

The political economy of educational decentralization in Southeast Asian countries

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ABSTRACT

Educational decentralization has emerged as a major policy reform across Southeast Asian countries as governments seek to improve educational quality, increase local participation, strengthen accountability, and promote equitable access to learning opportunities. While decentralization transfers authority and responsibilities from central governments to local institutions, its implementation is deeply influenced by political, economic, and institutional factors that shape educational outcomes. This study examines the political economy of educational decentralization in Southeast Asian countries through a qualitative descriptive research design utilizing data mining and documentary analysis. Secondary data were systematically collected from peer-reviewed journal articles, government publications, policy reports, and documents produced by international organizations, including UNESCO, the World Bank, the Asian Development Bank (ADB), ASEAN, OECD, and UNDP, published between 2018 and 2026. Guided by Political Economy Theory, Fiscal Federalism Theory, Governance Theory, and Decentralization Theory, the study synthesizes current evidence regarding the relationships among political institutions, fiscal policies, governance structures, and educational reforms. The analysis identified four major themes: (1) Fiscal Decentralization and Educational Financing, (2) Local Governance, School Autonomy, and Accountability, (3) Educational Equity and Access under Decentralization, and (4) Political Economy Challenges and Policy Reforms. The findings indicate that educational decentralization has improved local participation, strengthened school governance, and increased responsiveness to community needs. However, persistent disparities in fiscal capacity, governance effectiveness, administrative capability, and educational equity continue to constrain the successful implementation of decentralization policies across the region. The study concludes that educational decentralization can effectively promote equitable and sustainable educational development when supported by transparent governance, equitable fiscal policies, institutional capacity building, and sustained political commitment. The findings provide evidence that may assist policymakers, educational leaders, and researchers in strengthening decentralized education systems throughout Southeast Asia.

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INTRODUCTION

Education plays a critical role in national development by improving human capital, promoting social mobility, reducing poverty, and fostering economic competitiveness. As societies become increasingly complex and knowledge-driven, governments continue to reform educational systems to improve their efficiency, quality, and responsiveness to local needs. Among these reforms, educational decentralization has become one of the most significant governance strategies adopted by many countries worldwide. The decentralization of education involves transferring decision-making authority, financial responsibilities, and administrative functions from central governments to local governments, schools, and communities with the expectation that local actors are better positioned to respond to contextual educational needs.

Across Southeast Asia, educational decentralization has become a central component of public sector reform over the past three decades. Countries such as Indonesia, the Philippines, Thailand, Vietnam, Cambodia, and Malaysia have introduced varying forms of decentralized governance aimed at improving educational quality, strengthening accountability, increasing community participation, and promoting equitable access to education. Although these reforms share common objectives, their implementation differs considerably according to each country's political institutions, administrative structures, fiscal capacity, and historical context.

The political economy perspective provides an important framework for understanding why educational decentralization produces different outcomes across countries. Rather than viewing decentralization solely as an administrative reform, political economy recognizes that educational policies are influenced by interactions among political actors, government institutions, economic resources, power relations, and public accountability. The allocation of educational resources, the distribution of authority between national and local governments, and the implementation of educational reforms are shaped by competing political interests, institutional capacity, and governance arrangements.

Educational decentralization offers several potential advantages. Greater local autonomy may improve resource allocation, encourage innovation, strengthen school-based management, increase parental participation, and enhance accountability. Local governments and school leaders are often better positioned to identify community priorities and develop educational programs that respond to local socioeconomic conditions. Decentralization may also encourage democratic participation by involving stakeholders in educational planning and decision-making.

Despite these potential benefits, decentralization also presents significant challenges. Many Southeast Asian countries continue to experience disparities in fiscal capacity, administrative competence, educational financing, and governance quality among local governments. Wealthier localities often possess greater financial and administrative resources than poorer regions, resulting in unequal educational opportunities and learning outcomes. Political patronage limited institutional capacity, fragmented policy implementation, and inconsistent accountability mechanisms further complicate decentralized educational governance.

