

FINANCIAL ASPECT WITHIN THE DECENTRALIZATION OF EDUCATION, IN THE REPUBLIC OF MACEDONIA CASE STUDY

MARINA BLAZHEKOVIKJ TOSHEVSKI¹ & BARDHYL TUSHI²

¹University St. Kliment Ohridski, Bitola, Republic of Macedonia

²Ministry of Education and Science, Republic of Macedonia

ABSTRACT

By transferring decision-making powers and responsibility for the education of local government education system is transformed into a set of decentralized, flexible built educational units in mutual relations of conditioning, and build a whole system of education that has the attributes of more adaptability to the specific economic and social conditions. The basic argument that speaks in favor of decentralization of education is related to improving the allocation of resources, and thus economic efficiency and improving educational outcomes. Within the decentralization of education, the issue of financing primary and secondary education is of particular importance, given the marked differences in the levels of development of individual municipalities in the Republic of Macedonia and the specificity of the existing network of schools. Depending on the decentralization phase, part of the funding through block grants for schools from the central government is transferred to the local government which is obliged to allocate part of the local budgetary funds for the maintenance and development of schools which are within its competence.

In this research, research subjects using the questionnaire method are the teachers, professional associates and directors in primary and secondary schools in the Republic of Macedonia. A special segment of the research is the attempt, through a field analysis in educational institutions in the Republic of Macedonia, to perceive the financial aspect within the decentralization of education in the Republic of Macedonia. Macedonia.

KEYWORDS: Decentralization, Education System, Local Government, School, Financing

INTRODUCTION

If starts from the most dominant problem that arises from the understanding of decentralization only as: "transferring the authority from the central government to the local government", and through issues related to "decentralization that implies only commitments and responsibilities in the field of school financing" it comes to the key aspects and points of the process itself that should be understood only in its holistic connection and determinism as: "the process of restructuring, which for the ultimate goal is to provide quality t in education".

Decentralization of education means: more efficient financing, decision making, managing and creating positive social pressure - climate and culture, as the basis for mental attitude and behavior. In practical and institutional terms, it is a long process, very difficult, slow and overwhelmed by the uncertain effects. The Director is the governing body of the public high school and is responsible for the lawfulness of the work and the material and financial performance of the

school1.

METHODOLOGICAL APPROACH

In order to examine the opinions and attitudes of the and the directors on the process of decentralization of education and the organizational-structural and professional competences of the school director in this process, was applied Questionnaire, which examined a total of 543 respondents from the primary and secondary schools in 9 municipalities. During the survey, it was taken into account to include a proportional number of teachers, professional associates and directors from primary and secondary schools in the Republic of Macedonia, from city and rural municipalities, from schools with mixed ethnic composition, and with varying degrees of education and different work experience in an educational institution. Representing a representative sample given the number of employees in our primary and secondary schools involved in the process of decentralization.

Respondents are asked on the scale from 1 to 5 (1 not at all, 2 generally not / insufficiently, 3 average / sufficient / satisfactory / good, 4 generally yes / often, 5 completely / largely) to respond to the questionnaire with which will present their views and opinions regarding the implementation of the decentralization process and the role of the central and local government, as well as the role of the school director in the implementation of this process directly in the school community.

The input and processing of the data obtained from the questionnaire were carried out using the Excel 10 program package, using methods of descriptive statistics, arithmetic mean of the scale of the respondents' attitudes, as well as standard deviation (STDEV.S) and Z - test (Z.TEST), in order to determine the average grades from the position scale for each of the questions asked in the questionnaire.

THE QUANTITATIVE RESULTS OF THE QUESTIONNAIRE INSTRUMENT A (ANNEX 1)

The following section presents the quantitative results of the questionnaire - instrument A (Appendix 1).

They were surveyed 456 teachers (84% of the respondents), 57 professional associates (10% of the respondents) and 30 school directors (6% of the included number of respondents) were surveyed, representing a representative sample given the number of employees in our primary and secondary schools involved in the decentralization process.

Table 1: Structure of Respondents with Instrument A According to Working Place

	Respondents	Percentage Representation of Respondents (%)
Teachers	456	83,98
Expert associates	57	10,50
School directors	30	5,52
Total Respondents	543	100

According to the work experience in the education, 117 respondents (21%) have low working experience up to 5 years, 324 respondents (60%) are with work experience from 5 to 25 years and 102 respondents (19%) have over 25 years of work experience. It can be noted that the survey covers respondents with various work experience in educational institutions (Table 2).

