

The case of Kyrgyzstan: Parental Contributions and Integrity Violations within Public Schools' System

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CONTENTS

EXECUTIVE SUMMARY	3
I. Introduction.....	6
II. CONCEPTUAL FRAMEWORK AND RESEARCH METHODOLOGY	8
III. THE PRACTICE OF PRIVATE DONATIONS TO PUBLIC SCHOOLS: PARENTAL CONTRIBUTIONS	11
The phenomenon of parental contribution	11
General characteristics of schools by the type (school cases)	13
“Elite” school.....	14
“Average” school.....	15
School with low level of contributions	16
IV. INTEGRITY RISKS.....	18
School budgeting as integrity vulnerability.....	18
Integrity violations: vulnerabilities and practices.....	20
Illicit provision or denial of access to education	20
Improper private supplementary services	21
Politicisation of education / Favouritism in staffing decisions	22
Undue recognition of student achievement.....	23
Misappropriation of funds in education and procurement fraud.....	24
V. Policy implications and recommendations	26
The discourses on parental contribution circulating within society.....	26
Recommendations.....	28
References	31
Attachments.....	32

Executive summary

Education is one of the most important public sectors and lack of resources is known to create corruption risks through its impact on the quality of education services and a distortion of access to them.

The overall level of corruption in Kyrgyzstan is very high. According to Transparency International the country ranks 126 out of 180 and scores only 30 out of 100 possible points (100 being the maximum). Corruption within educational system is hard to overestimate. Corruption leads to uneven access to quality education that in turn, increases deficit of cohesion and solidarity within society. Moreover, children facing corruption from the very beginning of their contacts with public institutions will probably normalize this type of conduct in the future creating vicious circle to reproduce corruption in all areas of social life.

We hope that this research will add value to the efforts of authorities and stakeholders to improve the school environments in terms of openness and trust. Important political objective to keep educational system working and being reformed involves a lot of actors and financial contributions from different parties. Education received the largest part of state budget (more than 21%) but this money cover only the very basic needs of the system.

The Constitutional norms guarantee the basic education (till the 9th grade) that means that any additional payments for the service are a highly controversial issue. Control over these payments remains difficult whether they are done in cash or through bank accounts. This situation puts parental contributions in the centre of attention of many actors interested in social development.

This research is devoted to parental contributions to public school education in Kyrgyzstan as a topic which is very controversial in the public discourse. Recently the number of events has been happening in Kyrgyzstan around this issue including street protests, experts' debates and wide discussions in social media. Some activists are opposing parental contributions, some people defending them. Some stakeholders are struggling for better control over parental funding. Some experts are advocating other ways of collaboration between public schools and business structures in order to free parents of additional payments. In all cases people are interested in prevention of corruption and all its awful consequences for integrity of educational system including inequality, distrust and dysfunction at all levels of public administration.

Our research is based on the INTES methodology of assessing the integrity of education systems (INTES) developed by Mihaylo Milovanovitch and a team at the Center for Applied Policy and Integrity in the framework of the OECD Anti-Corruption network for Eastern Europe and Central Asia (OECD 2018). The conceptual framework of used methodology is based on the following definition of "integrity", which covers both the conduct of education participants and their professional environments:

Integrity stands for the continued commitment of education participants and institutions to act in accordance with values and principles without engaging in corruption and describes a professional environment that allows them to do so. (OECD 2018, p 32)

It is possible to identify specific kind of offences looking through this focus to the definitions in the list of integrity violations (See Table 1).

Table 1. Typology of practices that qualify as integrity-related violations in education

No.	Name	Definition of the practice
1	Illicit provision or denial of access to education	Arbitrary withholding or provision of access to education by those in charge of access, in exchange for undue benefit or the prospect thereof
2	Improper private supplementary services	Services, such as private tutoring, provided by teachers or other professionals privately and for personal gain in addition to their regular work in education, to students and in subjects or areas which they teach or otherwise cover in that regular work, with the purpose of student advancement and/or support
3	Politicisation of education	Building and promoting political and quasi-political connexions, loyalties and networks in (public) education with a view to using them for personal or political advantage
4	Undue recognition of student achievement	Intentional over-marking or under-marking of students in regular education and the fraudulent granting of graduation credentials in exchange for personal benefit or the prospect thereof
5	Favouritism in staffing decisions	Redistribution of public resources in the form of employment contracts, employment-related promotions and benefits in favour of relations, friends, colleagues or people who are otherwise close to those in charge of the staffing decisions
6	Misappropriation of funds in education	Embezzlement of assets (funds) in education by someone who does not own them but is entrusted with their management or control
7	Procurement fraud	Use of fraudulent schemes to procure goods and services for education providers in view of personal enrichment
8	Cheating	Misrepresentation through fraudulent means (including plagiarism) by those seeking formal recognition of student achievement, of the work they have done and/or the knowledge and skills they have acquired
9	Accreditation and licensing fraud	The use of fraudulent means, including of personal favours or the prospect thereof, to obtain a license to operate, degree-awarding powers, and/or programme accreditation

Main focus of our research is about parental contributions. For the purpose of our research, we define parental contributions as the formally voluntary payments by parents collected by the schools of their children to support the on-going functioning of the school and provide supplementary educational services. Obviously the two last types of violations: (8) Cheating and (9) Accreditation and licensing fraud are not so easy to connect with parental contributions issues. However all of the others (no. 1-7) fit to the purposes of our analysis that aimed at identification of misusing of parental moneys as well as fair justification of the very need of fees.

This approach helped to describe the structure of integrity violation of educational systems that includes *the incentives* to breach existing rules as well as *the opportunities* to do so. Both of these structural components are rooted in policy shortcomings either in legislations or/and in procedural practices.

To study practices in more detail, case-studies on schools of different types were conducted: “elite/expensive” school, kind of “average” municipal school and two schools with low level of parental payments in new urban districts (*Novostroika*). The next section is devoted to our findings on functioning of parental contributions in each of this school type.

Within each school the directors were interviewed (in-depth interview) and one focus-group discussion (FGD) with parents-activists involved into money collection, distribution and control took place. During the FGD the technique of dynamic storytelling were used as additional instrument. Also three semi-structured interviews were conducted with experts: one financial specialist from municipal administration and two school accountants.

The main risk for integrity violation that was identified is a school budgeting that does not cover all school needs by public money and makes parental contribution necessary. The integrity violations are also dependent on the lack of proper system of school evaluations, which leads to unjustified staff appointments and politicisation of the issue of parental contributions. The general findings on vulnerabilities and possible political interventions are suggested in the final part of the report.

I. Introduction

Background

Kyrgyzstan as many other among post-soviet countries faced a lot of problems within educational system since early 1990s. First of all, the USSR breakdown led to lack of financial support of the system. On the other hand the global trends of development of education changed towards outcome-based approach and educational reform had required even more investments.

Education is one of the most important parts of public services and lack of financing is always a risk for corruption connected to quality of these services or just distorted access to them. The general level of corruption in the country is very high. According Transparency International the country has a rank 126 out of 180 and scores 30 out of 100. Transparency International experts reported that education is one of the sectors in which bureaucratic corruption manifests itself. (G. France 2019, p 5-6). Corruption within educational system is hard to overestimate. Corruption leads to uneven access to quality education that in turn, increases deficit of cohesion and solidarity within society. Moreover, children facing corruption from the very beginning of their contacts with public institutions will probably normalize this type of conduct in the future creating vicious circle to reproduce corruption in all areas of social life. We hope that this research will add value to the efforts of authorities and stakeholders to improve the school environments in terms of openness and trust.

Important political objective to keep educational system working and being reformed involves a lot of actors and financial contributions from different parties. Education received the largest part of state budget (more than 21%) but this money cover only the very basic needs of the system. Most of reforms at the level of policy and curricula are supported by donors but many necessities in infrastructure and ongoing activities within the schools should still be covered by some other sources. The diversity and multiplicity of these sources that are difficult to make completely transparent and accountable for include state budget, international organizations' projects and parental money created special area extremely vulnerable for corruption and violations of various types. One of the most constant and reliable of these sources is a share made by parents and this share has been always the most problematic and questionable. The Constitutional norms guarantee the basic education (till the 9th grade) that means that any additional payments for the service look very controversial. The control over these payments is also faced many difficulties in both cases: payments in cash or through the bank accounts. This situation put parental contributions in the centre of attention of many actors interested in social development.

This research is devoted to parental contributions to public school education. Recently the number of events has been happening in Kyrgyzstan around this issue including street protests, experts' debates and wide discussions in social media. Some activists are opposing parental contributions, some people defending them. Some stakeholders are struggling for better control over parental funding. Some experts are advocating other ways of collaboration between public schools and business structures in order to free parents of additional payments. In all cases people are interested in prevention of corruption and all its awful consequences for integrity of educational system including inequality, distrust and

dysfunction at all levels of public administration. That means that protesters had not only corruption concerns but tried to defend the right for free quality education.

Recently, all these discussions obtained new energy. Street protests against parental contributions attracting participants from various regions of the country occurred in Bishkek in spring and autumn of 2019. These events made Ministry of Education and Science (MoES) to take a step supporting the movement and the minister issued an order restricting money collections by schools¹. Most of the experts considered this order as a populist kind of action that cannot change anything in effect. Parental moneys are collecting through parental NGOs and MoES is not in any position to control their activities. Yet a lot of parents stopped paying regular contributions referring to this order. At the same time new information on scandals about corrupted school directors broke in the Media.