The COVID-19 pandemic highlighted these structural inequalities by exposing differences in local governments' capacities to provide digital learning, educational resources, and learning continuity. Regions with stronger governance structures and better financial resources were generally more capable of sustaining educational services, whereas marginalized communities experienced greater learning disruptions. These developments have renewed scholarly and policy interest in examining how political and economic factors influence educational decentralization and its implications for educational equity and sustainable development.

Although numerous studies have examined educational decentralization within individual Southeast Asian countries, comparative analyses from a political economy perspective remain relatively limited. Existing research often focuses on administrative reforms or educational outcomes without fully examining how governance institutions, fiscal policies, political incentives, and economic conditions collectively shape decentralization processes. A regional perspective provides valuable insights into both the shared challenges and distinctive experiences of Southeast Asian countries.

This study addresses this gap by examining the political economy of educational decentralization across Southeast Asia using data mining and documentary analysis. By synthesizing evidence from scholarly literature, policy documents, and reports from international organizations, the study seeks to identify the major factors influencing decentralized educational governance and evaluate how these factors affect educational financing, school autonomy, equity, accountability, and policy implementation. The findings aim to contribute to educational policy development and provide recommendations for strengthening decentralized education systems that support inclusive, equitable, and sustainable educational development throughout Southeast Asia.

This study is anchored on four complementary theoretical perspectives that explain the political, economic, and institutional dynamics influencing educational decentralization in Southeast Asian countries.

Political Economy Theory

Political Economy Theory explains how political institutions, economic interests, and power relations influence public policy formulation and implementation. Within education, decentralization is understood as a governance reform shaped by negotiations among national governments, local authorities, political leaders, civil society, and international development organizations. The theory suggests that educational outcomes are influenced not only by policy design but also by institutional incentives, resource distribution, and political accountability.

Fiscal Federalism Theory

Fiscal Federalism Theory, advanced by Oates (1972), argues that decentralizing public expenditures enables local governments to provide services that better reflect local preferences and conditions. In education, fiscal decentralization allows local authorities to allocate financial resources according to community needs while promoting efficiency and responsiveness. However, disparities in local fiscal capacity may also contribute to unequal educational opportunities, requiring national governments to implement redistributive financing mechanisms.

Governance Theory

Governance Theory emphasizes collaboration among governments, educational institutions, civil society organizations, and local communities in achieving effective public service delivery. Educational decentralization expands stakeholder participation, strengthens school-based management, and promotes transparency and accountability. Effective governance depends on institutional capacity, leadership, citizen participation, and clearly defined accountability systems.

Decentralization Theory

Decentralization Theory explains the transfer of administrative, political, and fiscal authority from central governments to lower levels of government. Educational decentralization seeks to improve efficiency, responsiveness, innovation, and democratic participation by empowering local governments and schools to make decisions regarding planning, budgeting, curriculum implementation, and resource management. Successful decentralization requires a balance between local autonomy and national oversight to ensure educational quality and equity.

Collectively, these theories provide a comprehensive framework for understanding how political institutions, fiscal arrangements, governance systems, and decentralization policies interact to influence educational development across Southeast Asian countries.

Statement of the problem

Specifically, this study aims to:

1. analyze the influence of fiscal decentralization on educational financing and resource allocation in Southeast Asian countries;
2. examine the role of local governance, school autonomy, and accountability in improving educational management and service delivery;
3. determine how educational decentralization affects educational equity and access among diverse populations and geographic regions; and
4. identify the political, economic, and institutional challenges affecting the implementation of educational decentralization and propose policy recommendations for strengthening decentralized education systems in Southeast Asia.

