorize that it is essential to give a bribe if you want to save somebody's life.

Affirmative Team speaker:

We are not saying that education should be the only means to fight corruption, but that all the other means should not be put a stop to.

Negative Team speaker:

Thank you, but education at school will not be efficient and we can conclude that all those will adapt themselves to real life where corruption is prosperous. And that is why anti-corruption education at school will be of no use at all.

We are now talking about the plan of our opponents. They suggested introducing some anti-corruption education from the first to the last grade. Well, Ladies and Gentlemen, first of all young students in the first grade would, in no way, be interested in corruption matters. They are too young to understand them – even the 'word'. That is why they will not benefit by this education. And secondly, concerning the older students, actually as the statistics show, 60 per cent of students don't have any free time, due to studying. If we introduce anti-corruption education in the school system, they will simply repel it in order to go deeply into more important subjects for their future livelihood.

Getting to the money matters, our opponents did not say exactly where the money is going to come from, because Lithuania is a developing country and there is a serious lack of financial backup in its budget. So evidently it is not worth investing in anti-corruption education because, as a whole, it is not efficient. And secondly, because there are far more

important programmes for the government to invest in, like our poor health service, or unemployment etc. So what we are saying, today, is that it is not worth implementing anti-corruption education at school because, as I have already proved to you, school is not the right place where anti-corruption education would be efficient. But we are not against education, because we think that education is one of the means that help to fight corruption. Anti-corruption education is, anyway, already introduced into the university's curriculum according to the National Anti-Corruption Programme of Lithuania, and this is much better than school because specific training is being given to people who are going to work in vulnerable anti-corruption areas, that is why it is more efficient.

Ladies and Gentlemen, I hope that I have proved to you that this kind of education at school will not be efficient. The second speaker will present our first, and main argument. And this argument is that education does not eliminate the causes of corruption. Thank you very much.

Chairperson:

Now it is time for the speech of the second Affirmative Speaker, to develop the position of the Affirmative Team.

Affirmative Team speaker:

I firmly and strongly affirm that anti-corruption education should be introduced in the school curriculum. Let me first start with a 'clash' of the opponents' arguments, and finally, show why actually anti-corruption education should be included in the curriculum, why it will bring benefit and why you should do this, even if our Opponents claim that it will not be efficient!

First, they claim that corruption cannot be brought to a halt by education, that education is not the right way to fight against corruption and that the school is not the right place. Dear ladies and gentlemen, what our first affirmative speaker has claimed and shown to you is that the attitudes of people is created at a very early age and then they go to the school, where they create their understanding about what goes on in the world, as well as the corruption and the fight against it. They must understand that corruption is an evil; they must understand that it harms society at large, undermines the main principals of democracy, and therefore must be fought against. What has been said is that it already has been introduced in universities. Just a little adjustment, in universities students have already formed their

attitude, and that is why it is difficult or even impossible to change their attitudes at university. Therefore, we offer to introduce it in the school at an earlier age.

The next thing they said, is that certain parents are corrupt, and show a bad example to the children. Ladies and gentlemen, we do not say that the other ways must be stopped. No! We offer to continue preventive measures, even strengthening anti-corruption laws and tightening up punishments.

Negative Team speaker:

One point Sir. If we actually eliminate the main reasons responsible for the appearance of corruption, then the mentality of people will change!

Affirmative Team speaker:

Yes, thank you. That is what the school is doing too. Let me now come back to the benefits of our Plan. Of course, one benefit is that attitudes will change, and awareness will increase – awareness not only in children but also in the whole of society, because the children are also the future. Today's children are tomorrow leaders and the future belongs to them. Anti-corruption education in raising the awareness of anti-corruption will reduce it, because people will not think of how to avoid punishment or how to do some other action in order not to get caught. They will think that corruption is bad and will not try and not think of possible ways to be corrupt or to bribe. In doing so, the economy will improve and, finally, the quality of life will improve.

Due to all these aforementioned reasons I propose the motion to agree that anti-corruption education should be included into the school curriculum. Thank you very much.

Chairperson:

Ladies and gentlemen, Carldis will deliver the second speech by the Negative Team.

Negative Team speaker:

Our opponents identified the main cause of corruption as being the 'mentality' of the people. They say that people practice corruption because they do not condemn it, but ladies and gentlemen, we have the evidence that 78.1 per cent of people condemn corruption but still 72.1 per cent are ready to give bribes, why? The answer is totally evident: because there are other causes of corruption. And this is

exactly what our argument is all about! The main causes of corruption we identify are as follows: weakness of state institutions; lobby procedures; and too much bureaucracy and complicated infrastructure.

Ladies and gentlemen, the Lithuanian bureaucratic system leaves much space for corruption to flourish as it has almost unlimited policies for distribution, exchange and decision-making and, therefore, ordinary officials can make their own self-willed decisions. The government controls everything: prices, quality, calculations, work production and this huge machine of bureaucracy incites people to practice corruption. That obviously means that people cannot achieve their goals without practicing corruption. We cannot teach or persuade a hungry man not to eat, and that is why we have to eliminate the main causes of corruption, because without doing this there is no education that will successfully work! For all these obvious reasons, ladies and gentlemen, I beg you to oppose the motion.

Chairperson:

Now let us welcome the third speaker of the Affirmative Team, to make a concluding speech and to take the floor.

Affirmative Team speaker:

Thank you ladies and gentlemen. Today we are debating whether anti-corruption education should or should not be introduced in the school curriculum. We would like you to decide and we strongly propose this motion for many reasons. What I would like to say is that it is completely false that school does not interest students. So why do we have schools? Because school really forms the way people think, it gives new background environment and new cultural approaches to students. School is very important for each individual.

The Negative Team said anti-corruption education will be only theoretical knowledge and that it is not going to work. We say that the government has a new form of schooling, more practical, more debate oriented, which is not limited to theory. One example: they said that people give bribes to the doctor just to have medical treatment for the person they love. But what we mean by our education is that the person who gives bribes to a doctor should know that he is a citizen of Lithuania, and that as a human being he has a right to free medical treatment for this very reason. That is what it means, not something 'theoretical'.

You were saying that people do not have enough free time, do not have resources. Ladies and Gentlemen, this is my final point because of

time limit. We should not measure things with money. If we have corruption, we will never have enough money because corruption is something that takes our money away. We cannot measure society by our own well-being, and our own parents, and so on. We have to invest in it in order to have a better future and better and warm relationships. For these reasons we really need to solve and fight corruption by changing the daily lives in our schools, making them better, making improvements. For those reasons we support the motion that anti-corruption education should certainly be introduced into the school curriculum.

Chairperson:

We just have time for the final speech in this debate. So let us welcome the third speaker of the Negative Team.

Negative Team speaker:

Ladies and gentlemen, if we do not stop evil we encourage it. And that is exactly what both teams fight for, to fight against corruption. We have identified the same problem: corruption, and we have both given examples of the best ways and means to achieve the better results. However, our opponents propose teaching anti-corruption education at school. But what we claim is that we need improvement in the overall Lithuanian system.

So now let me tell you why we think that anti-corruption education at school will not work. Ladies and gentlemen, what we have proven is that the negative attitude towards corruption actually exists now, but the main problem is that people do not see any other means to fulfil their aspirations, their ambitions. Actually we do not encourage the fight against corruption in the areas that we should.

Affirmative Team speaker:

There is always a possibility to avoid laws, and find how to be corrupt.

Negative Team speaker:

We cannot hope that school will change attitudes, ladies and gentlemen. Let us not try to squeeze everything possible into the school curriculum. Therefore, we suggest implementing what is expected and necessary. I would like to thank you all for this debate.

Part III

Improving transparency in the management of the education sector

10. Transparency issues in Lithuanian education

Based on the presentation held by Mr. Rimantas Vaitkus, Vice-minister of Education and Science, Lithuania

This paper will discuss the education system in Lithuania in the context of transparency and corruption. After a brief introduction on people's degree of trust towards institutions in general, the paper will focus on the legal basis as well as measures to adopt in order to improve transparency in the education system.

According to an opinion poll in a newspaper in Lithuania in October 2003, education is something in which people put most trust (62.8 per cent), even more so than the media (61 per cent) and the church (60.9 per cent) (see *Figure 10.1* below). People do not, however, trust political parties (66.2 per cent), Parliament (53.8 per cent), or the court system (37.2 per cent).

Figure 10.1 Attitudes towards parties and institutions in Lithuania (October 2003)
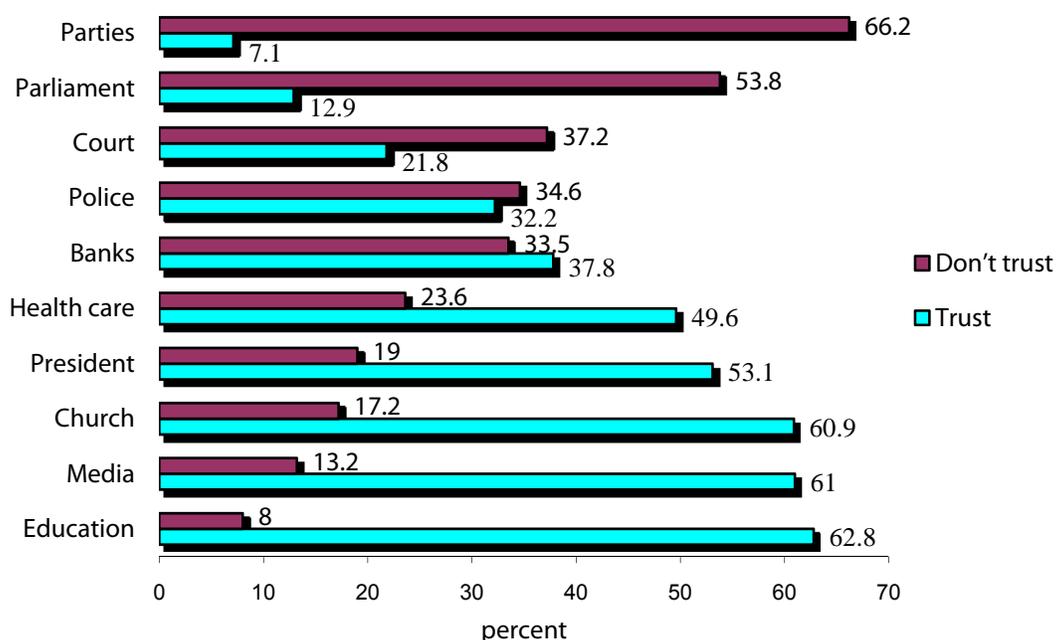
Legal basis of education and measures to improve transparency

Concerning the legal basis of the education system in Lithuania, the government adopted in 2002 a law on research and higher education. The law on education came in 2003. In the same year, strategic trends for the development of education for the years 2003 to 2012 were adopted. Amendments to the law on higher education came in 2002 and 2003.

Several measures are necessary to guarantee transparency – and this goes for all areas, not only the education system. One criterion is a clear indication of goals and outputs by the implementation of planned measures. A widespread discussion and publication of the draft on the Internet and in the media in general, as well as cooperation with student organizations, rector conferences, teacher unions, trade unions, NGOs, and different organizations in the drafting procedure can also improve transparency. Today, social partners are already included in the working groups and are participating from the beginning of the preparation of the documents, in the draft decisions, and up to the time of their adoption.

The media is an important tool to increase transparency as it participates in widespread discussions, the various steps relating to the development of the project, and the preparation of the draft. The Ministry of Education and Science has made available the different drafts of legal acts through its web site (see *Figure 10.2* below). There is also more information on separate projects, for example, teacher salaries. Even different and controversial drafts are published in order to make them more available to citizens. People also have the possibility to submit comments, even anonymously. Therefore the general public can voice their opinions or ideas, and thus participate in the drafting process. Such a procedure is, of course, very time-consuming and often difficult, as the public also often have criticisms. Nevertheless, a non-transparent process can cause tensions and dissatisfaction when the document or the new law is finally published.

Figure 10.2 Web page from the Ministry of Education and Science in Lithuania
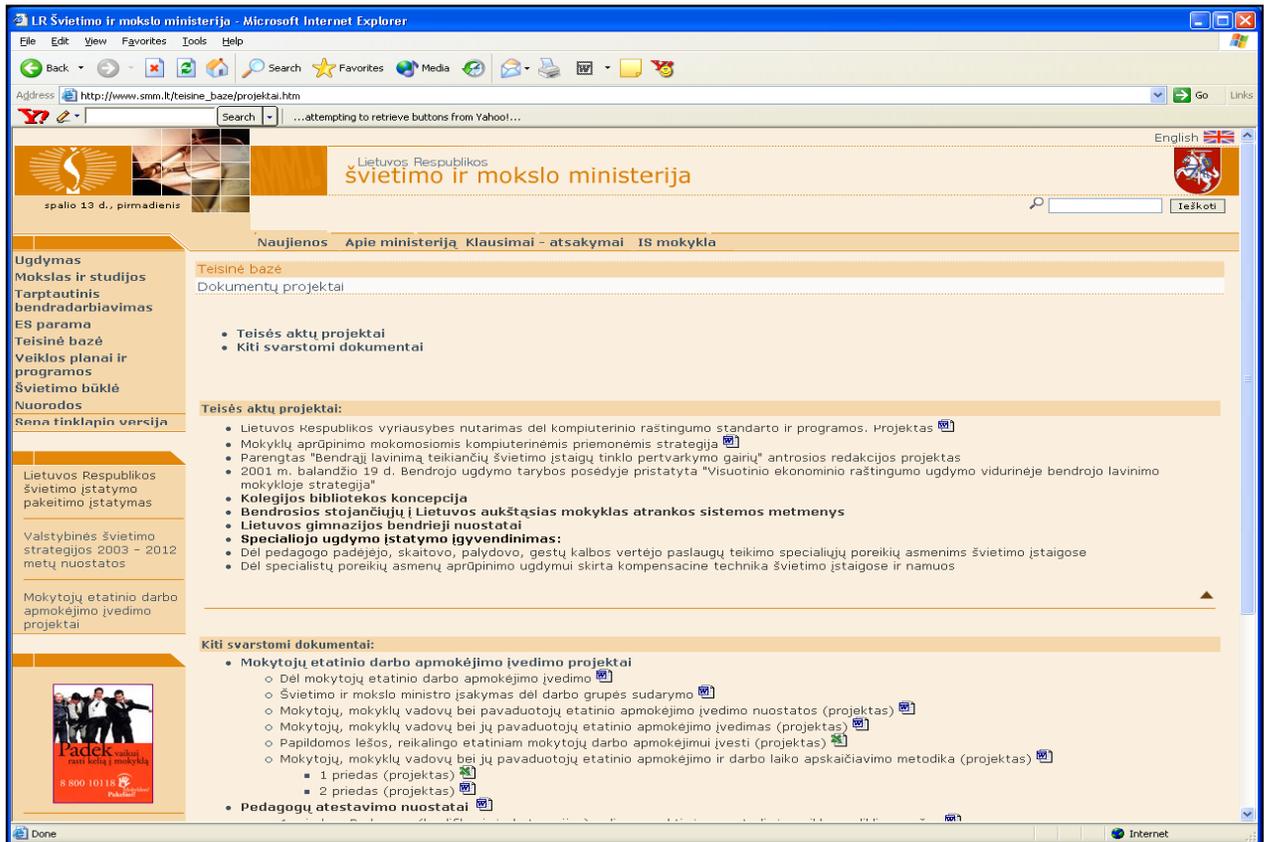
*Source***:** The Ministry of Education and Science, Lithuania, http://www.smm.lt/teisine_baze/projektai.htm (English version available)

Sensitive areas for transparency

Some areas, for example the establishment of institutions, are very sensitive as far as transparency is concerned. In Lithuania, some institutions are established by private owners, which raises questions on how to create rules and mechanisms concerning such establishments. In the case of education institutions, corruption might occur in the examination and selection for admission to higher education processes (see *Figures 10.3–10.5*). Lithuania did indeed experience difficulties in creating a system of centralized admission to all universities that avoided corruption, as the criteria for allocation of funds to institutions were not always very clear. Corruption could also occur in capital investments, in the purchase of teaching materials and equipment, in the financing of projects and in the allocation of funds on a competitive basis.