Our research that took place in a period from September to December of 2019 reflected all difficulties that were caused by this situation on scandals and protests that make parental contributions important media issue. A lot of school directors and parents from NGOs have just refused to participate in our interviews and focus group discussions. Those who agreed were quite discreet about many details of their work. On the other hand the issue was “touching a nerve” and readiness to share their positions and opinions was really high. Still the certain pressure that was present during research should be taken into account during reading and interpretation of our research results. The school principals and heads parental NGOs’ members were probably not as open as we may expect them to be in other circumstances. The very access to schools to conduct the research was quite difficult because many schools had just refused to meet us and discuss these issues. So some ways and schemas of spending parental money might remain hidden though in other time our respondents would probably share them with us.

The most difficult part of all activities aimed against corruption is the clear vision of real violations of rules and laws within the system that are connected to illicit or illegal actions. This area is usually full of rumours and unproved accusations. Yet it is possible to decrease the abuses but only through the changes of policies and procedures. Thus to identify the most vulnerable points of existing policies is a very important task for any policy research conducted on corruption in education system.

About this report

This report was prepared in the framework of the *Integrity of education systems: training for civil society organisations* joint project by the Center for Applied Policy and Integrity and the Network of Education Policy Centres (NEPC), supported by the Education Support Program of the Open Society Foundations. The project provided civil society organisations – members of NEPC from Georgia, Kyrgyzstan, Moldova and Mongolia with initial training on integrity assessments in education, which was followed by locally-led explorations of integrity in selected areas and reform priorities in education in these four countries.

¹ The order of MoES “On the prohibition of illegal monetary fees in educational institutions of the Kyrgyz Republic” – signed by Minister on September 30, 2019

The methodology of our research will be described in Chapter 2 of this study. Chapter 3 of this report “The practice of private donations to public schools: parental contributions” is devoted to analysis of phenomenon of parental contributions in Kyrgyzstan and its role in school budgeting and provision of educational services. Chapter 4 is titled “Integrity risks” and presents possible areas of vulnerability for integrity violations identified through our research. The concluding Chapter 5 “Policy implications and recommendations” contains discussion of research results and suggestions for their practical applications.

II. Conceptual framework and research methodology

The report relies on a methodology for the assessment of integrity of education systems (INTES), which was developed in the framework of the OECD by the Center for Applied Policy and Integrity and has guided education integrity assessments and research since 2010.

The declared aim of INTES is to help national authorities and stakeholders understand the policy-related conditions under which corruption in their education systems thrives and support the development of solutions that improve these conditions in ways that prevent malpractice at its roots. The approach follows the assumption that integrity problems and corruption in education are not phenomena that affect the sector “from outside”, but a consequence of deeper-rooted problems in the education system itself, which can (and should) be addressed with the means at the disposal of decision-makers, practitioners, and stakeholders in that sector (OECD, 2018).

The INTES methodology seeks to deliver answers to two questions: whether participants in inclusive education engage in corrupt practices and if yes, how the conditions in which they participate in education may play a role in that (Milovanovitch, 2020). The focus is on the ways in which policies and practices in education may create opportunities and incentives for education participants to engage in corrupt conduct.

The scope of “corrupt conduct” implied in this report may include practices for which there is criminal liability as well as softer, sector-specific actions, which are harmful, but may not qualify as corrupt by international standards. Both types of practices are subsumed in the notion of “integrity violation”: an action which is intentional, systemic, involving education participants in professional positions (*e.g.* administrators, principals, teachers), and contradicting the values and principles that apply to the education system of the country under assessment (OECD, 2018). The report thereby follows the 2019 update of the INTES typology of integrity violations² which describes nine forms of such system-wide conduct (Table 1).

² For the latest update of [the INTES typology see www.policycenters.org/INTES](http://www.policycenters.org/INTES)

Table 1. INTES typology of integrity violations in education

No.	Name	Definition of the practice
1	Illicit provision or denial of access to education	Arbitrary withholding or provision of access to education by those in charge of access, in exchange for undue benefit or the prospect thereof.
2	Improper private supplementary services	Services such as private tutoring, which are provided by teachers or other professionals privately and for personal gain in addition to their regular work in education, to students and in subjects or areas which they teach or otherwise cover in that regular work, with the purpose of student advancement and/or support.
3	Politicisation of education	Building and promoting political and quasi-political connexions, loyalties and networks in (public) education with a view to using them for personal or political advantage.
4	Undue recognition of student achievement	Intentional over-marking or under-marking of students in regular education and the fraudulent granting of graduation credentials in exchange for personal benefit or the prospect thereof.
5	Favouritism in staffing decisions	Redistribution of public resources in the form of employment contracts, employment-related promotions and benefits in favour of relations, friends, colleagues or people who are otherwise close to those in charge of the staffing decisions.
6	Misappropriation of funds in education	Embezzlement of assets (funds) in education by someone who does not own them but is entrusted with their management or control.
7	Procurement fraud	Use of fraudulent schemes to procure goods and services for education providers in view of personal enrichment.
8	Cheating	Misrepresentation through fraudulent means (including plagiarism) by those seeking formal recognition of student achievement, of the work they have done and/or the knowledge and skills they have acquired.
9	Accreditation and licensing fraud	The use of fraudulent means, including of personal favours or the prospect thereof, to obtain a license to operate, degree-awarding powers, and/or programme accreditation.

Source: (OECD, 2018)

In line with the INTES methodology, this report also gathered evidence on vulnerable areas in education which create the conditions for integrity violations to thrive, with the purpose of informing practitioners and decision-makers on how to change these conditions for the better. “Vulnerable areas” are defined as weaknesses (shortcomings or gaps) in education policy and practice which may provide education participants such as teachers, principals, parents, education administrators, with opportunities and reasons to engage in integrity violations (OECD, 2018; Jovanovic, Kovac Cerovic & Milovanovitch, 2019).

Main focus of our research is about parental contributions: voluntary (at least formally) payments that schools collect to support their on-going functioning as well as provide some educational services. Obviously the two last types of violations: (8) Cheating and (9) Accreditation and licensing fraud are not so easy to connect with parental contributions issues. However all of the others (no. 1-7) fit to the purposes of our analysis that aimed at identification of misusing of parental moneys as well as fair justification of the very need of fees. It actually shows that parental contributions facilitate all of these violations in specific ways: these money help schools to cover necessary expenses that are not officially provided but control over these money remains very fragile.

This approach helped to describe the structure of integrity violation of educational systems that includes *the incentives* to breach existing rules as well as *the opportunities* to do so. Both of these structural components are rooted in policy shortcomings either in legislations or/and in procedural practices. For instance, a lack of funding is strong incentive for fraud and search for illicit kinds of financing. On the other hand the unclear instructions of state budgeting lead to the informal or even illegal practices of money distribution. Hence the degree of violation might be put within continuum starting with problematic conduct and leading to criminal activities through some administrative offences. For example, misconduct or administrative problems may be part of spending money without proper documentation for reporting or using substitutive financial documents that do not reflect real purchases (to cover tax expenses or reflect another product that is not necessary for school but fit official reporting forms). But it may sometimes be part of the fraud schema with false prices reflected within documentation in order to conceal part of parental money for stealing by people responsible for the purchase and this is already real criminal activity in the field of parental contribution.

In order to analyse the parental contributions to public schools from integrity point of view the data were collected from different sources: (1) the media materials and discussions in social media were used to analyse public opinion and discourses on parental contributions in public schools; (2) the legislation and normative framework along with experts' interviews were used to analyse the existing orders and rules for financial management in schools; (3) in-depth interviews and focus group discussions with dynamic storytelling techniques to explore practices of parental contributions in various schools (Jovanović, O., et al. 2019; Daiute, C., Kovács-Cerović, T. 2017).

To study practices in more detail, case-studies on schools of different types were conducted: "elite/expensive" school, kind of "average" municipal school and two schools with low level of parental payments in new urban districts ("novostroika"). The next section is devoted to our findings on functioning of parental contributions in each of this school type.

Within each school the directors were interviewed (in-depth interview) and one focus-group discussion (FGD) with parents-activists involved into money collection, distribution and control took place. The "elite" school included 39 participants working in small groups and sharing results during joint discussions. The same schema was applied for "average" school with 20 parents that came to the meeting. The FGD in novostroikas involved 8 parents in the first school and 40 in the second

Also three semi-structured interview were conducted with experts: one financial specialist from municipal administration and two school accountants.

The interviews and focus-group guides as well as samples of stories used for dynamic storytelling are in the Attachments.

III. The practice of private donations to public schools: parental contributions

The phenomenon of parental contribution

Since Soviet Union breakdown in 1991 schools in Kyrgyzstan have been deficient in terms of money and material resources. There were different ways to cover the gaps including donors' money, search for sponsorship and local authorities support. There were a number of projects conducted by international organization that were aimed at support of schools. The help for infrastructural sustainability was provided through different types of grants to local authorities and to schools directly. UN agencies, Soros Foundation Kyrgyzstan provided a lot of schools with repair, construction materials and computers during the most difficult times in 1990s.

Since 2000s new types of projects appeared that concentrated on development of new schemas of financing and piloting of different models of social partnership. As a result the system of normative financing per capita/student was implemented for school budgeting as well as support for teachers' in service trainings. Still the normative occurred to be very low and these moneys have been covering only the basic needs among all necessary expenses. Most of the funds (in average - 94%) coming from the republican budget are spent on teachers' salaries, and a very small part of the funds remain, which are not enough for the development of the school, nor for meeting the daily needs of a school associated with its functioning (The detailed description of school financing is in the Attachment 4)

Thus, since that time the easiest and most direct way to meet schools' needs remains collecting money by parents. Yet this way has been problematic since the very beginning. On the one hand it was obvious lack of resources on the other hand all the cash collected by schools was unaccountable and non-transparent though it helped to overcome the resource shortages. In order to make transparent their spending schools initiated parental NGOs organizations that opened accounts in commercial banks and reported to general school meetings about expenditures confirmed by banks' info and different bills. Parents obtained the opportunity to put money to the bank account avoiding transactions in cash. The direct parents' payment to banks instead of collecting cash made situation clearer but still quite uncontrollable. The exact amount of money collected and spent became available but the real prices for products and services remained confirmed only by documentation that is quite difficult to audit.