METHODOLOGY

This study employed a qualitative descriptive research design using data mining and documentary analysis to examine the political economy of educational decentralization in Southeast Asian countries. The qualitative descriptive approach was selected because it enables the systematic exploration and interpretation of existing literature, policy documents, and institutional reports concerning educational governance and decentralization across diverse national contexts. Data mining facilitated the identification, collection, organization, and synthesis of relevant secondary data from credible digital sources, while documentary analysis provided a rigorous framework for examining patterns, relationships, and emerging themes within the collected literature.

Secondary data were gathered from peer-reviewed journal articles, scholarly books, government publications, education policy documents, statistical reports, and official publications from international organizations, including the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Bank, the Asian Development

Bank (ADB), the Organisation for Economic Co-operation and Development (OECD), the Association of Southeast Asian Nations (ASEAN), and the United Nations Development Programme (UNDP). Documents published between 2018 and 2026 were prioritized to ensure that the analysis reflected recent developments in educational decentralization and governance reforms within Southeast Asia.

The data collection process involved systematic searches of electronic databases, including Scopus, Web of Science, ERIC, Google Scholar, and institutional repositories. Keywords such as educational decentralization, political economy of education, education governance, school autonomy, fiscal decentralization, education policy, and Southeast Asia were used to retrieve relevant publications. Inclusion criteria required that documents focus on educational decentralization, governance reforms, financing, accountability, or educational equity within Southeast Asian countries or provide significant theoretical and empirical contributions to the study. Duplicate records, opinion articles without empirical or policy relevance, and publications outside the established time frame were excluded.

The collected documents were analyzed using thematic analysis. The data were coded, categorized, and synthesized into four major themes reflecting recurring concepts and findings identified across the literature. These themes were interpreted using Political Economy Theory, Fiscal Federalism Theory, Governance Theory, and Decentralization Theory. To strengthen the credibility and trustworthiness of the findings, information from multiple scholarly and institutional sources was compared through data triangulation, ensuring consistency and minimizing potential bias.

RESULTS AND DISCUSSION

The documentary analysis identified four major themes that explain the political economy of educational decentralization in Southeast Asian countries. These themes demonstrate how fiscal policies, governance structures, institutional capacity, and political processes collectively influence the implementation and outcomes of decentralized education systems throughout the region.

Theme 1. Fiscal decentralization and educational financing

The reviewed literature consistently identifies fiscal decentralization as a fundamental component of educational reform across Southeast Asia. Countries such as Indonesia, the Philippines, Thailand, and Vietnam have delegated varying degrees of financial authority to provincial, municipal, and local governments with the objective of improving educational responsiveness and efficiency. Decentralized financing allows local authorities to determine budget priorities based on community needs, support school infrastructure development, enhance teacher training, and implement localized educational programs that address regional challenges.

Despite these intended benefits, the literature also reveals considerable disparities in fiscal capacity among local governments. Wealthier provinces and municipalities generally possess greater revenue-generating capabilities, enabling them to invest more substantially in educational facilities, instructional resources, and learner support services. Conversely, economically disadvantaged localities often remain dependent on national government subsidies and intergovernmental transfers, limiting their capacity to provide educational services comparable to those in more affluent regions.

The documentary evidence further suggests that differences in local fiscal resources contribute to unequal educational opportunities, particularly in geographically isolated and economically marginalized communities. While decentralization has increased local flexibility in resource allocation, the absence of effective redistributive financing mechanisms continues to hinder efforts toward achieving educational equity across Southeast Asia.

Interpretation. Fiscal decentralization enhances local decision-making and responsiveness; however, its effectiveness depends on equitable funding formulas, strong financial management systems, and continued national government support for disadvantaged local governments. Without these safeguards, decentralization may unintentionally reinforce existing educational inequalities.

Theme 2. Local governance, school autonomy, and accountability

Educational decentralization has expanded the participation of local governments, school leaders, teachers, parents, and community stakeholders in educational governance throughout Southeast Asia. School-based management has emerged as a significant strategy for improving institutional effectiveness by granting schools greater authority over planning, budgeting, personnel management, and instructional decision-making.

