Drawing the Line:

PARENTAL INFORMAL PAYMENTS FOR EDUCATION ACROSS EURASIA

Azerbaijan

Georgia

Kazakhstan

Latvia

Moldova

Slovakia

Tajikistan

OSI's Education Support Program | Network of Education Policy Centers

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Open Society Institute's Education Support Program & Network of Education Policy Centers

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Azerbaijan, Georgia, Kazakhstan, Latvia,
Moldova, Slovakia, and Tajikistan

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Contents

Foreword

Stephen P. Heyneman

Cultures in Europe and Central Asia have changed dramatically since the beginning of the transition to democracy and an open society. Education used to be free of private cost. It no longer is. Income inequality has increased; the private cost of public education may be burdensome to low-income families, whose children may face discrimination at school. The societies facing these problems, however, are becoming more open to discussing them.

What does the growth in private contributions to public education mean? Is it a sign of corruption in school systems where it occurs? Is it an indication that the relevant authorities have abrogated their responsibility? Is it a normal reaction to a collapse in public expenditures? Or considering that OECD countries encourage private payments to public education and even track them through official statistics, are private contributions to public education a normal phenomenon in a mature democracy? Under what conditions should private payments for public education be outlawed or encouraged? This report summarizes the issues behind these questions and concludes that public policy on private contributions to public education should be divided into different categories and that public policy should differ depending upon which category of private contribution is being considered.

When some states of Europe and Central Asia were governed by socialist parties, citizens of these states took pride in their systems of free public education. Children of peasants and workers, intellectuals, and managers all attended school without charge, from kindergarten (where available) to university; and this right was guaranteed by the state constitution. There were, of course, hidden costs. These may have included school uniforms, flowers as annual gifts for teachers, and in-kind contributions for making repairs on the school and the like. However, none of these "traditional costs" was considered to be a barrier to educational opportunity.

During the first stage of the transition, beginning in the early 1990s, national economies underwent an unprecedented collapse. Industries, agricultural land, and housing were shifted from public to private ownership; inflation took a toll on the value of savings and pensions, poverty increased, and a significant number of services—heat, utilities, transport, health, and education—could no longer be provided at the same price. Costs for these services to individuals increased. Fees were charged where before none had existed and increased where they had been modest.

A decade into the transition, many if not most of the countries of Europe and Central Asia enjoyed increased prosperity. Where there were resources, such as petroleum in Kazakhstan and Azerbaijan, public services began to return to former levels. In some instances, such as in Georgia, strong macroeconomic management helped stabilize the economy and provide a modestly positive economic outlook. In other cases such as Slovakia and Latvia, strong macroeconomic management combined with the assistance associated with joining the European Union allowed for the second stage of the transition to occur earlier and more vigorously. Lastly, in cases such as Tajikistan and Moldova, a modest and precarious macroeconomic stability has been achieved without the benefits of commodifiable resources or external assistance.

Despite these differences among the countries studied, this project set out to investigate the degree to which compulsory education relied on private parental payments. Most countries make a top priority of expenditure for compulsory public education and constitutionally guarantee that education is free. However there is no uniform consensus on what specific costs should be covered under "free education."[1]

Are significant contributions from parents more likely to be made in countries with weaker economies, such as Tajikistan and Moldova? Or because of cultural change, are private payments increasing even in countries where the economy is strong and macroeconomic prospects better? For what purpose are these informal payments made? Are they directed primarily at school functions, such as visits to museums, which augment normal pedagogical routines, or are they directed at essential functions such as school maintenance, which would ordinarily fall within the state's purview?

To what extent do these payments constitute a form of corruption?[2] For instance, do they pose educational barriers to poorer children? Do they single out for ridicule or teasing those children whose families cannot afford to contribute? Are they intended to garner special assistance for the child of the family making the contribution instead of benefiting a whole class or school?

Since payments were "informal," it was anticipated that they would not likely be regularized into school accounts, and that the parties to transactions would have different views of their frequency. School directors might have one point of view, teachers another, parents a third. To what extent are such differences common across countries? Is there likely to be greater agreement on the kinds of payments being made in some countries than in others?

Informal Payments in a Global Context

The issue of parental informal payments is not widely studied. There has been some discussion about free education with respect to educational decentralization (Bray, 2007), but previous studies addressed the question of tuition. A free education for every child is considered a basic human right. The former socialist countries have adopted tuition-free compulsory education in their new constitutions even as some countries have undergone a shift from a highly centralized to a more decentralized system. At the same time, the cost per student has increased with rising costs for public utilities and school equipment, and state budgets no longer reliably cover basic educational needs.

Since all parents want their child to remain in school, they constitute a highly motivated group to which the cost burden can be shifted. There is little agreement as to what constitutes a free education. Should it include a classroom with no heat? Should it exclude textbooks and other school supplies? Should it exclude transportation and school lunches? Should it exclude fees charged by teachers for extra tutoring which in some cases amount to graft (Dawson, 2009)? Some countries have studied this issue (SKDS, 1999), but consensus over what constitutes parental payments to schooling has not yet been reached.

One important consideration is that personal views of informal payments may change. Many in the region used to view any informal payment as being a deviation from an ideal that obtained under the socialist system. From this perspective all informal payments may be treated, albeit informally, as an abrogation of state responsibility. In some cases, informal payments were considered to be signs of "corruption" on the grounds that only a corrupt state would abrogate its public responsibilities.[3]

Gradually, however, views may be shifting. Even in wealthy industrialized democracies, families make private contributions to augment the state support of primary and secondary education. In Spain, for instance, private contributions constitute 12 percent of total educational expenditures. In Japan and the United States, they constitute 9 percent; in France, 7 percent; in the United Kingdom and Canada, 5 percent. (Matheson et al., 1996). If these wealthy and sophisticated countries all treat private contributions to compulsory education as normal, many now feel, it would be unrealistic to expect countries in the Europe and Central Asia region to return to the social contract which applied in the era of state socialism (Matheson et al., 1996).

Drawing the Line

A group of education-policy researchers from across Eurasia, knowing that there was no returning to an earlier era and seeking a better informed public policy on parental informal payments for education, chose to study the issue, both in a national and cross-regional context.

While their original intention may have been to propose solutions to the problem, they slowly shifted to understanding the process as a whole. Rather than dictate to the public what must be done, they learned that the practice of informal payments requires a collaborative response.

Linked through the Network of Education Policy Centers, the team had already worked together on projects that had both research and advocacy components. Understanding how the practice of informal payments is woven into others involving households, schools, and governments, they knew that reform required a different approach.

The report *Drawing the Line* describes that approach. Its research focuses on distinctive aspects of informal payments as a social practice, with special attention to its scope, motivation for involvement, and impact. Since informal payments are widely accepted but rarely open for public review, "drawing the line" means that all of those with a stake in public education must discuss and decide what should and should not be done about informal payments. This report is an attempt to explain to communities the importance of informed decision making in drawing their particular lines.

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Notes

1. In some instances, the constitutional guarantee of free education can be interpreted as covering tuition, but not fees.

2. The definition of education corruption is behavior which is illegal or unprofessional or both (Heyneman, 2004; Hallak and Poisson, 2007).

3. While it is true that the state constitution in many postsocialist countries (e.g., Azerbaijan, Kazakhstan, Tajikistan) guarantees a free education, informally private payments are widely perceived to be normal support for one's children.

Chapter 1

Introduction

Informal payments for education can either be a welcome additional resource for schools or serve as an emergency measure to be employed when other resources are insufficient. Payments as supplementary resources are more common in nations where education and other social institutions are stable, while countries undergoing sustained social and economic challenges tend to rely on informal payments to compensate for insufficient state funding. This report is about the importance of changing the latter type of informal payments for education in countries where it is pervasive to the former, benign type.

The nations of the former Soviet bloc stretch from Eastern Europe into Central Asia and beyond. Each has journeyed into independence over the past two decades, and informal payments for education, health, and other public services have grown in size and frequency. Sometimes they have been made to cover shortages and sometimes to meet other demands. But each of these newly independent nations started in the same place, and face common challenges. False starts, noble intentions, and opportunism have been seen across the region.

Informal payments are perplexing to policymakers, community advocates, educators, and parents. Until one begins to measure the costs and benefits that these payments have for families and societies, the payments can seem solely expedient. It is common, for instance,

to hear calls for the system of education financing to return to what it was two decades ago, when the state was assumed to be able to care for almost every need. After a review of the facts, however, one sees the need to move forward.

Informal payments that are ignored and unregulated are a sign of a society in trouble. When parents pay for services that they feel are promised by the government and constitution, deep cracks in the system come into the open. Children may be at risk of having access to schooling blocked, attention denied them, and instruction time reduced. They may have to conduct financial transactions in school and learn to mistrust officials and institutions.

But informal payments do not necessarily have negative consequences, especially if they originate from good will and the intention to serve the schools and the children. They can serve to strengthen education while protecting children and serving their best interests. The challenge is to support the practice when it is well-intentioned and effective.

Taking up the Challenge

To guide education-related reform, researchers and educational professionals in countries across Eurasia came together as the Network of Education Policy Centers (NEPC) in the 1990s after individual experiences with the Open Society Institute, UNICEF, and other international agencies that supported educational development in the region. Together they did research on the rise of private tutoring, early childhood development, and school attrition. By 2006, they found themselves ready to consider the practice of informal payments for education.

As representatives of countries that were once part of the Soviet Union and the Eastern bloc, each understood his or her shared past and was troubled by the paths taken in independence. Over a decade and a half, they had witnessed how parents had begun to pay for school heating, maintenance, gifts, bribes, salaries, windows, textbooks, and much more. These costs were new expenses since in the Soviet era education was free to families, except for the cost of stationery, clothing, and some subsidized services.

The researchers had also seen schools attempt to get by during the 1990s when salaries were not paid, school budgets didn't cover basic operating costs, and poor maintenance left many schools in horrible states of disrepair. When administrators, teachers, and parents had had to work together to keep schools functioning, informal payments became a significant resource.

Unfortunately, such changes and adaptations were unregulated. The process of financing schooling was haphazard, even within the same country, province, or town.

Many decisions in early independence were made in response to emergencies. These swift measures often bypassed existing rules and logical procedures.

Some principals were very successful at bringing in funds. Others, particularly in neighborhoods with high levels of unemployment (another new trend), were less so. After a decade and a half, though, informal payments had become a part of ordinary life across the region.

The NEPC decided to study the extent of this phenomenon. Seven member organizations volunteered their countries as samples, and together with research coordinators planned their approach. They recognized that informal payments played a positive role in other education systems. Since informal payments were acknowledged as a part of functioning and regulated systems in other countries, they decided to see how such a practice might be implemented in their own countries. The Parental Informal Payments for Education Study (PIPES) was planned and conducted in 2006.

Each of the countries represented here—Azerbaijan, Georgia, Kazakhstan, Latvia, Moldova, Slovakia, and Tajikistan—became independent in the early 1990s. Each has had its own experience with independence but all began from the same point. With their socialist heritage, they are learning to account for the costs of transition and also to reform their education systems with the aim of stability at home and competitiveness in global markets.

While the initial hope of the research team was to discover what must happen with informal payments across Eurasia, the study slowly shifted to focus on understanding the process as a larger whole. Rather than prepare a one-size-fits-all formula, they learned that the solution to informal payments requires a collaborative response, while each country's response must be tailored to fit local needs and contexts.

The results provide a template from which local populations, schools, and governments may determine which forms of informal payments are appropriate and inappropriate. This template begins by drawing the line between these two.

Drawing the Line

The team of researchers, linked together through national members of the Network of Education Policy Centers, had already worked together in the investigation of other educational phenomena and the conduct of advocacy based on shared results. Since they learned how informal payments are woven into other aspects of society—households, schools, and government—they knew that reforms required a different approach.

Drawing the line is that approach. It signifies that this research highlights distinct points about the practice of informal payments, with special attention to its scope, motivation for involvement, and impact. Since informal payments are widely accepted but rarely open for public review, drawing the line means that all stakeholders must discuss and decide what should take place and what should not.

The title of this report arises from discussions about how to analyze the data generated by the PIPES study. By drawing the line, we mean to understand the difference between the positive and negative implications of informal payments. The central concern is how to ensure that education reform accounts for the real cost of education and creates an equitable system that is accessible to all.

This report is an attempt to explain to communities the importance of informed decision making in drawing their particular lines. The goal is to accurately represent all of the participating countries, clearly display the research findings, and integrate contextual issues outside of education. It is divided into six chapters. This introduction is the first chapter.

The second chapter outlines the exploratory study that serves as the basis for the rest of the book. After a review of the challenges inherent in any study of corruption in education, the research design, including methodology and sampling, are presented.

The results of the survey are presented in the third chapter. It reviews the preliminary conclusions of this study as they concern education finance, school management, household expenses and ethics before detailing responses to our inquiry into the motivations for, and scope and impact of, informal payments. The final section reviews the implications of several major findings about informal payments, including their presence as a widespread norm, school dependence on them, the role of parents in them, the reasons for their rise, and their potential to impose economic hardship as well as to limit educational access, equity, and quality.

Chapter four steps away from the study to look at Eurasia as a region and as a subject for comparative study. The rise of informal payments is placed within the context of the participant countries' contemporary transition in comparative case studies of each.

One of the resounding comments from each of the PIPES country reports concerned the constitutional right to free education and the seeming failure to deliver on it. The public expectation of free education fostered by socialism meant that the citizenry was not often involved in education management and financing. It also did not question the origin of funds or expect to make personal contributions. In exchange for the free provision of strong public education, citizens had to surrender the possibility for choice and participation and become passive beneficiaries.

Chapter four explores the steps that have been taken to shore up public education across the region. A critical lesson has been that education is not free. Learning to take

responsibility for education and to find mixed funding sources have been crucial steps in independence. This chapter explores the real cost of education for these countries.

The fifth chapter presents a synthesis of conclusions and recommendations from each country team.[1] After a discussion defining costs and responsibilities for each, we give special attention to the matters of payment process, community engagement, and policymaking. The challenge for advocacy as change management under public control is discussed as the chapter builds toward its primary recommendation of developing accountability for informal payments.

The final chapter returns to the concept of drawing the line and presents a method that communities might use for this purpose. Three variables—record, form, and benefit—are employed to understand the types of informal payments and to determine which are acceptable and desirable. Concluding that accountability must be strengthened, the chapter contends that records must be kept of nearly all types of informal payments in order to bring them into line with expectations and to limit inappropriate, illegal, or unethical transactions.

The line that must be drawn begins with documentation in order to show what informal payments are expected, collected, and used. This is essential to create a culture of accountability and responsibility. The benefits of this approach are the fostering of trust and integrity necessary to the adoption of other reforms, and the establishment of clear records of what education costs. These are necessary steps to ensure the satisfactory functioning of schools that are open to everyone and able to meet the needs of all students.

Drawing the line not only refers to establishing accountability, although this is a very important step. It also means distinguishing what is desirable and acceptable from what is not. Drawing the line is a critical act that promotes transparency, clarity, and engagement. It is necessary because, as the remaining chapters will reveal, the struggle involves changing individuals' behavior along with systemic reform.

PIPES demonstrates the willingness and ability of parents to assist schools and the education process as a whole. It also shows that parents recognize the deleterious effects of this phenomenon and its relation to other issues like school wastage, private tutoring, and corruption in higher education. Parents and school personnel see that children are not being well prepared for employment and future success. They also know that at-risk populations must be assisted so that they have equal access and opportunity. Responsible action based on informed decisions and planning is the objective.

Drawing the line for them is the beginning of real reform. It also provides a way for the system to reward appropriate behavior and to sanction improper and unwanted actions. Interventions aimed at informal payments, as described in the remaining chapters, also promise to create a foundation for other reforms. First, though, we must look at the study that is the basis for this book.

Chapter 2

An Exploratory Study

The central purpose of this research project is to better understand the character and frequency of private informal payments made by parents and families on behalf of their children attending primary and secondary school. "Informal payments" are not officially sanctioned, approved, and/or collected by the state or local government as a prerequisite for school attendance. Such payments may include private family costs for uniforms, books, and transportation; special activities such as field trips and tutoring services (both legal and illegal/extra-legal); and regular education services which are underfunded by the state, among others.

This study is chiefly concerned with payments that fall ambiguously between the regularly incurred private costs associated with schooling and those that hinder the general access to and quality of compulsory education. There are concerns that the functional integrity of school systems is significantly affected by such payments, particularly when such practices are accompanied by a general lack of accountability and oversight. The impact of such payments has been perceived to be a major problem for many school systems. Their magnitude and frequency, however, are largely unknown.

Also lacking is a general understanding of when and how informal payments made on behalf of parents and families are corrupt in practice. Obviously, not all private informal

payments are corrupt. But it is not hard to imagine that many kinds of informal payments could under certain conditions become corrupt. Knowledge about the occurrence of such informal payments will allow us to identify the point at which these kinds of payments become deleterious forms of educational corruption.

Studying Corruption in Education

In the past decade, international organizations such as the World Bank, Transparency International, the Open Society Institute, USAID, the OECD, UNDP, UNESCO, and NORAD have made great strides in establishing a global dialogue on forms of corruption and their effects on institutions, individuals, and societies; the prevalence of these forms in different countries and regions; best practices and policy initiatives to mitigate corruption; and the importance of measuring its different manifestations as a first step toward prevention. Informal payments in education, though, have not received serious attention until now.