To gain control over additional schools' funds it was made a decision at the central state level about establishing the Boards of Trustees (BoT) under each school that have to have state accounts within Treasury. Yet this practice did not spread because financial reporting according Treasury state accounts is complicated and 95% of schools do not have their own professional accountants but are provided with necessary services by district/regional educational authorities. So these accounts are usually remained unused.

As a result the majority of schools obtain as a rule both bodies: parents' NGOs as well as BoTs. Most of financial contributions and reporting is going on through the NGOs and their accounts in commercial banks that public authorities cannot control. These parents' contributions are formally "volunteered" and never required officially because of nature of NGO's account in commercial bank unlike of state controlled account that might be regulated

by specific legislation. BoTs' accounts are used by some schools for collecting money by direct parental payments for the spending that might be planned in advanced and officially confirmed. Usually that includes additional educational services (dance studios, art workshops, excursions etc.) as well as procurement of equipment or some repair work.

There is huge difference in the amount of money collected in some schools in the centre of Bishkek and schools in new residential/suburban or rural areas. It may vary between 30 soms (KGS national currency) which is about ½ of 1USD and 500-1000 soms (8-12 USD) per month not including annual or enrolment contributions that may reach 500-1000 USD per family. The access to prestige and so called "elite" schools is limited by money though children should be formally enrolled to school by territories of their residence. Of course, children living in the appointed area are usually enrolled in these schools anyway but if families cannot meet financial requirements of the school children do not feel themselves comfortable there and sometimes quit this school for "more democratic" places. (The cases of unfriendly attitude towards a kid whose family could not pay regular fee will be described below). That means that some public schools gather children from all city areas and are "rich" and resourceful comparing to others that are "poor" and incomplete.

Definitely it is a difference in quality of education in various schools around the city that makes some schools more popular. There is direct connection between quality of education in these schools and amount of contributions required each month from children's families. The quality of education might be assessed by many sources and one of the most reliable is the results of Republican test for entering University which is conducted since 2002. Most of the schools obtain the statistical data of the rating of their alumni³. Another factor that plays role here is low income of majority of population in Kyrgyzstan. There is a very few families that are capable to pay tuition to private schools that is why some of the public schools transformed into some kind of "bridge" between really expensive private education and great number of schools that can afford a very basic level of quality of education because of deficit of professional teachers or lack of proper equipment like computers and projectors. Parental contributions help these schools to keep the best teachers, buy new equipment, and provide extracurricular activities. The quality of education in these schools is quite close to it in private schools (or may even surpass this level) with only one exception – the bigger number of students per class (what actually explain the effectiveness of low fees – in private school are much less students per teacher and they get much more personal attention and individual approaches to their studying).

All these "bridging" schools in Bishkek are over numbered by students 3-4 times more than normative. This "overload" is taking place amid crowded classrooms in all the city's schools though it happens at different scales depending on school's reputation. There are only two schools in Bishkek that are really unpopular and on the verge of closure/transformation due to student shortages. All other schools are "overcrowded" just because the number of children is much higher than there are places in the existing classes.

Though situation in Bishkek is special, it is not completely unique, and the logic of uneven parental contributions repeats in many regions (excluding sparsely populated areas).

³ To be enrolled into University in Kyrgyzstan you have to pass Republican test with minimal required score. The more prestigious University you aim at the more scores you have to obtain. If you cannot afford "good" school than you have to afford private tutoring which might be more expensive. If you do not have enough money only your personal abilities that should be quite prominent in these circumstances will help you to be enrolled.

Main problem here is high concentration of children in certain territories: if the number of children is much more than seats in school classes then idea of normative per capita (per student) budgeting stops working because all schools are “more than full” in any case and they have no financial incentive to admit even more students. Thus, schools which are in such a situation stop competing for public funds and start competing for parental contributions, trying to attract rich parents instead.

This situation of uneven parental contributions increases inequality in the public education sphere and prevents many children from access to quality education (especially in the big cities and around them)⁴.

Public reaction to the phenomenon

Since the very beginning of collecting parental money the protests against this practice started almost immediately. One of the arguments that has always been popular is about the economic growth of the country and expanding opportunities for state budgeting. It is also included the argument about “double taxes” that parents have to pay to the state: first through their taxes and then to school directly. Yet this argument is not as popular in Kyrgyzstan as in more developed post-soviet countries (like Baltic States, for instances). The issues of accurate tax payment are not always relevant to local situation especially in the rural area where a lot of people do not pay a lot of taxes, so they are not inclined to claim their share in school budgeting. At the same time, there are rural schools that do not collect big sums of parental money having enough from the state budget and local authorities/communities support. The parents in the cities are ready to pay for quality of school education more willingly moreover they have more financial opportunities to do so.

Our research was conducted in Bishkek as in the most problematic area for the issue. Capital city faced the problem of overcrowded schools and uneven parental contributions in the most concentrated form. Therefore the descriptions of vulnerabilities and integrity violation along with the policy gaps that we have identified in Bishkek might be generalized over other regions of the country.

Context and manifestations of the phenomenon by school type

The practice of parental contributions may vary by type of school and even between schools of the same type. In fact, in Kyrgyzstan each and every school developed its own approach to budgeting and using (or not using) parental money: the practices that were born in everyday struggle for necessary resources are different for different territories and social environment of each school.

Still some schools have a lot in common and rely on similar ways of collecting and using parental contributions. Also some integrity violations are more expedient for some schools and are almost meaningless for the others. For example, “Illicit provision or denial of access to education” is more frequent in “elite” or more or less “expensive” schools, because parents seek these schools from all city areas. But for almost the same reason a school with low level of contributions is more vulnerable for the “Politicisation”. Such school have deal with

⁴ We are discussing unequal access to quality education here only through the lenses of parental contributions. Other factors of quality of education in different regions of the country are not in the focus of this research.

parents from certain area and this factor might be important, for example, during elections because it is easier to reach specific target group with political campaign. As our results show, the parliamentary deputies are quite often the sponsors of this kind of schools and they often obtain sponsorship during elections.

The largest amount of monthly payment we observed in the school that was defined as “elite” one: 1000 KGS (about 14-15 USD). The average school collected 450 KGS (less than half of this amount – 6 USD) and school at the outskirts of the city are gathering only 200 KGS (3 USD). The amount of money was not the only characteristic that differ one school from another.

Below we will provide information one each of school “type” in order to show various sides of the problem for different social layers of Bishkek citizens.

The “elite” school

This school have children from the all the city areas because of high level of popularity. Children and parents are ready to spend some time and money to reach the school via public transportation or using cars in order to obtain the level of education that they desire.

As one parent from “elite” school put it during the FGD:

“We have quality of education here comparing to private schools, but we pay 15 times less that we would pay there. Of course, I am ready to pay 1000 Soms instead of 15000 or 20000! I do not understand parents refusing to pay. We need our teachers and therefore we should pay them decent salaries”.

This kind of statements was as a rule accompanied with description of high achievements of the students graduates of this school. The argument also contained justifications for why families prefer to enrol all their children into this specific school in spite of quite high costs for keeping them here. As far as older sisters and brothers proved the success in future steps in education and obtaining paths for their careers, it seems reasonable to support the school at the existing high level for younger children as well.

The FGD with parents in this school was the longest and the most cooperative among all of discussions. During the storytelling participants highlighted the importance of negotiations with parents who were not inclined to pay. For example, the Story #1 (*See Attachment*) about parents who refused to pay and invited lawyer to the school meeting was finished with successful negotiation between all parties. Moreover the lawyer who was hired to support the parents in their resistance against the payments ended up being “converted” who started arguing in support of these payments because they were necessary. The image of “cooperative” parents’ community was prevailing in all four samples for storytelling. It might be stated that general mood of the parents is about acceptance and inevitability of contributions and readiness to look for compromises and solutions of the problems that could not be solved in any other way.

In its turn, interview with the school director showed her high concerns about quality of education at all possible levels. She is highly concerned about school physical environment (like comfortable heating system) and equipment (for instance, computers should be regularly upgraded or changed). She is also worrying a lot about keeping all her teachers and importance of parental contributions exactly from this point of view: additional teachers’ salary is completely depending on this money (all teachers are receiving these salary supplements and depend on them). She also complained that educational services that school providing on the week-ends are not as high in demanded as she had expected:

“I understand that parents want to spend more time with their children on Saturdays, but we have so many studios and workshops here absolutely for free. Only half of our students are coming here on Saturdays, but I would like see all of them busy with some interesting activities or projects in school”.

Thus the quality of education as a matter of negotiation between school administration and parents was the main focus of all discussions and interviews conducted at this school. As a theme, money played a secondary role in these conversations despite the sharp drop in parental contributions to the school after the MoES order, and despite the negative public opinion in the country about parental donations in general.

Because of their high popularity and ability to attract additional resources, the parental donations to these schools are an important catalyst of a number of integrity violations. The most typical among them is the illicit provision or denial of access to education (see Table 14, integrity violation No. 1), as parents may easily “cross the line” of legal conduct by offering the prospect of financial support to the school in exchange for admission. These “elite” schools are also quite often at risk of favouritism in staffing decisions (Table 14, integrity violation No. 5), because the director’s position connected with ideas of “access” to parental money create competition and struggle for the appointment. Such appointment may in turn include bribes and exchange of services.