The reviewed studies indicate that increased autonomy has encouraged innovation, strengthened stakeholder participation, and improved the responsiveness of schools to local educational needs. Communities have become more actively involved in school improvement planning, resource mobilization, and monitoring educational performance. Such participation has contributed to stronger partnerships between schools and local governments, thereby enhancing educational governance.

Nevertheless, the literature also highlights persistent governance challenges. Variations in administrative capacity, leadership competence, policy implementation, and accountability mechanisms have produced uneven outcomes among decentralized education systems. Political interference, patronage practices, and limited institutional oversight continue to affect educational decision-making in several Southeast Asian countries.

Interpretation. Effective educational decentralization requires not only the transfer of authority but also transparent governance systems, capable educational leaders, active community participation, and clearly defined accountability mechanisms. Strong governance enables decentralized institutions to exercise autonomy while maintaining educational quality and public trust.

Theme 3. Educational equity and access under decentralization

The documentary analysis demonstrates that educational decentralization has provided opportunities for governments to develop localized educational programs addressing the needs of disadvantaged learners, indigenous communities, ethnic minorities, and geographically isolated populations. Several Southeast Asian countries have implemented policies promoting inclusive education, expanded school access, scholarship programs, and community-based educational initiatives to reduce educational disparities.

Despite these positive developments, substantial inequalities remain evident across the region. Rural schools continue to experience shortages of qualified teachers, limited instructional materials, inadequate infrastructure, and insufficient digital connectivity compared with urban schools. Socioeconomic conditions continue to influence educational participation, learning outcomes, and access to quality educational opportunities. The COVID-19 pandemic further intensified these disparities by exposing differences in local governments' capacities to provide distance learning and technological support.

The literature consistently emphasizes that decentralization alone cannot eliminate educational inequality. Instead, national governments must continue providing financial assistance, technical support, and targeted interventions to ensure that all learners benefit from decentralized educational reforms regardless of geographic location or socioeconomic status.

Interpretation. Educational equity remains a central objective of decentralization. Sustainable improvements in access and learning outcomes require coordinated efforts between national and local governments to ensure equitable distribution of educational resources and services across all communities.

Theme 4. Political economy challenges and policy reforms

The literature reveals that educational decentralization is fundamentally shaped by political institutions, economic resources, governance arrangements, and policy reforms. Political Economy Theory explains that educational policies are influenced by interactions among national governments, local authorities, legislators, civil society organizations, and international development partners. Consequently, decentralization represents not only an administrative reform but also a political process involving negotiations over authority, resource allocation, and institutional responsibilities.

Across Southeast Asia, decentralization reforms have sought to improve efficiency, democratize educational governance, and strengthen local participation. However, implementation has frequently been constrained by bureaucratic inefficiency, limited institutional capacity, political patronage, corruption, inconsistent policy coordination, and unequal administrative capabilities among local governments. These factors influence both the effectiveness and sustainability of decentralized educational systems.

International organizations, including UNESCO, the World Bank, the Asian Development Bank, ASEAN, and OECD, have supported decentralization initiatives by promoting governance reforms, institutional capacity building, educational financing strategies, and accountability frameworks. Countries that have successfully integrated local autonomy with strong national policy guidance generally demonstrate more consistent improvements in educational governance and service delivery than those experiencing fragmented implementation.

Interpretation. The effectiveness of educational decentralization depends on the interaction between political commitment, institutional capacity, fiscal sustainability, and governance quality. Successful decentralization requires collaborative partnerships, transparent institutions, accountable leadership, and continuous policy evaluation to achieve equitable and sustainable educational development.