Figure 10.3 Dynamics of student numbers in colleges and universities in Lithuania
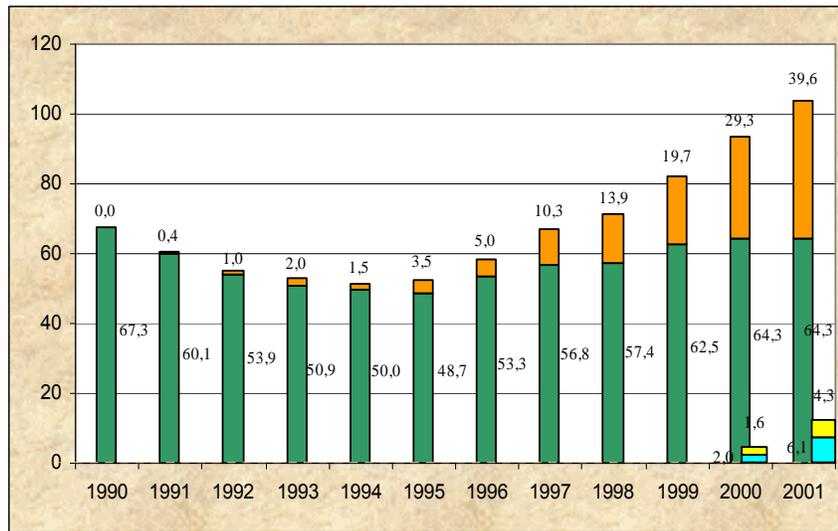
- ■ State-financed students in universities
- ■ State-financed students in colleges
- ■ Non-state financed students in universities
- ■ Non-state financed students in colleges

There is a growing demand in the higher education sector in Lithuania. The number of students has already reached 140,000 in higher education institutions (see *Figure 10.4*). Some of them are non-state-financed students. Today the system has changed, as there has been a revision of the students' entrance criteria to higher education institutions. Before it was based on the leaving certificate in the state examination. Students with high marks could get a state-financed place, while students with lower marks could get a non-state-financed place. In 2001, half of the new entrants to higher education institutions were those who paid tuition fees (see *Figure 10.4*). The system was changed in 2002, when a fixed fee was introduced. This system does not diminish the importance given to results. This depends on their results at the end of their studies. They can either pay 500 litas per semester, which is not a large sum in Lithuania, or they will not pay at all it if they are deemed to be good students according to the constitution.

Figure 10.4 Dynamics of student admission
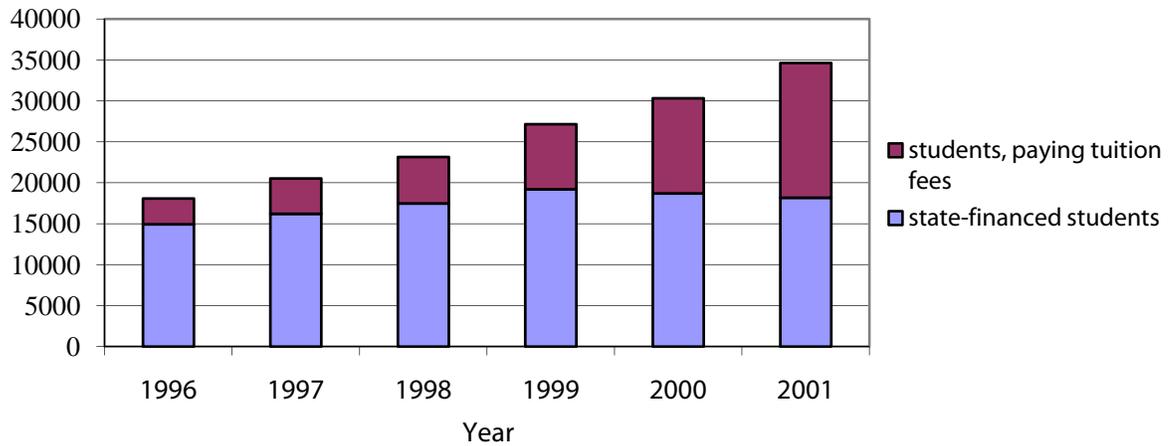
In Lithuania, the admission to universities is quite centralized, and in some regions the students are not even applying for university places. In the white regions in *Figure 10.5*, fewer than half the number of students did not even apply to higher education institutions. The centralized admission system should be used not only to increase transparency, but for political reasons in order to draw attention to those regions.

Figure 10.5 Admission by regions, 2001
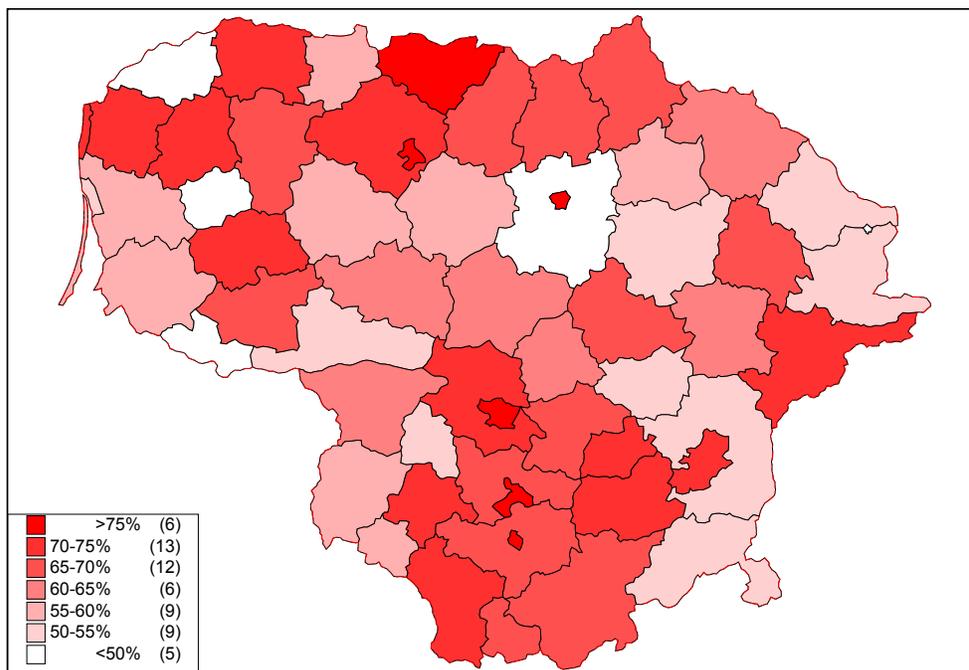
Financing of universities

The financing of universities is a sensitive area. Some costs are covered by the state, the rest by other types of income (see *Figures 10.6–10.10*). Concerning the funding formula for science and research from the state budget, it is based on the exact indicators given in the rules and mechanisms: 60 per cent goes to universities and to studies; 20 per cent towards buildings; and 20 per cent towards research activities. There is some competition *vis-à-vis* these financial resources, except for the 20 per cent that is allocated to the management of buildings. As for the student support system, it is based on the number of students. The fund for research and development is run on a competitive basis, governed by rules indicated before the funding formula is adopted. Investment is according to requirements.

Figure 10.6 Financing of research and higher education (in mln. Lt 1 Lt = 0.33 $US)

State budget operating expenditures, including personal costs, for research and studies

State budget operating expenditures (including personal costs) for universities

State budget investment expenditures for research and studies

State budget investment expenditures for universities
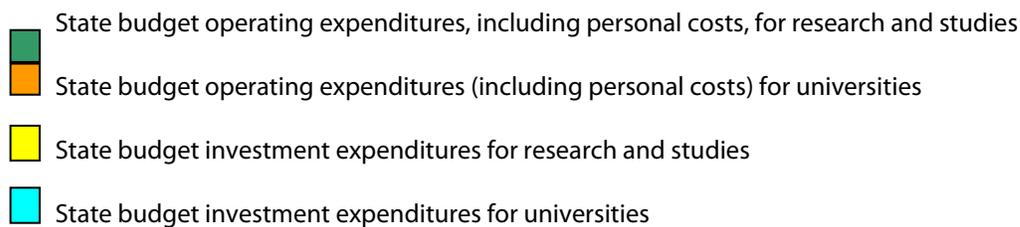
Figure 10.7 Funding of universities in Lithuania in 2001 (in per cent)

10.1
17.1
72.8

☐ state funds ◼ student fees ☐ funds from other sources
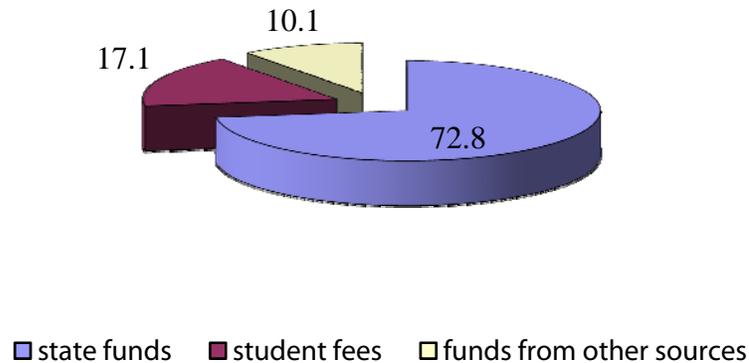
Figure 10.8 University expenditures in mln. Lt, 2001

☐ State funding ◼ Other income
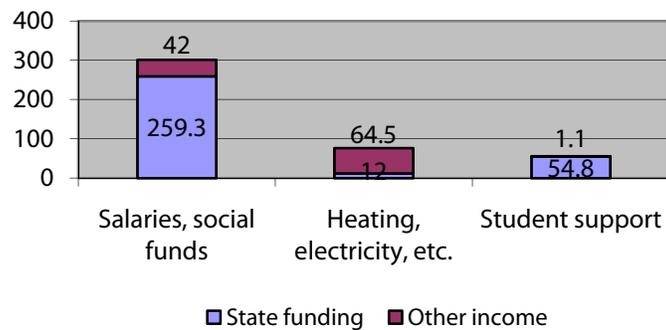
Teachers' salaries are based on the student-staff ratio. This ratio varies from 20:1 in humanities and 4:1 in music. Salaries of non-academics, such as technicians, are based on the student-staff ratio. This ratio varies from 40:1 in humanities to 5:1 in music. University staff in general is composed of 10 per cent professors, 50 per cent assistant professors, and 40 per cent assistants. There are 17 salary-groups, which are based on study form and level. The coefficients for a Bachelor are 1; for a Master, 1,5; for evening courses, 0,8; and for distance studies, 0,5.

Figure 10.9 University budget allocations in mln. Lt, 2002

- salaries, social fund
- scholarship for students
- investment
- income from other sources
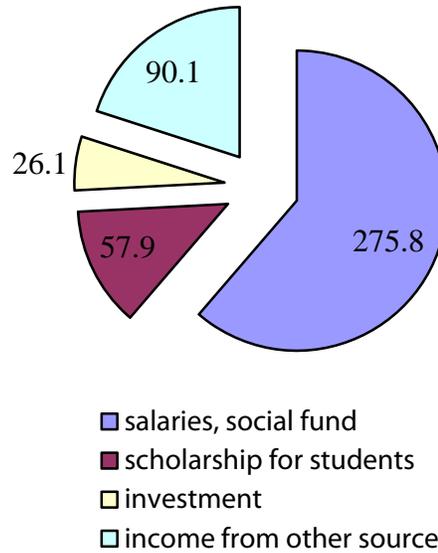
Figure 10.10 Funding of research and development (including state institutes) in mln. Lt, 2001

- Budget allocation
- Other state funding
- Foreign funds and programmes
- State research fund
- Enterprises
- Other activities
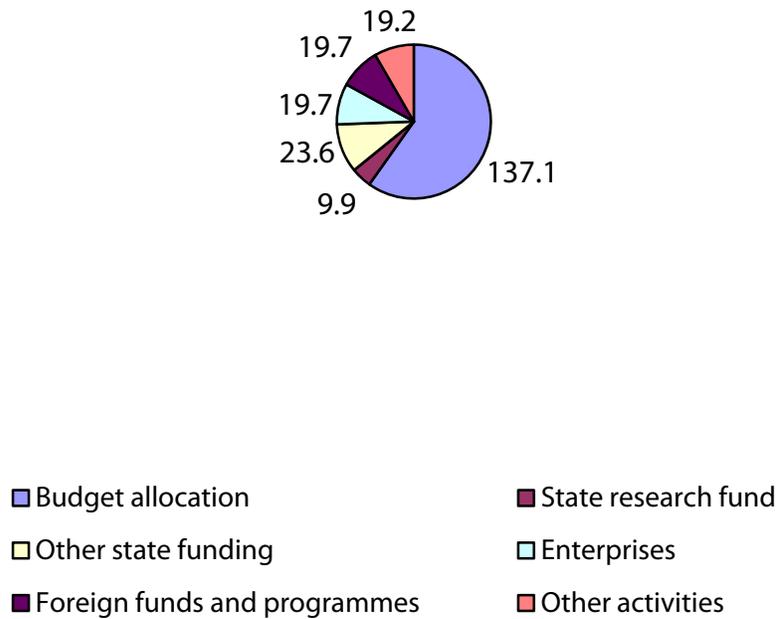
Establishment of non-state institutions

Institutions of non-formal education are the complete responsibility of local authorities. They can decide how to establish the non-state institution, as they do not issue certificates that are recognized by the state. Some institutions do, however, violate the rules, because they have to issue certificates; therefore Lithuania has put in place an inspection system to monitor such practices. Concerning secondary schools and gymnasiums that provide a qualification, they must be registered at the Ministry, since the Ministry is responsible for quality. Decisions on higher education institutions are taken at a high level – they are not established by the Minister but upon the decision of the government, whether they be privately or state-owned.

To conclude, due to a general demand of more transparency and a more equal use of resources in the education system, the adoption of formula funding in Lithuania might be a partial solution to the problems of inefficiency and corruption. In addition, it is crucial to have a dialogue going on between the institutions and the general public. The web page of the Ministry of Education and Science in Lithuania is a good example of such an initiative.

11. The role of audits in improving transparency in the management of the system: financial and activity auditing

Based on the presentation by Mr. Kęstutis Širvaitis, Director of Activity Audit Management Department

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Focus on the State Audit Institution (SAI) in Lithuania

The State Control Office is the supreme state institution of control accountable to the *Seimas*. The SAI is guided by the Constitution, the laws of the Lithuanian Republic, international treaties, agreements, and other legal acts. Having passed the Law of State Control in 1995 and having amended it in 1998, the development of the organizational structure of the SAI is continuing with the adoption of new methods for the activities based on international practice.

The SAI is a member of the International Organization of Supreme Audit Institutions (INTOSAI) and its European division (EUROSAI). The experts of the SAI are involved in INTOSAI Working Group on the Audit of Privatisation, in INTOSAI Internal Control Standards Committee and in Public Debt Committee. The SAI closely cooperates with the supreme audit institutions of many countries throughout the world.