Corruption in Education

When present, corruption defeats the very purpose of education: having a universal and open system based on merit, and not money. In a corrupt educational system, students do not acquire the skills and knowledge that will enable them to contribute meaningfully to their country's economy and society. They will learn from a young age to value corruption, accepting it as a norm for them and society.

—Transparency International, 2007

Research on corruption . . . should also look beyond the formal structures of the central state to the informal networks of patronage and social domination that often determine how political power actually is wielded, including the local community or district level. The concrete interlinkages between state institutions and society ought to be probed, to explore the multiple ways in which they influence and shape each other.

—Andvig, J.C. and Fjeldstad, O-H 2000

The PIPES team realized that a study on informal payments is also a study of corruption, a difficult task in transforming societies. Researching corruption in any sector involves challenges typically confronted in social science research, and also includes others.

Conducting high quality research on corruption is difficult and expensive because of the following factors:

- the generally sensitive nature of the topics raised in corruption research
- the fear of sanction for participating in potentially illicit/illegal activities
- disparate power dynamics arising from corrupt behaviors
- inherent vulnerabilities of persons who are affected by corrupt practices
- the importance placed by many persons on being seen as ethical members of society

Moreover, when a project aims to reduce corruption, it is important to define what is meant by this goal. A system of education is free of corruption when it 1) ensures equal access to compulsory education, 2) equitably distributes educational materials necessary for learning, 3) engages in fair and transparent selection of students to schools, 4) maintains high professional standards for school administrators and teachers, 5) guarantees that funds allocated for education are distributed and spent on education, 6) evaluates student performance on the basis of merit and aptitude, and 7) is directly accountable and responsive to its constituents—students, parents, and the general public.

Corruption has many different definitions, operates at multiple institutional and social levels, encompasses a wide variety of practices, is highly prone to cultural interpretation, manifests in often unpredictable ways, and goes by many names. Trying to define the specific form of corruption being researched presents both conceptual and linguistic difficulties.

To aid their design process, the team adopted three basic premises for the PIPES research:

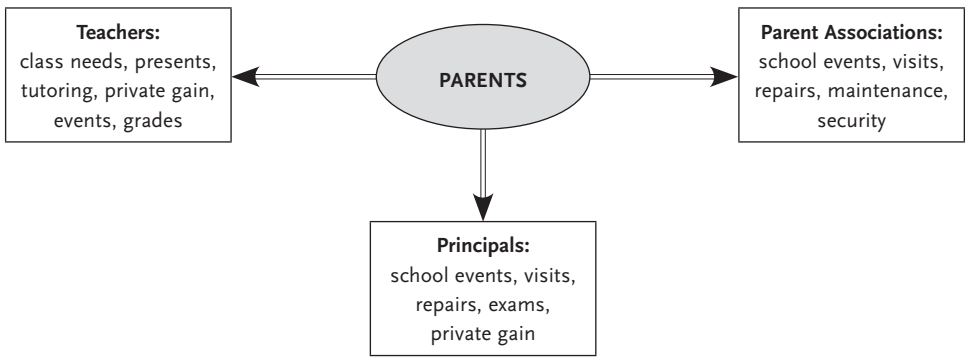
1. If education is the prerequisite for the acquisition of social and human capital (and social cohesion), then the education system is the institutional mechanism for societal development.
2. The nature and quality of the values, norms, skills, and knowledge that schooling produces determines the kind of citizens that students become.
3. The level of access students and their families have to compulsory schooling has much to do with their ability to acquire the means of being productive members of society.

After establishing this conceptual base, the team reviewed its practical knowledge about informal payments, including information about participants, collection, and types.

Following the Flow

Before generating research questions, the PIPES team tried to model how parental informal payments for education are made. Following transaction flows is a practical step in designing research. The team came up with a simple model illustrating that parents are pulled in three directions to make payments (Figure 1).

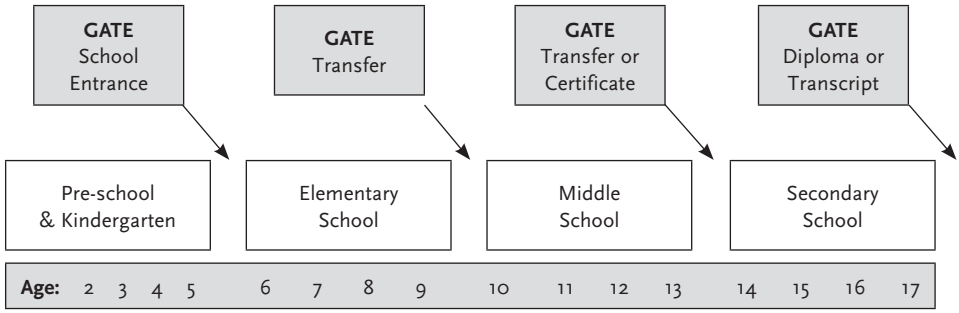
Figure 1.
Drawn in Three Directions



This model allowed the team to identify those whom it needed to include in the survey. Rather than seek out all four groups, it decided to omit parent associations until these recently formed bodies gain more experience and standing.[2] The team chose to concentrate on parents, teachers, and principals.

Team members understood that listing the types of payments they already knew about would be useful to form their questions. This also allowed them to categorize the payments as unique or repeating. Identifying a timeline across a child's education career was also useful in identifying major gatekeeping occasions (Figure 2).

Figure 2.
Gatekeeping Entry Points in Education



Whenever official permission, assistance, or other documentation is required in schools, gatekeeping opportunities occur and parents may be asked to make informal payments. According to anecdotal evidence, one-time payments have occurred when parents are willing to seek benefits for their children upon the latter's entering or graduating from a school or transferring between grades. This might include bribing a school administrator for accepting a child to an elite school or class when entering the school or when changing levels from elementary to basic or basic to secondary school. It might also include bribing a principal or a teacher to obtain better grades on a transcript. It might be particularly important in systems that do not use standardized testing and where school-leaving grades are taken into account for admission to universities.

Recurrent payments from parents can be collected once or more per academic year by parents themselves (or children at the secondary school level), teachers, or school principals. These are much harder to track and the majority of them are not officially required or recorded. Payments can be initiated voluntarily by other parents or asked for informally by teachers or school principals. In some countries, legislation prohibits parents from making payments to schools. In these countries, parental committees are organized and registered as independent NGOs collecting donations from parents on behalf of schools or classes. In some cases, parent-committee members may pressure other parents to pay for school or class needs.

Payments collected by parents are usually used for school or classroom maintenance. These payments may be initiated by teachers or parents themselves. Parental donations may be for such services as hiring security guards to increase safety on school grounds. Such expenses are not included in the school budget and parents are willing to pay for them.

In some countries, in the last grade of the secondary school parents may send their children to private tutors. The workload of these children is rather large. Parents effectively pay schools to accept the grades given by private teachers (OSI ESP/NEPC, 2006). Parents or students may also collect money for extracurricular activities, excursions, presents for teachers, etc.

Payments that are initiated by teachers are intended for classroom supplies and presents to the school principal or the school. This also includes payments for private tutoring by the teacher who may pressure parents to send their children for additional lessons after school. Teachers may also place pressure on parents to augment their teaching salaries. The latter two payment types can be considered corrupt.

Principals may need money from parents to give presents to officials from local municipalities or to provide benefits for their schools such as an increased school budget, reconstruction, or repairs. School principals may organize special presents for school inspectors so that their schools receive more positive official reports. Principals may also use parental contributions for private gain. It is not clear who collects payments that serve the needs or interests of the principal.

The transaction flows for informal payments were easily outlined by the research team. The resulting model, while not comprehensive, was sufficient to assist in the process of formulating questions for all participant countries.

Formulating the Research Questions

PIPES was designed as an *exploratory study* because so little was empirically known about the nature and function of informal payments by parents for education. The research team was guided in its deliberations by prior research efforts on educational corruption (Tanaka, S. 2001; Eckstein, M. 2003; Heyneman, S. 2004; Hallak, J. & Poisson, M. 2007) as well as by previous work on private tutoring (Bray, M. 1999; OSI ESP/NEPC, 2006).

An earlier NEPC study on private tutoring in Eurasia provided evidence for the development of *provisional concepts* upon which to base the research questions and formulate general hypotheses (Bray, M. 1999). Some issues also came out of the pilot study for this program. In February, 2006, a seminar was held in Baku, Azerbaijan, to choose five major groups of questions.

Group I. The real, private cost of informal payments for public schooling

The term "real, private cost" is the aggregate sum of expenses that parents and families are expected to bear for goods and services necessary or legally required for compulsory education. It is the total expense associated with costs to parents for educational goods and services that are not officially provided by the state or local government. This first group of questions attempted to assess the expense being borne by parents and the average costs for specific items or services.

It is apparent that informal payments exact real costs on private households. This group of questions had to be as specific as possible since some costs to parents, such as school uniforms, are officially sanctioned, while others, like transportation, are not. The questions also needed to allow for a wide variation in responses because of the different expenses required in different locations.

Corruption-free Education

The system of education is free of corruption when it ensures equal access to education and fair distribution of educational materials, states fair and transparent criteria for selection to schools, maintains professional standards of school administrators, teachers, and is accountable to their customers—students, parents, and wider public. Accountability relates also to issues of ineffectiveness and inefficiency of education systems, and can create a so-called "shadow zone" for the corrupt practice. For example, if payments of parents to schools is an issue of accountability of schools for the school budgets, do parents know how their donations are used and are these payments voluntary or demanded from the school administrators?

Source: Brian Heuser, Education Corruption Research Study Paper on PIPES Pilot Project, March 2006

The research team was aware of funding schemes in which parts of payments were passed up the chain of administration to high officials. Since the study focused on parents, principals, and teachers, the opportunity existed to check for fund leakage, cost inflation, or other additions by posing the same questions to each different group. Additional questions were designed to reveal the exertion of pressure on teachers or principals to accommodate payment schemes.

Also considered were the public perceptions of low teacher salaries for which informal payments might be understood as compensatory. It was important to find out whether teachers spend significantly more time educating students whose parents have made such payments and whether the students whose parents do not make such payments still receive an adequate education.

Group II. Nature and prevalence of informal payments

To divide this question, separate categories were created to assess both the character and frequency of the phenomena. To determine the nature of payments, the form, amount, purpose, and recipients were subjects of different questions. Expectations connected to making payments and types of pressure that might be applied were also included in the survey. For these questions, a range of persons potentially involved in the process were included in the phrasing of both questions and answers to encourage clear responses. Questions about teacher salaries, school improvements, vertical payments, etc., were added.

Questions for this second category sought to examine how often payments were requested and made as well as what percentage of parents or households were making them. Suggested intervals were single or one-time; yearly; each semester; and more frequently.

Group III. Root causes

Identifying root causes was difficult. Through earlier research, experience, and anecdotal evidence, the team had developed an awareness of the following phenomena:

- Existence of funding schemes in which vertical payments are made to school officials and the related possibility of pressure being exerted on teachers/principals to enact and/or accommodate such schemes
- Public perceptions of low teacher salaries for which informal payments might be understood as a necessary bonus
- Potential need for funds to be raised to make improvements to schools themselves or for purchase of supplies teachers might not be able to afford
- Possibility of teachers or administrators seeking personal profit/gain
- Prevalence of the private tutoring market and its role in enhancing student learning and achievement
- Possibility that informal payments simply represent an accepted/normative system that allows for exploitation without rationale

Since informal payments do not seem to have a single, straightforward cause, these possibilities were included in the question. The survey also included an open question to allow respondents from all groups to provide their own explanation.

Group IV. Quality of primary and secondary education

Quality of education was another important issue in the survey. Questions designed to ascertain the effect on quality focused on issues such as teachers spending more time with certain students who had made payments and less time with those who had not made them. The survey also tried to determine whether the latter group of students was at a disadvantage in terms of learning. Additional questions looked at adults: One question sought to find out whether teachers who receive payments see them as entailing obligations. Another asked parents whether they thought informal payments threatened the quality of their children's education. How is this sense of threat related to their level of income?

Group V. Possible or perceived remedies

For this final group of questions, the research team decided to test different theoretical and practical responses to the problem of informal payments. Potential remedies for policy, educational management, and other means were considered. The first two questions in this group involved the oft-cited issue of low teacher salaries. The research team agreed to consider the viability of increasing teachers' pay and whether teachers can earn a living without additional income from informal payments.

Perceptions about remedies by different groups, from parents to high-level officials, were inquired into. The survey also checked to see whether parents expressed any desire to address this perceived problem. Finally, the team decided to include a question that explored whether any remedies had inherent risks, such as that of lowering the quality of education or reducing access for at-risk populations.

Research Design

Between February and April 2006, multiple pilot instruments were developed for this research project by the Open Society Institute's Education Support Program (Budapest), the Center for Innovations in Education (Baku), the SIGMA sociological research company (Baku), and Dr. Brian Heuser of Vanderbilt University (Nashville). It was agreed that PIPES, as an exploratory study, would incorporate *mixed research methodologies* developed by field-testing various questions, concepts, and formats. The research design and method followed from the need to generate specific datasets.

The PIPES research team agreed that five datasets would be used to assess information gathered from four respondent groups: (i) parents/families, (ii) primary/secondary

school teachers, (iii) primary/secondary school principals, and (iv) educational experts at varying levels.[3] The characteristics of those datasets can be found on www.edupolicy.net.

A combination of qualitative and quantitative methods has been used in the research:

- Statistic data analysis
- Survey based on a structured interview
- Focus group discussions
- Expert survey

Based on the datasets, the questionnaires for parents, teachers, and school principals were developed and piloted in Azerbaijan in spring 2006. In September 2006, six new countries—Kazakhstan, Tajikistan, Georgia, Moldova, Latvia, and Slovakia—joined the study and participated in reviewing the research instruments (questionnaires and focus group questions) for cultural comparability.

Since the intention behind PIPES was to develop a comparative, cross-national study, ensuring the comparability of the core concepts was of primary importance. Issues of linguistic interpretation, conceptual applicability, and cultural sensitivity were scrutinized. Research teams from Azerbaijan, Kazakhstan, Tajikistan, Georgia, Moldova, Latvia, and Slovakia debated the merits of implementing the study in their respective countries. Refinements were made to the classification of both employment and educational categories. Common formats for data aggregation and coding were also established.

Beyond the technical issues, however, of central concern to the researchers was (1) the ability of the language used in the research instruments to capture the cultural nuances associated with informal payments in their differing contexts; (2) the highly sensitive nature of the study and the ability of researchers to collect accurate data; and (3) ensuring the use of common/synthesized demographic categories for the sake of comparative analyses among the countries once the data had been collected.

The questionnaires and the research questions were developed in English, translated into Russian, and provided to teams in each participating country. Each team translated the instruments into its respective national language; the wording of the questions was generally retained in the translated questionnaires.

To ensure the quality and comparability of the data, several meetings with the research teams were held. The meetings covered the development of the research design, adjustment of survey instruments, and procedures for sampling, coding, analysis, and reporting. Data collection in the other six countries took place from November 2006 to March 2007.

Language posed a significant challenge. Properly labeling the actions and feelings of parents and families who were making unregulated payments from their own pockets for

their children's schooling was difficult. Applying a label to such payments that suggested their illegality was sure to produce an unworkable study.

The criteria for referring to "informal payments" were intended to ensure that the terminology:

- adequately captures the inherent meaning of this kind of payment;
- can be clearly translated into Russian and other regional languages;
- does not imply specific social or legal wrongdoing by the respondents or institution;
- does not invoke culturally sensitive considerations;
- does not "lead" the respondent to think in one direction or another about the "correctness" of his or her response; and
- does not exclude responses that the research teams may not have considered.

On Sensitivity

> *Sensitivity is, then, a complex concept that is easier to recognize than to define. It depends on the respondents' concerns about disclosing any information about certain topics, about disclosing information to an interviewer, and about disclosing to third parties.*
>
> —Tourangeau et al., 2000, pp. 259

In other words, the team tried to use language that balances neutrality and clarity with precision.

During the pilot study, the concept of "informal payments" was field-tested among different respondent groups in Azerbaijan. It was found that the use of this language made some respondents hesitant. It nonetheless clearly denoted the specific forms of payments for which the study was designed.

The researchers noted that the apprehension related to responding was due in large part to a perception among Azeri citizens that the giving or receiving of various forms of informal payments was either "wrong" or "illegal"; these Azeris feared repercussions—either from the government or from persons within the school system, or both—for discussing or reporting such things.

Other researchers argued for the use of alternative terms such as "extra-legal," "improper," and "additional." There was much discussion about whether "informal" implied corruption. In the end, all members of the research team agreed to make neutrality and

objectivity a priority. Some participants suggested that in their countries the term "informal payments" be replaced by "supplemental payments," which would be "less offensive" to those respondents who might not wish to participate in the study because of the sensitivity of the topic. In Slovakia, the concept of "informal payments" was translated as "unofficial payments," which was said to be easier for Slovak participants to understand.

Similar discussions were repeated at the October 2006 meeting in Istanbul, where the full group of seven countries gathered to finalize agreements on participation in the study. At this meeting, the same considerations were applied to other aspects of the research instruments to ensure uniformity among the participants.

High standards for clarity and confidentiality were upheld in each country. In relation to earlier concerns, field tests and trials found that parents and family members *were* willing to offer direct and honest answers to questions related to informal payments where adequate assurances of confidentiality could be given. Research teams made it known that they were independent from their respective governments and prepared strict confidentiality statements to present to respondents. These actions significantly aided in assuring most respondents that their participation in the study would be anonymous.