The “average” school

This school is also quite popular in Bishkek though it is not as expensive as the first our example. The amount of monthly collected money here is less as well as opportunity provided with equipment. The parents from this school demonstrated more aggressive attitude towards the problem of parental contribution compared to the “elite” school. General air of distrust about the activity of the parental NGO handling the donations was presented during the FGD. One of the mothers calls NGO’s reports on spending “*Filkina Gramota*” that is quite rude idiom for false or imitating kind of document. This position reflects common opinion about manipulations with financial documents that let parental NGOs to appropriate money. The FGD facilitators were also accused of integrity violation of a sort:

“You are coming here and spending money on research though it would be better spent on schools. We would not have these problems if MoES distributed budget money correctly and would not steal them”.

The repeating explanations on comparative character of the research and need to identify policy gaps for improving situation were also perceived with suspicion:

“We do not know why these foreigners come here and conduct all this research. It hardly improves our education system, which is getting worse and worse since Soviet time”.

Actually the general discussion was permanently averted from the matters of the school budgeting to the matters of high level of corruption in general with examples of corrupted MoES official. One example was about certain man that not only asks for bribe in form of expensive suit but even provide information about boutique where it should be bought. This kind of information accompanied most part of general discussion.

The part of FGD devoted to storytelling contained similar attitude of distrust to system in general. The story #2 (*See Attachment*) about Firefight inspectors was finished in two ways. The first one was called by the parents “*Ideal ending*” and was attributed to own school:

“We have brilliant director here and we would find solution to keep our building in order. We would never let our children enter unsafe school building”. The second ending was about “real situation in another school”: *“They bribed inspector and did not repair their electricity supplies. As a result it was a big fire in the school. Happily there were not victims among the children, but several teachers were injured badly”.*

Actually, all four stories were continued and finished in several ways grading from “ideal ending” with references to own school to less and less positive solutions, like denial of parental payments and missing of the best schoolteachers because of that. The negative solutions were always attributed to “other schools” and provided as kind of “real stories”. These negatives solutions included bribes, frauds and other types of illicit/illegal activities. For the story about inspector this solution is bribe. For the story #3 about windows repair this negative solution was procurement fraud with appropriation of money by some parents, responsible for the repair through using “own” company to provide the service for “special price”:

“You know how it happens! One parent has a company that produces the plastic windows and suggest to “help the school”. We do not know how much this production costs in reality! Maybe it is much cheaper for him as producer and company head and he still can provide school with the “special” nice price and keep some money for himself or even share this money with teachers... Who knows!”

The interview with the school director showed that distrust is a real problem for parental community as well as for relationships between parents and administration. After recent protests, as the director put it:

“I noticed that the more detailed report I provide for parents about school spending the more suspicious attitude I have back – like – “probably she is hiding something since she provides us with so many details...” I do not know how to prove that we badly need all collected money and some processes might otherwise stop tomorrow. I am not even speaking about teachers – I am speaking about cleaners and security here. Just some basic processes will stop tomorrow which everybody is taking for granted”.

The subsequent interview confirmed that a lack of resources in the school became critical after recent protests against parental contributions.

Although this school is quite famous in Bishkek because of project activity and great students’ achievements in educational competitions and extracurricular events, these achievements were not mentioned in the discussions. Neither the director nor the parents referred to these activities or to more general and less personal issues concerning the quality of education. The resource needs and the difficulties that appeared in that respect took centre stage in the discussion of school concerns and moved the focus towards issues of corruption, misappropriation of collected money, and distrust of parents involved in school financing.

The integrity violations that characterised these schools are very similar with the ones that are typical for “elite” schools. Yet amount of collected money and parents’ interest in transparency prevent many of these schools of misusing funds and any kinds of frauds. The control over spending in these schools is tight and they are usually well trusted by parents as well as by authorities.

The disadvantaged school

The typical school at outskirts of the city enrolls mostly children from the nearest neighbourhoods. There many houses that were built by municipal social programs that

provide housing for people with disabilities and low income families. There are also families of military and police officers among inhabitants of these neighbourhoods as well as some civil servants from several Ministries that built houses for their staff. Though children from other city areas do not come here, school is overcrowded anyway. The school is relatively new (built in 2006) and there are no funds for repair and restorations for new schools. Parents claimed that they do repair and class decorations usually by themselves. The money that they collected goes mostly for everyday needs of the children like toilet paper or napkins. Payment for the contract with Security Company they collect annually at the beginning of academic year in September.

School director highlighted that she does not pay additionally to the teachers, but they stay with the school because there is warm and friendly atmosphere here. For improvement of equipment or for buying new furniture she is mostly seeking for sponsorship because “parents are incapable to collect big money here”. She said that during Parliamentary or Presidential elections school may receive support from various political parties:

“It is not for exchange of some political loyalty or help during elections – we do not participate in these activities! They just want to demonstrate their concern about “ordinary people” and try to gain some appreciation through school improvement”.

Parental aptitude towards contributions in this school was in a way close to one demonstrated in the “elite” school. The stories were finished also in similar way. The suggestions were about negotiation and cooperative search for solution. As one of grandmothers put it during the FGD:

“I prefer to talk people in some voluntarily support. Sometimes they do not have enough to pay the whole sum then they give as much as they can. It is a pleasure to me to come to parents and talk to them about school problems. I have grand children here. I have time to help. Why not? Usually people understand the need if you can explain correctly”.

Still the school needs in this case are completely different. Parents (as well as director) concern about mundane problems – how to keep school toilets clean, how to prevent local people using school territory as a park and place for rest not to destroy school yard, how to repair bookshelves or put learning materials on the walls.

The discussions on quality of education mostly came down to the issues of suitable conditions for children at school. It was also shown that parents prefer collect money and cooperate at class level rather than within the school. They claim that they know each other and know their problems better within their classes. One father said during the FGD: “My boy is in the elementary school. I do not know what high school students need and how would I check? It is easier to gather with our teacher and solve problems among ourselves”. The discourse of state support instead of parental money collection was also noticeable here:

“It is not a big deal to add such money to the school budget. How much do we collect? It is funny. They require security in school but do not provide budget for that. But we are collecting 1500 Soms for that. Cannot they find this money in the budget?”

Still the same parent is paying his contribution regularly and the air of discussion in general was not such aggressive as it was in the school with average level of parental payments.

As our analysis has shown the “Politicisation” is quite a risk for integrity violations for these schools. There are not a lot of money to misuse or steal as well opportunities to “sell seats” in the classes. Yet the concentration of certain social groups within one area makes these schools very attractive for politicians although teachers and directors do not recognise

that they provide political parties with any kind of loyalties. Still, such school might be easily used to achieve somebody's political interests.

Commonalities between school types

To conclude, it might be stated that attitude towards parental contributions differ from school to school and depends on different factors. One of them is parental demand for education of good quality, which is an important incentive to keep parental contributions going as a part of school budgeting system. At the same time, the question of what amount of payment is tolerable is important as well.

Some people are ready to pay more in exchange for high-level services and are not obsessive about transparency and accuracy precision of spending and financial reporting. Others provide the school with minimal amount of payments, but are ready to lend a hand in the improvement of the school infrastructure and have no high demands about students' learning achievements. Still the school that is trying to maintain high level of services and keep parental contributions as more or less affordable faced the most difficult situation. There is also the scenario of the average school where the amount of collected money was perceived as too high for some families, which fuelled distrust. In that school, despite the high cost of contributing there was an obvious lack of agreement among the parents about quality of demanded services and prices that they are ready to pay for them.

IV. Integrity risks

School budgeting as an overarching integrity vulnerability

Our expert's interview as well interviews with school directors shows that money received from state and local budget cannot cover all needs of the schools (especially in the big cities such as Bishkek).

If my school remains without parental money, I will have to terminate a contract with security agency because these expenses are not included into the standard. I will also risk staying without the cleaners because their salary is extremely low and I am paying them additionally. I will probably lose my best teachers because I also collect money from parents in order to raise their salaries to the level at least remotely comparable to the teacher's salary in the private school. There is no another way to cover all these absolutely necessary things. And I am talking about things that we need to go on with the process. I have not started discussing computers, projectors or teaching and learning materials yet. The quality of education and the very reputation of the school depended on all that. And we would not survive without parental money. No way. At least it would be impossible at a level that we consider as "normal" for our school.

Director of the "elite" school

The more or less the same arguments were brought by all of school directors that we have interviewed. Some difference was only in the amount of collecting money but not in the description of the needs and possible ways to meet these needs. Actually the only possible way that was presenting is collecting parental contributions under some independent body like parental NGO or public foundation.

It was also noted by all our respondents (four school directors) that money that schools are collecting from parents through the official Treasury accounts they could use only for certain purposes (planned very early in advance) and cannot redistribute according to their actual or unexpected needs. All directors highlighted that they appreciate the transparency of this system but the opportunities to use it are very limited because of lack of flexibility.

Following the example of most educational systems in the world, Kyrgyzstan has made the transition to a more progressive system of financing – regulatory funding, i.e. financing of the school, based on the number of students in it. In this system, state-funded school expenses, such as teachers' *salaries, advanced training, textbooks and other possible costs*, are distributed among children attending school. Therefore, the student, coming to school, "brings" with him his share of public funding. In the legislation of Kyrgyzstan, this standard is called the Standard of Budget Financing. The standard of budget funding per student includes: the standard of current funding (labour costs, training costs, teacher training, student nutrition, school maintenance) and the standard of investment funding (purchasing textbooks).

The standard of budget financing does not include utilities and maintenance costs (financed from the local budget), as well as the overhaul of the school building.⁵

The introduction of regulatory funding led to two important changes in the system of school funding:

1. The amount of funding depends on the number of students, which means that the school is interested in accepting more children.
2. The school receives financial independence, i.e. the ability to independently manage funds coming from the state budget. To do this, schools can form independent accounting departments and open accounts in the Treasury system. The school has the right to form its own staff list, as well as to introduce or cancel positions within the standard staff list in accordance with its priorities.