¹ According to Article 102 of the Law on Secondary Education ("Official Gazette" 52/2002) and Article 42 of the Law on Amendments and Supplements to the Law on Secondary Education ("Official Gazette", No. 67/2004)

Table 2: Structure of Respondents with Instrument A According to Work Experience

	Respondents	Percentage Representation of Respondents (%)
Up to 5 years	117	21,55
From 5 to 25 years	324	59,67
Over 25 years	102	18,78
Total Respondents	543	100

In the research, for the most part, 486 respondents or 89% have higher education, 30 respondents or 6% are with higher school preparation, 24 respondents or 4% have master's degree, and less than 1% or 3 examinees are doctors of science employed in the primary and secondary schools in which the research was conducted.

Table 3: Structure of Respondents with Instrument A According to the Degree and Type of Education

	Respondents	Percentage Representation of Respondents (%)
Higher school preparation	30	5,52
Higher education	486	89,50
Master's degree	24	4,42
Doctors of science	3	0,55
Total Respondents	543	100

According to the age structure, the survey involved 345 or 65% of respondents aged 31 to 50 years, 96 respondents or 18% are younger up to 30 years of age, and 93 respondents or 17% are over the age of 51, thus also took care in the research to cover the various age structures of the employees in primary and secondary schools.

Table 4: Structure of Respondents with Instrument A According to the Age

	Respondents	Percentage Representation of Respondents (%)
Up to 30 years	96	17,68
From 31 to 50 years	354	65,19
Over 51 years	93	17,13
Total Respondents	543	100

The survey questionnaire examined 54 current or former directors of primary or secondary schools, which represents 10% of all surveyed. Out of them, 3 respondents or 5% have experience as director for up to 1 year, 36 respondents (67%) have work experience as a school director from 1 to 5 years, while 15 respondents or 28% have over 5 years of working experience as directors at school (Table 5).

Table 5: Work Experience of Respondents as a School Director

	Respondents	Percentage Representation of Respondents (%)
Up to 30 years	3	5,56
From 31 to 50 years	36	66,67
Over 51 years	15	27,78
Total Respondents	54	100

The following are the results obtained with the Instrument - Questionnaire for teachers, professional associates and school directors.

Table 6: Results Obtained with the Instrument - Questionnaire for Teachers, Professional Associates and School Directors

	5	4	3	2	1	Respon dents	Averag e value	STDEV S.	Z.TES T	View of the respondents according to the range of answers
Are you satisfied with the degree of investment and funding in your school by the Ministry of Education and Science?	30	141	153	156	63	543	2,85	1,10	0,50	average
Are you satisfied with the level of investment and funding in your school by the local government?	30	132	150	168	63	543	2,81	1,10	0,50	average
In your opinion, is the school director having financial independence in the management of the institution according the set legal regulation?	48	99	228	123	45	543	2,97	1,05	0,50	average
Do you think it is necessary to establish financial support from the local government for training and professional development of managerial teams and school directors for more successful school management?	219	210	96	15	3	543	4,15	0,85	0,50	agree
Do you think that the director will better function as a manager and leader if the school is financially independent?	237	201	90	15	0	543	4,22	0,82	0,50	agree

Asked whether they are satisfied with the level of investment and funding in their school by the Ministry of Education and Science, the respondents covered by the questionnaire gave an average score of 2.77 from the scale of attitudes, which indicates that the Ministry of Education and Science and the central government insufficiently invested in schools. This also shows the graph in Fig. 1 of the survey, where 173 respondents or 31% argue that they are completely or mainly satisfied, 153 respondents or 28% state that the Ministry of Education and Science satisfactorily, or average, invests in their school, and a significant number, i.e. 219 of the respondents (41%) are generally or completely dissatisfied with the level of investment and funding in the school by the Ministry of Education and Science and the central government.