Adjustments were allowed in specific cases. For example, in Georgia, interviewers were informed as to the importance of confidentiality and provided with instructions on how to persuade respondents that their individual responses would not appear in the report. Each respondent was shown a letter by the International Institute for Education Policy Planning and Management to persuade him or her to take part in the survey. Principals of three schools refused to participate. They were replaced by those from schools of the same size and region.

The interviewers also had to explain the sampling procedure to respondents to ensure that they were randomly sampled and that confidentiality was guaranteed. In Moldova, the interviewer also presented a letter stating the purpose of the study, identified the institutions involved, and assured participants of confidentiality. As often as necessary the interviewer reminded respondents of the confidential nature of the study. In group discussions, no other information except first names was disclosed. Those who didn't want to identify their children's school were not asked to.

Sampling

To determine the groups of respondents, it was recommended that the country teams utilize multistage sampling procedures in which stratified random samples were drawn from pub-

lic records. Households were selected first, with primary demographic considerations given to (a) grade level of the student in the family, (b) urban/rural geographic location, (c) ethnic/racial group, and (d) socioeconomic status of family. Schools were to be selected secondly from those in which the given students were enrolled. School characteristics considered in the sampling included (a) urban/rural geographic location, (b) school typology (which differed across country groups), (c) total number of enrolled students, and (d) total number of full-time teachers employed. The final sample sizes across these respondent groups in each country are represented in Table 1.

Table 1.
Sample sizes across respondent groups

	Parents		*Teachers*		*Principals*	
	Sample size	***Total population***	***Sample size***	***Total population***	***Sample size***	***Total population***
Azerbaijan	1,050	1,482,521	1,044	159,303	100	4,543
Georgia	700	597,000	700	66,000	100	2,470
Kazakhstan	785	1,193,000	785	118,000	100	3,221
Latvia	600	266,111	604	26,089	60	983
Moldova	862	527,438	564	40,900	60	1,483
Slovakia	509	702,307	488	56,413	37	3,181
Tajikistan	1,000	1,405,779	1,000	98,500	100	3,724
TOTAL	**5,506**	**6,174,156**	**5,185**	**565,205**	**557**	**19,605**

The specific sampling procedures used in each country are detailed below.

Azerbaijan

Multistage sampling was applied to select households. The country has 4,533 schools, including 1,136 (about 35 percent) in cities and 3,397 (about 65 percent) in villages. At the first stage of sampling, all schools were classified first by location and then by geography (urban or rural), administrative territory, type, and size. The study was carried out in 11 provincial administrative centers, and 51 villages in Baku, Sumgayit, Mingachevir, Ali-Bayramli, Khachmaz, Gusar, Lankaran, Agstafa, Shaki, Ujar, and Saatli districts. The surveys

were conducted in the form of face-to-face interviews, questionnaires, and focus-group discussions.

In sampling parents, interviewers asked for the class registers of grades 3, 5, 7, 9, and 11. They selected every third and tenth pupil from each register. They also took addresses of the selected pupils from the register. Interviews were conducted at the pupil's home.

In sampling teachers, interviewers determined the percentage of teachers to be interviewed and selected them from the general list.

Focus-group discussions, including the number and composition of participants, were determined by location and type of settlement. There were 12 face-to-face, structured interviews with officials, civil society experts, journalists, and lawyers involved in education.

The Ministry of Education of the Azerbaijan Republic provided support at all stages of the surveys. Local executive bodies also provided necessary accommodations for conducting the survey. Parents and teachers, who acted as school representatives, also participated in the survey.

Georgia

There are 2,984 schools in Georgia. Regional distribution was maintained by the survey by sampling schools in 10 regions. One hundred schools were surveyed—75 in urban and 25 in rural areas.

For the parent interview, a list of students was obtained by school administrations and was then used to form a sample. This approach was used to ensure that potential households were limited to those with students. It also ensured that only households with students were included in the sample. Parents were selected in the following manner:

Interviewers asked for the class registers of five grades:

- In the 3rd grade, they took the address of the 3rd and 4th student in the list.
- In the 5th grade, they took the address of the 5th student in the list.
- In the 7th grade, they took the address of the 6th and 7th student in the list
- In the 9th grade, they took the address of the 8th student in the list.
- In the 11th grade, they took the addresses of the 9th student in the list.

When a parent refused to participate, another respondent in the same class in the same school replaced him in accordance with the above procedure.

The interviewers had to call and arrange meetings. Respondents were representatives of the households primarily responsible for the children's school duties. When the targeted respondents were not available, an interviewer would call back at the same household three times. The callback was made on a different day or at different time. Each callback visit was

recorded. The response rate among parents was high. Seven parents were surveyed from each of the selected schools.

Teachers in the selected schools were randomly chosen. The criteria for selecting teachers included their educational background, age, and the grade they teach. Focus-group respondents were recruited from the list of the selected schools. Quota and recruitment questionnaires were devised for screening respondents. In total, 700 teachers were interviewed, seven in each school. School principals, educational experts, and NGO representatives were interviewed in depth.

Focus groups were organized for parents. In devising methods for conducting the focus groups, the experience of the participants and the nature of specific problems was taken into account. Group discussions offered an opportunity for members to express their opinions and to raise sensitive issues that could not otherwise be revealed during individual interviews.

Kazakhstan

There are 8,575 schools with over three million students in Kazakhstan. At stage one, schools were chosen from nine regions. Multistage, stratified random samples were chosen in proportion to the population of each particular region. These included Almaty city, Astana city, Shymkent city, Uralsk city, Kokchetau city, Almaty oblast, Akmola oblast, West-Kazakhstan oblast, and South-Kazakhstan oblast. Seventy-two urban and 28 rural schools were chosen.

The questionnaire was developed and translated to fit into a Kazakh cultural context. The survey was conducted in Kazakh or Russian depending on the respondent. In rural areas only Kazakh was used.

To select the parents, interviewers took class registers of the 3rd, 5th, 7th, 9th, and 11th grades. The 1st and 5th grade students had been selected previously. Parents of those students were interviewed at home. On some occasions, school principals refused to provide the address of the chosen pupil, in which case another student was chosen.

Principals, teachers, parents, and experts in education comprised each focus group. Four focus groups were conducted in Russian in the large city of Almaty while another two were conducted in Kazakh in Otegen Batira village. Nine in-depth interviews with educational experts and one roundtable discussion were held.

Latvia

The complete list of elementary schools and secondary schools included 983 schools with 266,111 pupils. The sample was designed in proportion to the number of pupils in six regions and the language of instruction (Latvian, Russian, Mixed [both Latvian and Russian]).

Sixty schools were selected to participate. If a selected school declined to participate, a replacement was made by choosing a similar school in the same area and with the same characteristics.

The principal, teachers, and parents was selected and surveyed in each school. Within each school, the number of surveyed teachers and parents was chosen according to the type and size of the school (elementary school, secondary school, or gymnasium). Overall, 4 to 18 teachers and parents were surveyed within each school.

Teachers of the 2nd, 4th, 6th, 8th, 10th, and 12th grades were surveyed. If there were parallel classes at school, two or three 2nd grade teachers were surveyed, two or three teachers of 4th grade were surveyed, etc., until the necessary number of teachers was reached. But the necessity of having at least two teachers from each of the aformentioned grades participate was determinative.

Parents of pupils in 2nd, 4th, 6th, 8th, 10th, and 12th grades were surveyed. They were identified through their child's number in the register and the total number of pupils in a particular class. Within each class, no more than three parents were surveyed. If the chosen pupil was not attending school that day, the questionnaire was given to the pupil with the next number in the register.

In the qualitative study, four focus groups and in-depth interviews were organized with school representatives, Ministry of Education and Science officials, education experts, and parents participating.

Moldova

There are 1,483 schools and 527,438 pupils in the Republic of Moldova. In 280 schools, teaching is in Russian (108,358 pupils). A two-stage random sampling proportional to size was used. In the first stage, the geographical distribution of pupils in regions was the criterion. In the second stage, urban and rural distribution within the region proportional to the permanent population was calculated. Thus, out of the total sample of 1,483 schools, 39 percent of the participating schools were from urban areas and 61 percent from rural areas. Twenty percent were schools in which Russian is the language of instruction. Finally, to ensure universal representation, schools in 2 municipalities, 15 regional centers, and 61 rural settlements were selected. In municipalities and in regional centers, the schools were selected randomly. Thus, 11 schools were selected in the Chisinau municipality, 3 schools in the Balti municipality, and 1 school in each regional center. In villages with more than one school, the selection was performed in the same way.

Parents, teachers, and principals were selected from the same school. From each class register of the 2nd, 4th, 6th, 8th, 10th and 12th grades, one student was selected and assigned one of three groups. Family addresses of the chosen pupils were found in the school register.

Teachers were randomly selected from each school in the sample, and in each selected school, the principal was interviewed. In some schools, the principal was absent or refused to participate in the survey. The total number of principals was 60.

Seventy-two in-depth interviews with education experts and administrators were held.

Slovakia

The territory of Slovakia was divided into 30 geographical areas, each of which was assigned an administrator responsible for conducting face-to-face interviews with selected participants. The coverage of the survey included both primary and secondary schools in urban and rural settlements in the areas. In finding respondents, the administrators had to rely mostly on personal contacts in their area.

The primary source was quantitative data obtained through face-to-face interviews with three categories of respondents—teachers (454), parents (513), and principals (37). Thirty administrators collected 1,004 questionnaires, covering 320 different schools. To enrich the overall picture, additional qualitative data was obtained through three focus-group discussions (parental focus groups in Bratislava and Dolný Kubín, secondary school student focus groups in Bratislava) and interviews with relevant stakeholders and experts.

Reluctance to answer personal questions about income or illegal conduct was expected. Respondents were informed about the confidential nature of the questionnaires and assured that no personally identifiable data would be disclosed.

Additional sources of data included qualitative impressions obtained through focus-group discussions and interviews with relevant stakeholders and experts. Informal payments are a highly sensitive matter, a more complex analysis of whose broader causes and consequences the focus groups allowed the project to develop. As the participants were not a representative sample of the population, no general conclusions can be drawn from the discussions, but they did serve to provide extra information about and better insight into the quantitative survey.

Tajikistan

In Tajikistan, multistage, stratified, territorial, random sampling was used. The survey was conducted in 100 schools in five areas of the country (Dushanbe, Gorno Badakhshan Autonomous Oblast, Sugd oblast, Khatlon oblast, and Districts of Republican Jurisdiction) in proportion to the number of students in each area. To ensure efficient performance of the supervisors' and interviewers' work, forms #1–5 were designed to record chosen schools and respondents. The forms were filled in by the supervisors and passed on to the interviewers for further use. Six supervisors and 30 interviewers were involved in the survey.

The schools were selected in proportion to the total number of students in each area. In urban areas, the ratio of urban and rural schools was 70 percent to 30 percent. Rural and urban schools were selected at random from the general list of schools in each area.

There was one focus-group discussion with parents in each of the four towns. In Dushanbe, there were two group discussions with parents and one group discussion with high school students. Twelve survey instruments were distributed to authorities in education, lawyers, representatives of government commissions on education, journalists, etc.

Challenges and Limitations

Despite efforts to capture the meaning of private informal payments and communicate it clearly across the different countries' studies, some groups nonetheless reported instances of respondent confusion. The terms "supplemental payments in schools" and "supplemental contributions" were also met with a degree of uncertainty. The exception was in Azerbaijan, where the original language was used.

While the field researchers were diligent in explaining the concept, some respondents found it difficult to provide an accurate accounting of those payments that were "supplemental" in nature. These responses were noted in both the quantitative and qualitative portions of the data and should be considered as challenges to our operational definition of *informal payments* and to the *internal validity* of data arising from each of the country studies included in this research. An adaptation of the definition to include a broader conceptualization of payments was permitted after the Azerbaijani pilot study for surveys in the remaining six countries.

The surveys administered to parents and families included sections that asked respondents to account for their gross expenditures on different kinds of informal payments, their frequency, and the overall percentage of income that such payments constitute. Some mentioned that they had difficulty recalling the precise amounts of these payments, and many had never calculated them as a percent of total household income or expenditures. Such instances were reported frequently enough for us to exercise caution as to the exactitude of these numerical values. Again, respondents mentioned these difficulties during both the interviewer-administered surveys and focus group sessions.

To accommodate cultural differences, the research teams in different countries were permitted to employ slightly different methods of data gathering for the parents/families surveys, though they were required to use the same basic questionnaire. Specifically, some groups chose to conduct the surveys as face-to-face interviews in which the researcher posed

all questions and recorded all responses. In other cases, the questionnaires were distributed as self-administered, confidential surveys. While the interview method ensured that the surveys were fully completed and that adequate answers were provided, this method may have also substantially increased the likelihood of receiving socially desirable responses. But in light of the difficulty some participants had with understanding the concepts related to informal payments, focus-group sessions indicated that the interviewer method also provided critical guidance.

Finally, school principals across all the country groups expressed a strong reluctance to participate in the study. A number of the principals refused for various reasons to respond. Some cited their authority not to be subjected to the study, others expressed a general sense of fear, a significant number mentioned the sensitive nature of the topics involved, and a few argued that neither they nor their teachers had the time to participate. In most cases, it was evident to the research teams that these principals were simply trying to avoid participation from a sense of the awkwardness of the subject and a fear of sanction.

As described earlier, measures to ensure confidentiality had already been integrated into the methodology. Based on long experience conducting research on socially sensitive topics, the research team expected that some respondents might be uncomfortable with this one. Also, the problem of reticence was anticipated. For these reasons, the option to opt out was left open to respondents, and no replacement respondents were sought. Other steps were also taken to ensure the independence of this research and the anonymity of the contributions.

The fact that principals opted out of the survey demonstrated to the research team the high level of sensitivity on this issue as well as a low level of openness. As with many other issues in the transition process across Eurasia, strong reactions indicate the continued need to raise questions about basic issues, particularly those that affect equity and access.

PIPES was unable to provide specific answers to the many questions that surround the phenomenon of informal payments for education. This exploratory study could neither assess specific household costs for informal payments, nor funds received by schools, nor distinguish how these resources are allocated. The actual implementation of the survey, though, provided additional insights.

As anticipated, the term "informal payments" did create confusion, which helps to explain some of the difficulties encountered. More importantly, the conduct of the survey interviews and focus-group discussions demonstrated that parents, teachers, and principals are not fully aware of the extent of informal payments; nor do they keep close tabs on their receipt or use. Accurate accounting of this phenomenon remains elusive.

As one of the first attempts to look at this phenomenon through the eyes of teachers, parents, and principals across a broad region, the study has qualitatively determined the

scope of the problem, the motivations for involvement, and the potential impact, with supporting data that helps to outline trends.

The study indicates that parents across the region may have made yearly education payments equal to as much as two-thirds of a monthly household income. This estimation, which is based on data from 2006, does not accurately gauge the full financial burden on families, especially for poor families and those with more than one child in school. It does though begin to show that payments comprise a significant portion of household expenses.

Since the time of the survey, the situation does not appear to have improved. In Moldova and Tajikistan, which have the poorest economies, informal payments have increasingly been used to cover gaps in school operational financing. In Kazakhstan and Azerbaijan, where petroleum has brought windfall profits, luxury costs like gifts and extravagant events have increased. These two trends indicate the continuing need to track the size and frequency of parental payments. Fortunately, stakeholders are developing the vocabulary necessary to discuss and respond to informal payments. They have also begun to consider the need to keep closer track of these payments and to allow discussions and investigations to take place.

Whatever its limitations, this study lays a foundation for future work on the subject and makes it clear that succeeding efforts will need to be far-reaching and carefully coordinated to take account of the many issues involved in this complex phenomenon. PIPES is a first step. It creates a context for discussion about where to draw the line between legal and encouraged payments and illegal and discouraged ones. The remaining chapters offer ways to take action, beginning with a presentation of the results from the survey.

Chapter 3

Measuring the Cost

For nations undergoing social transformation, gaps, particularly in the provision of public services, can easily appear. When funding, regulation, and other structures fail, social institutions like education are threatened, particularly in terms of school quality, equity, and access. The price of transition is difficult to gauge, but phenomena like informal payments provide an opportunity to measure the cost. The PIPES study revealed a series of costs to parents that can be regarded as informal payments in nations across Eurasia. This chapter provides a synthesis of the results.

As an initial step requiring clarification, the research team identified school-related items for which parents might pay. Several sets of items arose. The first were common costs for education that might be covered by parents, such as extracurricular activities, lunch, clothing, stationery, transportation, and textbooks. Often the responsibility of parents around the world, but new for many in post-Soviet countries, these costs rose exponentially as their countries turned away from centralized, command economies to open markets. Many parents were unprepared to bear these expenses, especially with soaring underemployment and unemployment rates.

Other costs were easier to anticipate, but were still hard to handle. Some expenses one might expect with the rise of a shadow economy, like bribes, grade-buying, or gifts. Some

parents tried to improve their children's educational achievement through tutoring or extra group lessons. A final grouping of other costs came with the transition, costs that would pay for school upkeep, heating, maintenance, and the like.

When surveyed, parents as well as teachers readily identified most of these costs. Where some expressed discontent at having to pay for anything, including transport and clothing, nearly all identified costs associated with school repairs, maintenance, and activities as those that they had expected to be covered by the schools themselves. These items topped the list of their major educational expenditures. Respondents in Azerbaijan and Georgia noted payments for heating and those in Moldova listed bribes. Respondents from all countries included presents and gifts within this list of necessary expenses.