The transition to the new funding system has been carried out in stages for several years and to the current date, the education system has been almost completely transferred to this mechanism. The standard of Budget Funding per student reflects the structure of public spending on school. The Government resolution approves each year the standards of funding, the amount varies depending on the student's place of residence (city or village), the level of their education, and the type of educational institution (school-gymnasium, school-Lyceum, school with in-depth study of certain subjects, primary, primary and secondary school, boarding school).

Thus the school budget depends on number of students but it does not help to solve all the problems because the money that school receive for each student are insufficient to cover necessary expenses in any case.

⁵ It should be noted that schools have been preserved in Kyrgyzstan, which are not covered by the principle of regulatory funding. As a fact, these are schools with a small number of students. The list of such schools is approved by the government. The principle of budget formation of such schools remained the same on the basis of actual costs.

Integrity violations: practices and vulnerabilities

The description of areas vulnerable for integrity violation is organized according to the INTES methodology, but In this sub-chapter we focus on parental contributions as a practice which – even when it is not an integrity violation per se – facilitates several of the integrity violations described in the INTES typology (Table 1) or creates situations of risk in which such violations may take place. Specifically, this section discusses the role of parental donations in illicit access to education, politicisation of education and favouritism the Some of our findings shows that violations take place in reality. Yet, for some other areas we did not find facts confirming abusive practices (like area 2 – “Improper private supplementary services). Thus we describe such areas as the points just potentially risky for integrity violations to draw attention of policymakers to these areas.

Illicit provision or denial of access to education

Illicit practice

The INTES methodology defines illicit provision or denial of access to education as the Arbitrary withholding or provision of access by those in charge of such decisions, in exchange for undue benefit or the prospect thereof (OECD, 2018).

We found two manifestations of this violation: through so called “voluntarily contribution/sponsorship” for school enrolment and obtaining of fake documentation that confirms that the family in question is really living within appointed area for certain school⁶.

The main practice is “voluntary” contribution for school enrolment, which is in effect kind of bribery. Any contribution for school enrolment is forbidden by legislation at republican as well as at municipal level. Every year the MoES encourages parents to report cases of requirement of a child enrolment fee. Yet nobody reports the cases because the demand to be enrolled in popular school is too high. School administrations are usually requesting the receipt from the parents that this payment is voluntary contribution of the family for the school development. The amount of such contribution might be from \$200 to \$1500 (depending of “elite” status of school). During FGD parents discussed such cases only as something that they know about “other schools” and denied such practices in own schools:

“Everybody knows that in school # ... they have to pay \$500 for the enrolment and they are paying every month 1500 Soms for teachers’ salary. And school does not have space to open new classes – children are sitting “on each other’s heads...”

Vulnerability

The quality of education and difference in quality of education in different schools are the great *incentives* to gain access to certain school providing high level services for comparably reasonable price. Though the principle of school enrolment is territorial some of schools

⁶ The second practice is not directly related to parental contributions. It is obtaining of fake or certificate of current address of a child. Usually the small bribe at the local office responsible for neighbourhood or even separate apartment building is enough for receiving such document. Schools just enrol a child on the basis of this document because they do not have to check this information and are not connected to these offices in any way.

gather children from all city areas. So enrol additional children into these schools is always against the rules. The *opportunities* to break these rules consist of two components: (1) rules are not really strict and there is not real punishment for breaking the order of school enrolment; (2) rules enforcement and control belong to different offices – Ministry of Education and Science controls schools' activities but territorial distribution of school places including decisions about school enrolment capacity is under local authorities' responsibility. Thus these rules are easy to circle around.

Improper private supplementary services

Illicit practice

Improper private supplementary services, such as private supplementary tutoring, can be defined as services provided by teachers or other professionals privately and for personal gain in addition to their regular work in education, to students and in subjects or areas which they teach or otherwise cover in that regular work, with the purpose of student advancement and/or support (OECD, 2018).

In our country, these services include supplementary remedial or enrichment classes in a variety of subjects, some of which high-stake for the educational career of students, such as maths, geography, history, literature, etc. These classes are organised by the school and provided for an additional fee by the schoolteachers to the students they teach in regular education, thus creating situations that lead to conflict of interest and integrity risks.

Vulnerability

There are incentives as well as opportunities to provide improper supplementary services using parental contributions. Schools have a right to collect money for additional services using the treasury account so these payments are completely transparent and accountable for. Also there is a condition that additional services must not repeat any materials included into standard curriculum.

Usually schools organize some studios or workshops on arts, music, dancing or sports and these cases could not violate integrity of public education. Still there are additional classes (*kruzhok*) devoted to some learning subjects: math, geography, history, literature etc. It is supposed that content of these classes do not overlap with the standard program. Indeed, history might be connected with organization of school museum, literature with writing poetry and math to some topics beyond official curriculum.

However it is not always possible to control what kind of materials are studied during such classes. As it was already noted parents are interested in children achievements and they are not very much aware about topics included or not included into curriculum. Thus some teachers can use these additional classes to prepare interested students to tests or to give them more detailed explanations of the materials that are part of required educational outcomes. In this case such classes become analogues to private tutoring services provided by public schools by parental contributions and it is strictly against the rules.

Although our research did not find evidence that this integrity violation is a widespread, systematic practice, it is still worthwhile to highlight that the practice exists and also that there are incentives (parents' interest in children achievements) and opportunities (insufficient control over the additional classes on learning subjects) for this specific kind of

misconduct. Besides, this is a vulnerability which has the potential to evolve into a marketplace for “hidden private tutoring” at public expense that would make the uneven access to quality education even more unfair.

Politicisation of education / Favouritism in staffing decisions

In Kyrgyzstan, the most prominent manifestations of *politicisation of education* can be seen in the domain of staff appointments and dismissals in education. In this sense, this integrity violation is often interconnected with another one from the INTES typology: *favouritism in staffing decisions*. Therefore, here we discuss both of these violations in the same section as it is difficult to draw clear boundaries between them when it comes to the role that parental contributions play in each.

Illicit practice

The practice of parental contributions can play an important role in the appointments of school directors – a process which is often abused for political purposes, as well as for the promotion of relatives and friends into the position of school leaders.

After any changes of political figures controlling MoES, a lot of transpositions connected to key administration staff including schools (first of all school directors) take place. The difference between just favouritism and political agenda hidden behind staff rearrangements is an issue of personal loyalty that would include also some political views and values of appointed administrators. Usually it is about more or less “conservative” or “liberal” positions of appointed people that are also correlated with political parties’ agendas and preferences. The positions of directors of “elite” schools that operate with large parental contributions often became a matter of “trade”: the profitable position might be suggested to close people in exchange for certain services or following political agenda.

Another important form of politicisation of staffing decisions in which parental contributions play a role, is the public debate on how to address the problem of private donations in public education. This is an issue which gains in importance ahead of elections by becoming a “hot” topic with a regularity that corresponds to the electoral calendar. Along with discussion on “right” or “wrong” role of parental moneys in schools some directors might be fired or even declared to be criminals. Still this activity within staff transposition might be at the same time aimed at looking for promotion for relatives and friends. It is not also a coincidence that the most “expensive” public schools (meaning schools with the highest annual and monthly parental payments) are always in the centre of this kind of scandals. One way or another, this is evidence of certain level of corruption around parental money as far as director’s positions are quite demanded. Undoubtedly the material reasons of high attractiveness of these positions play important role here.

It might be stated that there are political as well as material incentives to use parental contributions for political ends. There are also a lot of opportunities to call into question school directors’ activities connected with finances including various inspections/checks and even criminal investigations. Still it is almost impossible to draw boundaries between material and political reasons of using parental contributions as a tool to struggle for administrative posts.

Throughout 2019 a scandal on dismissal of director of one of the popular schools near Bishkek (in Bishkek suburb Novo-Pavlovka) is source of great tension within educators’

community. Actually, the school directors refused to participate in our research exactly because of this scandal that scared them. During FGD parents also refer to scandals about dismissal of some school directors accused in corruption as something that may happen in “other schools”.

At the beginning of 2019 a group of parents from Novo-Pavlovka school accused director in corruption and lack of transparency in spending parental contributions which is 700 Soms (\$10) per month. The amount of contribution is quite high for the village however this school provides better conditions and technical equipment than many expensive schools in Bishkek downtown. Immediately another group of parents opposed and made a statement that these accusations are conducted in order to capture the director’s position for someone’s relative. After street protests before MoES building and “White house” (main administrative building in the country) the Minister of Education fired the accused director. Director filed a lawsuit and was reinstated by court decision though MoES never confirmed her return to previous position. Two people have already quite the director’s position in Novo-Pavlovka because teachers do not accept new administrators and parents are still divided in two opposite group that creates impossible conditions for normal work.

Vulnerability

For our analysis the most important point in this case is that Ministry is ready to sacrifice professionals just because of certain degree of public indignation that definitely might be used as blackmail instrument here.

The lack of clear procedures that all sides should follow in such cases leads to unjustified political, social and psychological costs that are inevitable in scandal conflict situations. So this situation shows that any school director trying to maintain high level of quality of education remains unprotected and insecure before different kind of manipulations. At the same time parents who have doubts on transparency or misappropriation of funds also do not have suitable means to clarify the situation. Still a lot of politicians are ready to use people’s problems in order to gain popularity and more votes in anticipation of Parliamentary elections that will take place next year.

Undue recognition of student achievement

Illicit practice

According to the INTES typology, the undue recognition of student achievement is the intentional over-marking or under-marking of students in regular education and the fraudulent granting of graduation credentials in exchange for personal benefit or the prospect thereof (OECD, 2018).