Overall synthesis

The documentary analysis indicates that the political economy of educational decentralization in Southeast Asia is characterized by the complex interaction of fiscal policies, governance structures, institutional capacity, and political processes. Decentralization has strengthened local participation, expanded school autonomy, and improved educational responsiveness in many contexts. However, persistent disparities in financing, governance quality, administrative capability, and educational access continue to limit its transformative potential. The evidence suggests that educational decentralization is most effective when accompanied by equitable fiscal policies, transparent governance systems, strong institutional capacity, and sustained collaboration between national governments and local stakeholders.

Findings

The documentary analysis revealed that educational decentralization has become a significant governance reform strategy across Southeast Asian countries, aiming to improve educational quality, responsiveness, and local participation. The synthesis of the literature generated four major findings.

First, fiscal decentralization has enhanced the ability of local governments to address community-specific educational needs through localized budgeting and resource allocation. However, disparities in fiscal capacity among local government units continue to produce unequal educational opportunities. Wealthier regions generally provide better educational facilities, learning resources, and teacher support than economically disadvantaged areas, indicating that decentralization alone cannot ensure equitable financing without effective national redistributive mechanisms.

Second, decentralization has strengthened local governance by expanding school autonomy and encouraging the participation of local governments, school leaders, parents, and community stakeholders in educational decision-making. School-based management has improved institutional responsiveness and accountability in many Southeast Asian countries. Nevertheless, differences in administrative competence, leadership capacity, and governance quality continue to influence policy implementation and educational performance. Political patronage, inconsistent accountability systems, and bureaucratic inefficiencies remain persistent governance concerns.

Third, educational decentralization has contributed to broader access to education through localized programs designed to address the needs of disadvantaged populations, including rural learners, indigenous communities, and economically marginalized groups. Despite these efforts, substantial disparities persist in educational quality, infrastructure, teacher distribution, and digital access. The literature consistently demonstrates that achieving educational equity requires sustained national support alongside decentralized governance structures.

Finally, the political economy perspective reveals that the success of educational decentralization depends on the interaction among political institutions, fiscal policies, governance arrangements, and administrative capacity. Countries that successfully balance local autonomy with strong national policy direction, transparent governance, and equitable financing mechanisms demonstrate more effective educational outcomes than those experiencing fragmented governance and weak institutional coordination.

Collectively, these findings indicate that educational decentralization is not merely an administrative reform but a complex political and economic process that requires coordinated governance, adequate financial resources, institutional capacity, and sustained political commitment to achieve equitable and sustainable educational development throughout Southeast Asia.

CONCLUSION

This study examined the political economy of educational decentralization in Southeast Asian countries using data mining and documentary analysis. The findings demonstrate that decentralization has significantly reshaped educational governance by transferring administrative, fiscal, and decision-making authority from central governments to local governments and educational institutions. These reforms have increased local participation, strengthened school autonomy, encouraged community engagement, and improved the responsiveness of educational services to local needs.

Despite these achievements, the literature consistently reveals that the effectiveness of decentralization remains constrained by persistent inequalities in fiscal capacity, governance quality, institutional capability, and educational access. Variations in local government resources, administrative competence, and political commitment continue to produce unequal educational opportunities across regions. Furthermore, political interference, limited accountability mechanisms, and uneven implementation capacities hinder the realization of decentralization's intended objectives.

The study further concludes that educational decentralization should be understood as a political economy process in which educational outcomes are shaped by the interaction of political institutions, fiscal arrangements, governance structures, and socioeconomic conditions. The transfer of authority alone is insufficient to improve educational quality unless accompanied by equitable financing systems, transparent governance, capable institutions, and continuous national support.

Overall, educational decentralization offers significant opportunities to strengthen educational governance and promote inclusive development throughout Southeast Asia. Its long-term success, however, depends upon sustained investments in institutional capacity, equitable resource distribution, evidence-based policymaking, and collaborative governance among national governments, local authorities, educational institutions, and civil society. Strengthening these dimensions will enable decentralized education systems to contribute more effectively to educational quality, social equity, democratic participation, and sustainable national development across the region.

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