While all of these items can be considered informal payments for education, it is the second group that is the primary focus in this review. Very few are documented and most are understood as formal costs for education: in the transition, the line between formal and informal has been blurred. By looking at the results from the PIPES survey, we can begin to measure the real costs of this phenomenon.

In this chapter, an overview of the preliminary findings is given before the in-depth review of survey responses. This longer section presents the scope of payments, motivations behind payments, and their potential impact on education and society. The chapter closes with a short discussion of the implications of this survey.

Preliminary Findings

As an exploratory study, PIPES research compiled the opinions and perspectives of parents, teachers, and principals, results which prove to be relevant across the region. PIPES participants made comments and supplied other data that can be arranged in the following categories: education finance; school management; household burden; and ethical situations.

Education Finance

One of the most important findings from this study concerns the state of education finance across Eurasia. Respondents from all groups cite insufficient funds as a primary reason for informal parental payments. Officials, including principals, however, continue to claim that for the most part schools receive the allocated funds from the state budget. The truth must therefore be somewhere between these two positions.

These perceptions about insufficient funds are possibly based on widespread shortages in the early years of independence that caused parents to begin contributing. Commu-

nity members also maintain that governments should and can provide a free education for all children. Few have an accurate understanding of what is feasible based on the resources governments have available.

Oft-cited increases in national education spending are also misleading. The national education budgets in all of these countries are still low compared to other government spending. Moreover, a preponderance of state funds are used only to pay salaries and pensions. Without full and public accounting of the costs of education, populations will maintain the erroneous belief that governments are able to provide a free education.

In some of these nations, economic growth has been positive, so the problem is not based solely on the lack of funds. In sum, the problem may largely result from the inefficient use and management of these resources. Schools do not have enough autonomy in planning, allocating, and spending. At the same time, a large number of school administrators lack appropriate training and experience for financial management.

In order to fulfill their obligations, principals have found that parents are their most reliable, convenient, and responsive sources of revenue. Turning to parents is a logical step. Unfortunately, the management of the resources principals collect has not been completely transparent and has in some cases become discriminatory.

Many school administrators work in a top-down organizational culture, and as a result have tried to make the best of what they have. Through 15 years of hardship, it was easy to develop a dependence on parents as a resource. In many schools, capital expenditures and upkeep are left to parents rather than to municipalities and other sources of funding.

Out of the Shadows

While the phenomenon of informal payments is described as a response to limited school financing, it is not the only way community members have sought to make up for shortfalls in education in post-Soviet countries. Private tutoring has also risen sharply during the same period. In 2006, a study on this phenomenon was conducted with funding from OSI. The first recommendation from this study is similar to the one coming from PIPES.

> "[S]tudies refer to private supplementary tutoring as "shadow education" (e.g. Stevenson & Baker, 1992; Bray, 1999), highlighting its relationship to mainstream education systems. Just as the shadow cast by a sun-dial can tell the observer about the passage of time, so the shadow of an education system can tell the observer about changes in societies. Unlike most shadows, however, private tutoring is not just a passive entity: it may seriously affect even the body which it imitates. Private tutoring has implications for the operation of mainstream schooling, causing difficulties for the smooth operation of classroom interactions. Further, private tutoring may be both a symptom of corruption in societies and an instrument through which corruption becomes more deeply entrenched." (p. 18)
>
> "The first recommendation from this study is that the whole phenomenon should be given much more attention—by governments, the media, professional associations, and society as a whole. In this respect, to extend the metaphor, private tutoring should come out of the shadows and be seen more clearly in the light." (p. 18)

Source: *Education in a Hidden Marketplace: Monitoring of Private Tutoring* (2006). OSI: New York.

It is clear that parental contributions are needed to supplement state funding. Some of them should be formalized as expected costs, particularly in the case of mandatory payments needed to ensure standards in education. Other payments should be made according to transparent procedures to prevent shadow or hidden payments. Others, such as payment for admission to school, grade buying, oversized gifts, and bribes, should be completely outlawed. Appropriate monitoring should also be put in place.

Despite legislative guarantees to the contrary, most governments are not able to provide adequate and sustainable funding to ensure free education for all. The study recognizes that the main task of the government in this regard is to ensure the financial sustainability

of the school system. To do so, governments must correctly estimate the real cost of education and to allow parental contributions to become an effective funding mechanism. But parents should no longer be sources of additional funding for expenses that should be borne by the state.

The meaning of free education as stipulated in national constitutions and laws on education is often fraught with ambiguity and contradiction, especially when compared to the expenses actually covered by the state budgets. In Moldova, for example, parents expect that all costs, including food and transport, should be provided by the government, although this is not a standard expectation in other countries. The majority of funds from the state budgets of most of the participant countries cover only staff salaries, leaving other costs unaccounted for.

In the Kazakh case, nearly two-thirds of the principals considered state financing to be insufficient and a primary cause for the introduction of parental payments. In their country report, the Kazakh research team also wrote that "schools do not have enough autonomy in planning, allocating and spending. In order to execute their own priorities, they must search for the most reliable, convenient, and fast sources, which happen to be parents of their students." Some principals across the region even state that at any given time they are unsure of when state funds would arrive and how they would be permitted to use them.

Situations like these have led to the assumptions about the lack of state funds for education despite the fact that these governments have begun to increase the financial resources available for schools. The resulting confusion can best be cleared up by determining which aspects of education are to be paid for by the state and which become the responsibility of parents.

School Management

The study also considered some functions of school administration. Teachers, parents, and principals each differed in their understandings of financial management. For instance, parents in Latvia believed that "if the school building needs repairs, then we parents all contribute together because the community is very poor but the children still need a school." Despite this position, most principals reported that they received adequate funds for their school. It is unknown whether the funds received actually cover all costs incurred by the school.

Parents also reported not knowing how funds, especially informal payments, were actually used. As the confusion in responses revealed, budgetary processes and accounting procedures are not well organized at the school level. Most schools have no means to manage the use of financial resources properly. Compliance is generally the domain of the local Education and Finance Ministry representatives. Their review tends to focus on state-based

funding and implementation, and not on the collection and use of informal payments or funding from other sources. State financial audit procedures are designed to review only the formal education budget, which means informal budgets arising from parental contributions or other sources are not controlled.

Payment procedures are ad hoc and not standardized. Few financial records or other forms of documentation of parental payments exist. Some payments are misidentified as payments for supplemental educational services. Except in some schools, in Kazakhstan and Latvia, for example, little public oversight or consultation exists between school management and parent associations or independent organizations. It is easy for informal payments to go unrecorded and unreported. They may also be misused.

In the few instances where bank accounts and/or autonomous management have been allowed, they are relatively new and need development and support. Most parents have only begun to learn how to manage complex household budgets in the context of the new economy, and few have experience using bank accounts, bank transfers, and similar modern financial tools; school management requires training in these areas. Low familiarity with personal or institutional financial management is, on the other hand, not consistent across the region, and evidence indicates mixed potential for change.

Participatory planning is not yet in practice, and less than half of the country teams reported some form of parent association with legal rights to engage in this activity. More often, parents remain unaware of how contributions are actually put to use, although many focus-group participants reported that they sought visible changes. Some are unlikely to inquire about the real use of their contributions as they believe that their contributions are essential and should not be questioned.

Financial literacy remains a challenge. During the course of focus-group meetings, the Slovak research team found only one example of parents who understood the use of payments. These parents were not only knowledgeable, but were also engaged in the activities in a transparent manner. One parent explained:

> During the first meeting of the parental association we make a plan of expenses, for example, how much we will spend on games and competitions for children, how much on the computer lab and so on. Parents vote about the plan. We can also read the official minutes from the School Board meeting where the plan for the whole school is made. At the end of the school-year, a detailed review of all the budget items is performed.

Communities are usually not aware of the opportunities under new legislation or cognizant of rules and procedures concerning school finance. Parent associations, boards of trustees, and ad hoc groups that serve similar purposes are in various stages of formation

across the region. Where legislative rights and responsibilities have been granted, the population has not yet learned how to exercise them.

Nearly all of the country teams reported that education acts do not adequately articulate the status, jurisdiction, functions, and protections of these groups. Associations are potential avenues for parental and community participation, but they lack independence, confidence, and experience. Often relegated to an advisory role, they are even unable to monitor the flow of money.

Some national legislation regarding education financing and management is ambiguous or poorly implemented. For example, in Kazakhstan laws exist that allow schools to have access to funds from the state, from community members, and from other sources. Similar laws and ambiguity can be found in the majority of these countries. Moreover, when laws stipulate that educational institutions may seek additional assets in a prescribed manner, the lack of clear and relevant procedures can promote the mismanagement of funds and even unlawful or inappropriate demands being placed on parents.

Alternative mechanisms for attracting resources are underutilized. When laws exist to allow the use of donations or other funds, few schools actually pursue these resources. When new resources from philanthropy or the community are made available, news of the opportunity often fails to reach the localities for whom the resources are meant.

In some cases, the rate of change along a complex set of variables, like recent reforms in Georgia, can be too fast or too complex. This rate and unfamiliarity mean that communities and schools are unable to process it all at once. Throughout the region, social and legal systems to support these changes are either not created or are barely functional. Those affected by these changes find it difficult to assume new duties and obligations or have an excessive time lag in their adoption of them.

While many of these observations were raised by expert opinion and focus-group comments in each of the PIPES country studies, the overall survey allowed a look at the process surrounding the collection and use of informal payments as a whole. The most common purposes are school renovation, maintenance, and other capital improvements. Other payments include gifts, examination fees, classroom expenses, heating, payments for grades, and payments for unknown purposes. Most payments are believed to be mandatory, although this is not officially the case. This belief sometimes arises from implied consequences, but more often is the result of perceived pressure from community members and school staff.

Household Burden

The study demonstrated that parents are willing to invest in the education of their children and that they have a positive attitude toward payments for extracurricular activities, school events, trips, and practical school aids. Compulsory parental payments toward mandatory

educational services represent the largest share of parental expenditures in education. In some cases, parental contributions can match or even exceed the amount of public spending on education.

More than 80 percent of all parental payments are formalized and documented and cover clothing, shoes, school supplies, meals, transport, and textbooks. More than two-thirds of parents contribute to various school events, extracurricular activities, and supplementary learning materials. The amount households pay for other purposes ranges from 10 to 15 percent of the total household expenditures for education.

As mentioned above, parents make up for budget shortfalls, whether real or perceived, with informal payments. Schools and ministry officials rely on their assistance. In combination with formal expenses they must bear like school supplies or transportation, informal payments increase the burden on individual households. Parents in some locations, such as Slovakia, pay the equivalent of the official education budget.

Informal payments in urban schools are larger than in rural schools. In Kazakhstan, urban parents pay up to 50 percent more than their rural counterparts, although rural households pay a larger percentage of their income. Azerbaijan has a similar distribution of informal payments, and costs on families have increased since the time of the survey. For example, school-leaving ceremonies, which once had a negligible cost, now can cost up to US$100 per student in the capital city. Payments are also more frequently made in cities and towns because of the costs of tutoring, school events, and other expenses. Poor families tend to contribute less money overall, but these costs constitute a higher percentage of their household income.

In focus-group discussions, parents in most countries expressed a willingness to pay even more provided that they can check the purpose of payments and see that their children really benefit. The burden currently placed on households is felt not only in terms of the value of payments but also in the investment of time, anxiety, and energy.

Nearly all parents believe that informal payments are necessary and even required, although they may not be officially mandatory. As one Tajik parent put it, “If I do not give money, then the teacher will leave [the school].” In Azerbaijan, parents simply say, “I must pay.” Similar sentiments have been expressed across the region.

Principals, teachers, and others press parents into contributing, though usually indirectly. One teacher was reported as welcoming her students to a new school year by saying, “You see that the school administration has begun some renovation, and there is still a need for construction materials. It would be good to get a match from your parents’ side. Our school would be best if we help each other.”

Parents are motivated by a desire to improve the quality of the school, both in terms of instruction and facilities. Some are motivated by the opportunity to improve their child’s standing in the school. Others find that payments help bypass merit-based achievement.

Parents may consider the purchase of supplemental learning materials as wasted funds since they are rarely used in lessons. They are distrustful of payments connected with commercial activities, such as the marketing of services or goods not directly linked to the curriculum inside the school by outside dealers of books, atlases, and other goods. Even when they consider it unfair, however, most parents still make the requested payment.

The majority make informal payments on a monthly basis. Payments of this type by household are small, but add up to significant amounts for whole schools. Almost all parents make a cash contribution once or twice a year through parental associations. Total cash payments equal about 12 percent of state financing whereas the equivalent of another 20 percent is in the form of gifts and in-kind contributions. Together these parental payments provide schools with more than half the funding provided by the state.

Ethical Situations

Informal payments not only pose financial burdens. The ambiguities, gaps, and awkward relationships involved in this practice present a number of ethical problems, including the potential for corruption. As reported in the survey, payments tend to be collected by teachers. In focus groups in most of the countries, parents commented that children often serve as intermediaries in the collection process. Focus-group participants also indicated that many informal payments go undocumented, are publicly unacknowledged, or are thought not to be used for their ostensible purpose.

Compulsory payments adversely affect low-income families and may lead to discriminatory practices in the classroom and administrative offices. About 12 percent of families said that students from low-income families were at a disadvantage because their parents could not afford school services. Regional differences were also seen in relation to this question, with twice as many parents in urban settings indicating adverse effects than their counterparts in capital cities.[4]

Sometimes payments are used for inappropriate ends. While over 20 percent of parents in Moldova have attempted to secure better marks for their children through the use of bribes, a much higher proportion of parents have paid for other educational goods and services—nearly US$42 million for school supplies and US$10.5 million for private tutoring. Presents worth more than US$2 million have been given as gifts to teachers and sometimes to principals. During focus-group discussions in Azerbaijan and Tajikistan, participants noted that the value of personal presents far exceeds what was previously accepted as a token of appreciation.

Gift-giving and private tutoring have both become widely accepted and fairly noncontroversial practices. Parents from Georgia comment that parental payments can resemble

mandatory taxes more than voluntary contributions. Students who do not pay may be blacklisted. As one parent explains:

> Collecting money by schools has been declared illegal, though this money is still collected for different purposes under the name of contributions. In fact, the unlawfulness has been legalized. I believe the money I give my child to pay for a cleaning service is not a contribution but a fee I pay monthly.

The survey showed that pressure to make or take payments is felt by every party. Experts and school personnel who were focus-group participants said that they needed to ask for payments even when they felt uncomfortable doing so. Parents reported pressure to make additional financial contributions for the operation and sustainability of their schools. In Latvia they commented that they regularly contribute small amounts so that classrooms have money for toilet paper or even water.

Payments also affect relationships. In Azerbaijan, a teacher refused to take on a leadership role in order to avoid the responsibility for collecting payments. She said that it was more important to maintain her professional status and to be able to motivate students positively. A student in Tajikistan expressed his embarrassment for his teacher when she was put in the position of asking children for money.

Some payments are made with the hope of a tangible outcome, like repairing classroom windows or receiving better instruction. Others are made to seek favor. For example, gifts do not have a direct connection to a goal or timeline. Most often they are tied to building and maintaining good relationships with teachers as well as other parents of children in that classroom or school.

Administrators seem to avoid transparency in parental contributions and other budget resources, and parents are hesitant to demand it. Focus-group discussions suggest that most parents are reluctant to openly challenge the practice of informal payments lest they create a problem for their children. Few parents, according to focus-group discussions, admit to directly addressing this issue with the school. Kazakhstan and Slovakia both have separate state agencies with regulatory and compliance responsibility, but parents tend not to submit complaints. Some, however, seek other avenues, such as complaining through the media and neighbors, but these rarely lead to action.

Survey Responses

Each of the seven research teams prepared a detailed report on the study and its implications for their country.[5] Their results were tabulated and synthesized into a summary overview and are presented in this section by considering three aspects of these payments—scope, motivation, and impact. The survey questionnaires can be found on www.edupolicy.net. Each time a question is referenced in this report, a simple coding system has been used. It comprises a letter signifying the group (P for Parents, T for Teachers, and S for Principals/Staff) and a number for the relevant question on the questionnaire.

Scope

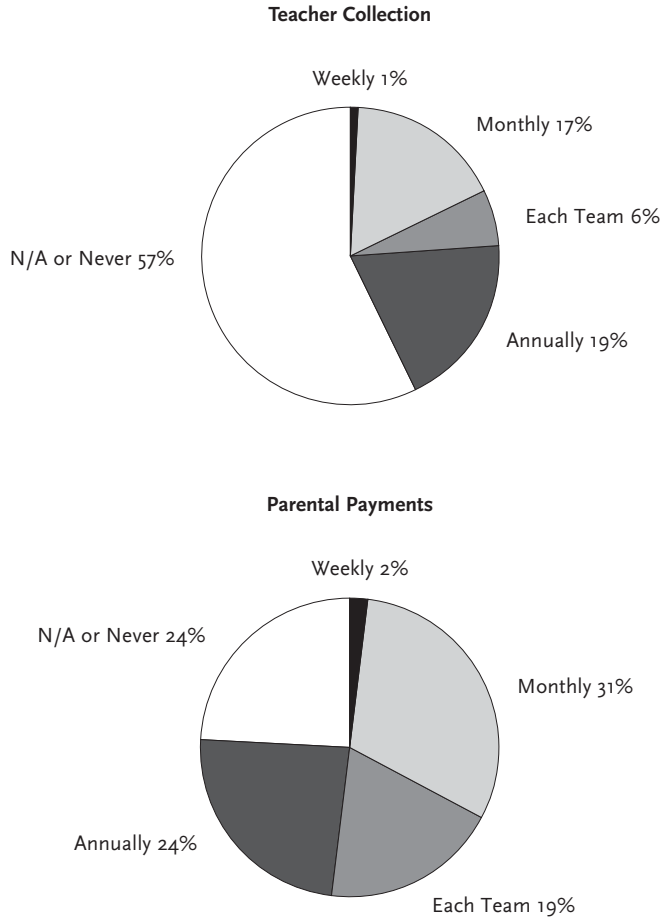
The first aspect is the scope of payments. By this term, we intend to demonstrate the form and extent of the payments. We discuss the purposes for which they are received, the cost they exact on individual households, and the process by which they are received by schools.