Web page: http://www.nao.org.uk/intosai/edp/mandates/writeups/lithuania.htm

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This paper discusses the role of the State Control Office, which is the supreme audit authority in Lithuania. After a brief description of its structure, the paper will focus on how the financial system of schools in Lithuania is financed, and the recommendations given from the State Control Office in order to improve the financial situation and teacher quality.

The State Control Office

The aim of the financial audit is to assess financial statements by analysing financial documents, the legality of transactions in compliance with the legal acts, as well as auditors' conclusions concerning financial statements. In this aspect, the financial audit is most important for the ministries, parliament, government and the public at large.

The State Control Office cooperates very closely with the Ministry of Education and Science, the county governors, the Ministry of Finance, other governmental agencies, and all the municipalities. The reports of the audit are analysed in the hearing of two parliamentary committees. During the hearing, they discuss how to implement the recommendations from the State Control Office, which are, from both the government

and the parliament, considered as very important to ensure beneficial objectives to the financial reform in general education.

In order to increase the level of transparency, the public has access to the reports done by the SAI. The reports are also presented to the government and parliament. They are indeed important for the public from the social point of view, and are, consequently, discussed in different parliamentary colleges. There is a Staff Committee of four audit reporters in the Financial Committee in parliament. The goal of this system of auditing is that when the conclusions are brought before the public, they should *a priori* guarantee transparency and efficiency.

Financial and activity audits in the education system

The State Control Office makes audits in the public sector, which are performed according to international standards to guarantee transparency in the education system. There are two main divisions in the State Control Office: one division is competent in *financial auditing*, the other is an office for *activity auditing*. Activity audit is used to assess the activity of public administration, the effectiveness of activities, and to give conclusions and recommendations concerning the deficiency of activities. One activity audit that is performed in the education system is an audit concerning the *assessment of financial reform in general education*.

The main principle of financing schools is that the money follows the student, which means that the money goes towards a child's education. Students are given a set amount of money called a 'student's basket', which is calculated by the Government using a certain methodology. For the year 2002 the basket was set at 1,521 Litas; the following year, at 1,528 Litas; and for 2004 at 1,555 Litas (see *Figures 11.1* to *11.3*). The amount for the student's basket is usually allocated to implement the plan, introduced by the Minister of Education. The student's basket consists mainly of the teachers' salaries, the teachers' in-service training, textbooks, and other teaching materials.

Figure 11.1 Structure of the student's basket

For school management, pedagogical, social, and psychological support, school library LTL 439.8

Teachers' salaries LTL 1,063.9

Teachers' training LTL 13.5

Textbooks LTL 31.5

Training facilities LTL 6.3
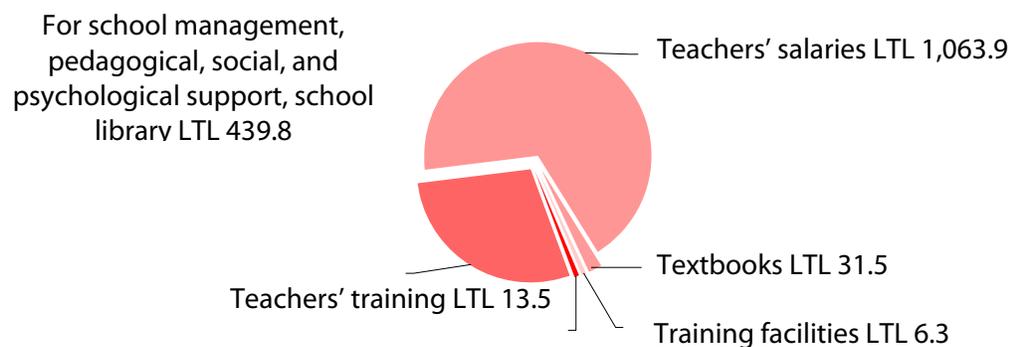
Student's basket size = Lt 1,555

Figure 11.2 Local government allocation to the student's basket of a reference student (2002)

LTL 1,521   From LTL 1,523   till LTL 1,592

Figure 11.3 Size of the special targeted grant for funding the student's basket in 2002

2002 special target grant for student's basket funding: Lt 1,047.4 mln.

10%

90%   54%   46%

State budget
appropriation

Special target grant assigned
to local governments
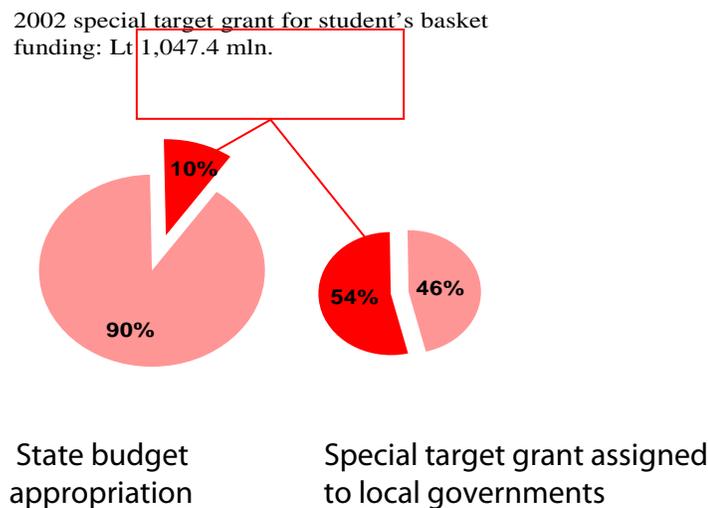
Red = 2002 special target grant for student's basket funding: Lt 1,047.4 mln.

One problem concerning the calculation of the student's basket was that the municipalities sometimes calculated a bigger or smaller amount than what it should have been (see *Figure 11.4*). The methodology of the calculation of the student's basket had certain defects (see *Figure 11.5*), for example, if the student lived in the location where the municipality seat was located, the student was accorded more money. Moreover, the principle of 'the funding follows the student' is not being fully implemented, as settlement between municipalities in 2002 was not carried out in time.

The State Control Office is divided into several groups in order to analyze the management, assessment and implementation system in the schools. In the area of management, the control group found that the strategy and the objectives were not very well defined. Neither were the criteria for assessment. As for the implementation

period, this was not defined at all. Hence, the system did not function as it should have done.

Figure 11.4 Ratio: Total funds for the student's basket planned by the Ministry and estimated by local governments following the calculation methodology (2002 and 2003)
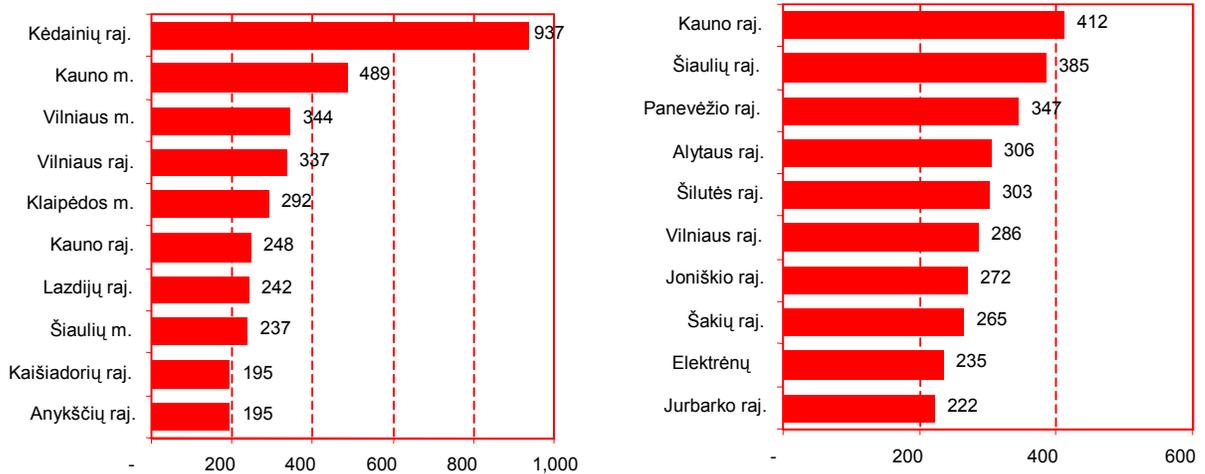
Figure 11.5 Student's basket funds
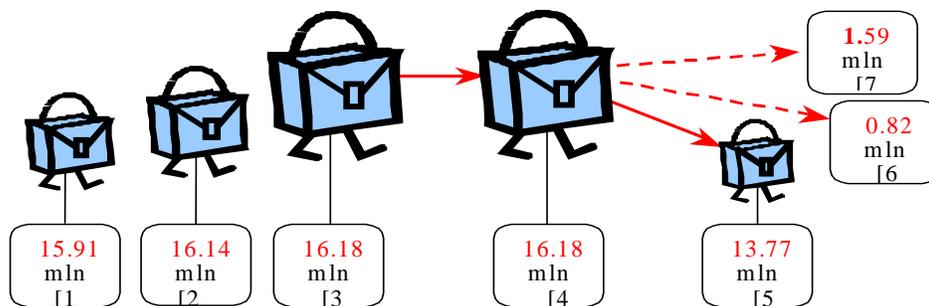
1. Student's basket funds estimated according to the methodology.
2. Student's basket funds wrongly calculated according to the methodology when incorrect factors were applied.
3. Drafted needs for student's basket funding submitted by the Ministry of Education and Science to the Ministry of Finance.
4. Special target grant assigned to Jonava region for student's basket funding. All allocated funds have been received.

5. Part of special target grant that has actually been used for students' education.
6. Part of special target grant that has actually been used for covering debts of educational institutions.
7. Part of special target grant that has actually been used to fund the educational environment and other needs (salaries of supporting staff, acquisition of fixed assets, other educational needs).

In 2002, when the financing of school reform was initiated, the municipalities received over 1.5 billion Litas in funds from the state budget, which represents about 10 per cent of the whole national budget of Lithuania. During the audit, it was therefore very important for the State Control Office to verify whether and how the general education objectives defined in the reform were being attained. These included:

- improving the quality of education services to enable provision of ability-based learning;

- creating transparency in the education system;

- giving both students and parents the possibility of choosing an establishment of education;

- including a network of general education schools and stimulating competition between different schools, as well as creating an intellectual level so that both urban and rural students can have a good education;

- strengthening the financial autonomy of schools;

- dealing with the problem of dropouts and non-attenders; and

- increasing the responsibilities of school principals in the implementation of financial plans.

Data collection is necessary in order to calculate the student's basket and obtain general information concerning students. Last year the State Control Office conducted audits in the Ministry of Education and Science under the School Computerization Programme, when it compared and identified certain deficiencies and recommended using student databases rather than school databases. A major problem in the data collection is the enormous amount of data that is necessary to carry out an audit – it takes over two months to circulate questionnaires, and the information collected when printed can constitute up to 7,000 pages.

As a result of implementation of the new procedure for funding general education, school municipalities were allocated more funds for education. The year 2002 saw an increase of 64.7 million Litas from 2001, and 2003 saw an increase of 2.0 million Litas from 2002. However, this has not ensured greater effectiveness of general education school funding. Legal acts provide the founders and head teachers of general

education schools with possibilities to use the funds that were allocated to education for the educational environment and other educational needs.

Student's basket funding in municipalities in 2002 was used for funding environment and other educational needs when general education plans approved by the Minister had not been implemented (see *Figure 11.6*). On average in the 2002/2003 school year, 18 per cent of complementary education hours were not used. A negative result of schools wanting to save student's basket funds was that certain schools did in 2002 and 2003 form larger classes and even exceeded the maximum allowable number of students in a class.

Figure 11.6 Student's basket funds allocated and used in 2002

In 2002 Special Target Grant for student's basket funding

Ministry of Education and Science will monitor whether education plans are fulfilled in case funds are used for other purposes

Transfer to local governments
LTL 1.047.4 mln

Unused student's basket funds returned to the budget
LTL 0.1 mln

Funds for education approved by municipalities
LTL 1,000 mln

Municipalities have allocated for educational environment and other education needs
LTL 47.4 mln

General education plans were not met. 18% of complementary education hours were not used

Schools have used for education
LTL 997.4 mln

Schools have used for educational environment and other education needs

General conclusion of the SAI report of the education reform

In 2002 the schools received 64 million Litas more than in 2001; and in 2003 2 million Litas more than in 2001. In addition, the municipality councils did in 2002 allocate 47 million Litas less than had been designated by the law. However, the State Control Office wanted to make sure during the audit that the money really reached the recipient; that the money followed the student, as it is outlined in the reform.

During the auditing, the State Control Office found that not all the general education schools, i.e. those schools whose founders are the Ministry or the county governors, were financed following the student's basket principle. This despite the fact that one of their objectives was to create a transparent financial system and that not respecting the rules established in the reform created unequal conditions for competition between schools. The main conclusion is that the amount that is destined for a reference student can differ widely from one municipality to another. Legal acts do not clearly define criteria for the redistribution of student's basket funding. Separate schools were, in some cases, allocated up to 55 per cent less student's basket funding by their founders than what they were supposed to get according to the methodology for calculating student's basket funding and student units. Moreover, when students were transferred from one school to another, the money did not always follow them.

Another conclusion, which was supported by the Parliament, concerned the Legal Environment. The Law on the Approval of the Budget indicated that it is admitted that amounts that have not been used from the student's basket can be used for other purposes. This enabled municipalities, i.e. the founders and principals of schools, to use money that was intended for the education of pupils for other purposes such as the school environment, even though this should, according to the laws on school environment, be financed by the municipality.

Recommendations from the State Control Office

The State Control Office did, as mentioned above, discover a certain number of problems, and in order to improve the situation they proposed the following measures:

1. The Ministry of Education and Science should establish clear strategies and aims of the reform.

2. Work on how to reduce the number of dropouts.

3. Increase transparency and establish criteria on how to measure, as well as eliminate causes.

4. Certain amendments should be made in legal aid acts. The Law on the National Budget should assure that the financial resources that have not been used to

finance the student's baskets should, or could, be used for other purposes, provided the Plan of General Education has been implemented.

5. The task of managing the appropriation should be given to the Ministry of Education and Science, and it is up to the Ministry of Education to follow-up on the implementation of the education plan.

6. The Manager of Appropriation should, however, be the Ministry of Finance. The Minister will report on the implementation of the funds.

7. Revise the calculation of the student's basket at all stages of planning (all data available should be used for that purpose), as very often when a draft plan is drawn up, the number of students is taken from the previous year, which is very misleading.

8. The money approved to the student's basket should be used efficiently, and the public should be informed of how the money is to be used.

9. Implementation of the curriculum should be analysed.

10. The same financing procedures should be applied to all general education schools, irrespective of their founders.

11. Certain legal acts should be amended, and the law should stipulate which part of the student's basket could be reallocated by the municipalities.

12. The student's basket should be recalculated at the beginning of the school year.

13. Initiate, together with the Ministry of Finance, procedures of mutual understanding between the local government and municipal schools in the case of student transfers to other schools.

14. Make amendments to the methodology for calculation of the student's basket so that the equal funding goes to schools with similar numbers of students.

In order to avoid situations where the schools receive little of the allocated resources because they are used by the municipalities to cover debts or for other educational purposes like maintaining kindergartens, the State Control Office proposed to change the wording in the law in a way that would allow the redistribution of resources only if the general education curriculum is fully implemented. It is, nevertheless, not possible to accuse the municipalities of 'appropriation' or 'financial abuse of resources', as this kind of reorganization of resources is not prohibited by law.