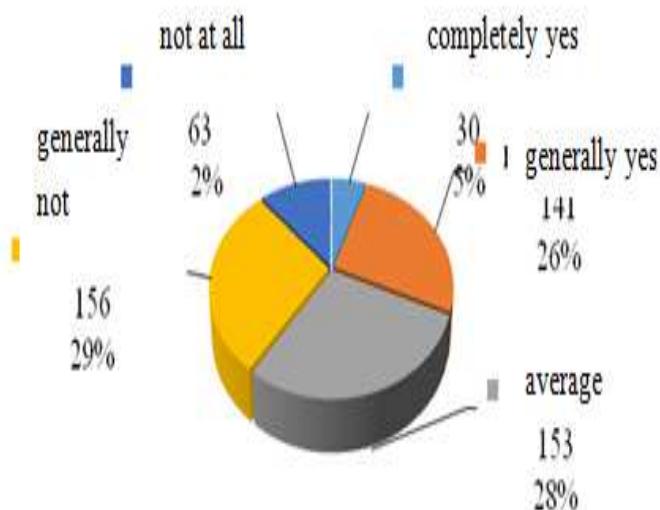


Figure 1: Are you Satisfied with the Degree of Investment and Funding in your School by the Ministry of Education and Science? (Average Value 2,77)

In the conducted comparative analysis of the responses received from the directors and other respondents from the schools, the difference is smaller than previously (Figure 2), i.e. the two target groups think that is not at a satisfactory level the investment of the central government in the schools under the jurisdiction of the local government. The average assessment of the level of investment and funding from the Ministry of Education and Science in the schools according to teachers and professional associates is 2,82 while with the directors the assessment is 3,30.

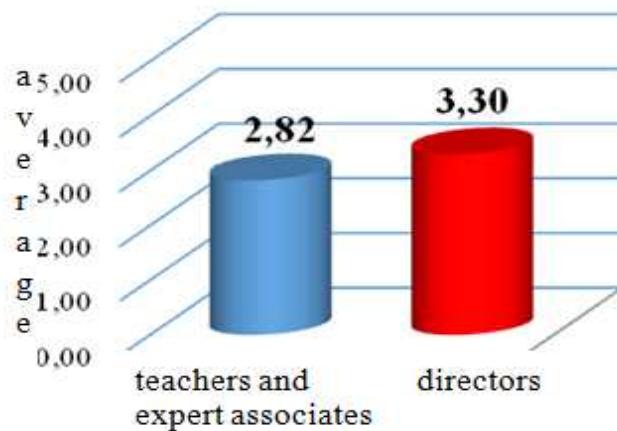


Figure 2: Are you Satisfied with the Degree of Investment and Funding in your School By the Ministry of Education and Science?

Like the central government, and the local governments in the Republic of Macedonia insufficiently investing and financially supporting the maintenance of schools, which is confirmed by the answers received from the questionnaire regarding this issue. The average grade for all respondents is 2,74 i.e. only 162 respondents or 29% state that they are fully or mainly satisfied with the level of investment and financing in their school by the local government, 150 respondents or 28% are partially (average) satisfied, and a larger number, 231 of the respondents or 43%, generally or not at all satisfied how much their local government invests and financially supports the work of their school.

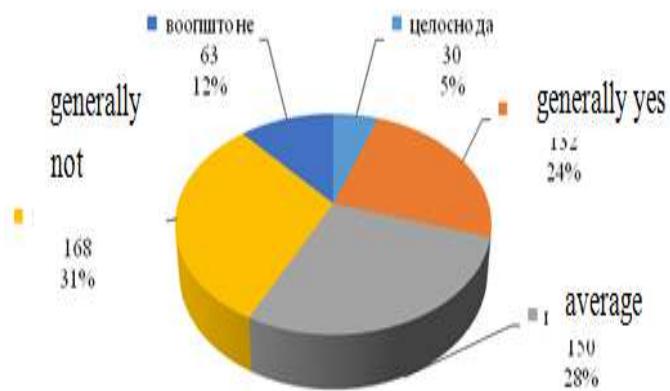


Figure 3: Are you Satisfied with the Level of Investment and Funding in your School by the Local Government? (Average Value 2,74)

Regarding this issue, there is again a noticeable difference between the responses received from school directors and other respondents covered by the questionnaire (Fig.4). Directors greatly express satisfaction with the level of investment and financing of local government in their school (their average grade for this issue is 4,40), while teachers and professional associates argue that is insufficiently investing in their schools by the local government, and their average assessment of the level of investment and financing of schools from the local government is 2,72.