None of the participants in our focus group discussions admitted that this integrity violation is taking place in their own school. Moreover parents provided us with many stories how students whose families did not contribute were supported by teachers or the parental organization (for instance, children may receive New Year gifts even if their parents did not participate in the money collection). However, parents readily provided examples from other schools about cases that happened with their friends. One of the fathers speaking about experience that he had in another school put it this way:

“Of course teachers should not pay attention to that. But a payment by a student means that the teacher can receive an allowance and vice versa – a student who does not pay means that the teacher does not get an allowance. So, the head teacher pressures responsible teachers⁷ (klassnyi rukovoditel) about collecting money and this teacher pressures the child...”

For obvious reasons, information about cases of grade inflation or preferential treatment of some children (*i.e. whose family pays more or helps the school in other ways*) over others, is scarce. On the other hand there are a lot of stories about complaints on uneven treatment towards students whose families did not pay the requested parental contributions.

The most extreme case in this respect was covered by Media happened in 2017 (Sputnik KG, 2017). The student from the 7th grade (13 years old) was lost for 3 days. He quit school but did not come back home. In 3 days police with volunteers found him in an abandoned house. The boy complained that he was humiliated and threatened to be excluded from the school because his family did not pay regular contributions. This case was one of the triggers that launched another wave of discussions on parental contributions in 2017. This discussion resulted in another order of MoES on restriction of contributions but as several other orders that were issued since 2014 did not produce any effects.

Vulnerability

All parental contributions are formally “voluntary” and some of parents do not provide schools with regular payments. They do not do it because of various reasons including low family income or some principles (like protest against “double taxation”). Still, schools need these contributions badly. The teachers quite often depend on them themselves receiving the additional part of their salaries through monthly payments. This situation is obviously tempting and teachers (consciously or unconsciously) may demonstrate uneven attitude towards students who is paying/not paying the money.

The incentive here is low teachers’ salaries and other school needs that should be addressed. And opportunity is extremely complicated justification of subjective approach to grading. It is quite possible that students would be graded unfairly: pupils who do not pay would receive lower grades and vice versa children whose parents pay would receive better grades. The issue of payment may also influence friendly/unfriendly treatment for some students, more attentive or less attentive evaluation, promotion some students for participation in different events etc.

Misappropriation of funds in education and procurement fraud

Illicit practice

The practices of misappropriation and moreover procurement frauds is difficult to prove or discuss openly. Therefore we used for our analysis the dynamic storytelling techniques and ask parents to continue and finalize specific stories that were connected with possible misappropriation and fraud.

⁷ Each class in any school has kind of class tutor that is responsible for children in this particular class including their extracurricular life and other specific issues that take place at the class level

The story #2 about fireproof inspector (See Attachment) was continued in two ways during FGD in the school with average level of contributions. To continue the story school director should solve the dilemma: to bribe inspector and take a risk of a fire or close the school and take a break for troubleshooting with risk of administrative punishment. It is unclear from the story are there real problems or inspector just want to extort a bribe. The first solution suggested by parents was about director that follows rules: “We have kind of a “Finnish” director who lives by principles and rules and he would never bribe anybody. So he would close the school for troubleshooting. Then after he put everything in order Ministry will fire him and appoint somebody else. Our second director is really “our” and he is capable to solve problems and make agreements. He would make agreement with inspector and then in some way will repair electricity”. So after presentation a question a question was asked: “Where the second director will be able to get money?” So, definitely the most likely he will use parental funds for that. Then how this money would be reported? Again, some fake bill will be used to cover the bribe. These questions launched hot discussion between parents:

Parent 1: Frankly speaking all these NGO’s reports are just “filkina gramota” (fake and unreliable document)

Parent 2: This is not true!!! You never come to our budget hearings and that is why you are saying so...

This discussion shows that people suppose that part of parental money is used for bribes and other informal but sometimes unavoidable kind of payments that school has to make. But this logic is quite close to assumptions that some money might be reported as spent but was just stolen by some of the parental NGO’s activists or administrators.

Again, as other serious misconducts like fraud schemata or stolen money were discussed during the FGDs as something that happens in “other schools”.

Vulnerability

In the context of this research, misappropriation of funds is understood to be the embezzlement of assets (funds) in education by someone who does not own them but is entrusted with their management or control (OECD, 2018). In some cases, the misappropriation may take place with the help of procurement fraud schemes.

These two types of integrity violations are quite difficult to divide in terms of vulnerability as well as certain practices. As it was described above the parental NGOs are collecting money using commercial banks accounts for direct payment from parents. Thus a lot of problem with circulation of unaccountable and unreported cash money was solved to some extent. Also school administrations are not involved in money collection anymore and it usually put them beyond many suspicions of fraud and misappropriation of parental money. Still the problem remains at another level. The spending outside bank transactions are reported through bills, checks and other kinds of documents that is really hard to follow and sometimes easy to fake. Thus even other parents who is interested in spending and request the access to financial reports might just look at completely correct documentation without knowledge of real expenses. The state control is even harder to implement because commercial banks do not provide anybody with private information.

There are a lot of expenses that cannot be done without parental NGOs. For example some of the students are going to the competition and school collect money for their travel. It would

be impossible to conduct many events without financial support of NGOs. Still a lot of expenditures like repair or equipment upgrade should be controlled more carefully in order to avoid them being misappropriated. That is why state insists on BoTs establishment and using of Treasure accounts completely transparent and controlled by state.

At the same time procurements that are taking place through official accounts with tender procedures are beyond of control of schools. The choice is as a rule made by state procurement office and the main motive for this choice is the lowest price for saving state budget money. School directors complained us during the interviews that there is a high risk to obtain the cheapest computers or construction materials following official procurement procedures. That is why the schools prefer to minimize their usage of official accounts. Also it is difficult to obtain any products or services through this account if it was not planned one year in advance. Still schools sometimes have some urgent needs and have to change priorities or have to ask for more resources that they planned.

Thus the incentive for this integrity violation is access to money that might be spent on purposes that were not confirmed by parental community or just been stolen by some fraud schemata. The strict and inconvenient conditions of using official accounts also motivate parents and administrators to avoid them. At the same time lack of clear procedures and proper control over spending of parental moneys provide a lot of opportunities for integrity violations such as misappropriation of funds and procurement fraud.

V. Policy implications and recommendations

What should be done about parental donations: analysis of the public discourse on social and conventional media

The public opinion and dominant discourses are important matters of social mobilization as well as everyday behaviour of all people connected to the problem of parental contributions. As it was found out during our data collection the recent order of MoES on restricting parental contributions changed situations in schools drastically just because of its populist ideological “colour” since it is absolutely useless in term of practice: schools did not (and they could not!) stop collecting parental donations. Still, a lot of parents refer to this order when they refuse to make such donations and some schools face real problems maintaining their everyday activities because of that. This situation is discussed in detail in the chapters devoted to empirical data analysis. Here we also include the analysis of media products and social media discussions in our report for better understanding of people’s conduct and choices that they are making concerning school budgeting. This information is really important for policy and decision making.

Three types of discourses might be suggested as a result of generalization of data collected through media materials and discussions in social media (both in Russian and Kyrgyz).

- The **first discourse** is about strict denial of parental payments. It prevails mostly in Kyrgyz language segment of social media (Facebook) and some Kyrgyz newspaper. The arguments of this discursive space are about Constitutional guarantees on “free school education”. The previous idea about double taxation has almost disappeared recently.

Now, “corruption” is the main motive that is presented here. First subject of corruption is a state itself and “budget money stolen by officials”. This idea is complimentary to the general wide discussions on corruption within official authorities at the high level. The second group to blame is a group of school directors. One of the big schools in the suburb of Bishkek was hastily fired after street protests before Ministry of Education building (March 2019). The case was actively discussed in social media with many assumptions about nature of this protest and protesters personalities. There were a lot of rumours that among them no one of school parents was presented. In two months the director was reinstated by court which is a quite strong evidence of her honesty and professionalism. Social media often discuss such cases as the attempts to obtain director’s position in some specific school. Still the protest against parental contributions has been continuing at the Central Square before the main Governmental building, so called “White House”. The protesters are mostly repeating the arguments about Constitution and the right for free education. As a result of these unrests the new Minister of Education issued an order prohibiting schools to collect parental money. The order looks very controversial because the money are collected by parental NGOs that have their own charts and rules and are not directly connected to MoES in any way. Yet the psychological effect of this order occurred very strong as was shown during conducted focus-groups with parents in the central Bishkek schools.

- The **second discourse** is about clear recognition of necessity of parental contributions. This discourse is strongly connected to the idea of “quality education”. The quality of school education is a great concern of many stakeholders in Kyrgyzstan like it is actually in many other countries no matter how rich or developed they are. Many parents in Kyrgyzstan according social media discussions perceived the problem of quality through the quality of local textbooks and qualification of teachers. The teachers’ salary is usually the main issue and the majority of parents in Bishkek are ready to pay additional money in order to keep “good teachers” in their school and prevent their fleeing to private education establishments. The basic conditions of facilities are also often in the focus. Some schools do not have enough heating or good toilets, and these are the signs of “bad schools”. “Good schools” have not only toilets or radiators but also computers and projectors (bought by parental money as a rule).

One of the important characteristics of this discourse is an absence of discussions on educational policies and state strategies. The standards and educational outcomes are mostly within the interests of professional experts and parents are rarely involved in this type of discussions. It is worthy to be noted that in spite of recognition of necessity of parental contributions the issues of misusing funds or corruption within parental NGOs sometimes come into the focus of the public interests. Still, parents among themselves are mostly interested in the size of contributions and “rational” spending.