Reasons for payments were the researchers' initial interest. Parents responded that they made payments for a number of items, ranging from shoes to boiler systems. The majority of the payments that they make go toward items necessary for their children to attend school, such as lunch-packs, stationery, textbooks (purchased and rented), transportation, and clothing. The majority of parents agreed that these expenses were their responsibility. Tutoring and extra group lessons were also acceptable costs, unlike bribes for grades and diplomas or preferential treatment.

They thought that the responsibility for other items should lie with the school itself or be provided through other official channels. This list included repairs, heating, maintenance, upkeep, classroom supplies, salaries, and capital expenses. Shared items could include school events and extracurricular activities, particularly for students from disadvantaged families.

Limited family budgets were one of the reasons that families had difficulty making up for what they saw as governmental budgetary shortfalls. The parents in this study had an average monthly household income of US$454. Latvia and Slovakia had the largest incomes at over US$1,000 a month, whereas Azerbaijan and Tajikistan had the lowest at around US$100 a month (P16).

Figure 1.
Payment Frequency



Over the course of the year, families in this study admitted to spending on average US$350 on education expenses, for both regular and occasional costs.[6] In most countries, this total expense over a school year was equivalent to two-thirds of a monthly household income. In Georgia and Moldova, the annual household expense was nearly twice this amount (P17). In a separate question, respondents estimate that the typical family spends US$86 per child each academic year for education expenses, well under their reported amounts (P47).

Frequency of payments was also included in the survey. Payments do not seem to be sought very often. About a third of the parents said that they were expected or required to make payments on a monthly basis. Nearly a quarter said they also made annual payments. Few made payments each week (P20).

Teachers reported that about 30 percent of all payments were one-time collections and 11.5 percent were recurring payments (T12, T13). In Slovakia, 44 percent are single-occurrence payments while in Latvia such payments are thought to comprise as much as 55 percent of all payments. Teachers in Tajikistan say that single-occurrence payments are the most frequent form.

Two-thirds of the teachers said that the typical teacher is never expected by their administrators to collect informal payments. Nearly 20 percent did say that an expectation to collect arose monthly. Less than 20 percent of teachers said that an expectation to collect arose monthly. Slightly more said that such a requirement came on an annual basis. While responses about collection frequency varied from country to country, 1 percent or fewer expressed a weekly expectation for payments. Ninety-two percent of the Georgian teachers said they were never expected to collect any money. In Tajikistan, 61 percent said that they were expected to make monthly collections (T11).

From their total education expenses, parents gave an average of 17 percent in the form of informal payments, an amount that ranged from a high of 27 percent in Kazakhstan to a low of 6.9 percent in Georgia (P18). More specifically, the parents spent about US$7 per child each month in informal payments (P19). However, teachers said that they collected about US$1.5 each month per child and a total of less than US$12 a month (T16, T07).

Understanding where the money goes is an important part of this puzzle. Teachers said that they pass on to principals only about 12 percent of the amount that they receive. Kazakh teachers said they passed on almost 25 percent and Slovak teachers transferred about 21 percent. In Moldova, less than 2 percent was given to principals (T08).

Nineteen percent of the parents believe that the money they give to teachers actually goes to the principal (P29). Many more Moldovan parents believed this to be true (56.9 percent) than Georgian parents (2.5 percent). Only an average of 5.4 percent of teachers and 3.4 percent of principals believed that some of the money given to teachers reaches the principal (T24, S20). The highest degree of agreement on this issue between these two groups was found in Tajikistan (12 percent each), where parents believed that 25 percent is passed forward.

Principals estimated that they pass on to other officials less than 5 percent of the amount that they collect (S09). They also say that they directly collect less than US$1 per student each month (S14). Principals said that schools receive an average of more than US$2,000 each year in parental contributions. Kazakh principals reported the highest aver-

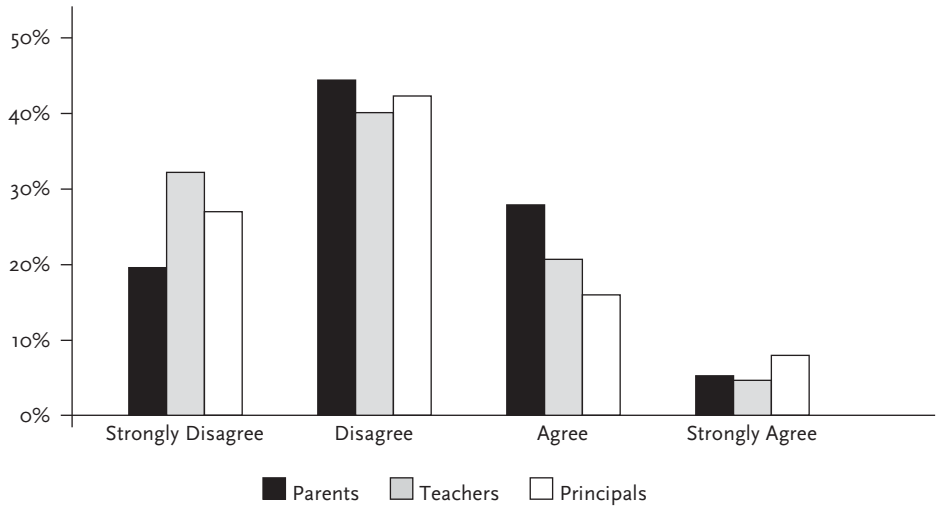
age annual amount at nearly US$4,000 while Latvian principals said their schools received an average of less than US$500 (S08).

It is apparent that a lot of money is collected and changes hands during the school year. Since most of it is not properly recorded and not openly discussed, it is very difficult to account for the full value of parental payments. It is also possible that parents do not account for all of the payments they make. They do, though, remember the general purposes for which they make contributions.

A quarter of the money collected by teachers goes to their classes and classroom supplies, except in Georgia where only about 10 percent is for this purpose (T09). Approximately 35 percent on average goes to the school for improvements or events. Sometimes it is much more. Kazakh teachers reported that almost 60 percent goes for this purpose, whereas Slovak principals put the corresponding figure at 85 percent (T10, S10).

Parental contributions as gifts or in-kind contributions that were received by teachers constituted an average of only 6.9 percent of all payments received (T14). Principals said in-kind contributions were only 7.5 percent (S11). In comparison, teachers said about 40 percent of contributions came in as cash; principals said it was about 30 percent (T15, S12).[7]

Figure 2.
Informal payments as important revenue source



Despite claims about the need to supplement school finances with informal payments, the majority of all three groups (65 percent of parents, 73 percent of teachers, and 70 percent of principals) disagreed that parental contributions were an important source of income for their school (P21, T17, S07). All three groups were nearly evenly split on this issue in Tajikistan and Moldova. In Azerbaijan no member of any group agreed with this statement.

Furthermore, most principals (61.1 percent) believe that it is not necessary for schools to collect payments. This sentiment was very strong in Slovakia, with 83.8 percent of them disagreeing with the need to collect. In Tajikistan, by contrast, 69 percent of principals agreed that the collected payments are necessary (S16).

In general, most principals said that their school receives the funds allocated to it by the state budget. Azerbaijan presented the most difficult situation, where 21 percent reported that schools never receive all of the allocated funds. Another 38 percent said that they receive them only sometimes. Latvia and Georgia reported the most regular receipt of state funds (S35).

Despite a wide mix of opinions and various inconsistencies, the survey revealed that the scope of parental payments for education across Eurasia is not small. Not only is this a widespread phenomenon, the general familiarity with the topic demonstrated that informal payments have become part of ordinary life.

The study also revealed that most people have a very limited view of the system of education finance. They also differed on how and why payments are collected, a variance which might be explained by limited information, pride, or even confusion. The survey demonstrated that a more sophisticated research tool and clearer definitions are required to better measure this phenomenon.

Motivation

With its wide scope, the study also approached the question of why payments are made. Examining why people participate in the informal payments process is essential to understanding the phenomenon. In the survey, all three groups were asked about the reasons payments were made, expectations surrounding these payments, and other influential factors, including pressure from individuals. The major question is why parents make payments.

Rather than assume that payments were always made for a specific purpose, interviewers asked participants to explain the rationale for informal payments in general. The answers provided by this large a group of respondents were wide and varied. Some named general and abstract issues, like the transition or hard economic times. Others focused on specific issues, such as low salaries or the poor material condition of schools. A few used the chance to express discontent or to apportion blame.

Causes for Payments

Respondents in Azerbaijan provided answers that fell into the following six categories. They are listed with a sample of specific issues that were provided by an open question on causes for informal payments.

- Faulty Education Finance
  - *Insufficient budget*
  - *Noneffective distribution*
- Government Abandonment
  - *Government apathy*
  - *Lack of control*
- Submissive Stakeholders
  - *Follow circumstances*
  - *Accept as a norm*
- Corruption Compliance
  - *Go around broken system*
  - *Pressure from outside*
- Weak School Management
  - *Centralized, top-down system*
  - *Lack of autonomy and experience*
- Declining Value of Education
  - *Social indifference*
  - *Social injustice*

The majority focused on the theme of finance and management. Finances were named by 64.5 percent of the respondents in Kazakhstan, 66 percent in Azerbaijan, and 66 percent in Slovakia. In Georgia and Latvia, finances were mentioned by a lower percentage (35 percent and 25 percent respectively), but still maintained a high ranking as a primary cause.

More than half of all parents responded that they give informal payments primarily so that their children receive better classroom instruction (P42). Only a third of the teachers believed that this was the main reason (T36). Nearly half the teachers said that parents expect better instruction in return for payments, especially in Tajikistan (69.9 percent) and Azerbaijan (66.6 percent). A higher number said this was an occasional expectation rather than a regular one (T26). A similar number of principals agreed (S23).

Teachers and principals are not the only ones who collect payments and therefore exert influence. Sixty percent of the parents believe that parent associations expect payments to improve the quality of schools. However, more than three-quarters of Kazakh parents and two-thirds of Georgian parents said associations never expect payments primarily for this reason (P41).

Correction of other problems that affected the education experience was another motivation for parents. That teaching salaries are inadequate is a strongly held view of parents, particularly in Georgia (80.8 percent) and Latvia (71.3 percent). An overall average of 55 percent believed this to be the case (P28).

Nearly all the teachers (87.8 percent) and principals (90.6 percent) disagreed with a claim that teachers cannot make an adequate salary without taking parental contributions (T23, S33). Nearly 9 percent of principals thought teachers often asked for payments from parents to increase their—the teachers'—incomes (S37). A third of all teachers additionally reported that parents give payments primarily for private tutoring (T35), an interesting claim since tutoring one's own students outside of class was almost unheard of during the Soviet period.

Two-thirds of the parents said that the schools expect them to make payments for supplies and improvements (P44). A little more than half the teachers and principals made a similar statement (T38, S36). In all three groups, the consensus was that payments for this purpose were made sometimes rather than often or always. In Georgia, though, the majority in each of the three groups said that this was never the primary reason.

About a third of the parents estimated parents pay contributions also in exchange for better grades (P43). Nearly half the parents in Moldova (51.9 percent) and Slovakia (53.2 percent) thought this was true. Most parents in Kazakhstan (89.4 percent) and Georgia (85.0 percent) thought this was never true. Less than an eighth of teachers and even fewer principals said that parents actually expected better grades for payment (T27, S24).

Some answers revealed the respondents' anticipation of individual and institutional pressure. Respondents were asked about the role that such pressure plays in making or asking for payments. Informal payments seem to be freely given. In fact, nearly 70 percent of parents reported that they give contributions voluntarily. The majority qualified this answer by choosing "sometimes" as the frequency. Two-thirds of Georgian parents reported that they never give them voluntarily, while only about 15 percent of Tajik parents said the same (P40).

Determining whether informal payments are mandatory or voluntary is important. More than half of the teachers said that parents voluntarily give contributions, but mostly on an occasional basis. The majority of Georgian teachers (83.6 percent) said parents never give them voluntarily, whereas a third of Slovak teachers and a quarter of their counterparts in Latvia and Tajikistan said parents always give them voluntarily (T34).

Almost 80 percent of parents disagreed with the statement that "teachers often pressure parents to give money for school-related activities." The highest level of support was in Moldova with more than half of the parents in agreement (P24). Less than 10 percent of the teachers said that they are encouraged by school officials to ask for money for this purpose, except in Tajikistan where 15 percent said this was true (T19). Under 5 percent of the principals said that this was true (S19).

Few parents (13.7 percent) agreed that teachers often pressure parents for payments to supplement their incomes, except in Moldova where the majority (68.2 percent) reported payments under such pressure (P25). The vast majority of teachers disagreed that they often ask parents for contributions for this purpose. In Azerbaijan and Tajikistan, about 9 percent thought this was true, but less than 2 percent in the remaining countries agreed (T20).

Principals (89.0 percent) and parents (80.6 percent) both believed that parents do not pressure other parents into making payments. Only in Moldova did the majority of parents (53.5 percent) feel that this was true. Principals there also showed more support than their counterparts for this statement (20.3 percent), but not at the same level as parents (S31, P27).

An average of 40 percent of the principals stated that parent associations had an important role in encouraging contributions. While only a quarter of the principals in Georgia, Kazakhstan, and Tajikistan said that this was true, many more in Slovakia (64.9 percent) and Azerbaijan (59.0 percent) found this to be the case (S32).

In regards to pressure on teachers by principals to collect payments, 19.5 percent of parents and 5.7 percent of teachers believed this to be true. Moldovan parents held this view in the greatest proportion, 53.2 percent (P26, T21). Very few principals (5.7 percent) believed that they were encouraged by other officials to collect contributions (S21).

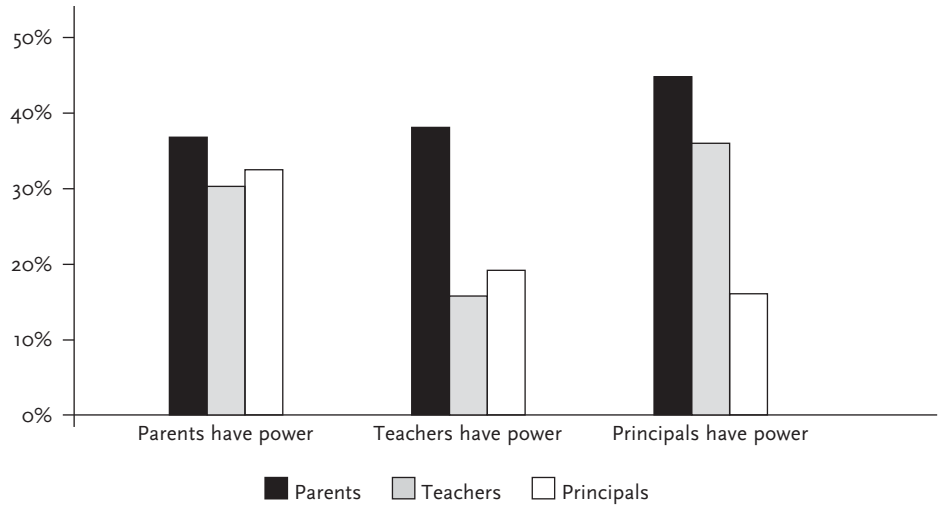
Few teachers (4.8 percent) reported parental pressure to accept contributions. The highest incidence at around 12 percent was found in Azerbaijan and Tajikistan (T22). Nearly half of the teachers believed that parents expect better instruction when payments have been made. Two-thirds of teachers in Azerbaijan and Tajikistan thought this to be the case (T26).

About 10 percent of the principals reported parental pressure to admit children to school (S17). A similar number in Azerbaijan reported attempts by parents to provide gifts in exchange for student admission, but on average only 8 percent mentioned that this had occurred (S13). A little more than 5 percent were reported as often offering contributions for this purpose (S18).

Few parents said that teachers expected parental contributions to supplement their salaries. While a cross-country average of 73.4 percent of parents felt this was never true, almost 40 percent of those in Azerbaijan, Moldova, and Tajikistan felt that this *was* true

(P45). In response to a similar question, the great majority of teachers (89.1 percent) thought this was never the case, particularly in Kazakhstan, Slovakia, and Georgia. One-fifth of the teachers in Azerbaijan and Tajikistan thought this was true some of the time (T39). Most principals (90.7 percent) agreed that teachers never ask for contributions for this purpose, although 20 percent in Azerbaijan thought this to be sometimes true (S37).

Figure 3.
Who has power?