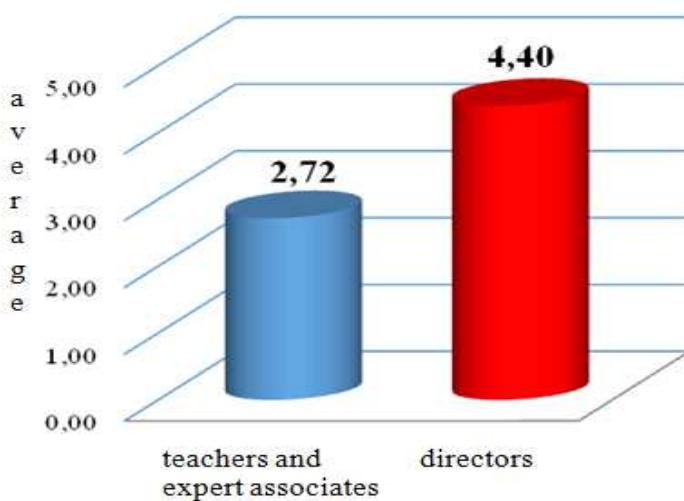


Figure 4: Are you Satisfied with the Level of Investment and Funding in your School by the Local Government?

Directly responsible for realizing the anticipated changes through the decentralization of education are the organizational, and above all the personal capacities of the existing management structure that manages primary and secondary schools, and above all, that are school directors. However, the results of the survey and the average score of 2,96 obtained from the scale of views in the survey questionnaire confirm that with this kind of legislation the school director does not have sufficient financial independence in managing the school. 168 respondents or 31% think that the director does not have a financial independence in general, 228 respondents, or 42% believe that the law-stipulated regulations of these school directors give only partial financial independence, while 147 respondents or 27% think that directors have financial autonomy in managing the institution (Figure 5).

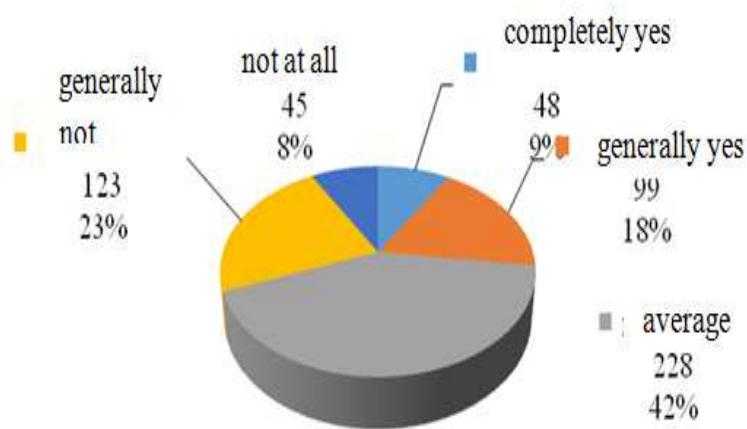


Figure 5: In your Opinion, is the School Director Having Financial Independence in the Management of the Institution According the Set Legal Regulation? (Average Value 2,96)

For their part, the directors, unlike the teachers, consider that they have a small, i.e. insufficient financial independence (the average grade from the director's position is 2,50), while the teachers and the expert associates have a slightly higher average rating regarding this issue and it is 2,99 (Figure 6).

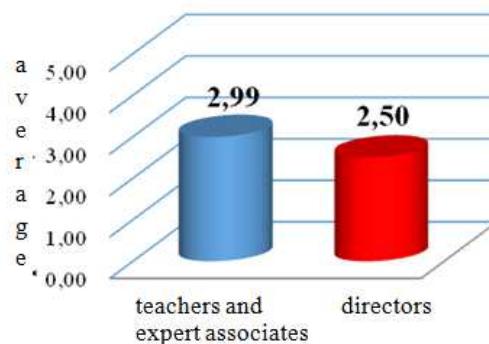


Figure 6: In your Opinion, is the School Director Having Financial Independence in the Management of the Institution According the Set Legal Regulation?