In some cases the unused money is returned to the budget, which represents several hundred thousand Litas – a negligent amount compared to what is received by

municipality officials. Unused resources should, according to the law, be returned to the national budget. The municipalities continue, however, to use these unused resources to cover expenditures of activities that should be financed from their own municipal budgets.

Teacher quality

Concerning control of teaching quality, Lithuania has an auditing and monitoring system, which is subject to the Law of Internal Audit. According to this law, there should be an internal audit system at the lowest level. As it is not possible to make the audit in every area, the other areas should adapt to the existing system. As regards to quality assurance, the State Control Office has so-called Quality Assurance Commissions, as well as the education departments functioning within the municipal council.

Another issue is the system of remuneration of teachers. According to the system, salaries are paid from the municipal budget or by schools if they have an approved internal financial management system. In the State Control Office's audit, they have noted that teachers did not receive remuneration for all the work they had done. In some municipalities, teachers were not paid for tests, marking, and additional educational activities. The reason for this was that the municipalities allocated less to schools and used the money saved (approximately 50 million Litas) to cover all teachers' remuneration. This situation will, at least in the long-term, have a negative impact on teacher quality. However, according to the report from the State Control Office, the reform helped solve one of the problems faced by the Lithuanian school several years ago, which was payment of overtime to teachers.

To conclude, it is important to underline that, even though much has been done to improve the school financial system in Lithuania in the last years, notably by introducing the student's basket, there are still problems that need to be resolved. The main conclusion from the SAI is that there is still a difference in the amount of the student's basket from one community to another. In recent years, problems such as aggressive behaviour from the students, high crime rates, and drug addiction might be related to the fact that the allocated money never reached the schools.

In addition, the reallocation criteria for how to calculate the student's basket need to be better defined. The methodology for calculating student's basket funding and student units does not in all cases provide for equal funding conditions for schools with similar numbers of students. In other words, there is a risk that reform objectives might not be fully achieved.

11. The role of audits in improving transparency in the management of the system: Internal audit

Based on the presentation by Mr. Gražvydas Kazalevicius, Education Development Centre

This paper will mainly discuss the internal audit system in schools, as well as touching on the external audit system. The paper tries to define internal audit, how it is possible to implement, and the challenges it implies.

Lithuania has in the last years made much progress in making the education system more transparent and approved the methodology of internal auditing. In brief, internal auditing is a quite simple process. There are, however, three questions that should be asked:

1. *How should the internal audit be implemented?,*

2. *How do we know how we should do it?* and,

3. *What are we going to do next?*

The most important is *who* answers these questions and *how* the answers should be formulated. The questions may be answered by the head teacher of the school, the administration of the school, or even the community at large.

The first internal audit systems started up in 1999, and the first stage involved six pilot schools. This later developed into the project of the methodology of external audit. In the second year the pilot schools project had been adopted by another 22 schools. In Lithuania, the majority of the administration and teacher-training at school is carried out through a separate programme. Concerning high school and senior grade teachers, i.e. all those from the professional development departments of the Ministry of Education, the training courses are arranged in such a way that it is first of all the school principals who are trained for at least three days.

Aims of school internal audit

The main goal is a complete implementation of internal audits in the education system, so as to strengthen democracy in Lithuanian schools. It is crucial that the school community itself, and not only the head teacher and his/her staff, is aware of the problems that the school is dealing with. The school community should explore these problems and try, on the basis of the data gathered, to resolve them. Hence, what the school requires is a capability to analyse its development, and to determine the priorities for its development, as well as the directions this development should take.

The internal audit is a response to the rapidly changing environment in which centralization is no longer effective in managing the education system. A decentralization of the decision-making process is hence important and, as a consequence, schools should be given more freedom to make their own decisions. However, schools should not only have the right to make decisions, but they should also explain why these decisions have been taken and take responsibility for their actions. In other words, the main goal of internal audit is to establish the school's strengths and weaknesses, and to prioritize school improvements.

But is the audition process the solution to these problems? Today there is a favourable legal environment for the implementation of auditing, and the national long-term development strategies are the following:

- to define and develop independence and responsibility of school learning communities; and,

- to implement a modern management system based on monitoring and strategic planning.

Concerning the types of measures applied, it is first of all audit or audit methodology that will be used, as well as diagnostic tests, research, and strategic planning. As for the national education strategy for the period 2003 to 2012, which was approved this summer by the Parliament, it foresees the development of '*a modern culture of evaluation and self-evolution at all levels of education.*' The strategy also outlines that '*part of inspection and control is gradually replaced by school audit, with the aim of improving quality and effectiveness of education*.'

In the Law on Education of the Republic of Lithuania, two articles outline internal auditing in schools. According to Article 56, it is the Ministry of Education who has the authority to approve the methodology of school audits. As for Article 61, it states that the school head is authorized to analyse school activities, management of resources, and initiate school internal auditing. The school head is also responsible for school performance results. In addition, order number 32 of the Minister of Education, dated 28 February 2002, deals with 'comprehensive school internal audit methodology'.

School internal audit structure

Concerning the structure of school internal audit, the school tries to assess seven areas of its activities. However, because of the broadness of these areas, these are broken down in 32 indicators of activity. These, in turn, have their own sub-indicators, where the number of sub-indicators is different for each indicator, which includes four levels – 4 being the highest or best level and 1 being the lowest (see *Figure 11.7* below).

Figure 11.7 School internal audit structure

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                    ┌─────────────────────────────────┐
                    │          7 KEY AREAS            │
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                                    │
                                    ▼
            ┌─────────────────────────────────────────────┐
            │               32 INDICATORS                 │
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                 │                  │                  │
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        │ 1-5 criteria   │ │ 1-5 criteria   │ │ 1-5 criteria   │
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        ┌────────────────┐ ┌────────────────┐ ┌────────────────┐
        │ Levels of      │ │ Levels of      │ │ Levels of      │
        │ performance    │ │ performance    │ │ performance    │
        ├────────────────┤ ├────────────────┤ ├────────────────┤
        │    4 3 2 1     │ │    4 3 2 1     │ │    4 3 2 1     │
        └────────────────┘ └────────────────┘ └────────────────┘
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            ▼ ▼ ▼ ▼           ▼ ▼ ▼ ▼           ▼ ▼ ▼ ▼
        ┌─────────────────────────────────────────────────────┐
        │        Illustrations for levels (at least 4 & 2)    │
        └─────────────────────────────────────────────────────┘
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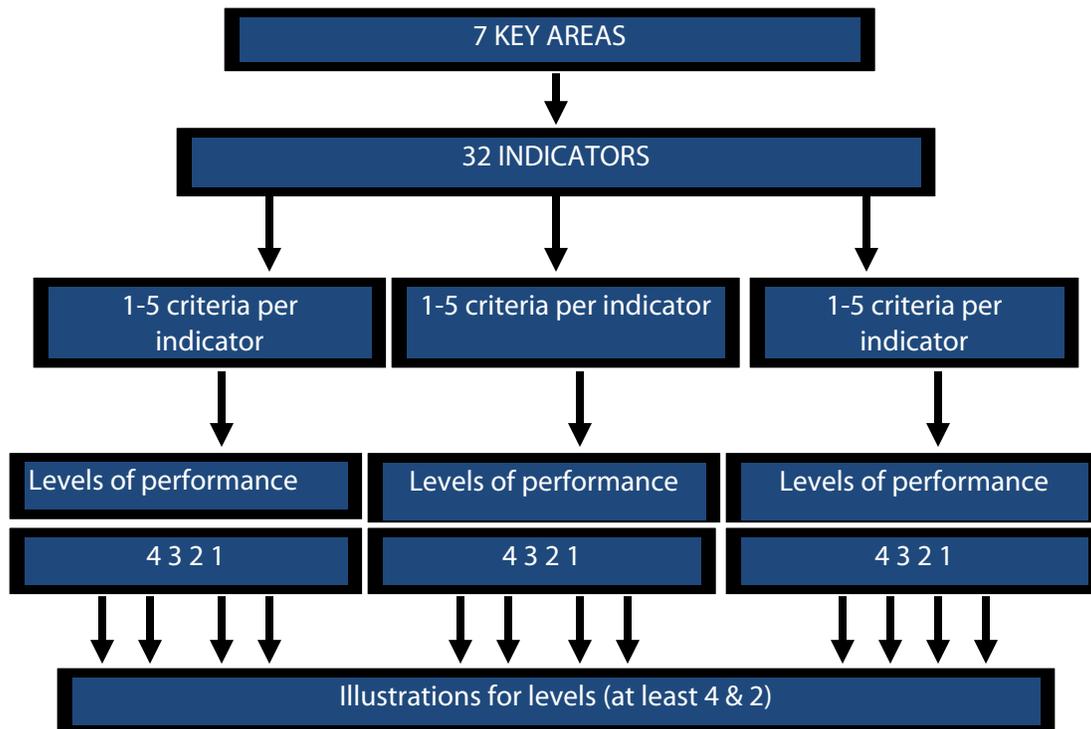
The structure is, however, constructed in such a way that it is not enough to write 4, 3, 2 or 1.

Areas of assessment and stage of implementation

Concerning the key areas of assessment, the schools should asses the following areas: curriculum, attainment of the students, the process of learning and teaching, support for pupils, resources, management of the school, and quality assurance.

The school internal audit process has several stages of implementation. This type of methodology is now approved and became mandatory as of 1 September 2004. In this methodology, the first stage of preparation and planning of the audit is crucial. The second stage, named broad audit, is also very important. This stage implies that all teachers assess all the areas of school activities, the indices, the indicators, and the sub-indicators on a scale from 1 to 4 (described earlier in this paper). Questions concerning the objectives of the assessment are not asked at this stage, as this is when the teachers have the opportunity to express their opinions, and to thus help identify the strengths and weaknesses of the school.

The third stage consists of an in-depth analysis by the teachers of an area of activity. All seven areas should be audited at least once during a period of three years, which

means that not all areas should be audited at the same time. At this stage the teachers should write illustrations and expected evidences; select data sources and methods of data collection; create instruments and collect data; analyse the data and summarize the findings. This should lead to a plan of school improvement. Society and the authorities should be informed about the situation, and an in-depth report should be presented to the community.

The last stage is the planning of school improvement. These improvements and priorities should be based on the collected data. The school staff evaluation – a term that is perhaps more familiar in Lithuania than 'audit' – is based on common decision-making, together with information collected during auditing. In order to make good and well-thought decisions, it is important to implement an internal audit. Schools that undertake continued staff evaluation have a better understanding of the needs and opportunities, and therefore their development rate is higher than schools that carry out less or no evaluation. In other words, internal audit of schools is a form of teachers' professional development in their own school.

Accountability is indeed very important because the school has to report before the school community and society at large. However, is school self-evaluation really useful, and where does the road of self-evaluation lead? It is possible to think of this process as a move from a 'culture of events' with administration and control, and where certain decisions should be taken, towards 'culture of processes', with management and activity evaluations. Administration and controlling are two cultural processes that are based on evaluations of management and activities carried out. The internal audit of schools should serve to improve the quality of schools. In this *cycle for obtaining quality*, the situation analysis identifies strengths and weaknesses, which leads to the planning stage, where goals and measures are identified. After the planning period, certain activities are implemented to achieve the goals. This implementation stage is followed by an evaluation of the activities and of their success (see *Figure 11.8* below).

Figure 11.8 Quality management cycle
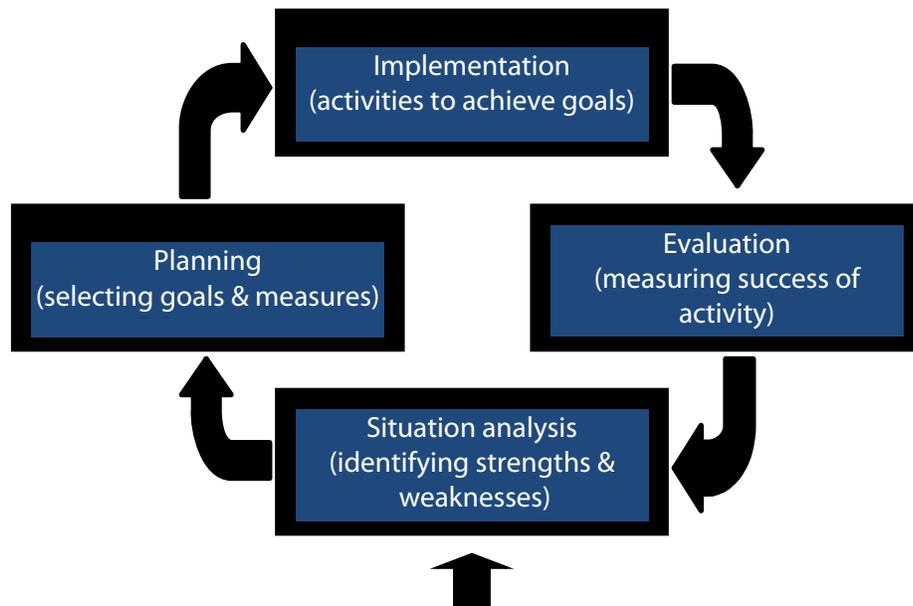
This is a continuous process, like an endless cycle. However, the most relevant point is that this *cycle for obtaining quality* should be in place at all levels, i.e. the state level, the level of municipalities and in schools – where it should be implemented at class level. After all, it is important to keep in mind that it is in the classroom that the school's level of quality is determined.

Internal auditing does require additional effort at school. However, there is a need to review the management issues. It is the Teachers' Professional Development Programme, financed jointly by the World Bank and the Lithuanian Government, that hires and pays the consultants. Teacher training is also financed through this programme. Additional consultation, which goes beyond the scope of this programme, should be co-financed by the municipality. Another financial resource possibility is to cover certain expenses with the student's basket, of which a certain amount is earmarked for teachers' professional development. If schools consider internal audit to be important, they could use the professional development element in this student's basket to finance it. Otherwise, they may be directed to another area of professional development.

Regarding reporting and informing, there are no explicit problems between the internal audit and the Ministry of Education. In order to have some national accounts, the data connected to the internal audit should be communicated to the Ministry of Education, as well as to regional authorities that might need them for projecting the future development of their regions.

External audit in schools

In the context of external audits in schools, it is important to ask what inspection does for the school and if it is beneficial. It is crucial to advise the school rather than merely controlling it. The Working Group of the Education Development Centre has therefore discussed two formulas for implementing an external audit. The first formula is '*10 minus 5*', which means that when a school is being audited, the auditors should indicate the strengths of the school and, in the same way, indicate five areas that need improvement. The formula '*3 minus 2*' is applied to the assessment of the teachers' work: during observation of a lesson, the assessor identifies three of the teacher's strengths, and two things that the teacher should improve.

There are about 1.5 thousand different types of schools in Lithuania, and around 100 inspectors who work at different levels: the municipality level, the county level, and the national Ministry level. Taking into consideration the number of inspectors and the large number of schools, it is obvious that the quality of the inspections is quite limited.

Another important aspect is that the fire department, financial control institutions, the labour sector, hygiene and sanitary offices, all conduct surveillance and monitoring. However, nobody is concerned with the *quality* of education. This is partially why schools have not yet achieved a desirable quality level.

To conclude, although it is too early to say if the system is going to work at this stage of the implementation process, it is important to underline that much has been done in the field of internal audit in schools in Lithuania. The juridical basis is already in place, and teachers – as well as the education system in general – is starting to see the positive effects of internal audit systems.