- The **third discourse** is situated in a way between the two previous positions. This discourse prevails among the experts and not just educational experts but among lowers and financial specialists. The lack of budget money is recognized within this discourse as well as legal requirement of “free education”. Thus the gap should be covered not by the parents but by some sponsors or social partners of educational organizations. “The state-private partnership” between official structures and business are the central idea of this kind of discussions. In spite of piloting of number of models of social partnership at the local level (project PEAKS conducted by USAID) this idea is still quite new and alien for many communities including business representatives, parents and local authorities. It is not completely clear how business might be rewarded for the partnership even in improvement of school infrastructure (leaving aside teachers’ trainings or development

of new standards that are extremely important for quality of education today). At the same time this direction looks promising for many activists who tried to promote liberal educational system without high costs from the side of state budget.

The knowledge about public discourses that dominate within society is very important for understanding of possible policy inputs as well as of incentives of different ways of conduct of people involved into parental contribution practices. All of these discourses produce certain effects. Thus the decisions that might be made on this issue should take into account the attitudes that will influence positive or negative societal response and affect practices of parental contributions.

Recommendations for action

To change situation it is necessary to address the vulnerable areas containing gaps in policies and procedures. These recommendations are organized according types of integrity violations and vulnerabilities that we identified during our research. We are starting from the most general recommendations that could cover several vulnerable areas and move to more specific ones.

Vulnerabilities: overcrowded schools and lack of access to schools in Bishkek, dysfunction of the mechanism of per-capita standard budgeting

1. It is necessary to create a reasonable balance between number of children and seats in the classes available at all city territories. The state-business partnership and support for private schools (for decreasing tuition fees) might be included into these measures. The specific policy for Bishkek and other big cities should be developed for gradual solution of the problem of overcrowded schools.

Vulnerabilities: difference in quality of education, deficit of budgeting, lack of clear procedures for staff appointments (justification of staff appointments based on evaluation of schools), unprotected schoolchildren (safe school environment)

2. A Methodology of Multifactorial Evaluation of School should be developed to address several types of integrity violations such as: “*Illicit provision or denial of access to education*”, “*Undue recognition of student achievements*”, “*Politicisation of education*” and “*Favouritism in staffing decisions*”. This evaluation may contain various scales including students’ achievements, friendly attitude, safe environment, transparency of stakeholder interactions, level of trust between all parties involved including children, teachers, parents and administrators etc. The public information about different sides of school lives would let parents to choose school according their priorities. Some of parents, for instance may be not interested in learning outcomes as much as in friendly atmosphere. Other families might be concerned about extracurricular activities. For many others safety might be more important. It will be easier to choose the right school through comparison of schools’ different strengths and weaknesses. Also it will help schools to concentrate on specific priorities and allocate their resources accordingly. The variety of options will make distribution of children between schools more even and would better meet their needs and specific demands. At the same time the probability of integrity violations within the school would be easier to identify. It is hard to imagine that *undue recognition* or hostility attitude towards certain students would be practiced within the schools with high scores on friendly environment or the *misappropriation of funds* taking place in schools with high level of trust between parents, teachers and administration. The

transparency of communication between stakeholders is also important indicator for preventing *manipulation in staffing decisions on school directors for political or any other reasons*.

Vulnerabilities: hidden “private” tutoring at public expenses

3. It is important to strengthen control over additional educational services in order to prevent *improper private supplementary services* as integrity violation that leads to blurring of boundaries between public and private education and greater inequality.

Vulnerabilities: lack of clear procedures for staff appointments

4. It is necessary to improve policies and develop clear procedures for appointments and dismissals of school directors in order to prevent *politicisation and favoritism in staffing decisions*.

Vulnerabilities: Using the issue of parental contributions for political ends

5. Journalists and opinion makers (bloggers and social media activists) should be trained to maintain and provide public with critical position on materials concerning parental contributions. As far as this issue becomes a matter of manipulations at least before elections and is often used for political campaigns it is important to help people to form their own position on that matter instead of “taking sides” without critical observation.

Vulnerabilities: teachers’ dependence on low income, unprotected schoolchildren

6. The *undue recognition of students’ achievements* requires developing reasonable policies on teachers’ salary, career paths and promotions. Now the parental contributions are the only accessible source for improvement of teachers’ well-being. Although the teachers working in the rural areas with smaller number of children and having more sources for their support (like some own or cheaper agricultural products), the teachers working in the big cities faced much more difficult situations. The pressure of teachers’ low income is the one of the main incentive for parental contributions. There is not also clear policies on teachers’ promotion and any schemas on how their professional development might be correlated with their salaries or teaching load. Such policy on teachers’ development would definitely improve the quality of education in general. This policy gap should be addressed for many reasons and wrong side of parental contributions is one of the most important.
7. There are not clear policies and procedures and child’s rights protection within the schools. The development of documents and procedures on that issue would improve situation with undue recognition of students’ achievements as well as other possible cases of unfairness

Vulnerabilities: non-transparent and uncontrollable spending of parental moneys

8. The new policy of school budgeting including collection and spending parental money is needed badly to solve the problems of misappropriation of funds and procurement fraud. This policy should be aimed at: (1) providing more flexibility for using official Treasury accounts by schools; (2) clear distribution of responsibility for

funds between BoTs and parental NGOs; (3) provide full transparency for schools' expenditures through the open resources like "Open government" (<https://data.gov.kg/organization/ministry-of-education>; <https://www.opengovpartnership.org/>).

9. To provide open access to schools financial reports, the majority of school should have their own financial offices and accountants. The administrators and financial specialists from schools should be trained for working with official accounts, state procurements and financial reporting on parental funds according this policy of school budgeting
10. It would be helpful to involve into discussions on school expenditures and funds distribution all direct stakeholders: parents, teachers, administrators and students (through school parliaments and other forms of school self-governance)

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Annex: overview of focus group guides and questions

Guide for expert's interview

1. Introduction and informant consent

Hello! We are doing research on school budgeting and problems that school face having lack of resources. We are also interested in studying strategies that schools use to cope with these problems. We hope to apply the results of our research to improve situation around financial situation in Bishkek schools. All information that we are gathering is strictly confidential and we will not use any names and recognizable facts for publication. We would like to record our interview if it is possible. If you agree with these conditions please confirm that for record, if you do not agree with recording we are switching our devices off.

2. Questions for interview (we are going to ask for as many details as possible to respond to each of these questions)

- Could you describe us how the school budgeting is working today?
- What do you think about resources provided to schools? Do they have enough?
- How in your opinion schools are dealing with their problems?
- Is existing system convenient for schools and parents?
- Is this system transparent and controllable enough?
- What would you suggest improving the system?

Attachment 2

Guide for in-depth interview with school directors

1. Introduction and informant consent

Hello! We are doing research on school budgeting and problems that school face having lack of resources. We are also interested in studying strategies that schools use to cope with these problems. We hope to apply the results of our research to improve situation around financial situation in Bishkek schools. All information that we are gathering is strictly confidential and we will not use any names and recognizable facts for publication. We would like to record our interview if it is possible. If you agree with these conditions please confirm that for record, if you do not agree with recording we are switching our devices off.

2. Questions for interview (we are going to ask for as many details as possible to respond to each of these questions)

- How would you characterize a situation with resources in your school? Do you have enough of them? If not, what exactly are the most problematic ones?
- Why resources are so problematic and what are the main obstacles for getting them?
- How do you have deal with these problems?

- Do you use parents' help? How do you do that (forms, ways, legitimization of help and etc.)?
- What are the greatest obstacles for solving budget and resource problems?
- What would you suggest for solving these problems at school level? At municipal level? At national level?

Attachment 3

Guide for FGD discussion

1. Introduction and informant consent

Hello! We are doing research on school budgeting and problems that school face having lack of resources. We are also interested in studying strategies that schools use to cope with these problems. We hope to apply the results of our research to improve situation around financial situation in Bishkek schools. All information that we are gathering is strictly confidential and we will not use any names and recognizable facts for publication. We expecting that each of you will be actively involved in our conversation.

2. General issues

Please describe your activities within your board or your NGO work. How do you organize this work? Who is making decisions? Who is responsible for control over your activity? Do you satisfy with your work? What would you change if you have some power to do so?

3. Dynamic storytelling in small groups (the stories themselves we are going to create after experts' and directors interviews)

We would like to suggest you to create several small groups of 2-4 people. We will suggest you the beginnings of some stories and ask you continue and finalize the story. Then we will ask you to share your finalizations with everybody.

Story 1

One of the parents became discontent that after usual annual contribution parents were asked for additional payment. He wrote to WhatsApp parents' group of 150 parents of the same grade and 10 other parents supported him. These 11 parents invite a lawyer from the NGO for parental school meeting...

1. What happened afterwards?
2. How this story ended?
3. Why it happened and ended this way, by your opinion?

Story 2

The Firefight inspection came to a school for checking and based on their checking results school will be closed for non-compliance with fire safety regulations. The inspector suggested paying a large amount as a fine. School director decided to do following...

1. What happened afterwards?
2. How this story ended?
3. Why it happened and ended this way, by your opinion?

Story 3

The school decided to organize an extraordinary collection of a fairly large amount of money to replace windows for insulation and soundproofing. One of the parents assumed that the actual cost of the windows is much lower than the requested amount ...

1. What happened afterwards?
2. How this story ended?
3. Why it happened and ended this way, by your opinion?

Story 4

Due to a public campaign on the Internet against raising money for schools, many parents stopped paying regular fees, which they used to pay regularly. The parents' NGO and Board of Trustees discovered that they are short of money for paying some running expenses like cleaning, security and teachers' extra payments

1. What happened afterwards?
2. How this story ended?
3. Why it happened and ended this way, by your opinion?

4. Discussion on results of groups' work

What do you think about the continuation of the story 1 (2, 3, 4)? Could you suggest another final for this story? Why?