The most important standard and condition for achieving quality in the educational institution is its director to be a dedicated leader and leader, aware of him, the new time and the need to encourage motivation, loyalty and synergy as the basic conditions for building the organizational commitment, the mutual respect and trust among all subjects in the educational process. These competences are acquired through appropriate trainings of principals who in their previous education as educators have not acquired.

When asked whether it is necessary to establish financial support from the local self-government for training and professional development of the management teams and school directors for more successful school management, the largest number, i.e. 429 respondents or 79%, fully or mainly agree that such financial support is necessary, 96 respondents or 18% think that this kind of support is partially needed, while only 18 respondents, basically 3%, mostly or disagree with this (Figure 7). The average grade of views on this issue is also high and it is 4,15, which indicates that there is a need for establishing financial support from the local self-government for training and professional development of managerial teams and school principals for more successful school management.

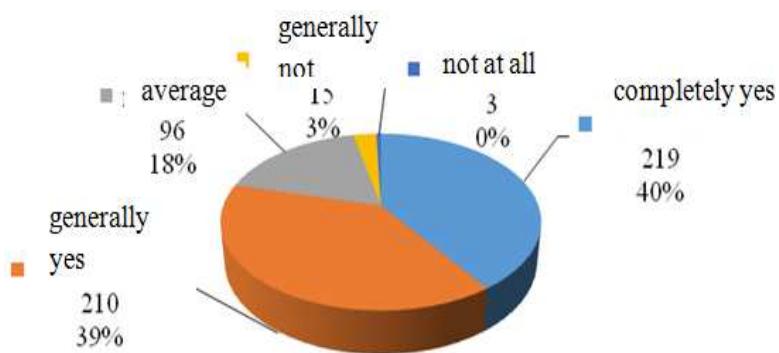


Figure 7: Do you think it is Necessary to Establish Financial Support from the Local Government for Training and Professional Development of Managerial Teams and School Directors for More Successful School Management? (Average Value 4,15)

The directors (average grade 4,80) also feel the need for financial support for training and professional development of the school management, as well as teachers and professional associates who gave an average grade of 4,12 on the rating scale.

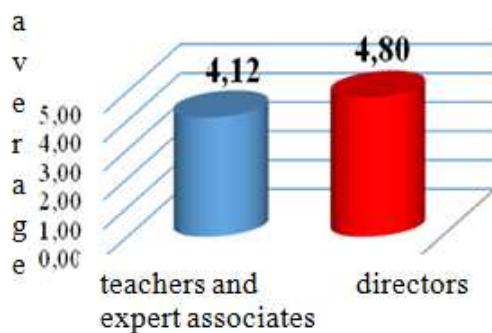


Figure 8: Do you think it is Necessary to Establish Financial Support from the Local Government for Training and Professional Development of Managerial Teams and School Directors for More Successful School Management?

The majority of respondents (438 respondents) or 81% think that, the director will better function as a manager and leader if the school is financially independent (Figure 9). Only 90 respondents or 16% partially agree with this, and very few (15 respondents) or 3% mostly or do not agree with the question. The average grade from the attitude scale is high 4,22, which indicates that there is a need for greater autonomy in the financial performance of schools, which would more to reflect the managerial and leadership abilities of the directors.

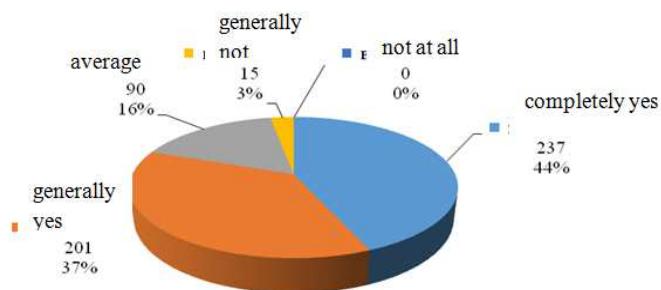


Figure 9: Do you think that the Director will better function as a Manager and Leader if the School is Financially Independent? (Average Value 4,22)

And school directors will better function as managers and leaders, if the school is financially independent, that is certified with a score of 4, 90. A high 4, 18 is also the average grade for the other surveyed schools, which means that the overall school community feels the need for greater autonomy in the financial performance of schools (Figure 10).