Then next step should be to train consultants who, once trained, visit every school in Lithuania. These consultants could, together with teachers, conduct a seminar on internal auditing, during which they would determine the internal audit procedures and skills necessary to carry out internal audit. High effectiveness can only be achieved when all the learning community is taught. As mentioned earlier in this paper, internal audit of schools is a form of professional development of teachers in their own school, and it is only in this way that it is possible to improve the quality level in schools.

12. Education financing reform in Lithuania

Based on the paper and presentation by Mr. Arūnas Pliksnys, Director of General Education, Department of the Ministry of Education and Science

This paper discusses education financing and management issues in Lithuania and is, following a general introduction on the background of the new financial reform, structured in three parts. First, the financing reform in the education system in Lithuania, which most of the paper will be devoted to; then, the Yellow Bus Programme; and finally, the School Computerization Programme.

Historical background of teachers' salaries

Before independence in 1990, the basic salary for teachers was based on an 18-hour week. Additional remuneration was given according to 93 qualification categories. In 1996, a certain coefficient was established for the basic wage of the age-qualification category for junior and senior teachers, teacher experts, and teacher methodologists. Two years later, additional hours for preparation, supervising classes and so on were allowed. In the year 2000, certain changes in the municipal budget were introduced, notably, the money allocated for education was now dependant on the number of students. Before, allocation of money was based on the number of students in certain classes, with the result that some grades in the school system could receive a lot while other levels did not. The money did not follow the student, so if a student was transferred to a new school, the new school did not received any additional amount.

The founder had the right to reallocate funds among schools and had the possibility to reduce the money given to one school and increase that given to another. It was inevitable that no-one would be satisfied with this badly-shaped system. Another bigger problem was related to the use of savings. Savings can appear natural when maintaining a network of schools; however, when the network of schools is reduced, schools often increase in size, but where this happened, the money was not reallocated. As a result of this system, the planning for the year's budget was rather chaotic and very often dependant on current finance. The fact that schools would find out how much money they were going to get only after the municipal council approved the budget also complicate the planning procedure. The new financial system makes it is easier for schools to anticipate increased costs. If, for example, a school knows that its costs will increase next year, it is now possible that the budget will increase for next year.

New financial reform

The preparations for the new financing reforms started in 2001, and the beginning of the financing reform started on 1 January 2002 as part of the Financial Year in Lithuania. The new reform was an attempt to resolve several problems in the education system in Lithuania. For example in the year 2001, 50 per cent of the country's teachers went on strike in various municipalities because of late payment. The problems were also related to the resources allocated to the school environment. Schools with very large debts would allocate less money to the maintenance of school buildings in order to save money. Another problem was that there was not enough money for pupils with special needs. Only 10 per cent of additional money went to this group of students, even though some schools had more students with special needs than others. This was also the case for national minorities, the number of which varied from one municipality to another. Hence, it was necessary to change the coefficients and the methodology of calculating the resources allocated per student.

The concept of the student's basket

An answer to this was the introduction of the *student's basket* in 2002, which is defined as *the annual amount of resources to be spent on teaching one student*. It comprises teacher salaries, teaching materials and textbooks, management of schools, and pedagogical and social help for students. The student's basket does not include school environment, i.e. funds to be spent for technical staff salaries, heating, water supplies, etc. The school should report to their respective municipality, because the fund for the student's basket is first allocated to the municipal budget and then to the school. The municipality is accountable and should report to the Ministry of Finance.

The main objective of this new financial reform is to obtain a more efficient use of funds to improve the quality of education services. Another objective is to optimize the network of schools by creating a network of non-governmental schools and expand it to all the municipalities. Other important goals are to reduce absenteeism and dropouts; to strengthen school financial independence; to increase the responsibility of the school principals, managers and headmasters; and to manage the school budget and expenditures in a more effective way.

The methodology for calculating the student's basket; i.e. defining the annual amount of resources to be spent for one reference student, will apply to all public, municipal and state general education schools. It is calculated as follows:

$$SB = Kb \times q \times 12 = 1555 \text{ LTM}$$

SB – student's basket

Kb – base coefficient for calculation of the SB. Kb = 1,234

q – national base monthly salary (q=105 LTL)

12 – number of months

In the above formula, the KB determines the base co-efficient, which is expressed in the basic wage, for example, and at present it is a coefficient of 1.234.

The concept of 'reference student'

The term '*reference student*' refers to a student in grade 5 to 8, attending an urban school, when the average number of students per parallel class set is 25. The number 25 is chosen because it was the average class in 2001 in urban areas. Before the students' basket was introduced, the amount allocated per reference student was 120 Litas less.

The methodology for calculating reference students needs to take into consideration the annual amount of resources to be spent for one student depending on the school type; education level (primary, basic or secondary schools); students with special needs; national minority schools; and other indicators. The methodology is based on the same principles as those of the student's basket, but has a different coefficient for different average class size. How the reference student is calculated is explained in more detail below.

Coefficients for reference students are calculated according to the formula: $K_n = K/K_b$:

K22 (1-4) = 0,8208 (1278 LTL)

K20 (1-4) = 0,9005 (1400 LTL)

K10 (1-4) = 1,5989 (2486 LTL)

K25 (5-8) = 1 (1555 LTL)

K10 (5-8) = 1,9081 (2967 LTL)

This methodology is also based on a certain average number of students' type of study and class. This average number is based on the number of students per class from grades 1 to 4. It is important to account for the difference in urban and rural areas, as well as students with special needs. In other words, the coefficient K22, which is the student coefficient for grades 1 to 4 in urban areas, where the average number of students per class is 22, is 0.8208. This number means that if a school has 100 students in grades 1 to 4, each one will receive the same amount, regardless of which grade they are in. However, the amount varies for the coefficients of rural students in grades 1 to 4 and grades 5A to 4F. This is due to the fact that students of minority nationality, for example whose mother tongue is Polish, would receive 10 per cent more money.

Table 12.1 Implementation of the student's basket

	2002	2003	2004
Salaries	1,064 LTL	-	-
Management	440 LTL	-	-
Textbooks	10.5 LTL	21 LTL	31.5 LTL
Teaching materials	2.1 LTL	4.2 LTL	6.3 LTL
Teachers' in-service training	4.5 LTL	9 LTL	13.5 LTL
Total student basket per year	**1,521 LTL**	**1,538 LTL**	**1,555 LTL**

In the year 2002, according to the methodology provided by the government, the student's basket was calculated and the state had to find about 90 million Litas. However, the state could only allocate 64 million Litas from the national budget. In order to find the remaining 26 million Litas, it was decided that some parts of the student's basket, such as textbooks and teachers' in-service training, would be financed from the national budget.

Implementation problems

The new financial system raised some problems, such as the following:

- reallocation of the student's basket between schools;

- use of savings in the student's basket for other education needs;

- school environment money;

- additional funding for some schools and special needs; and

- political pressures to change the methodology.

Prior to the reform, the money allocated per pupil to the different municipalities varied a great deal. For example, a primary school pupil in one municipality used to get Lt 8,000, while a student in another municipality would receive double. Hence, after the reform, schools had to get used to a certain level of allocated resources based on the new system. Before, practically all the funding was designated to teachers' salaries and no money was allocated to modernizing the educational process. So, while teachers were receiving higher salaries, the money that should have been going towards the modernization of the educational process was not to be found.

Financing of the education system

If the school saves some money from a student's basket, the school may, as mentioned earlier in this paper, use this money only with the consent of the founder, who decides how this excess is too be used. The founders are, in 95 per cent of general education schools, the municipality; in 5 per cent of schools it is the state; and in 68 private schools the founders are private persons.

The financing of the education system in Lithuania is based on at least five principles:

1. The school budget consists of students' baskets, school environment moneys, project funds and donations from sponsors. Every year the Parliament will specify the amount provided for the education of one reference student. This is indicated in the *Law on the National Budget*. The amount of all the students' baskets that a school receives depends on the number of reference students in the school. As for the number of reference students, it depends upon the number of actual students and supplementary coefficients, such as where the school is situated, type of school and student achievement.

2. Student's basket funds will be used to implement the 'Teacher Plan', i.e. how many teaching hours are allocated to each subject. These basket funds will also be used for teacher training, teaching materials, and school management, including pedagogical, social and psychological counseling services.

3. The number of reference students and the size of the student's basket will be calculated every year using government-approved methodology, according to resolution number 1947. When the student's baskets are calculated in each municipality, the funds allocated from the national budget will be transferred to the municipality's budget. Student's baskets for non-governmental schools, a total of 68 schools for the whole country, are allocated via the municipality budget where the school is located. Hence, the schools of general education, no matter whether they are public or private schools, receive the same amount for their student's baskets. Before the reform, their financing used to depend on the good will of the municipalities. If the municipal authorities were well disposed towards such schools, they received a larger amount; if not, they would receive less.

4. The new reform foresees that the founder of the school, that means their local authorities – the state or private founder – may allocate additional resources to their school. In addition, when a student is transferred from one school to another, which usually represents only 1 per cent of students, the money follows the student. As for the school environment, the founder will allocate the resources needed to building maintenance, utilities, technical staff salaries, and other everyday expenditures. Before the student's basket was introduced, all planning was taken only at the level of the municipality. According to the

New Law on Education, which became effective as of June 2003, schools are required to develop one year of activities and perspective guidelines two years in advance.

5. The state can finance certain programmes and projects, such as centrally initiated education ones. However, every school will decide for itself how to use the school environment resources. In addition, savings from student's baskets can be used by the school with the agreement of the founder. The founder can also decide to use student's basket savings for other educational needs.

Three introduction phases are foreseen to implement the new financial changes in the education system. In 2002, one third of the projected resources needed for textbooks, in-service teacher training, and teaching materials was provided in student's basket, and a reallocation of 15 per cent of the resources between schools was allowed by the founders. The following year, two thirds of the projected resources needed for the expenditures mentioned above was provided by the student's basket, and a reallocation of 10 per cent of the resources between schools was permitted by the founders. In 2004, the student's basket covered the total cost expenditures for these areas, and only 10 per cent of resources was reallocated between schools by the founders.

In the budget for 2004, the student's basket increased and the three school groups were auto-financed through the principle of the student's basket. The three school groups refer to those children who are taught to prepare them for school. Until the reform, such school groups were formed voluntarily and it was up to each municipality to decide whether to establish such preparatory groups or not. According to the new reform, these groups were made mandatory as of 2004.

The next step of reforming the teachers' salary system will be a difficult one, as even their financial principles must change. Money is allocated to students, but the remuneration system has remained unchanged. In other words, teachers are paid according to the number of hours that they teach. Ten per cent of the total budget given to the municipal budget comes from the National Public Budget. The Ministry of Finance transfers one twelfth of the total amount to the municipal budget, and the municipalities in turn transfer the money to the bank accounts of the schools. The ideal situation would be that the money go straight to the bank account of each school, but a reallocation is limited to 10 per cent.

To sum up, the expected outcomes of the new financial reform in education is more efficient use of education funds, that competition between schools will result in better quality, a decrease in the number of out-of-school children, better planning opportunities for schools, better conditions for creating non-governmental school networks, and that school networks will be better adapted to the needs of students and parents.

Yellow Bus Programme

The government has, in addition to the new financial education reform, taken the initiative to increase the efficiency of the use of resources. The Yellow Bus Programme was initiated by the government in 2001 and is still on-going. One of the main goals is to reduce students' travel time to school. It was therefore decided to start school transport in an organized way. According to the regulations, all students living at long distances from school are eligible for free transportation and should be transported to school. On average, the distance to a basic school should be no more than 45 minutes, and to a secondary school no more than 1.5 hours by regular transport. Results show that students using the yellow buses have reduced their travel time by half.

This bus system saw improvements in the upper grades of schools, and some schools in rural areas where students needed to cover longer distances to go to school. The yellow buses are also used for out-of-school activities, such as tours organized for students. In the year 2000, 57 buses were bought for 5 million Litas; in 2001, 49 buses were bought and the following year, 32 buses. These buses account for 66.5 per cent of public school transportation and 5.1 per cent of private school transportation. The state buys the yellow buses, which are then transferred to the municipal asset. The municipality aid is responsible for their technical maintenance and drivers' salaries. These costs amount to two times that of traditional student transportation. The municipalities have now started to acquire Yellow Buses themselves because they have learned that it is both a cheaper and a more efficient system compared to using local busses.

Computerization of schools

According to the government's Action File, it should provide schools with the necessary conditions to train students for life in the information society. In 1989, the ratio was one computer for 286 students (see also *Figure 12.1*), and until 1996, the government provided no funding for school computerization. As a result, Lithuanian schools had in that year only 3.894 computers (Numgaudis , 2002).

Figure 12.1 The student-to-computer ratio in Lithuanian secondary schools
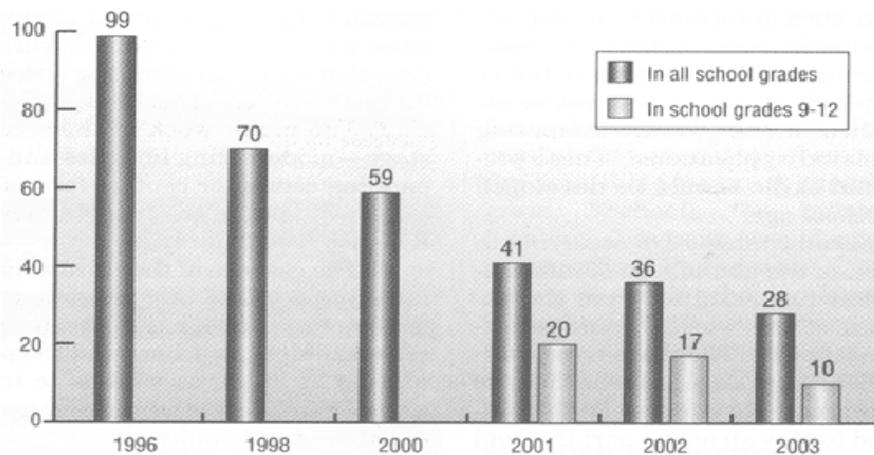
Source: Ministry of Education and Science

However, in the years 1996-1997, the number of computers increased. Funds were allocated to school-computerization and 5,000 computers were bought for schools across Lithuania. Nevertheless, the results remained poor as nobody thought about user training, with the result that computers were instead used as tables for flowerpots.

The next stage was the purchase of computers for the Lithuanian Education System. Unfortunately, at the same time, the results remained poor as the funds allocated were not sufficient to establish the Educational Information System in 1998 and 1999.

To face these failures, a new strategy was applied by which 13,000 new computers and about 25 software would be purchased for schools between 2001 to 2003. By 2003, 59 per cent of schools were to have Internet connection and around 12,000 teachers trained in computer literacy skills, including teachers teaching different subjects, not only information technology. The goal was to have one computer per 10 students from grades 1 to 12.

Teaching teachers is crucial, as today almost every teacher is using information technologies in their work. In 2001 and 2003, the financial resources were not only found to be sufficient, but even increased each year. However, it is worth mentioning that over 24 per cent of the necessary investments were allocated from other financial sources on the initiative of the President of Lithuania, and from large company owners operating in Lithuania such as TELECOM, OMNITEL and IBM. Their allocations allowed putting in place for the years 2003 and 2004 integrated information and communication technologies in the general curriculum.

It is the first time that the education system in Lithuania has resources allocated to software for teaching the Lithuanian language, social sciences, geography, and history, as well as different software for natural sciences. A web page has also been

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developed, where information is available on all school enrolment conditions, teaching programmes and educational information. Lithuania has also carried out a large teacher-training programme, where the teaching was based on an increasing the level of computer literacy among teachers.

