

The Impact on Structural Adjustment in the Ministry of Science and Education, Mongolia

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The purpose of this presentation is to review the structural changes in the Ministry of Science and Education (MOSE), Mongolia that reflect the current political, economical, and social transition in the country and to discuss some alternatives to increase the effectiveness of the Ministry.

Overview of the current political, social, and economic environment (Major changes occurring during the last 6 years)

Mongolia is in a state of major transition. The future of Mongolian education will depend, in large measure, on how effectively its resources both human and material are mobilized and managed in acceptance with existing external and internal conditions.

Political: Transitions

Before	Now
-strong ideological monitoring	-tolerance of pluralism
-single party (MPRP) rule	-shift toward multiparty democracy
-ultimate authority of the party	-constitution-based authority
-symbolic parliament	-working parliament
-isolation,	-open door policy
-centralization	-decentralization
-limitation in human rights	-freedom of human rights

Economical Transitions

-centrally-planned (command) economy -strong control of prices on services and goods -turnover taxes and profit taxes on state enterprises and cooperatives -state ownership on property	-market-oriented economy -liberalization of pricing -taxation reform (personal income) -private ownership
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Difficulties: the present economic crisis has resulted from convergence of three factors (ADB, 1993): (1) Mongolia's capital-intensive, import-dependent, centrally-planned economy became incapable of generating self-sustained growth; (2) external capital flows from the Soviet Union, which had accounted for up to 32 percent of GDP, began to decline and ceased entirely in 1990; and (3) the collapse of the Communist block's trade network in 1991 resulted in severe dislocations in Mongolia's external trade, of which over 90 percent had been with the USSR. The seriousness of the situation underlined the need for tight monetary and fiscal policies to effect the necessary reductions in both consumption and investment. This task was complicated by the simultaneous need to restructure macroeconomic policies and institutions for the transition to a market economy. (GNP per capita has shrunk from \$407.0 to 299.2 over the 1990-1992 period. Inflation in 1992 exceeded 400 percent, in 1993 - about 300. Increased rate of unemployment from 1.2 percent in 1989 to 5.4 percent in 1992, and 8.5 percent by 1994 although these numbers may reflect a shift of former small business operators to seek more stable employment.)

Social Transitions

-class equity -socialist/communist ideal -communist model -compulsory involvement in education -free health care	-personal achievement (strong individual) -personal value system/worldview (national sense) -personal responsibility -right to choose -health insurance program
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Specific: young population (over 40% under age of 14);
co-existence of settled and nomadic societies

Educational Transitions

-rigid, standardized uniform curriculum	-diversified curriculum in order to meet local and community needs
-strong ideological influence	-orientation on common values of humanity
-fully supported by the state	-participatory financing
-centralized administration	-decentralization (partly)
-society need-based	-person need-based
-teacher-centered instruction	-student-centered instruction

Problems: financing and budgeting are downsizing, great demand for retraining of teaching staff, redesign and development of new curriculum, non-effective management, teachers leaving schools because of low income, increased drop-out rate

Introduction of reforms in the education sector

The educational administration experience under communism was one of dependence on leadership from the Party. The Ministry simply implemented the Party decisions. The role of decision-making, planning and policy formulation were not part of the Ministry nor did the system encourage it. The ruling Party was considered the adequate interpreter of what society needed and it alone could ensure high and equitable standards of social and economic services. As to the individual, his or her interests and needs were hardly taken into account. All institutions were operated by the government. The uniformity of the educational system was a derivative of the supremacy of the state. Regional and local educational agencies were existing only to carry out the directives of the Ministry of Education.

The basic principles guiding the reform of Mongolian education and establishing the new systems of administration and management were set out in the **Education Law of 1991**. This education law emphasized a shift towards a democratic, independent, productive educational administration system that would have certain legislative rights and would be founded on a sound economic base. The law defined policies of democracy and openness in

educational administrative structures; merged science and education; decentralized the administration and financing of all public schools; transferred the governance of schools to local educational boards in the aimags; increased the autonomy of colleges and universities; and authorized private schooling.

The **Education Laws of 1995** passed by the Parliament was a follow-up of the much broader goals set out in the Education Law of 1991. These new laws were more specific in that they stressed clarification of the reforms introduced in 1991 as well as accommodating the new responsibilities introduced in the Constitution of 1992. Some of these new reforms of the 1995 laws included:

- creation of a councils which would include participation from the public;
- attempts to define roles and responsibilities at the ministry and local administrative levels;
- school financing formulas at the general and higher education levels;
- support for accreditation of schools and institutions of higher education;
- clearer distinction on the distribution of authority; and
- introduction of penalties for not carrying out regulations defined by law.