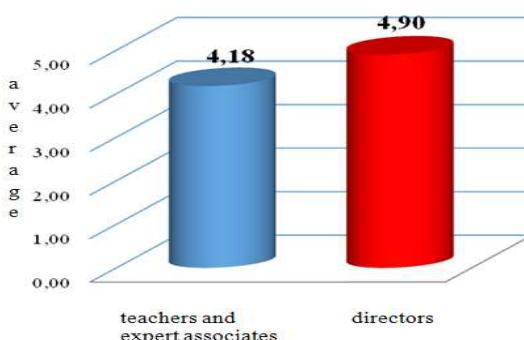


Figure 10: Do you Think that the Director will Better Function as a Manager and Leader if the School is Financially Independent?

The process of decentralization is followed by the process of fiscal decentralization, which takes place in two phases². This involves the establishment of a transparent municipal funding mechanism that is based on objective criteria. The Ministry of Education and Science of the Republic of Macedonia allocates the funds of the municipalities on the basis of the previously collected financial reports from all schools. These reports are then submitted to the municipalities, and then the municipalities again, after conducting their own analysis of the financial needs of the schools, again submit these reports to the The Ministry of Education and Science of the Republic of Macedonia.

The first phase, which began in July 2005 and was projected for two years, covers the "Earmarked grants", which include funds for the maintenance of primary and secondary schools and for the transport of pupils. The second phase in the majority of municipalities started in 2007 and covers the allocation of "Block grant"³. "Block grants" are intended for specific areas within the competence of the municipality, including education, and are used for expenses such as salaries for teaching and professional staff, maintenance of school facilities, provision of material- technical conditions for work, etc.

In cases where local governments - municipalities are involved in education, they have a greater incentive to mobilize additional funds to support schools. Bearing in mind the importance of education, the local population through the decentralization process should contribute to the financing of schools through the payment of local revenues⁴.

However, in reality, from day to day, we are increasingly witnessing that many municipalities and schools under their jurisdiction have major financial problems and even blocked school accounts due to unpaid obligations to various suppliers. The objective conditions in today's primary and secondary schools under local government can best be seen through the results obtained from the empirical research on questions 6, 7 and 10 of the instrument A.

So, to the question under number 1 of the instrument A: Are you satisfied with the level of investment and funding in your school by the Ministry of Education and Science? respondents covered by the survey questionnaire gave an average score of 2,77 from the scale of attitudes, indicating that the Ministry of Education and Science and the central government are insufficiently investing in schools.

Like the central government, the local governments in the Republic of Macedonia do not invest enough and financially support the maintenance of the schools, which is confirmed by the answers received from the questionnaire regarding the issue under number 2 given in the instrument A: Are you satisfied with the level of investing and financing your school by the local government? so the average grade for all respondents is 2,74.

To the question number 4 of the questionnaire: Do you consider it necessary to establish financial support from the local government for training and professional development of managerial teams and school principals for more successful school management? as response is need for financial support for training and professional development of the management of the school felt by the directors (average grade 4,80), but also the teachers and the professional associates who gave an average grade of 4,12 on the scale of attitudes.

The school director is the one who initiates, motivates, inspires, organizes and manages. His ability, through

² Survey on decentralization, (2007) Department for Public Administration Reform OSCE, Observation Mission in Skopje

³ Law on Financing Units of Local Government, Republic of Macedonia

⁴ Law on Local Government, Republic of Macedonia

shared vision, to give employees the energy and the will to make their place more pleasant and work more effective and efficient⁵.

The dynamics of the school in which the director is the head of learning is characterized by an organizational structure that can reach the constant changing needs of the users. Therefore, the changes should be encouraged and the organizational learning supported. The school director is responsible for the transfer of knowledge and the quality of collective shared opinion in the organization⁶.

CONCLUSIONS

There are good reasons to believe that most local authorities are relatively well-qualified to manage schools under their jurisdiction. The survey showed that local authorities have to generally raise the quality of their schools by increasing funding from their general earnings for education. The allocation function of the local government units, allows them to conduct such a policy of public expenditures and revenues that best respond to the interests and needs of their residents.

Indeed, the decentralized government should always be better and more fully informed about the needs and demands of schools, which can contribute to better and quality satisfaction of public needs.