Further improvement was needed in the long-term to ensure Internet access to all teachers and students in 2003 and 2004 and also to supply every teacher with new technology to be applied in teaching. It was thus foreseen to computerize all school libraries in 2003-2004 and in 2012. In 2005, the goal was to guarantee one computer for each student in order to be on a par with the European Union.

It is important to keep in mind that Lithuania no longer requires *new* schools due to the drop in the birth rate. As a consequence, the number of students falls by 6,000 each year, and an average family in Lithuania at the time of the study had 1.4 children. Rather than suffering from a shortage of schools – which is the case in many countries – Lithuania has too many. The problem lies in refurbishment of schools. Some programmes are already in place, such as an individual programme under which 134 million Litas, including the World Bank's resources, will be allocated to upgrading school premises. Focus should be put on upgrading school libraries and teacher training centers.

To conclude this paper, the new financial reform of the education system has led to more transparency, and therefore helps fight corruption in the education system. Any school principal or head may calculate the amount of resources to be directed to the school. It is a very transparent system in terms of the financial amount to be received by the school. In addition, it is very easily controlled because as it is easy to check all components. As there are components for different categories, for example, one for the acquisition of textbooks and one for salaries, the system is transparent and costs are comparable across municipalities.

It is, as mentioned in this paper, not only a question of having enough resources, but also how these resources are used and by whom. The Yellow Bus Programme and the computerization of schools are two good examples of how to use the resources in a more efficient way in order to improve the education system in Lithuania.

13. School Improvement Programme (SIP): Transparency and adequate control of national budget and international funds

Based on the paper and presentation by Ms. Rasa Šnipienė, Director of the SIP

This paper explains the objectives, the implementation strategy, and the expected outcomes of the school improvement programme, as well as the internal audit methodology used in Lithuania.

The legal framework for the education reform was established during between 1993 and 2003. Several measures were adopted, such as a new content of the secondary school curriculum, the re-organization of the state examination system, introduction of school audits, modernization of school libraries, and a strategy for the computerization of education. However, many of the important steps necessary to ensure the quality of education remain to be taken due to lack of financial investments and human resources. Insufficient attention has been devoted to strengthening basic schools where teachers have not been given sufficient opportunities to strengthen their professional competences. In addition, classroom equipment is outdated and the provision of modern teaching aids is poor.

Lithuania has been engaged in a decade of education reform as laid out in The Concept of Education in 1992. The Ministry of Education and Science (MES), together with representatives of the President's Office and the government, has prepared a new strategy for the year 2004 onwards. The MES has reformed the Education Law and policy and prepared in this context the Guidelines of Education of Lithuania in 2002–2012. Within this framework, the MES has prepared the Education Improvement Project 2002–2005 to help improve quality of education in Lithuanian basic schools. The Government of the Republic of Lithuania, municipal funds and a World Bank loan funds the implementation of this project. The documents reflect the past reforms and set new strategic trends in the development of education in the light of national goals such as democratization of the society, strengthening of the market economy and membership in the European Union.

Goals, objectives and priorities of the Education Improvement Project

The Education Improvement Project aims to improve the educational achievements of students attending grades 5 to 10 in basic schools. Its strategic objectives are: (i) to enhance the quality of teaching and learning in basic schools; and (ii) to optimize the utilization of education funds and resources.

The Education Improvement Project is an integrated programme focused on the following priorities:

- to improve access to general education that meets individual and national development needs;

- to improve continually and guarantee the quality of education;

- to increase the efficiency and effectiveness of the education system; and

- to enhance involvement and participation of the school community and the wider society in the process of school improvement.

The Education Improvement Project consists of four integrated components:

1. *Improvement of teaching and learning conditions in basic schools:* The purpose of this component is to develop teachers' professional competence and improve teaching/learning conditions by encouraging active learning of pupils and co-operation between teachers in and between schools. These goals should be reached by implementing a long-term and integrated training programme for teachers, school heads, and school teams, involving education sector officers of the municipality. In addition, the creation of a virtual learning environment in schools; the provision of schools with new teaching aids; the preparation and publication of learning materials, periodical publications and video programmes; and co-ordination, support and management of the school improvement processes should also improve the quality of education.

2. *Creation of an education quality management system:* The main objective of this component is to create a system of education quality management, which is understood as the timely use of relevant information about the consequences of prior decisions, in order to improve the ability to raise system efficiency and student achievement.

3. *Reduction of energy costs and improvement of learning conditions:* To renew school buildings in order to reduce energy expenses and improve learning conditions for students. A long-term objective of this component is to rationalize the application of the funds allocated to education by saving on heating expenses and using savings to improve the quality of education.

4. *Optimization of the school network:* To strengthen the economic capacity and skills of local governments by rationalizing the school network and in that way ensure accessibility to high quality pre-school and general education to children and adults. Rational management of the school network will help save budgetary funds allocated to education and guarantee the diversity of educational services taking into account social, economic, cultural, and demographic changes. It will help reduce the number of vacant classrooms, especially in rural areas, as well as modernize the system of student transportation.

Expected outcomes of the Education Improvement Project

The Education Improvement Project aims at improving the educational achievements of students in basic schools. There are plans within the project to carry out the assessment of achievements among students of grades 4, 6, 8, and 10 every second year in order to identify the percentage of students that meet the standard requirements in Lithuanian language as their mother tongue, in mathematics, and in natural and social sciences. Throughout the project implementation period, the number of students that meet the standard requirements in Lithuania at a national level will annually increase by approximately 2-3 per cent. At the end of the project, the number of students will probably raise to 8-10 per cent.

The project is also aimed at decreasing the number of dropouts and increasing the number of students who will graduate from basic school. It is expected that at the end of the project, the coefficient of basic school graduates will reach 0,9 (compared to 0,77 in the year 2000).

More specifically, the expected results of the project were as follows:

For the first component, on the improvement of teaching and learning conditions in basic schools:

- Quality of education improved in 70 per cent of basic schools;

- 6,000 teachers taught to use new methods of teaching/learning and student assessment;

- IT and new teaching aids;

- 400 basic schools provided with modern teaching aids and virtual environment software;

- 250 consultants prepared to spread innovations;

- 400 principals are taught to plan and improve their schools.

For the second component, on the creation of a system of education quality management:

- EMIS and a trained PA group in place, and education managers of all levels use EMIS and policy analys reports for making decisions to improve the quality of education;

- National system to assess students' performance in place, reliable information used for improvement of education quality;

- Internal and external audit methodologies and procedures in place, schools and municipalities capable to monitor and improve the quality of education.

For the third component, on the reduction of energy costs and the improvement of learning conditions:

- 62 basic schools renovated;

- Heat energy and electric power saved (about 30-40 per cent);

- Learning conditions for students improved (t-18° C);

- LTL5 million saved;

- Buildings' service life prolonged by 23 years on average.

For the fourth component, on the optimization of the school network:

- Municipalities trained to draft plans for optimization of school networks, minimizing social tensions;

- 100 yellow buses bought;

- Documents prepared for reinvestment of the saved money back into the quality of education.

Implementation of the Education Improvement Project

The Education Improvement Project is implemented by the MES and institutions such as the Education Development Center, the Education Supply Center, the Information Technology Center, the Center for Professional Development of Teachers, as well as education divisions of county and municipal administration and non-governmental education organizations.

The overall management of the project is the responsibility of the *Project Manager*, who is Director of the Department of General Education, and who also has the following responsibilities: (i) to ensure the integration of project actions with MES policies and regular activities; (ii) to appoint MES staff to the working groups, with a clear definition of roles and responsibilities; and (iii) to monitor the performance of this staff. The Project Manager has direct authority over all staff involved in project activities.

The *Project Oversight Committee* (POC) is appointed by the Minister, with the Undersecretary as its Chairperson and the PCU Director as an ex-officio member and Secretary. The POC is composed of one each of the following groups: the *Seimas*, the Ministry of Finance, municipal authorities, the Association of Basic School Principals, the University of Teacher Training, the Teacher Labor Union, and the education media. The POC meets twice a year and is responsible for reviewing the performance of the
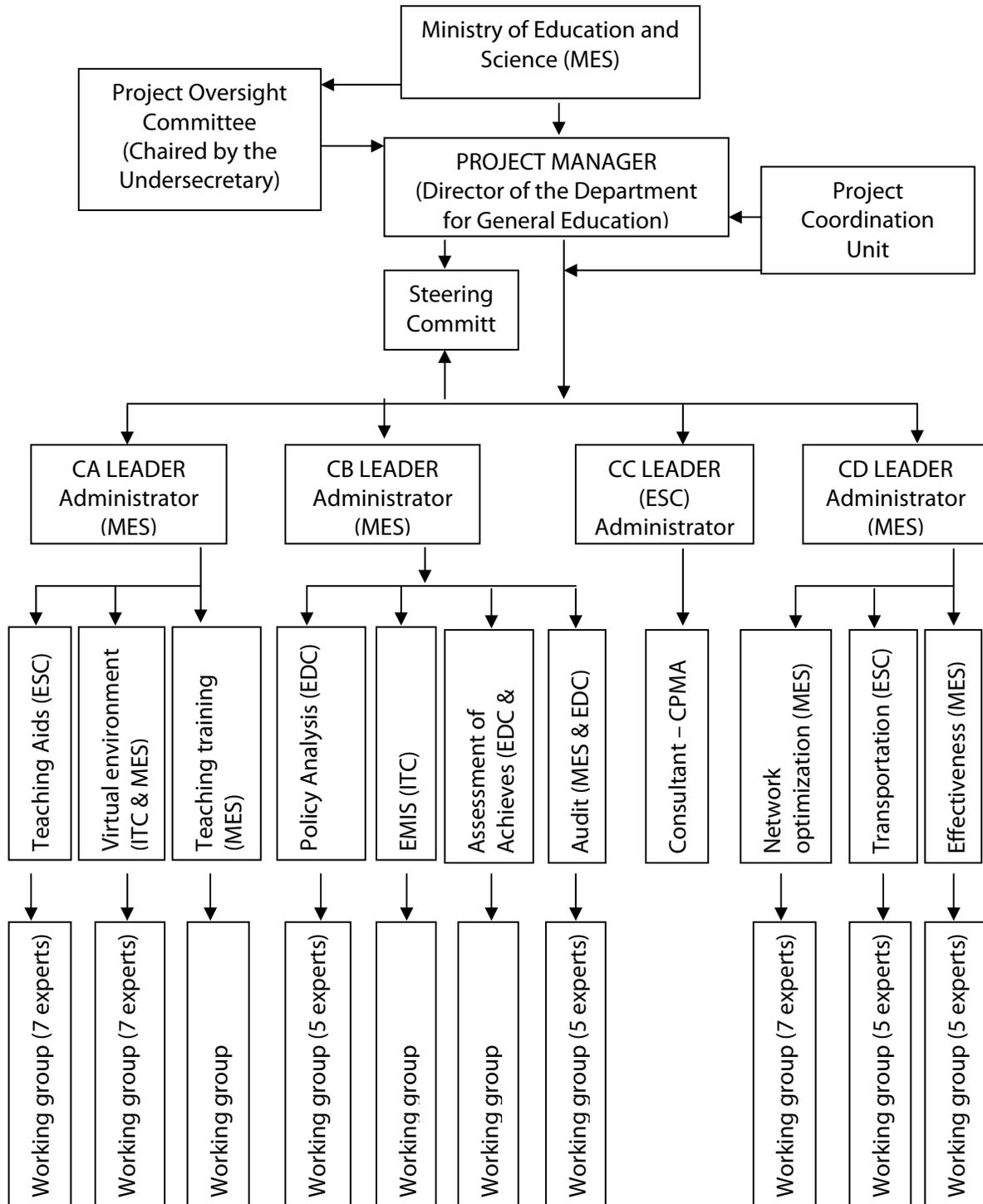
project teams; facilitating the resolution of problems that the project teams may encounter; and reporting the concerns of their constituents and the public at large about the project implementation.

The Project Manager established a *Project Steering Committee* that is composed of the Project Manager, PCU members, leaders of four components, and the Head of the Public Relation Sector of MES. It guides project implementation and regularly monitors its progress. It is also responsible for the Project Communications Strategy and its implementation. The Steering Committee meets once a week for coordination purposes and twice a year with the participation of the Undersecretary and the State Secretary of the Ministry. The Committee meets with the Undersecretary and State Secretary to approve progress reports presented by PCU and component managers to revise and approve changes in components' activity plans, to design and monitor the public information plan of the project, and to steer project implementation activities.

The direct responsibility for the implementation of project activities under each and every component is clearly assigned to the different MES line units. The components have their leaders and administrators appointed. *The leader* of the Component leads the overall implementation of the component; evaluates the achieved progress and implementation of the goal of the component; cooperate with MES departments, education departments of the founders, and other stakeholders; informs the public about the progress of the component.

The administrators of the component coordinate and monitor the implementation of the activities under the component; assess the progress made during the implementation of the project and the implementation of objectives; coordinate the development of annual implementation plans and budgets; cooperate with MES departments, education departments of the founders, and other interest groups; ensure the provision of information concerning the progress of the project to the public; prepare reports to the PCU about the overall implementation of the component (see *Figure 13.1*).

Figure 13.1 SIP implementation management structure

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                          ┌──────────────────────────┐
                          │ Ministry of Education and │
                          │      Science (MES)        │
                          └──────────────────────────┘
┌──────────────────┐                    │
│ Project Oversight│◄───────────────────┘
│    Committee     │      ┌─────────────────────────┐      ┌──────────────┐
│ (Chaired by the  │─────►│     PROJECT MANAGER     │◄─────│   Project    │
│  Undersecretary) │      │ (Director of the Department │    │ Coordination │
└──────────────────┘      │  for General Education) │      │     Unit     │
                          └─────────────────────────┘      └──────────────┘
                               │              │
                          ┌─────────┐         │
                          │ Steering│         │
                          │ Committ │         │
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CA LEADER Administrator (MES)	CB LEADER Administrator (MES)	CC LEADER (ESC) Administrator	CD LEADER Administrator (MES)
Teaching Aids (ESC)	Policy Analysis (EDC)	Consultant – CPMA	Network optimization (MES)
Virtual environment (ITC & MES)	EMIS (ITC)		Transportation (ESC)
Teaching training (MES)	Assessment of Achieves (EDC &		Effectiveness (MES)
	Audit (MES & EDC)		

Working group (7 experts)	Working group (5 experts)	Working group (7 experts)
Working group (7 experts)	Working group	Working group (5 experts)
Working group	Working group	Working group (5 experts)
	Working group (5 experts)	

ESC – Education Supply Center EDC – Education Development Center
ITC – Information Technology Center NEC – National Examination Center

Every component has sub-components, and coordinators are also appointed to each sub-components are also appointed. The subcomponent coordinators are officers in the MES or education institutions affiliated with the MES, such as the Information Technology Center, the Education Development Center, and the Education Supply Center.

The working groups are responsible for performing sub-component activities. In relation to consultant's contracts they have to ensure that the work assigned to the different consulting firms and individuals participating in the project yield the expected outcomes. For each activity a contract is established. Each contract is signed only upon receipt of tender and after all forms have been filled in and passed through the appropriate committee to make sure that the decision taken is kosher. At present, there are three Lithuanian companies, eight foreign companies financed by the World Bank loan, and 43 local consultants financed by the government budget. The members of the working groups of each sub-component report directly and are accountable to the coordinator of the sub-component.