Structural changes in the administration of education in Mongolia

The ministry responsible for overall education has had several titles over the last several years which reflect the structural changes occurring in the country. The expression Ministry here refers to all the different structural forms regardless of the actual title. With this understanding, the Ministry has been the government agency responsible for the providing basic and higher education throughout the country. Additionally, nonformal education (out of school and adult) has also been under the ministry's jurisdiction in general.

Over the past few years, just as the government of Mongolia has experienced several reorganizations, so has the Ministry of Education. Figures 1 represents the structure of the Ministry (Ministry of Public Education, MPE) prior to 1991. Figure 2 represents the restructuring of the Ministry (Ministry of Education, ME) to reflect the new role of policy formulation. Finally, Figure 3 reflects the reforms introduced in the Education Law of 1991 when science and

education were joined together under one Ministry (Ministry of Science and Education, MOSE).

The 1991 reforms represent a shift of the Ministry from an implementing agency to one that conducts policy analysis, monitors educational development, and functions as a regulating authority. Previously, the Ministry's authority was closely linked to financial and legal responsibility, but now due to decentralization much of the responsibility for financial authority of basic education and general and vocational secondary education has been transferred to the aimags (provinces) and increased autonomy provided higher education institutions. Thus, relieving the Ministry of much of its day-to-day , hands on management responsibilities. With this modification of its legal authority the Ministry increasingly needs to **rely on its knowledge-based leadership - its ability to provide useful information, other services, and advice** - to maintain a continued influence within the education sector (Asian Development Bank, 1993).

Figure 3 shows an organizational chart of the Ministry as it exists today. It structurally is developed from the centralized management structure and systems that were put in place prior to the "transition" period. The basic structure itself has undergone little change from that of the former Ministry of Public Education (Figure 1), however, most importantly the functions and responsibilities have changed.

Limitations in the implementation of education reforms since 1990

Recognizing that the MOSE is central to the entire reform effort as stated in the related Laws of 1991 and 1995, its new responsibilities for **policy analysis, program coordination, strategic and long-range planning** have become of high importance. In terms of educational management, decentralization has meant that the division of authority and responsibility between MOSE and local aimag officials needs immediate clarification. In reality, most local authorities lack the administrative capacity and management experience to cope with their new responsibilities. At the same time decentralization in higher education has placed more administrative responsibility in the hands of the higher education institutions, therefore allowing MOSE to focus on financing schemes, strategic

planning and policy formulation for human resource development. However, at both levels, MOSE staff are untrained to provide the necessary leadership in policy analysis, program coordination and planning procedures.

Only one formally designated planning officer remains in the MOSE. Previously, the Ministry supported 10 officers in the Department of Planning and Economy. Planning unfortunately appears to be identified with collectivist procedures of the command economy and is not assigned a priority position. Unfortunately, the training and experience of the MOSE does not prepare it for such a role. If policy formulation is to become a central organizing activity of the MOSE, then a major investment in retraining is necessary.

The decentralization efforts have attempted to move most of the school administrative functions to the local authorities, which would allow for a downsizing of the MOSE's management capacity. Two forces, however, are undermining this effort. In the Ministry and in the local authorities, frequent staff shortages due to budget deficits for government agencies at all levels have weakened the management capacities of these structures. The number of "line" officers has been reduced by more than 50 percent in the MOSE and former local/aimag Education Boards consisting of 6-8 persons were abolished. Currently, at the aimag level, a Department of Social Policy exists-with three staff in most cases- with responsibility for health, nutrition, population, culture, and a variety of other social concerns in addition to science and education. Thus, with MOSE administration capacity understaffed and with local/aimag staff overburdened the administration and management of general education is declining seriously. This lack of adequate human resources and undertrained staff at MOSE and at the local/aimag level (noted above) creates a critical situation for any further development of the educational system.

Even with the encouragement of market forces in education, the MOSE continues to operate under a manpower planning model that is a vestige of the old command economy. Enrollments in public higher education institutions are still allocated based on the government's projections of manpower demand and employer sponsorship. The only change is that those students eligible to be placed, receive interest free loans, instead of a free education. As observers have indicated, the student-loan scheme had a difficult start because its architects

overlooked important issues of implementation (Bray, et al., 1994). The market forces need to be allowed to dictate enrollments and specify training areas.