In any process, the description of power relationships can say a lot about equity and access. Each group was queried about whether parents, teachers or principals had much power in the contribution process (P33-35, T31-32, S27-29). All of the groups stated that parents were powerful (P-36.9 percent, T-38.2 percent, P-44.9 percent), but the respondents tended to give lower ratings for teachers and principals. On average, teachers rated themselves as a group as less powerful than principals and half as powerful as parents. Principals rated their own group as much lower (16.2%) than teachers (36.1 percent) and parents (44.9 percent).

Some of the countries reported interesting differences. For example, parents in Azerbaijan, Moldova, and Slovakia all gave lower assessments of parents' power than of principals'. Azerbaijani principals and parents ranked teachers above parents. Kazakh parents ranked themselves much higher (58.1 percent) than teachers (22.1 percent) and principals

(15.6 percent), as did Kazakh teachers. Kazakh principals ranked parents high (49.5 percent) and themselves very low (5.0 percent). The highest ranking was given to Tajik parents by Tajik principals (68.0 percent). Georgians tended to rank the influence of each group under 25 percent.

The results suggest that while different groups perceive and sometimes receive pressure to make or receive informal payments, involvement generally comes from a desire to provide the best possible education environment. These findings demonstrate that parents have willingly assumed a surrogate role in school finance. It remains for us to discuss the impact of these payments on their children's education.

Impact

The impact of this phenomenon was looked into in order to understand how informal payments affect educational quality, accessibility, and equity. Parents, teachers, and principals were asked about their impressions of various types of impact. The results were fairly consistent, with the few exceptions discussed below.

Since the quality of education was frequently cited as a motive to make informal payments, one of the impact questions considered the issue. The respondents informed the survey teams that quality was not under tremendous threat. Only 22 percent of parents, along with 12.4 percent of teachers and 13.4 percent of principals, believe it is impossible for a student to get a quality education unless contributions are made (P31, T28, S25).

Quality can be assessed in other ways, such as by measuring the level of attention paid to students by educators. Around 20 percent of parents believe that teachers spend more time teaching students whose parents have made large contributions. This belief is relatively common in Azerbaijan (38.7 percent), Moldova (48.6 percent), and Tajikistan (29.3 percent), but is held by less than 4 percent of parents in Kazakhstan (P30). About 5 percent of teachers and 3 percent of principals thought this was true (T25, S22).

Whether contributions are necessary for higher educational attainment was also asked. Most parents (80.7 percent) thought this was never or rarely the case. In Tajikistan (37.3 percent) and Moldova (29.6 percent), this was often or always perceived to be the case (P46). Similarly low numbers of teachers (12.9 percent) and principals (14.2 percent) thought that contributions are needed for success. Both groups in Tajikistan had the highest level of agreement (T-39.8 percent, S-40.0 percent) to this statement compared to their counterparts in other countries.

Another issue the respondents considered was that of equity. To what degree do requirements to make payments limit access to education? Approximately a third of the parents thought that students from poor families are at a disadvantage because their parents cannot afford to make supplemental payments. Nearly half of the parents in Azerbaijan and

Moldova thought this was true. Kazakhstan had the least agreement at 11.9 percent (P32).[8] Teachers (83.2 percent) and principals (88.5 percent) generally disagreed with this idea. These groups in Azerbaijan (T-37.1 percent, S-20 percent) and Tajikistan (T-29.9 percent and S-22 percent) registered a higher rate of agreement with the statement than their peers in other countries (T29, S26).

The respondents thought that the largest impact was on the process of education. Almost half of all parents agreed that parental contributions hinder or compromise the educational process. A little more than a third of the teachers and principals shared this sentiment. Azerbaijan had the highest level of agreement (P-88. percent, T-76.1 percent, S-63 percent) across the groups (P39, T33, S34); Georgia, the lowest (P-22.2 percent, T-14.7 percent, S-23 percent).

Despite this impression, parents still demonstrated confidence in the education system. Parents expressed a high degree of trust in teachers' decision making (77.5 percent), in the honesty and fairness of principals (77 percent), and in the idea that their children will receive a good education whether or not they themselves make contributions (75.4 percent). Less than 20 percent of Moldovans expressed trust in all three aspects.

The true impact of informal payments is only partially revealed in the answers to survey questions. It is difficult to gauge the accuracy of opinions expressed across the region. What is apparent from these answers is that the populations of Moldova, Tajikistan, and Azerbaijan believe more strongly that informal payments in various forms have a negative impact on education. A closer investigation based on data from focus groups, target interviews, and other sources allows us to draw general conclusions and to explore the implications of these findings.

Implications

It is important to note that the results of this exploratory study are based on respondents' answers. A more thorough look at the phenomenon of informal payments in education is provided in the next chapter. It is already evident from this survey chapter, however, that informal payments exact a heavy cost on populations in which the practice is widespread.

The results have been presented above in three categories: scope, motivation, and impact. For policymakers, educators, and other practitioners, the critical implications are presented here as a summary of the survey results.

The first is the broad scope of informal payments. All three groups of participants (teachers, principals, parents) admit to the existence of informal payments, even though

they might disagree with what the term "informal payment" precisely means. Whatever the definition used, the prevalence of these payments indicates that parents are ready and willing to help schools.

Half of the surveyed parents are certain that schools cannot exist without parental contributions. Yet even more believe that these payments have a negative influence on the education process. Mixed numbers also comment on the threat the practice of informal payments poses to access to quality education, especially for children from vulnerable families. Though informal payments do not seem to pose a threat to the quality of education, they negatively affect family budgets, especially in low-income families. This system of payments also produces awkward relationships that put children in the middle, strain the professionalism of educators, and cause parents to struggle to maintain good relations with educational institutions.

Informal payments have multiple implications for school children. These payments can marginalize children or place them in difficult positions. Focus-group discussions also revealed cases in which children suffered as a result of a parental inability to pay. Some parents claimed to have made informal payments and presents in the hopes that their children might be enrolled in a prestigious school or receive more attention.

The common acceptance of informal payments across the region has an additional consequence, particularly in regards to payments that could be considered improper. The survey showed that elementary school pupils had difficulty dealing with constant requirements to bring money, but by the end of middle school children found this practice to be ordinary. This habituation suggests that youth across Eurasia are being socialized into practices that could be corrupt or illegal. More importantly, they are not learning the values of merit-based promotion or clear accountability.

The unstable financial situation of schools is problematic, especially when we consider the rapid development of a knowledge-based economy and the increased demand for high-quality education services. Governments need to ensure that funding reaches schools and that resources are properly managed. They must determine in consultation with local communities what happens to most parental payments and how to account for them. It is essential to involve parents and other community members in this process so that new forms of hidden payments do not arise.

The survey revealed a continued need to monitor payments and to conduct public advocacy efforts. The variety of answers within and among surveyed groups indicates a lack of consensus in the system with regards to the extent and role of parental contributions and demonstrates a lack of public knowledge concerning the issue. This gap makes it more difficult to formulate policy options that will please all parties.

Appropriate channels for advocacy must be created in order to allow stakeholders to

to work together. The needs of groups at the local level must receive the attention of those at the provincial and national levels, particularly the decision makers and gatekeepers who control education funding and relevant issues. If recent policy reforms are to be effective, they must include measures to curb corruption and promote equal access.

While this study only begins to unravel the complexities of informal payments in Eurasia, it is clear that chronic public underfunding has caused families and schools to regard these payments as necessary. Given that these shortages are unlikely to go away anytime soon, it is important to create mechanisms to ensure accountability and transparency. This effort should begin with the creation of accounting procedures to document and report all funds received by schools. This can help schools develop its students' civic capacities and skills.

Advocacy and accountability can lead to a new school culture that creates new relationships, a shared ideology, and fewer hierarchical structures of authority. Such changes may initiate a decrease in the prevalence of informal payments and ensure that education is free for all. Before exploring these issues in closer detail, the next chapter discusses cases from each of the countries that participated in this study to examine the context within which the practice of informal payments arose.

Chapter 4

From Myth to Reality

This study is one of the first major attempts to try to measure informal education payments and to compare families', teachers' and administrators' experience of them. The findings reveal a widespread acceptance of payments as a phenomenon, but also challenge a general belief rooted in the region's educational heritage that the state can provide free education in all regards. This chapter explores the reality behind this myth, analyzing the results from each of the countries that participated in PIPES. Research in each was conducted by a team in the Network Educational Policy Centers, whose membership includes educators in more than 20 Eurasian nations.

All these nations constitutionally guarantee their citizens a free education, and each of the PIPES country reports noted an apparent failure to deliver on this obligation. The promise of a free education in these new states reflects an expectation inherited from their shared Soviet past. Understanding the basis for this perceived obligation is crucial to understanding the states' transition.

For populations in large parts of the world, "free education" does not mean that families do not have to rent textbooks, pay tuition, or send their children to schools that accept donations. Many understand these payments as private and not public obligations. Their experience with education as an investment is not like that of parents and educators across Eurasia.

The parents in this study grew up at the height of the Soviet educational system. The Soviets had a strong, interconnected education system; each decade saw improvements and new opportunities. No ordinary citizen had to worry about education. The populations had high literacy rates, and schooling was linked to economic development and industrialization. In other words, it prepared people for employment and then employed them.

Funding for schools did not come directly from the population. The state covered costs using funds from the central budget. The wages any person received also came from the state budget. As a result, the population had no experience with many expenses for education. Nor were they familiar with taxation, fees, or other major costs. The few purchases parents made—clothes, copybooks, lunches, transportation—were heavily subsidized by the state. The selection was limited, but supply was sufficient for most to get what they needed. Families with more than one child often re-used items and had a clear understanding of their responsibilities.

Today's parents are not familiar with their responsibilities. Nor are their governments experienced at fulfilling the obligations that come with free education. *Both came from an era of the myth of free education*. They have a long history of being passive beneficiaries without direct and deliberate input. They are now becoming acquainted with the new responsibilities of taxation, budgeting, and other resource allocation. The phenomenon of parental payments and appearance of other new expenses is teaching them to step out of myth into reality. They are learning to redefine "free."

Up until the end of the millennium, most parents in this region would not have considered paying for education. This is not to say that they opposed it but that their encounter with education was often managed from outside, that their involvement with it was passive. But now they have become active and are making contributions to schools.

Informal payments in Eurasia seem at first glance to be a stopgap measure. In fact, their role in the system is fundamental. The myth of free education promises equitable and accessible schooling. The experience of the past 15 years has demonstrated that education comes with many costs. Learning what these costs are and taking responsible action to meet them is central to any education reform. Open discussion of the practice of informal payments provides an opportunity for change.

Since the education transition in each country begins from a similar starting point, this chapter explores the promise of free education through the concept of informal payments. Education remains a public good and central to government's social contract with its population. As such, education must be reconsidered as a good to be managed and invested in by the community.

In this chapter, we share relevant cases from each of the participant countries while we examine the intricacies of parental payments. We take a look at the population's perspec-

tive on, involvement with, and expectations of informal payments. By presenting the country-based cases, we highlight particular and common aspects of the phenomenon for the region. This chapter also elaborates issues relevant to the transition in education, especially in regard to performance, quality, and accountability. These cases taken as a whole provide an overview of parental informal payments for education.

The Context of Transition

Our review of country cases begins with ***Moldova***. This small republic, sandwiched between Ukraine and Romania, has been selected to highlight aspects common to the transition of all the former Soviet bloc states. Moldova serves as a good example because it has encountered nearly all the challenges faced by its counterparts through the period of transition, from ethnic conflict to economic adversity, from linguistic to demographic shifts.

Table 1.
Population Information[9]

	Population (millions)	*Female (%)*	*Under 15 (%)*	*Urban (%)*	*Titular (%)*	*Migration (/1,000)*	*IMR (/1,000)*
Azerbaijan	8.2	50.8	24.6	52	90.6	–1.9	56.4
Georgia	4.6	45.5	16.4	53	71	–4.7	16.8
Kazakhstan	15.3	51.7	22.1	58	53.4	–3.3	26.6
Latvia	2.2	53.7	13.4	68	57.7	–2.3	9
Moldova	**4.3**	**52.3**	**16.3**	**42**	**78.2**	**–1.1**	**13.5**
Slovakia	5.5	51.5	16.1	56	85.8	0.3	7
Tajikistan	7.2	50.3	34.6	26	79.9	–1.31	42.3

The population of Moldova is only about 4.3 million people, one of the smallest in the survey. Kazakhstan, the largest, has three and a half times the population, while Latvia's is only half as large. Moldova, along with Tajikistan, has the largest rural population. All the countries have a high concentration of their populations living in the capital.

Moldova has one of the highest percentages of female population, but one of the lowest populations under the age of 15. It also has an aging population, unlike Tajikistan,

Azerbaijan, and Kazakhstan, which have rather young populations. Like all the other countries except Slovakia, Moldova has a negative migration rate.

The rise of self-determination across small ethnic groupings or autonomous territories has occurred across Eurasia after the breakdown of the Soviet Union. So have border conflicts due to multiple border changes and reconfigurations over the last century. For example, Moldova was part of Romania between the world wars but was integrated into the Soviet Union after World War II. Within the country on the eastern shore of the Dniester River and along the border with Ukraine is a tract of land claimed by the resident Slavic population.

There are clear similarities with other participant countries. Slovakia was once part of Czechoslovakia, Tajikistan suffered a five-year civil war, and Azerbaijan and Georgia are still in a dispute. The presence of conflict across the region contributes to instability, which strains economies and education systems.

Geography poses a challenge for all the countries, especially for establishing clear policies concerning old and new neighbors. Unlike neighboring Ukraine and Romania, Moldova has no access to the nearby Black Sea and must have good cross-border relations to support its economy. Access to markets is important for all the countries. Kazakhstan and Tajikistan still trade with Russia but also have borders with China. In the Caucasus, Iran and Turkey are more present in economic and other affairs. Latvia borders Russia but also opens into the Baltic Sea in the west. Slovakia is landlocked with Hungary, Poland, and Austria as neighbors.

Table 2.
Economic Snapshot (2008)[10]

	GDP		*National Budget*		*Population living on US$2 per day or less*
	PPP (Billion USD)	*Real Growth (percent)*	*Revenues (Billion USD)*	*Expenditures (Billions USD)*	
Azerbaijan	77.97	15.6	14.5	15.6	33.4
Georgia	22.93	6.7	3.8	4.1	25.3
Kazakhstan	184.30	5.0	29.6	32.6	16.0
Latvia	41.61	–5.0	12.3	12.8	4.7
Moldova	**10.76**	**7.3**	**1.95**	**2.0**	**20.8**
Slovakia	123.10	6.4	44.9	46.9	2.9
Tajikistan	13.00	4.5	0.8	0.8	42.8

Formulating policy is one of the obligations that come with independence from a much larger union. The economic future of these countries is still undecided, so education policy in regards to labor-force preparation is unclear. Moldova has lost its role in an enormous command economy, and unemployment has soared.

As in most of the other countries, changes have not come quickly enough for families to meet growing needs. Thirty percent of the population in Moldova is living on US$2 a day or less, the rate established to determine poverty levels in the region.[11] A large segment of the population participates in shuttle trade or migrates abroad to find work and send remittances home.[12] As shown in Table 2, Moldova has not fared well in early independence. In 2006, it had the second lowest GDP PPP, GDP per capita, and budget revenues among the countries in this study.

An element of the transition in Moldova concerns its language and alphabet. Much of the Moldovan population speaks Russian as well as Romanian. Russian was the lingua franca of the Soviet republics, but with independence the currency of Russian has diminished. Policy had to be adopted to prepare the population for the demands of modernization.

This phenomenon, which has occurred in all the other republics in this study, presents unique challenges as societies must create new written material and adopt new vocabularies to satisfy their inhabitants' language preferences. This process has been difficult for older populations, as most of the countries have adopted languages based on the Latin alphabet, rather than the Cyrillic. Parents schooled in Russian (or in a language that once used Cyrillic script but has now made the switch), may have difficulty helping their young children read.

Schools have also suffered. After a long period of Soviet pedagogy, which was directly concerned with training students to fill specific roles in a command economy, schools lack direction. The school structure goes unchanged—students progress from multiyear nursery schools (kindergartens) to elementary and middle schools, often remaining with the same group of 20 or so children. At the secondary-school level, students can choose to follow vocational or professional tracks which can lead to higher education. In those countries that have chosen to join the Bologna process, higher-education programs are beginning to look more like those of their European counterparts.

Challenges have been faced by all of the newly independent states of Eurasia, but their transitions began from the same place and followed similar stages. The hope for the future rests with the ability of new generations to deal with the challenges. Their preparation, that is, the education of youth, faces an internal threat—the rise of informal payments.

Hiding in the Twilight

When the superstructure of the Soviet Union gave way, formal ways to manage the transition were not readily available. Where formal economic activity slowed, the black market rose to fill the space. When power and authority were vague and unsteady, corruption was able to take hold. For education, parental payments filled the vacuum left by budgetary deficits and institutional confusion. To understand the rise of informal payments, we turn our attention to ***Latvia***, one of the Baltic states.

In comparison to Moldova, Latvia has weathered the transition on better terms and perhaps with better results. Although some of this republic's progress is due to its late incorporation into the Soviet space, its membership in the European Union (EU) has done much to hasten reform. Despite this, Latvia is still one of the poorest nations in the EU. It has also been unable to shed aspects of its Soviet past.

The Soviets' strong system of education was a source of pride for both the government and the public. By the late 1960s, opportunities arose for young people to pursue professional and academic careers through higher education instead of sticking to largely vocational tracks that had been important for earlier industrialization efforts. By the late 1970s and into the 1980s, most of today's parents had enjoyed the benefits of free public education, complete with opportunities to study abroad and to receive quality instruction.