The coordinators of the sub-components, in turn, report and are accountable to the administrators for the respective component, who has the responsibility to coordinate among the coordinators of the sub-components in each component. Every component administrator reports and is accountable to the leader of the component. They, in turn, are accountable to the project manager. Such coordination has the main purpose of ensuring that the working groups accomplish their duties effectively, on time, and according to project implementation targets.

The coordination mechanisms are as follows:

(i) *PCU - Components*. The Project Coordination Unit (PCU) is responsible for the overall project coordination, including compilation of the annual activities' plans, the preparation of the annual project budgets, submission of required monitoring reports, and procurement and contract administration. Once a week, the PCU meets the project Director and the leaders of the components. The PCU Administrator is the secretary of the Implementation Boards of each component. The PCU holds regular meetings with the component administrators. The purpose of the meetings is to exchange information, experience and concerns, and to facilitate the work of the working groups.

(ii) *Among components*. Project activity plans (submitted to the PCU once a year) and performance reports (submitted to the PCU four times a year) are shared by all components. Through them, the working group members are informed about the activities of other components and are able to contribute to each other's success in solving project challenges. One or two members of certain working groups are members of working groups of other sub-components.

(iii) *Counties and municipalities*. Agreements with mayors of 60 municipalities and head administrators of three counties were signed, and their mutual responsibilities outlined. Relevant reports and documentation are shared with the participating parties.

(iv) *Schools*. Coordination with school population is accomplished by the PCU and the working groups through school principals.

Internal audit methodology

An internal audit methodology has been prepared, but it is still in an early stage. Its aim is to allow the community to take a critical look at itself and to see how it can be improved. It comprises three basic questions: How do you feel about the situation? What is the reason for this? What are you going to do about it in the next few years?

Each time an inspector comes to a school, he/she is supposed to identify ten good practices. Usually, he/she identifies five things that the school is doing well, and five things that need improvement. Then the inspector does the same in another school, and after having analyzed the situation tells both schools that their neighbours are doing certain things well and that they ought to go and discuss and work together with them.

This approach is very different from the old system of supervision that was used during the Soviet period. In the past, a senior teacher was sent to the schools to check if the regulations set by the government were followed. But he/she did not care about how teaching was carried out or about improving the situation.

So far, 73 internal audit consultants have already been trained. It is planned that they will train people at community level throughout Lithuania. There are also approximately 15 to 20 principals that have been trained in internal audit, public relations, general management elements, etc.

To conclude, the Ministry of Education and Science has, through its long-term strategy for the period 2002 to 2012, shown strong willingness to improve the quality of the education system in Lithuania. The Education Improvement Project's broadness – dealing with everything from the reduction of energy costs and improvement of learning conditions to optimization of the school network – will hopefully improve the quality of education services. An internal control is necessary in order to detect errors in the system and improve quality. Training of internal audit consultants is the right way to go, but the system needs to be further developed.

14 a. Reform of the Matura examination system

Transparency in the school-leaving system

Based on the presentation by Dr. Algirdas Zabulionis, Head of the Education Policy Centre

This paper discusses the role of assessment in education and in what way it affects corruption and ethics in the education system. The paper will be structured – after a general definition of corruption and a brief introduction to the examination system in Lithuania – in three parts: first, corruption in the assessment system; second, how the assessment system can help reduce the level of corruption in education; and finally, in what way private tutoring can have negative effects on assessment in the education system.

In order to discuss the Lithuanian higher education examination system today it is important to understand how the system was ten years ago. At that time, the country had a very traditional assessment system. The exam papers were prepared by the Ministry of Education, but after a certain time, as people mistrusted the results, this task was taken over by the university itself, with the result that every university ran its own examination tests. For a student it meant that if she/he wanted to apply to three universities, she/he had to take three different exams. These exams had one great advantage; they were very cheap for the Ministry of Education.

The new law on higher education states that if the Ministry of Education is running the examinations, none of the universities are allowed to hold exams in the same subjects. The principle of the new examination system is to build a system that bridges school and university. It is important to respect the values of the secondary school, because these exams will serve as certification of the graduation, and at the same time make sure that the independence of the universities is not neglected. According to statistics, 73 per cent of the students who entered university supported the new changes.

Corruption in the assessment system

The phenomenon of corruption is found at most levels in society and might be understood differently depending on the issue in question. Corruption can be defined generally as '*the systematic use of public office for private benefit, whose impact is significant on […] access, quality or equity in education*' (Hallak and Poisson, 2002: 7). This formal definition of corruption might be used in different areas, including the education sector.

The education system, as every social or economical system, is suffering from corruption, but the ones that are losing and suffering the most from this situation are the students. A student might encounter injustice in different kinds of situations at school, for example in curricula, textbooks, towards teachers, assessment, exams and

tests. As decisions based on assessment results will influence a student's choices later in life, information on student performance itself and the use of information should be objective and fair.

A student might be confronted with corruption in the society in general, or within an authoritative body, an institution, or even a teacher. It is important to understand the impact of corruption in education on students; what does the student learn from a situation at school where some type of corruption is present? Which side in the fight against corruption will he/she support in future life?

Through assessment, the students will usually be compared with and discriminated from others. The assessment in education is not a simple, one-dimensional process. It is possible to distinguish between *formative* and *summative* assessment; i.e. assessment *for* learning and assessment *of* learning. The formative assessment is used by teachers in the process of schooling, i.e. in daily lessons. As for the summative assessment, it can be divided into three main groups according to the objectives of the assessment: *certification, selection*, or *monitoring*. This paper will concentrate on assessment for selection as the really high stake assessment.

Hallak and Poisson (2002) introduced the notions of 'petty' and 'grand' corruption. *Petty corruption* 'refers to both the size of the financial transaction and the size of the obligation that the transaction buys' (Hallak and Poisson, 2002: 14), while *grand corruption* 'can be found everywhere and is generated and maintained at a high level of decision-making in the power structure of different societies' (Hallak and Poisson, 2002: 14). At a first glance it might seem that the formative assessment deals with petty corruption. Indeed, the impact of frequent occurrences of petty corruption on the student might be worse than grand corruption. However, the most painful cases of grand corruption are usually found in summative assessments when the results are used for admission, such as university entrance examinations. A provocative question in this context is the following: If exams were the main source for corruption, would a withdrawal of all types of exams from the education system resolve the problem of corruption in this sector? In other words, would this increase or decrease the overall level of corruption?

Paradoxically, the assessment system is used as a tool to reduce corruption and resolve ethical issues in education systems, and at the same time there are problems of ethics and corruption within the assessment system itself. Hence, education assessment can be divided into two processes: *measurement* and *the use of the results of the measurement*. The assessment is simply a measurement and not in itself painful. The problem, however, lies in how the results of the assessment will be used later. The scope of the problems in assessment, including corruption and ethics, depends to some extent on the stake of the exam. The assessment results are usually used outside the assessing institution and, as a result, it is more difficult to control this process properly.

How can the assessment system help reduce the level of corruption in education?

Taking the above aspects into consideration, in what way is it possible to reduce corruption in the education system? During the processes of designing and implementing an assessment system, some steps should be taken in order to prevent corruption, such as designing strict rules and defining the functions and responsibilities of all actors. In addition, all students should be properly informed about the exams, including their responsibilities and rights. All exceptions should be discussed openly and minimized if possible, and *transparency* of the assessment system should be promoted. There are no perfect examination systems in the world, but when they are professionally designed – starting from the concept of exams, subject-related issues, logistics, IT, PR etc. – it is more likely to avoid corruption in the system. The quality of the assessment system is related to the extent to which the system:

- meets the goals for which it was designed;

- is fair to all students;

- provides results that are reliable and comparable across students;

- reflects and supports curriculum priorities; and

- is administratively convenient and inexpensive.

Transparency of the examination system is essential, but at the same time not a sufficient condition in the fight against corruption. It should be understood and positively used by society and by the educational community in particular. If society took an active position against corruption, this alone might help reduce it.

Corruption and ethics usually come as a pair, as corruption in almost all cases means that somebody has overstepped the rules of professional and human ethics. In the case of exams, a good exam paper does not necessarily mean a good exam and a correct ranking compared to other students' results. There is also a question of administration, logistics and marking. All computerized testing systems were developed and are administrated by individuals. Hence, the risk of system failure is always present. Technical issues are indeed important in order to fight corruption, but must not hide education policy and moral issues. The examination system is not simply a technical system, but has an important impact on the school and society in general.

This paper does not permit to discuss all possible problems, pitfalls, and ideas, but it is important to underline the effects the assessment system might have on different aspects of life – technical-technological, educational, moral, as well as political. It is crucial that results are used according to the main goal of assessment. Unfortunately,

the resources do not permit to carry out many different types of assessment, for example for certification, selection, and monitoring.

Hence, secondary analysis of examination results should be done to get a picture of the whole system. Nevertheless, the interests of students, teachers, as well as schools should be respected. For example, the so-called 'league table' – a list of schools ranked according to examinations results – has many advantages and disadvantages at the same time. Students' performance in exams depend to some extend on the teachers' work, but the students' social status and background, as well as other factors such as private tutors, also have an impact on the exam results.

Private tutoring and its negative effects on assessment and schooling

The assessment system as well as the education system in general is constantly changing as it adapts to new demands and situations. This paper will discuss the issue of private tutoring and how this type of teaching can affect the education system, raise ethical questions and, more precisely, how it can influence exams.

The Centre for Education (2001; 2003) published two surveys on private tutoring for Matura exams. About 3,000 students from four universities in Lithuania were asked about their preparation for the Matura examinations[4]. The surveys are based on the personal experiences of the respondents of the questionnaire (see *Figure 14.1*).

Figure 14.1 Number of first-year university students who sought private tutoring
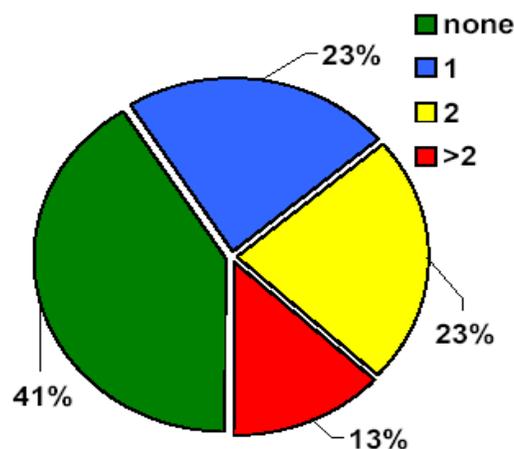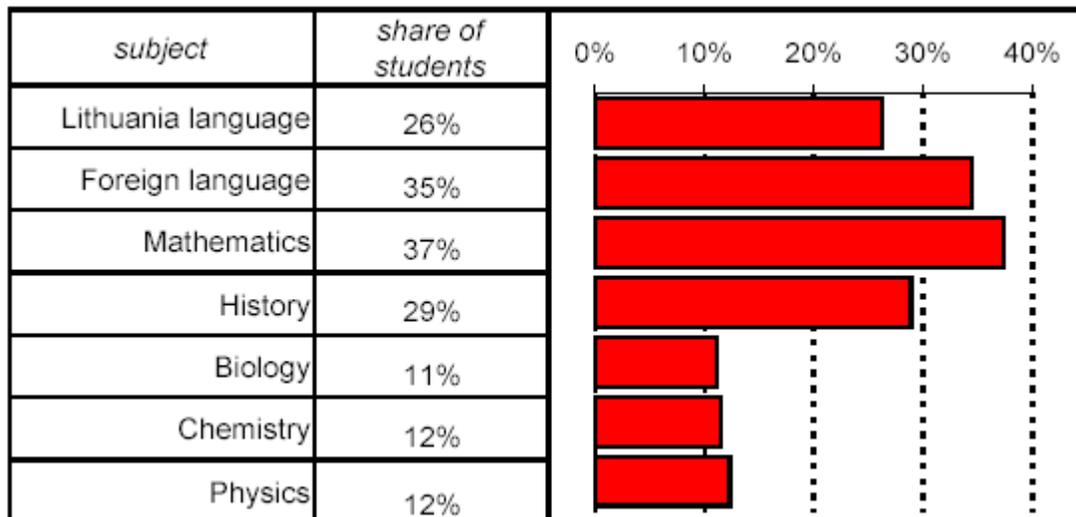

About 60 per cent of the first-year university students sought lessons from private tutors when they were in secondary school. Some of the students attended private

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[4]   In Lithuania there are no common official university entrance exams; admission to higher education institutions is based entirely on Matura exams.

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lessons in several subjects. These results show that private tutoring for examinations is widely used in Lithuania.

Table 14.1 Number of secondary school students who sought private tutoring (by subject)

subject	share of students	0%	10%	20%	30%	40%
Lithuania language	26%					
Foreign language	35%					
Mathematics	37%					
History	29%					
Biology	11%					
Chemistry	12%					
Physics	12%					

In three subjects (mathematics, foreign language and history), about one third of all students in the last year of schooling attended private lessons in preparation for examinations. The differences per subject in *Table 14.1* might be explained by the fact that the most popular subjects for university admission procedures are math, languages and history. The information on students' achievement in science is used only by a few faculties in some specific study programmes. What groups of students take private tutoring can be analyzed from a socio-economical point of view. However, it is not simply a question of money, but also the time the student spends on learning in school and after with the private tutor. This might have a negative impact on the student due to heightened stress and workload. Another aspect is that if two thirds of parents seek a private tutor for their child, this can be interpreted as a mistrust in the public school system.

Practically all problems of ethics in assessment are related to one issue: conflict of interest. Through exams, teachers, schools and the Ministry of Education are, to some extent, asked to evaluate their own work. Private tutoring also raises an ethical problem in education as some tutors teach the same subject to the student in school (see *Figure 14.2*). Does this mean that the teacher intentionally does not teach properly his/her subject during school time, therefore pushes the students to take additional paid lessons. Another issue is that the teachers' salary is so low that the private tutoring is simply a way of surviving. At the same time, parents are not satisfied with the quality of the teaching and seek a better education for their children. All these examples might lead to different problems with educational ethics.

Figure 14.2 Who was the students' private tutors?
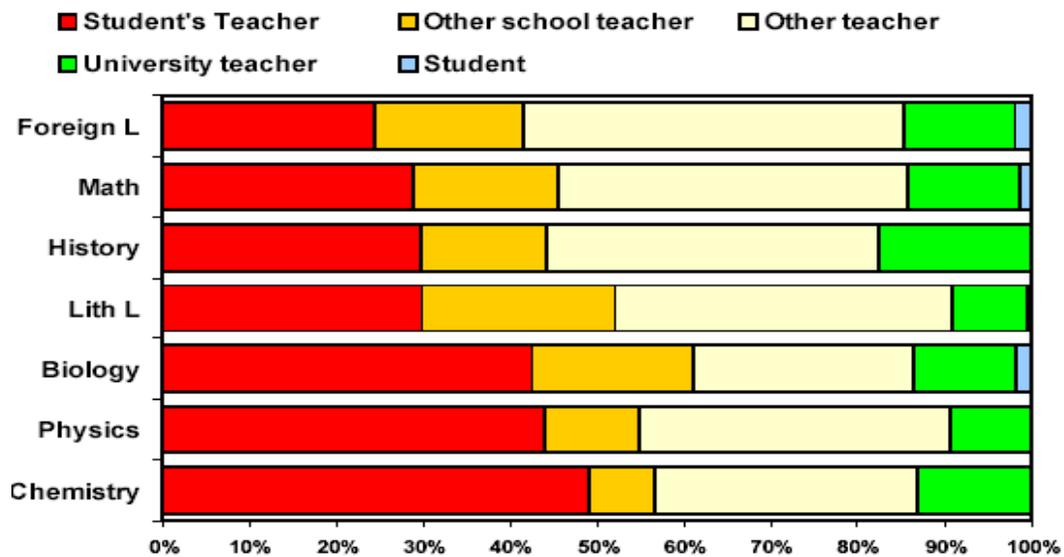
It is difficult to answer whether private tutoring has a positive or negative impact on the assessment in the schooling process as this might change depending on the country, region, or person. As it is easy to take a clear position towards tutors that use information concerning exams that was supposed to be the privileged knowledge of the tutor to improve the results of the students, it might in some cases be difficult to define what type of private tutoring might be called 'fair'?