Recently, a National Education Council, an advisory body represented by different social and economic groups of the country, was established in order to increase community participation in policy making procedure. The Council is a widely representative group appointed by and reporting directly to the Minister. However, similar structures in the past have served only to refine policy statements from the Minister and providing limited service in an advisory capacity. Opportunities to provide input or feedback on critical issues is still limited and the possibility of initiating new ideas is still not a consideration for these advisory boards. The government needs to create conditions where better use is made of such private or quasi-public organizations.

The recent Education Laws established in 1995 are requiring institutional reviews for all schools, universities and similar higher education institutions before being considered autonomously functioning units. This entails the establishment of an accreditation mechanism where by institutions can be assessed as to their qualifications to exist autonomously. The creation of this mechanism, the determination of criteria and the issue of peer assessment or government assessment require a thorough analysis of options. Human resources do not exist to undertake this analysis nor to the conduct the assessment. As noted above MOSE is already limited with its reduced staffing structure.

The critical concerns and issues addressed so far will require considerable time and energy to address. Yet the current demands on MOSE already draw much attention and leaves little time to address major issues. The current burden of responsibilities for the Ministry includes such issues as the:

- systematic renewal of education content for all levels of education;
- improvement of forms and methods of teaching;
- taking into account present-day requirements;
- maintenance of the high quality of professional training of specialists, and the general adoption of the effective forms of integration of education institutions with industry and science;
- upholding of the effective use of the research potential of higher

- education in accelerating scientific-technological progress;
- development and implementation of measures for technical
- re-equipment of the technical base of public education;
- evaluation of quality of the education process and specialist training and the classification of education institutions by the state;
- appointment of public institutions' rectors (university presidents); and
- different kinds of regulations including faculty salary rating, classification of higher education institutions, and requirements for faculty.

Summary

With the decentralization of the public school system, increased autonomy in the universities, and the authorization of private institutions, the former structure of Ministry was to have undergone marked changes. Because of the rapidity of change and limitations in staff within the Ministry, there is a great demand for involvement of professional community and major stakeholders and effective utilization of skillful managers and administrators. In times of no growth, financial crisis, and fiscal reductions such as the nation is going through at the present time, good planning and forecasting are even more important simply because priorities must be set.

A whole new role proposed for the Ministry in Mongolia's rapidly evolving educational system is reflected in: (1) educational policy formation and analysis; (2) educational planning and planning services; (3) educational development, including programmatic improvement, program approval, and staff development; and (4) institutional accreditation, public accountability, and the maintenance of academic standards.

The MOSE's responsibility to initiate a planning process for the development of a massive fund-raising program to meet the most urgent financial needs of Mongolia's educational system during the present financial

crisis seems vital, although the need for education reform is not solely or even primarily financial in origin but the current financial crisis emphasizes the need for reform. Mongolia's education system has basic structural, curricular, personnel, and managerial problems that must be dealt with to prepare the nation for a democratic society and a market economy (ADB, 1993). However, the system of education continues to operate under management structures and a manpower planning model that are vestiges of the old command administration. A reason for this, in part, might be caused by the intellectual isolation that Mongolia has endured for many years and the continuation, to some extent, of the existence of a centralized administration whose legal basis is dependent on education laws and the Minister's authority to establish policy. [hire more people]

A number of alternatives for increasing structural effectiveness of the Ministry can be advanced for purposes of discussion. One suggestion would be to create an intermediate organization either as an extension of MOSE or as an independent coordinating board that can handle present-day routine activities, such as the accreditation of higher education institutions; peer-assessment for new programs; monitoring statistical information; implementing MOSE policy; recommend policy to MOSE on behalf of the universities and colleges; advocate for institutions of higher education to the MOSE; market analysis of educational needs, etc.. Membership could consist of professionals in higher education with representation from the universities and colleges, as well as other stakeholders, thus assuring high standards of accountability and the quality of higher education. This organization would also ease the effect that fluctuations in the Ministry's staffing which tends to effect policy decisions.

Another suggestion would be to reorganize the internal structure of MOSE for the purpose of conducting policy studies, formulating educational policy and planning statements, and developing planning proposals emerging from the MOSE departments and the intermediate organization. Current structure is functionally oriented not policy oriented. This would reflect the current responsibilities of the Ministry and would direct staff towards fulfilling the roles as defined by the needs of the country to develop an educational system which addresses the concerns for human and resource development.

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