After independence from the Soviet Union, much of the infrastructure was left in place, but educational resources quickly and severely contracted. Ministries of education, which had dealt with the implementation of outside policy, now had to run whole systems on diminished budgets.

During the 1990s, instability was a common characteristic of the structures, content, and funding of education. The meager resources collected by central governments had to be parceled out and were insufficient to cover basic expenses. In some places, teachers went unpaid for months. Meanwhile, schools tried to continue to function. To help them, parents and other community members lent assistance as they could.

In the Soviet period, parents were responsible for school uniforms, stationery, the purchase of lunches and snacks, and fees for extracurricular activities. Costs for these expenses were heavily subsidized and few families, if any, were unable to cover these expenses. The only informal payments provided by parents were token presents, volunteer work at events, and occasional contributions for school repairs. Some additionally paid for private tutoring, but these services were not provided by teachers from their child's school. During this time, funds for education were sufficient, and informal payments were a very small part of household expenses.

Each of the countries tried to extend the inherited social contract. Education was seen as a basic right. Most of the newly independent states adopted constitutions with a clause

similar to Article 112 in the Latvian Constitution: "Everyone has the right to an education. The state shall provide an opportunity to acquire elementary and secondary education free of charge. Elementary education is compulsory."

States have had difficulty fulfilling this promise. Throughout the 1990s, the situation was rocky. Funding did not reach schools and sometimes salaries were not paid. Today, after 15 years of independence, countries are able to achieve steadier economic growth and to allocate more funds for education.

Table 3.
National Education Expenditures (2008)[13]

	GDP per capita (USD)	*Education expenditures[14] (% GDP)*	*Expenditure per student[15] (USD)*
Azerbaijan	9,500	2.1	5.50
Georgia	5,000	3.1	13.10
Kazakhstan	12,000	2.3	9.80
Latvia	**17,800**	**5.1**	**20.70**
Moldova	2,500	7.6	—
Slovakia	22,600	3.9	11.90
Tajikistan	1,800	3.4	8.80

At the time of the PIPES study, education expenditures in Latvia were on a par with the EU standard, but the nation's GDP was only about 60 percent of the EU average. Its expenditures are still higher than those of most of the counterparts in this study. Latvian expenditures per student are even higher (see Table 3).[16] Government funds for education across the region are enough to pay salaries, but leave schools to fend for themselves.

In order to help the schools, parents stepped in. Class groups and their parents (by extension) usually take responsibility for classroom expenses, including painting the room, providing tea, and covering other costs. Parents were also asked by the school to fund repairs and maintenance. Private tutoring filled additional gaps. In some countries, parents are also asked to cover heating costs or other expenses the state should cover.

After a decade and a half, these payments have become standard practice. The relationship between schools and parents has changed. In many cases, schools began to depend on parents for regular and expected income. Parents have become a financial resource, rather than mere service recipients.

It isn't easy to get people to discuss the specifics of the payment process. If pressed, parents say that the regulations are vague and that the financial status of schools is not stable. They may also admit that they have resorted to questionable means for noble ends. However, many are uncertain whom to blame. None of these payments is documented; expected payments remain informal and shadowy.

Some Latvian parents have described payments as "hiding in the twilight" because they are neither documented nor tracked. They have not become part of other budgetary or planning processes. Instead, they are shadow resources that seem to be regularly exploited, their terms and procedures shrouded in ambiguity.

Over the period of early independence, informal payments have become a part of education. The ways they are used to fund education and related activities exceed the ways private funds are used for public purposes in the rest of the world. For example, parents give presents of increasing value to teachers throughout the year and often do not consider the combined cost. Some buy textbooks or copy them rather than demanding them for free as promised. Many seek a host of private tutors for exam preparation while continuing to send their children to school so that they receive a diploma.

None of these costs should be borne by them, but parents pay them to guarantee that their children finish school. These payments need to be taken out of the shadows and be brought into the light. As the Latvians demand, these resources should be clearly accounted for.

Professional Resources

While parental payments may be a shadowy activity in most of these countries, ***Tajikistan*** faces a more urgent and obvious challenge. The poorest nation in this study as well as the least populous, it has endured a five-year civil war in the early years of independence and its economic development has lagged behind its counterparts.

With limited natural resources, Tajikistan has struggled to establish a stable economy. The country is mountainous, and much of the population is isolated. With less than 7 percent arable land, the country tries to augment its cotton production with mining and industry. Not surprisingly, unemployment is high and two-thirds of the population lives in poverty. To make ends meet, a large number of citizens work as manual laborers in Russia and send home remittances.

Table 4.
Geography and Economic Sectors[17]

	Geography		*Economic Sectors*		
	Landmass (1000 sq. km)	***Arable land (%)***	***Agriculture (%)***	***Industry (%)***	***Services (%)***
Azerbaijan	86.6	20.6	6.0	62.6	31.4
Georgia	69.7	11.5	12.8	18.4	58.8
Kazakhstan	2,717.3	8.3	5.8	39.4	54.7
Latvia	64.6	28.2	3.3	22.3	74.4
Moldova	33.8	54.5	17.3	21.5	61.2
Slovakia	48.8	29.2	2.6	33.4	65.0
Tajikistan	**143.1**	**6.5**	**23**	**29.4**	**47.6**

Because of its meager resources and relative isolation, material improvement has largely eluded those who have remained at home. Even after 15 years of independence, life in Tajikistan is little changed from what it was in the late Soviet period, especially in comparison to the other countries in this study. This is particularly true for schools and education.

Understanding the roles played by teachers is useful in understanding the rise of informal payments as a practice and its social consequences. Soviet teachers were well-trained and held in high regard. In small villages and communities, they were often the only trained professionals aside from doctors, and were consulted on various matters. As representatives of a monolithic system, they were models of authority.

In contemporary Tajikistan, teachers pride themselves on this sense of professionalism. However, their professionalism and even their jobs are under threat as schools lose resources and contract. In some places, schoolrooms have been vacated not only by the decline in retention, but also by the frequent absenteeism of both students and faculty members. Shadow education in the form of self-study, private tutoring, and preparation courses outside schools have begun to play a surrogate role, especially for college-bound students.[18]

Emigration and career changes have also reduced the pool of qualified educators. One parent reported hearing that more than 2,500 teachers had left the profession during the civil war. The only remaining school in the village has only two educators with advanced degrees—one is the principal and the other the lead teacher.

Through the transition, the prestige of the profession has been tarnished. Most teachers have attempted to maintain professionalism and hold onto their positions. They try to balance their social relationships and professional tasks with their required fund-raising efforts. Others have taken advantage of their positions and approached students opportunistically.

Income Both Private and Public

"[T]he various components of a teacher's full or real income are funded from various sources: from the central budget, local budget, and the school budget. In addition, an important source of income . . . is private tutoring and other 'fees' retrieved from parents (for special classes, but also gifts for special occasions, sale of booklets produced by teachers, semi-mandatory after school activities organized by teachers). **These private costs of education, paid by parents to teachers, need also be considered as part of the regular teacher's income.**"

Source: Gita Steiner-Khamsi & Christine Harris-Van Keuren (2008) p. 18.

Saddled with low salaries and rising costs of living, some teachers ask for money to supplement their income. Others withhold instruction in order to charge students in private. A few take bribes for falsifying grades and other results. A small number seek additional income by working in other sectors, taking extra shifts, or holding positions at multiple institutions. The greater number have tried to weather the rough period like the rest of the population. Absenteeism and inappropriate conduct are more common than they were. The predicament is made worse by having to collect informal payments for the school.

At schools, teachers serve as intermediaries between the administration and the community. The duty to collect or request fees often falls to them. This unwelcomed responsibility can lead to quarrels. In Latvia, it is the teacher who repeatedly phones students and parents who don't make payments. A student in Azerbaijan commented on the situation by saying, "Teachers are forced to beg." The value of the education received after making payments is in question. "Grades increase, but knowledge doesn't," is the appraisal of a Moldovan parent. Such concerns reveal how the practice of informal payments can contaminate relationships and diminish the profession.

Focus-group discussions in Tajikistan revealed how incidences of unprofessional behavior have become more common and more threatening. One parent said,

> "Everything depends on the teacher. If the teacher likes her profession and is committed to it, then you and your family are lucky. I was not so lucky. My son had a nightmare of a situation. On International Woman's Day, the teacher told the students who brought gifts to give her best regards to their parents and to tell them her thanks. Then she scolded the others by instructing them to tell their parents, 'How you have treated me will be reflected in the way I treat your child.'"

Education professionals across the region have witnessed an increase in unprofessional behavior. In 2007, an education official in Slovakia was convicted on formal corruption charges, but such cases are rare. Unprofessional behavior is generally permissible given teachers' former authority and the systemic lack of accountability.

There are exceptions, however. Another Tajik parent spoke of ceasing to pay a teacher whose performance the payments failed to improve. Another explained that his son's teacher never asked for money and was very professional. "Even though that was several years ago, we still keep in touch." But most agree that as long as even a small percentage of teachers escape accountability for inappropriate behavior, all are suspect.

"I think the quality of education should be measured not by one child, but by the school," a Tajik parent said. "If we look to the school as a whole, we will find few professional teachers. I was a teacher and when I look back, I understand why we weren't really professionals."

Some teachers and principals have understood the importance of accountability to their professional stature. One parent noted that the "large, fat ledger notebook" used to keep accounts was proof of the teacher's professionalism and responsibility. Still many parents find it hard to question these former authority figures, especially since doing so calls attention to larger faults.

For every person who is nostalgic for Soviet-era pedagogy, there is another who points out that it was teacher-centered and didactic. The curricula were slanted toward the development of skills for work in a command economy. Soviet teachers were made for that era.

Under the current transition, change can occur, but needs and desires must be defined. Governments already understand that open-market economies with global links require new curricula for the development of new skills. Reforms should promote accountability and professionalism.

The Parents' Predicament

The focus-group discussions in Tajikistan gave parents an opportunity to talk about pressing issues. They chose mainly to talk about the role of teachers, and many expressed dissatisfaction. They are not alone in their concern. Questions about pressure and expectations were included in the PIPES survey. Similar sentiments were expressed in focus groups in all seven countries. Most responses to these questions did not completely answer why parents participate in the corrupt processes or allow their children to. But in ***Azerbaijan*** the research team further explored the question of why parents give payments.

Rationalizations for why parents had to pay from their own pockets were easy to make, but these answers were rarely deep. The fundamental wish of all the parents was to make a better future for their children by helping them to finish schooling. Many were unclear about the mechanisms of financial management for schools, but they knew the school was in need.

Since the needs of a school are shared by friends, neighbors, relatives, and the local community, it is difficult to refuse them assistance. It is easy to choose to give money either on request or through personal initiative. These motivations illustrate two categories of pressure: coercion and compulsion.[19]

Coercion in this sense means the use of overt or implied threats to get something accomplished. In the case of parental payments for education, the threat was made or understood that a child would suffer if payments were not given. The rationales for this category usually involved issues of education finance, school management or administration, or education quality.

Compulsion is the result of an internal motivation to participate. Parents act from an emotional or rational sense of obligation. Their payments are often made out of habit, under social pressure, or from a desire to create or preserve social capital. All three cases reflect an interest in building and maintaining good social relationships.

Coercion is much easier to trace than compulsion. It is also easier to control through accountability and transparency measures such as documentation and public reporting. Compulsion, however, can be harder to detect and even more difficult to determine in nature. One of the most convincing indicators of the existence of negative-end compulsion in Azerbaijan today is the increased size, value, and frequency of gift-giving.

During the Soviet period, gifts were given on a few rare occasions, such as International Women's Day or at the school-leaving ceremony called The Last Bell. Gifts were simple tokens of appreciation. Today, a single flower that cost less than 50 cents has been replaced by boxes of expensive chocolates or large bouquets of exotic flowers. Gifts can be given for many occasions. In some instances giving becomes competitive.

This phenomenon is more prevalent in urban settings than in rural areas where communities are close-knit. In urban schools, building good relationships is often more important than studying hard. This is particularly true in capital cities where up to half the national population may reside. In a densely populated settlement in social transformation, problems are more often solved through relationships than through individual merit.

Not only have the values of gifts increased, but parents and children more often feel that teachers and principals expect them. Even parent associations pressure others to make a contribution. As with so many other kinds of informal payment, the notion of voluntarism has begun to slip away. Even unrequested parental payments tend to be made under pressure.

Most parents remember that as students and as workers in the Soviet era, volunteerism was often mandatory. They were expected to participate in Saturday clean-ups called *subbotniks*. Attendance at special events or activities was expected.

As parents they feel that they must contribute, even if it negatively impacts their limited incomes and resources. Many say they don't have a choice. Rarely do parents get together to discuss this issue in the open or take the time to evaluate it in private. Their predicament is at the intersection of corruption and civil society.

Theories of corruption in education often point to remedies that focus on the government and the service provider. Rarely do they attempt to deal with the community and get it to take responsibility for its involvement. However, it seems clear that if parents were to refuse en masse to make payments and to insist on procedures, the chance for corrupt behavior would be lessened.

Azerbaijan presents an interesting case for this discussion because corruption there has received a lot of attention over the period of independence. This small state became independent in the midst of a prolonged conflict and during an oil boom. The renewed access to Caspian oil brought in numerous outsiders seeking lucrative contracts.

As the oil business resumed, Azerbaijan began to receive annual attention from organizations such as Transparency International. This organization published a corruption perception index for much of this period, and Azerbaijan sat on or near the bottom of the scale of freedom from corruption. In 2006, Azerbaijan stood between Tajikistan and Kazakhstan, but had an improved rating from the year before. Latvia and Slovakia were at the higher end of the scale.

Table 5.
Corruption and Civil Society (2006)

	TI Corruption Perception Index[20]	*Freedom House Nations in Transit*[21]			*Social Measures*[22]	
	Score	*Overall*	*Corruption*	*Civil Society*	*S. Trust*	*S. Capital*
Azerbaijan	**2.4**	**6.00**	**6.25**	**5.25**	**0.19**	**1.88**
Georgia	2.8	4.68	5.00	4.00	0.21	2.11
Kazakhstan	2.6	6.39	6.50	6.75	—	—
Latvia	4.7	2.07	3.00	1.50	0.24	9.93
Moldova	3.2	4.96	6.00	5.25	0.22	2.09
Slovakia	4.7	2.14	3.25	2.25	0.26	2.72
Tajikistan	2.2	5.96	6.25	6.25	—	—

Freedom House rated countries by degree of democratization and economic liberalization in a report entitled *Nations in Transit*. This report included a more nuanced look because it assessed different areas, always in comparison with the subject country's performance in the preceding year. It too included a score for corruption and evaluated Azerbaijan at the low end of the scale. Its score of 6.25 had remained stable since 2001. Again, Kazakhstan and Tajikistan received similar ratings.

Nations in Transit also reported a score for civil society, a term that is often used to signify community involvement. Higher performance in this area was reported for Azerbaijan in comparison to its corruption score. Its score for civil society had been steadily decreasing since 2003. For informal payments and parental participation, the combination of these scores suggests a need to take a closer look at the role of the community in the payment process.

The social trust scores also reveal a low score for Azerbaijan. Of the 45 countries surveyed, Azerbaijan is ranked ninth from the bottom. It also scored low on social trust and social capital, criteria that measure inter-connectedness, integrity, trust, and reliability. While part of this result is due to Azerbaijanis' unfamiliarity with civil society organizations, parents and community members often feel left out of the loop.[23] Developing relations between community organizations and the population is necessary for improving the role of parent organizations.

It is important to note that some informal payments are necessary and encouraged. However, many should not be. In Azerbaijan and many of the other countries, parents often

submit to making both types of payments, because they feel that they have no power or control. Some even feel that they may be punished if they refuse.

Although schools are no longer the extension of monolithic systems, they have yet to establish their local institutional credentials. As local entities, they must still win the trust of their communities. Parent associations can play the role of mediators and monitors, but only if rules of accountability are adopted to ensure that parents are not taken advantage of.

Caught In Between

Improved accountability and professionalism are key elements for ensuring equity and access in education. They are not sufficient, though, to eliminate threats to child safety or to minimize other negative effects that arise from informal payments. Even in the best cases, children are caught in the middle and special attention is required to provide the best learning environment possible.

Slovakia is an interesting case, especially given its strong performance in recent years, ranking highest of the countries in this study, however not yet being able to completely deal with informal payments. Once part of Czechoslovakia, the republic did well in early independence. With Poland to the north and Hungary to the south, the republic sits in the heart of Eastern Europe. Like her neighbors, Slovakia has made strong reforms and developed well.

Development is a tricky concept to evaluate, but international organizations like the United Nations Development Program offer a set of measures. Slovakia rates well in standard Rmeasures of development and is considered highly developed, like Kazakhstan and Latvia.

In education, Latvia and Kazakhstan have achieved higher scores than Slovakia. The achievement of gender equity is a newer measure of a nation's development, and Slovakia also scores well on the UNDP Gender Equity Measure (GEM), as does Latvia. Kazakhstan, however, ranks much lower, with only Azerbaijan achieving a lower score (see Table 6).

Literacy level has also been regarded as a traditional measure of development; it was used to show modernization and growth by the Soviets. While literacy rates throughout the Soviet Union were very high, it is remarkable that so many of these countries still report such high rates, despite the challenges described here.[24] One might expect lower scores from the language and alphabet changes over the past decade and a half alone.