5. Closing remarks

What would you like to add to the issues and opinions that were shared here today?

Attachment 4

School budgeting

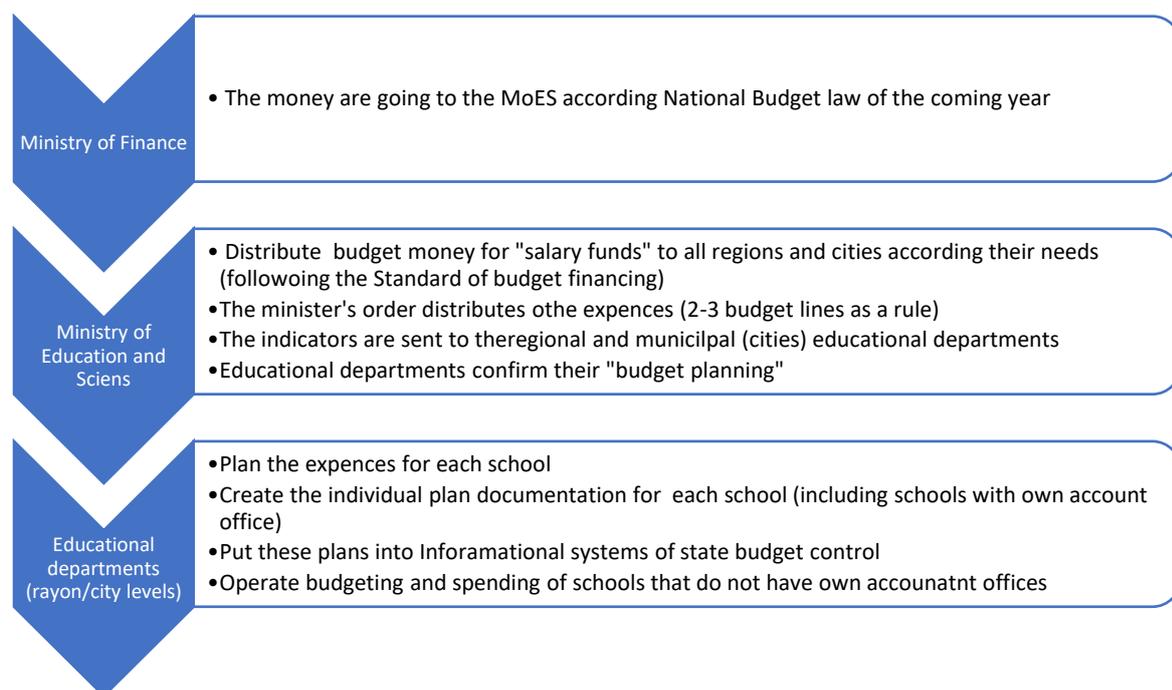
1. Funding of the school from the national budget

The traditional system of financing schools in effect since the beginning of independence of the Kyrgyz Republic, allocates funds based on an estimate that defines the scope and purpose of the amount received for each category of expenses. This amount was formed based on the indicators of the past year on the basis of the class-sets existing in the school. Currently, the school is financed according to the normative principle, the mechanism of which is described below.

The formation of the Republican component of the budget financing of schools is as follows:

- Step 1. School up to 1 October of the current year, shall submit data to the Region Education Department (RegED) or City Department of Education (CDE) on enrolment by levels of education and types of classes as well as monthly payroll of teaching and administrative staff.
- Step 2. Based on data submitted by schools, RegED/ CDE carry out the calculation requirements of schools in the national budget according to the standard and provide data to the Ministry of Education and Science (MES) in the period until 20 October of that year.
- Step 3. The Ministry of education brings together about the Republic the need for schools in the national budget to ensure the standard and provides data to the Ministry of Finance.

Figure 1. Distribution of the Republican budget funds by schools



Ministry of finance

* In accordance with the "Law on Budget" adopted annually, the Ministry of education is informed about the amount of funding under the articles of budget classification.

Ministry of education

- Allocates targets on the Wage Fund (WF) in regions and cities in accordance with the requirements of the Standard Budget Funding (SBF)
- By order of the Minister standards of coverage for the remaining articles are approved
- Control indicators provided to RegED/ CDE
- Confirms the summary estimates for RegED/ CDE

RegED/ CDE

- Calculates the control indicators for each school
- Generates individual cost estimates for each school (including schools with their own accounting)
- Makes estimates in the information system IS. Treasury Budget
- Operates the accounts of the schools without in-house accounting Department

The standards of Budget Financing (SBF)

Following the example of most educational systems in the world, Kyrgyzstan has made the transition to a more progressive system of financing – regulatory funding, i.e. financing of the school, based on the number of students in it. In this system, state-funded school expenses, such as teachers' *salaries, advanced training, textbooks and other possible costs*, are distributed among children attending school. Therefore, the student, coming to school, "brings" with him his share of public funding. In our legislation, this standard is called the Standard of Budget Financing. The standard of budget funding per student includes: the standard of current funding (labor costs, training costs, teacher training, student nutrition, school maintenance) and the standard of investment funding (purchasing textbooks).

The standard of budget financing does not include utilities and maintenance costs (financed from the local budget), as well as the overhaul of the school building.

It should be noted that schools have been preserved in Kyrgyzstan, which are not covered by the principle of regulatory funding. As a fact, these are schools with a small number of students. The list of such schools are approved by the government. The principle of budget formation of such schools remained the same on the basis of actual costs.

The introduction of regulatory funding leads to two important changes in the system:

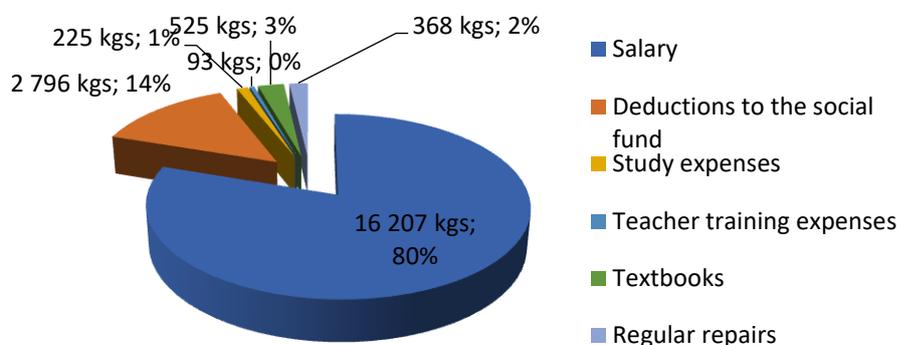
1. The amount of funding depends on the number of students, which means that the school is interested in accepting more children.
2. The school receives financial independence, i.e. the ability to independently manage funds coming from the state budget. To do this, schools can form independent accounting departments and open accounts in the Treasury system. The school has the right to form its own staff list, as well as to introduce or cancel positions within the standard staff list in accordance with its priorities.

The transition to the new funding system has been carried out in stages for several years and to the current date, the education system has been almost completely transferred to this mechanism. The standard of Budget Funding per student reflects the structure of public spending on school. The Government resolution approves each year the standards of funding, the amount varies depending on the student's place of residence (city or village), the level of their education, and the type of educational institution (school-gymnasium, school-Lyceum,

school with in-depth study of certain subjects, primary, primary and secondary school, boarding school).

As an example, the diagram in Figure 3 shows SBF approved for 2018 per student tertiary education (9-11 grade), living in rural areas. The Amount of SBF for this category of students have made KGS 20,214 per year. This example clearly shows the amount and structure of funding received by the school from the state.

Figure 3: SBF Structure for third-level student living in rural areas, 2018



It should be also noted that at present actual funding for schools are not yet provided for 100%. According to the plan, in 2018 it should reach 90.5%, in 2019 - 93%, in 2020 - 95%, only in 2021 it will reach 100% of the needs of the SBF.⁸ As wages and allocations to Social Fund are protected articles, due to lack of funds all other expenses are annually reduced.

Table 1. Norms for covering the budgetary needs of the standard budget financing⁹ according to the Orders of the Ministry of Education and Science of the Kyrgyz Republic

Items of expenditure	2016 year	2017 year
Expenditure on meals for students of the I stage	80.0 %	75.9 %
Academic expenses	43.3 %	40.2 %
Expenditure on teachers professional training	43.9 %	40.9 %
Expenditure on routine maintenance work	26.0 %	23.1 %

We see that most of the funds (in this case, 94%) coming from the republican budget are spent on teachers' salaries, and a very small part of the funds remain, which are not enough for the development of the school, nor for meeting the daily needs of a school associated with its functioning.

2. Financing of schools by local authorities

⁸ Resolution of the Government of the Kyrgyz Republic № 843 of December 28, 2017

⁹ Order of MOS 304/1 of 17.03.2016

The function of local authorities includes the management of municipal property, i.e., they are responsible for school expenses related to the maintenance of school buildings and to the utility cost. Responsibility for the provision of preschool, school and primary vocational education is borne by state authorities.¹⁰ School expenses related to the maintenance of school buildings are paid to the service providers of Local Self-Government Bodies (LSGB). In the case that the school is financially independent and has its own accounts department, it receives funds to cover utility costs and conducts operations to pay for services of suppliers independently.

At the same time, if LSGB has financial means, it can support a school with repairing works and improvement of infrastructure, allocation of funds for travel expenses, teacher professional training, and graduate support for scholarships. Examples of such support are often encountered, and it is therefore important for the Board of Trustees to involve LSGBs in the work of a school while developing a School Development Plan and conducting public hearings.

¹⁰ 17 Law on Local Self-Government of July 15, 2011 № 101