The attitudes of the Ministry of Education towards private tutoring might be mixed. The Ministry has three options on how to handle the issue: one is to take no notice of it; two, they do notice it but do not react as they consider private tutoring as something that does not concern the school; three, they notice it, try to analyze the situation, and react. The result might either be that they encourage private tutoring or that they forbid it.

The fact that private tutoring might be a sign of low quality education in public schooling makes it more difficult for the Ministry to know how to deal with the situation. At the same time it is possible to talk about an 'educational market', which includes the services offered by the cohort of private tutors. The best advice might be to analyze the scope and development of private tutoring in order to diminish the negative effects on educational processes. The Ministry should keep in mind that fairness, equity, and equal opportunities for all students are the main goals and are everybody's concern. It might be that the system itself cannot survive without private educational services – that the demand of a 'shadow education', such as private tutoring, will always be present.

To end this paper on a positive note, it is important to underline that education assessment provides a means to obtain new information about teaching and learning outcomes. It gives objective advice about how to use this information about the education system, schools, students and teachers. It breaks myths in education and calls for action. Any system should be concerned about the quality of the product, and the education system cannot be an exception. Without proper measurement it is difficult, if not impossible, to define the level of quality. New information, when used properly, leads to transparency in the system and requires for action based on the information. Assessment can thus work as a tool against corruption.

14 b. Reform of the Matura examination system

Transparency in the higher education entrance system

Based on the presentation by Dr. Eugenijus Stumbrys, Director of Quality Assurance Centre in Higher Education

Focus on the Lithuanian Centre for Quality Assessment in Higher Education

The center gives information, consultations, and recommendations on higher education as well as coordinating the process of research/development and pedagogical activity of the state, non-state research, and higher education institutions. Moreover, it organizes expert assessment, accumulates and publishes information about the quality of that activity, and offers suggestions concerning its improvement.

The center allows for the exchange of information within the European National Information Centers for Academic Recognition and Mobility (ENIC/NARIC) network and is a member of the International Network for Quality Assessment Agencies in Higher Education (INQAAHE) and the International Association of Education (NAFSA). It has representatives in the European Association for International Education.

Web page: http://www.skvc.lt/old/wwwskvc/en/about_us.htm

This paper discusses some of the changes that have been implemented in the Lithuanian education system since the law on higher education was passed in 2000, and in particular the *matura* exam and its selection procedure. The paper will be structured in three parts: first, an introduction on legal acts related to the education reform; second, a global overview over the higher education system; and finally, the organization of admission to higher education.

Legal acts in the education reform

One of the aims of an education reform is to seek higher quality in education. The law on higher education was adopted to determine the principles for acquisition of academic and professional qualifications. Article 47 of this law treats admission into higher education institutions. It states that persons who have completed, as a minimum, their secondary education may be admitted to a higher educational institution. One of the changes with the new law is that the rules of admission to higher education institutions will be established by the higher education institutions and not by the Ministry. The latter will continue, however, to coordinate these rules. In addition, a new amendment to the law, passed in 2002, states that the conditions for admission to undergraduate level and integrated studies should be announced at least two years prior to the beginning of enrolment. Moreover, Article 47 states the

right of all applicants to submit an application of enrollment to several higher education institutions. No more than two examinations or tests may be organized by higher education institutions for identification of special abilities.

Higher education system in Lithuania

The higher education system in Lithuania consists of 48 institutions, including 15 state universities, six non-state universities (also so-called non-university higher education), 16 colleges and 11 non-state colleges. The Matura exams are used for admission into all 48 higher education institutions. There are higher education institutions in the five biggest cities of Lithuania (see *Figure 14.3*).

Figure 14.3 Distribution of higher education institutions in Lithuania
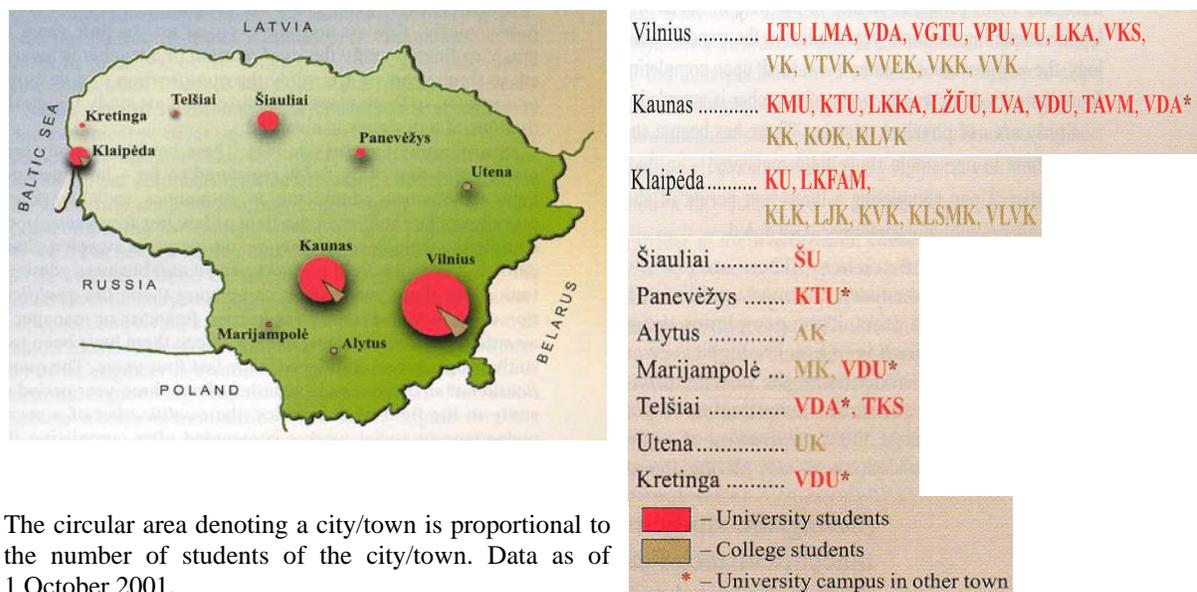
The circular area denoting a city/town is proportional to the number of students of the city/town. Data as of 1 October 2001.

The education system in Lithuania consists of three cycles of studies. The first is university and non-university studies: undergraduate, undergraduate/Bachelor and graduate, integrated studies (see *Figure 14.4* below). The second is university studies: graduate specialized professional studies, graduate Master's studies and graduate integrated studies. The university's third cycle studies includes postgraduate doctoral studies, postgraduate art studies, and postgraduate residential studies.

Figure 14.4 Higher education system in Lithuania
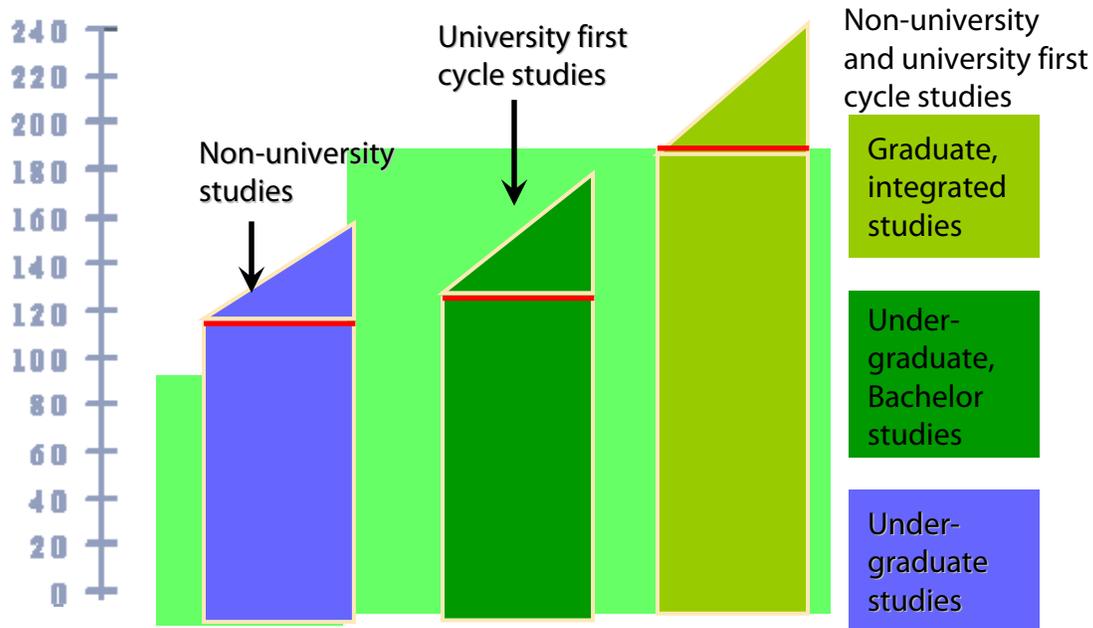
This paper will focus on admission to the university first cycle of studies, but before doing so it is important to understand the former university admissions process.

In 1999, only three to four higher education institutions used state exam results. This old system did not provide sufficiently objective information about the knowledge and skills of students. High results in the Matura examination was often not confirmed during subsequent studies at university, which is why universities organized their own entrance exams in order to test the suitability of students for university studies. Students suffered from this practice because, during the summer, they had to take several exams and tests. This situation was not convenient for the teachers either. In 1999, only two higher education institutions were part of Lithuanian higher education institutions united for formal admission. Practically all higher education institutions calculated competition rates, but for admission the applicants were obliged to apply separately.

In some cases the applicant had to apply to four or six higher education institutions as well as to associations. Little by little things started to change and in the year 2000, three additional higher education institutions merged into the Association of Lithuanian Higher Education Institutions of Organization of Common Admission (LAMA BPO). Grouped within this association were the three biggest universities of the country. In 2002, 13 higher education institutions including one private became part of the association for common admission. In 2003, the number had increased to 16.

Applicants will, as mentioned above, have the right to submit an application to enroll in several higher education institutions. This means that applicants can try and enroll in many higher education institutions, depending on the results of the *Matura* exam. As from 2003, applicants that would like to attain first cycle studies at a university of his or her choice can apply to one of 16 higher education institutions. An application can, however, be returned if information is missing. For an application to be complete, the following information must be indicated: the name of the higher education institution, the study programme, and the mode of study (as each programme has its own mode of study).

The competition rating is calculated for each request. This means that if an application means 20 requests, for each request or each applicant the competition rating has to be calculated. The applicants are placed in various competition queues, and their number depends on the number of requests that he or she has mentioned in the application. The requests that are given the highest possible level of priority are satisfied. The admission criterion is a competition rating determined by the grades of no more than four taught subjects and the results of no more than three school leaving examinations. In some cases, where no state examination is available, it can be done as an examination organized by a higher education institution. This is the case, for example, for special subjects such as dance, drama, sports or journalism.

In many places throughout the country, applicants used to apply for admission at the centre where the higher education institution is located. In practice, this meant that applicants could apply to the institution in the nearest city. Nevertheless, the application process has since been centralized to a regional centre for admission to the various higher education institutions.

To conclude, in the context of fighting corruption, an acquired procedure where the results of the competition are handled and translated by computer will *a priori* give objective and transparent results. There is neither a practical nor a theoretical possibility of influencing the results pertaining to admissions. In this way, the new education reform will probably have a positive influence in curbing the corruption rate in Lithuania.

15. Cooperation with social partners

Based on the discussion with Mr. Dainius Numgaudis, State Secretary and Mr. Aleksas Bružas, Chairman of the Trade-union of Educationalists

This paper gives a brief overview of the role of trade unions in the context of corruption in the education system in Lithuania.

Legislation on trade unions

Lithuania has a law on trade unions, who have obligations towards the government. All the relations with the trade unions and other social partners are based on legal acts adopted in the European Union. There are several trade unions of educationalists that unite regularly. Some examples are the Union of Teachers; the Workers' Union and the Christian Trade Union of Teachers. All three trade unions represent people working the in the education system. The Union of Teachers continues the work that was done by the Teachers' Unions before the Second World War. The Workers' Union is a completely new organization, and finally, the Christian Teachers' Trade Unions is similar to the Trade Union of Lithuanian Educationalists, which is the strongest trade union in Lithuania.

Unfortunately, tensions might sometimes occur between the Ministry and trade unions. Quite often, these tensions are unnecessary and are born of misunderstandings. Often a telephone call is sufficient to resolve the misunderstanding. Trade unions in general do not have much for which to reproach the Ministry of Education and Science. Everybody recognizes that systematical changes in the education system are oriented towards greater transparency and greater clarity, as well as to the delegation of responsibilities and decentralization of authority.

Nevertheless, the fact that the Trade Union of Lithuanian Educationalists has, during the last three years, expanded its membership quite considerably, has been related to defects in the education system, such as certain practices at the municipal level. In order to solve every-day problems in schools, the relations between the teacher and the employer will have to be dealt with at the municipal level.

Trade unions as stabilizing factors in transition periods

Trade unions can and do play an important role in the way they can withstand administrative pressures. It is important that the solidarity of the trade unions is strong, as personal and professional development are related to the activities of trade unions. Trade unions do often occur with the emergence of a certain problem. In the

case of Lithuania, the unions occurred at the end of 1999 and the year 2000. This was a period of financial crisis and the state had to take some unpopular decisions. The trade unions understood, however, the importance of those decisions and supported the government's decision.

There is no secret that a country in transition lacks financial resources to accelerate the implementation of reforms. The trade unions are therefore working towards a rapid implementation of reforms in education, which in a way is a catalyst for all other reforms. The unions have also taken part in drafting the New Rules on Education, in which the social means of teachers, and educationalists in general, are defended.

It is crucial to have a high-skilled labor force and a high level quality of education in order to compete with other European countries. Hence, it is not only a question of raising or decreasing teachers' salaries or whether there are too many teachers. According to the law, there should be no more than 30 students per class in senior grades. The average class size in Lithuanian, however, is 30.1 students. For example some schools have classes as large as 34 students, teachers in some remote villages have only seven students in their class and receive the same wage as the other teacher with excessively large classes. The student/teacher ratio in schools is increasing every year.

Trade unions and corruption

As for trade unions and corruption, there is a tendency to think that the stronger the trade unions are in a country, the less room there is for a shadow economy and corruption in general. This is due to the fact that countries with strong trade unions often seem to be stable and transparent countries. Hence, the possibility for corruption to occur is lower. The fight against corruption is a guarantee of civility, and of economic and political stability, so it is important for trade unions to be strong in all these areas. In addition, it is extremely important that the state implement strategic planning in order to control institutions.

To conclude, it is important to underline that the trade unions should not deal with the education process itself, but only intervene if teachers have too great a workload, or if they are given tasks that they are not supposed to do. Trade unions do indeed have an influence in social and economical aspects in society and might in that way have an impact on the fight against corruption.

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