As the most responsible for the implementation of educational reforms and the decentralization of education, should be given the freedom and responsibility to school directors to decide how to spend the allocated budgets. Through the free disposal of the school budget, there is a significant motive - active collection of funds from other sources - from the parents' community, from the economic and other partners of the school, etc., in the direction of improving the working conditions and attaining higher educational results.

Compared to the OECD countries and neighboring transition countries, Macedonia is spending relatively little on education in terms of its GDP per capita. The Ministry of Education and Science should propose a strategy for a gradual increase in expenditure per student. In particular, the Ministry should not permit a significant expansion of secondary education without an adequate increase in funds for these schools. Such a policy may seem to be contrary to the goal of raising the range of children in secondary education, but any other strategy creates a risk of creating weak and academically inadequate high schools.

Certainly, part of the necessary additional education resources will be used to increase teachers' salaries, increase professionalism and competitiveness, and to attract and retain qualified staff. But should be take care to develop a strategy on how this additional spending can be used as an instrument to improve the quality of education, provide better equipment for pupils, better books and aids.

We believe that the main impact of improving the education system is to improve general school management, not just in a specific reform of school financial management. Only through real decentralization of education, where the local self-government will establish separate departments/sectors for the development of education (with professional and competent human resources), by setting up school directors that will be financially independent and who will have managerial and leadership abilities, skills and knowledge, can be achieved a real school improvement, and thus a better

⁵ Petkovski, K., Aleksova, M. (2004): Running a dynamic school, Bureau for Development Education, Skopje, Repulic of Macedonia

⁶ Education World ® School Administrators: 'Formative Leadership' Theory Views Principal as Leader of Leaders.htm

quality of education as a whole.

REFERENCES

1. Education World ® School Administrators: 'Formative Leadership' Theory Views Principal as Leader of Leaders.htm
2. Petkovski, K., Aleksova, M. (2004): Running a dynamic school, Bureau for Development Education, Skopje, Republic of Macedonia
3. Mohammed Ali Nause Russel, Mizuki Nakama & Mohammad Solaiman, A Comparative Analysis of Revenue Ecology and Decentralization of Service Delivery of the Local Government in Bangladesh on Asian Perspective, International Journal of Accounting and Financial Management Research (IJAFMR), Volume 5, Issue 4, July-August 2015, pp. 7-18
4. Survey on decentralization, (2007): Department for Public Administration Reform OSCE, Observation Mission in Skopje
5. Law on Financing Units of Local Government, Republic of Macedonia
6. Law on Secondary Education and Law on Amendments and Supplements to the Law on Secondary Education, Republic of Macedonia
7. Shrishail Kandi et al., Centralization and Decentralization in Supply Chain Management, International Journal of Industrial Engineering & Technology (IJIET), Volume 7, Issue 3, November-December 2017, pp. 5-10
8. Law on Local Government, Republic of Macedonia

(ANNEX 1) QUESTIONNAIRE - INSTRUMENT A

QUESTIONNAIRE

Dear,

This survey will be used for scientific research on the topic "Financial aspect within the decentralization of education in the Republic of Macedonia".

The answers to the questionnaire are confidential and will be used only for scientific purposes for drawing general conclusions, without indicating the individual results.

Municipality _____

Age _____

Degree and type of education _____

Currently working position at the school

Teacher professional associate school director

Work experience in the educational process

Up to 5 years from 5 to 25 years over 25 years

Work experience as a school director

Up to 1 year from 1 to 5 years over 5 years

Answer the questions by completing the appropriate number.

THE ASSESSMENTS ARE AS FOLLOWS

The Grades are: 1 to 5

1 = not at all

2 = generally not / insufficiently

3 = average / sufficient / satisfactory / good

4 = generally yes / often

5 = completely yes / to a great extent

Table 7

Are you satisfied with the degree of investment and funding in your school by the Ministry of Education and Science?	1	2	3	4	5
Are you satisfied with the level of investment and funding in your school by the local government?	1	2	3	4	5
In your opinion, is the school director having financial independence in the management of the institution according the set legal regulation?	1	2	3	4	5
Do you think it is necessary to establish financial support from the local government for training and professional development of managerial teams and school directors for more successful school management?	1	2	3	4	5
Do you think that the director will better function as a manager and leader if the school is financially independent?	1	2	3	4	5