Table 6.
Human Development Measures[25]

	HDI (ranking)	*GEM (ranking)*	*Education[26] (index)*	*Literacy (% population)*
Azerbaijan	Medium—97	88	0.882	99.3
Georgia	Medium—93	—	0.914	100
Kazakhstan	High—71	74	0.973	99.6
Latvia	High—44	33	0.961	99.8
Moldova	Medium—113	63	0.892	99.2
Slovakia	**High—41**	**34**	**0.921**	*
Tajikistan	Medium—124	—	0.896	99.6

*As UNDP notes, for the purposes of calculating the HDI, a value of 99.0% was applied

The country research team reported not only a lower rate of informal payments, but also a clearer notion of their organization. In doing this, they also uncovered ways that the public and the private have begun to overlap in the "education market".

Their assessment divided parental contributions into three categories: required payments expected at the beginning of the school year; payments for events and extra-curricular activities throughout the year; and unexpected payments required during the school year. These payments could also be divided between payments for the class group and those made to benefit the whole school.

They also noted that the government decided to deal more formally with private contributions for public works, creating a tax-incentive program granting credit for philanthropic contributions, while at the same time pressures to pay private contributions appeared among recent parental complaints addressed to the State School Inspection Agency.

The payments that make parents unhappy are irregular ones that come up during the school year, especially if they do not directly contribute to the educational process. In the spirit of privatization and growth of entrepreneurship in Euroasia, the classroom has become a part of the marketplace.

Slovak teachers allow sales agents of various types into the classroom to hawk wares and to demand payments from children. Sometimes they sell material that is described as supplemental for lessons but is not used in class. At other times, objects such as geographical globes are sold and students are pressured into buying them. It is unknown whether teachers or the schools take a cut of these sales.

These two activities each represent a mixture of public and private enterprise. In the first, the government attempted to allow private (philanthropic) assistance for the public good (school). In the second, the public space has been opened for a private activity (business) to take advantage of another private sphere (children as consumers).

Theese two stories serve to remind us that discussion of reform should acknowledge the responsibility to protect children. They should not be used as pawns nor should they be exposed to transactions or serve as intermediaries.

A mother from Bratislava explains "Always, when my child brings a message from school to pay for something, I pay the sum in the end, even if I get really angry - my child tells me with tears in his eyes that other children will surely pay for that and I cannot imagine that I would decline it." In the words of focus groups respondent (parent):"Usually, there appears a message in the student record or my children tell me about the requested payment at home in the evening. What should I do then? Shout at the child that I will not pay that?"

The children should not grow up in a situation that places them in the unfinished negotiation of public and private.

Staggering Compliance

Standardizing parental payments is one of the most important steps needed to regulate the scope and impact of informal private contributions to the costs of education. The role of policy is to develop legislation to this end. ***Kazakhstan*** has striven to establish a system that is responsive to the needs of the population and makes use of the resources that it has on hand. After conducting survey-based research, it has put legislative, administrative, and community-based procedures in place to manage school finances, parental payments in particular.

Establishing regulations and compliance mechanisms is no easy task, particularly in a country of Kazakhstan's size. Its population is spread over nearly three million square kilometers, six times the combined landmass of the other participant countries. In physical terms, the republic is enormous; yet its population is only about twice that of the next largest participant country.

Large enough to be considered a region unto itself, Kazakhstan is sometimes seen as a part of Central Asia. Unlike other Central Asian states, however, its population at the time of the Soviet breakup was roughly half Slavic, a balance to which some attribute the success of its reform efforts. It also stands out because of its vast oil reserves, the influx of businesses from east and west, and the related efforts to develop a stable economy. All of this has positively influenced its education system.

It has tried to ensure sufficient funding for education. In 1993, when the education crisis in the region was at its height, the Kazakh government allocated approximately US$250 million for education. By 2006, education expenditures had increased to US$2 billion, twice the amount allocated two years earlier (NCEQA 2007: 11). Despite this massive increase, Kazakhstan still has a low per-capita education expenditure. As its oil revenues increase, the government is expected to ensure even higher levels of funding, an ability not shared by all of its counterparts.

Like other countries in the study, Kazakhstan guarantees free education in its constitution as well as in its law on education. The primary legislative document governing education, other than the national constitution, is the Law on Education, which was last updated in 2007. This law provides for collective leadership through trustee boards, councils of teachers, education methodologists, and other specialists. Schools have individual charters that outline a single-person management and shared-leadership principle.

A View from the Field

A representative of the Human Rights Mission, a Kazakh public association, observed that, "legislation must be more precise in detailing mechanisms of parental and community participation in managing the property and financial assets of educational institutions."

He added: "The notion that Boards of Trustees serve as a form of collective leadership does not match the more modest advisory role that they have in practice. Parent committees actively participate in gathering money to meet school needs. However, their activities, jurisdiction, and procedures have no legal status. The law only applies to public funds."

Similar documents and groups exist in the other six countries, including specific sections of education laws. Article 64 of Kazakhstan's law allows schools to raise revenue by charging for services not otherwise prohibited. Article 61 defines the system of education financing as consisting of national, provincial, local, and other sources of income.

This inclusiveness indicates a commitment to efficiency, productivity, transparency, and independence as ideals. Such thoughtful legislation distinguishes Kazakhstan from its counterparts. Procedural changes have followed on legal ones.

Kazakhstan has sought to reduce opportunities for corruption and improve the use of funds, prohibiting any and all parental payments in 2002. In its report entitled "On measures to strengthen compliance control over paid services at Republic of Kazakhstan schools," it attempted to stop the "shady" practice of exaction of parental payments.

Despite this step and efforts to publicize the decision, payments are still made, often in the guise of donations to a school. Since the regulations material to this report are both ambiguous and contradictory, it is difficult to offer suggestions for enforcing them.

This experience is not unique to Kazakhstan. In Latvia, parents reported that class payments are collected for tea, water, parties, and copying supplies. While Latvian schools have special accounts for class payments for such items, only 12 percent of teachers report using them. In Tajikistan, the parents' board maintains a cash box and a bank account, but neither is widely used. Funds are collected and dispersed by other, unauthorized and possibly illegal means.

Although legal provisions for informal payments have been made, many community members still have a poor understanding of the legal mechanisms which should regulate parental contributions. The level of understanding required by parents is the concern and responsibility of parents' committees and boards of trustees. But they rarely take on these duties.

State funds, which are disbursed at the local level, cover the majority of education-related expenses, but leave very little for discretionary costs. An examination of one school's budget showed that only one-third of the cost for repairs comes from the state budget. The remainder comes from the parents.

One school is not enough to prove the case. Kazakhstan has 8,000 schools and about 3 million students. The survey revealed that parents from various regions make different payments, both in amount and frequency. In total they equal about 12 percent of the state budget allocated for education. Parents in Almaty and Astana, which have both seen extensive economic development, pay the most. Parents in the capital, Akmola, pay about a third as much. Different regions and populations require different approaches to the problem.

With this much variation, strong planning is essential. Plans must take the past as well as the future into account. One of the parents summarized the situation like this:

"It is necessary to know history. All of these funds appeared somewhere in the mid-1990s. These were hard times for education. Many problems had to be solved in order to maintain schools. Thus, the idea to maintain the schools by their own devices appeared. At that time, the school funds arose to ensure the school functioned adequately."

Effective change occurs throughout a society, not only at the top or in the center. Responsibility must be borne across all groups and by all stakeholders. Planning must involve the broadest possible community. Legislation must be written to accommodate amendments as countries discover how best to serve their populations. These amendments might also address the practical application of and compliance with the law as it is implemented.

Emergency Response

Our final case focuses on the Republic of ***Georgia***, which is located in the heart of the Caucasus. Although it has a good deal in common with Moldova—size of population, history of wine production, deep financial problems—Georgia has come through its transition in better condition. Its economy during the Soviet period was strong; it has mild weather and a rich history. Georgia has worked hard during independence, possibly to show that it is a part of Europe, but also to recover its former prosperity.

Although Georgia now has one of the weaker economies of the nations presented here, it has been able to increase education expenditures by nearly 200 percent. These increases are still not enough to cover all education-related costs, and the government has understood that parental contributions act as a compensatory mechanism. It did, though, want to make sure that the funding intended for any given school actually reached it.

To ensure that this occurred it initiated a significant reform program. First, funding for schools was decentralized so that each school received funding on a per student basis. Next, schools were transformed into independent entities with individual bank accounts and with the right to attract additional financial resources and to raise income through entrepreneurial activities. Finally, boards of trustees were formed in order to participate in budget planning and oversee spending. While some of these steps have been or are being considered throughout Eurasia, they have rarely been adopted in combination. Some countries have granted the legal right for schools or parent associations to have and manage their own bank accounts, but this innovation has not been taken up by many. Entrepreneurial activities by schools are even more rare; if they occur, they do so only as shadow activities.

More frequent occurrences are the formation of associations consisting of parents, other community members and even school employees. These groups typically play an advi-

sory role rather than exert actual influence. Boards of trustees are not unheard of in the region but have had a similar fate.

Parental Perceptions of Per Student Funding

Georgian parents were asked to give their early impressions of per student funding implemented as a state reform in 2006.

- **Positive Aspects**
  - Improves school's material and technical base
  - Ensures timely salary payment
  - Can establish separate budget
  - Makes schools more competitive
  - May influence retention
  - Implies quality improvement
- **Negative Aspects**
  - Largest portion goes for utilities and administrative costs
  - Not sufficient to offer optimum salaries, purchase equipment, or organize cultural events
  - Impossible to use funds to improve material / technical base
  - Schools with small enrolments reduce staff and release funds

Georgia's 2005 law on general education made specific allowances for these boards. It stipulated that they be composed of a minimum of 6 and a maximum of 12 elected persons from among parents and teachers. They also have a student and possibly a local government representative. The boards approve school budgets, provide oversight, and advise on school management. They also evaluate nominations and elect candidates for principal. Boards in Georgia may even force the school principals to cancel contracts with individual teachers.

The board has increased authority in Georgia because of per student funding. Based on the "money follows the student" principle, an amount for each student is sent to the school. These amounts vary according to the type of school. In 2006, city schools received about US$120 per student. Village schools received 50 percent more, and schools in mountainous

regions received 80 percent more. Small schools may also receive extra funds from the central budget and have special permission to finance other activities by local means.

The difference in required funding between urban and rural schools is striking. City schools receive less money per student and are believed to have larger class sizes. The PIPES study revealed that twice as many urban parents are making informal payments. In the survey, only one out of 23 rural principals reported receipt of such contributions, in comparison to one-third of urban principals.

Although longer term research is required, it seems that per student funding is reducing both the size and frequency of parental payments. Most parents are pleased with the introduction of the system, but they are also able to identify improvements that are still needed. This ability to make such identifications sets parents in Georgia apart from those in the other countries studied.

In Georgia, the issue of salary still stands out. The government sets the amount that teachers are to receive based on outstanding debt and available resources. A standard teacher's salary is about two-thirds the national average wage.[27] In Tajikistan, full-time teachers receive only US$25 a month, 70 percent of the national average.

In oil economies, teachers receive larger amounts, US$85 in Azerbaijan or US$195 in Kazakhstan. But these amounts are still only a little more than half the average national wage (Steiner-Khamsi & Harris-Van Keuren 2008: 12). Parents and boards would like to raise these salaries but are not yet able to do so. Similar situations can be found across the region.

Georgia's reform effort has had decent results when compared with other national programs. Still, much remains to be done. The evaluation of this program, conducted for the Ministry of Education and Science, noted signs of progress in the successful formation of boards and strong involvement of parents (Shapiro, et al. 2007). This finding illustrates the potential for decentralization and local-level reform hinted at in other country research for this study.

The evaluation also noted the ability of some schools to manage the budget, collect information, and make strategic plans. Most schools were not sufficiently active or prepared, however. Information was not always shared and decision making was not always democratic. As a general conclusion, the Georgia reform project serves as a baseline experience that requires further clarification and critical attention to training teachers and administrators to work with the new system (Shapiro, et al. 2007).

The biggest problem with this reform and similar initiatives harks back to early Soviet education reforms—shaped by John Dewey, among others—that were instituted without a proper infrastructure. But while the Soviet reforms were imported, their independence gives these republics the chance to shape their own development. They must

respond to the rising emergency represented by informal payments but not be too hasty in their response.

Summary

When the Soviet Union broke up, the countries in this study all began transitions to independence. Although they began from the same place, they are no longer similar enough to allow for easy statistical comparison. Each has faced the challenges of independence on its own terms and learned different lessons. One of the most important lessons from the PIPES study is that populations are beginning to confront the myth of free education and are prepared to take on the responsibilities that come with independence.

In the cases presented, we describe aspects of the transition across the region and the complex conditions under which the phenomenon of informal payments has arisen. By looking first at Moldova, we described the basic situation these countries faced during early independence. The case of Latvia shows how informal payments arose. We presented cases of teachers, parents, and children. Stories from Tajikistan, Azerbaijan, and Slovakia highlight important elements of the scope, motivation, and impact of informal payments and focus on accountability, equity, and access. The last two cases reviewed governmental measures to regulate informal payments, and each underscores the need for integrated, long-term planning.

These stories give us only a glimpse of the phenomenon of informal payments across Eurasia. The PIPES study has enabled the project team to better understand its role in making payments less taxing on parents, allowing the payments to be seen as investments in education, society, and the future. These stories underline the importance of determining the real extent of informal payments and of initiating relevant changes. This is the theme of the next chapter and an outstanding task for all of these nations.

Chapter 5

Change Management

As discussed in the preceding chapter, informal payments for education are easier to understand once they are set in the context of the far-reaching social transformations that are taking place in the region. The seven countries' stories cannot provide a comprehensive view of the challenges in education. Articles about education through the period of transformation, such as those found in *Transitions Online*, demonstrate how the transition has affected all the nations of Eurasia.[28]

Transitions Online has education articles going back to 2004. They address issues such as financing, curriculum, and inclusion; and more than 60 touch on some aspect of corruption in education. A third of these speak directly about bribery and graft. Nearly all call for a change, but few propose remedies or describe actions intended to bring about change.

Transparency International also dedicates a portion of its website to corruption in education.[29] However, it is in its health section that informal payments receive serious attention:

> Informal payments—charges for services or supplies that are supposed to be free—are common in many parts of the world, especially in developing and transition countries. While it is often difficult to draw a line between voluntary gifts and mandatory payment, extortion and payments that are better understood

as coping mechanisms for underpaid caregivers, there is little disagreement about the damaging effects of these payments on health systems worldwide. Informal payments undermine the quality of health services in general, by giving doctors incentives to provide those who pay with better treatment, and effectively rendering health services and drugs unaffordable to many. They also undermine the functioning of the health care system as a whole; governments may turn a blind eye to problems caused by under-funding and poor allocation when health services seem to be operating thanks to the system of informal payments.[30]

The point stands for education as well. Informal payments have received more attention as an issue in health care than in education. One reason for this is that they are easier to track and measure. Illnesses and injuries often require immediate treatment. If an informal payment cannot be made, dire consequences can result. In education, however, the phenomenon of informal payments is more deeply embedded in the larger system and exacts longer-term costs.

Pervasive Corruption

"Corruption has penetrated all parts of Tajik education, starting from the 'gifts' parents give pre-school teachers to look better after their kids and ending into multi-thousand dollar bribes from senior university administrators to government officials to get extra benefits for their schools." (p. 14)

Source: Vladimir Briller (2007). Tajikistan country case study. Education for All by 2015: Will we make it?

Over the past 15 years, parents have contributed more and more to education, even without guarantees of quality or equity. It is not enough to assert that a problem exists; a response needs to be conceived. There is evidence enough to show us that private funds are covering what used to be a freely provided public good, but not what type of change is desired. The question is: how to bring about a change?

The answer to this question begins with discovering why payments must be made. In the PIPES focus-group discussions, parents often wanted to know why they had to pay for anything. They also understood that asking this question would not result in a satisfactory answer. Researchers, though, redirected the question: "If we understand that the government cannot provide everything, what can it provide?"

This question can be rephrased here. Since the constitutions of all the republics guarantee access to free education, what exactly is free? Every country's circumstances differ and the reply will differ in every case too. Some governments may chose to cover all costs in order to guarantee full and free access to all pupils, including those with special needs or limited means. Other governments may decide to share costs. For example, governments may decide to cover basic costs for education that are necessary for school attendance while making parents responsible for other costs to allow fuller participation in extracurricular activities.

In the end, a clear indication of who is responsible for each type of payment must be given. For example, an explanation of the fees for instructional materials should specify whether they are supplemental or necessary. If they are necessary for the educational process but not provided by the school, what is the consequence for pupils who are unable to purchase them? When promising free education, the government has the obligation to indicate what services, materials, and other costs are covered in their budget. Governmental payments might even be itemized to define financial responsibility at the national, provincial, and local level.

One primary school teacher in Azerbaijan explained how the dilemma is passed down:

> In the beginning of the school year, my students received student books free of charge and I got a teacher's manual. To complete the package a student workbook was needed and available only in bookshops. Of course I asked parents to buy it. Immediately I saw that students who got the notebook are sitting together, but those who couldn't sit separately. It is quite expensive. I was in a panic because the workbook had classroom tasks that would make my teaching easier and more interesting for the children. Those tasks required an individual copy in the hands of each student. I decided to use the class fund, which had been collected by the parents' group for emergencies, to buy additional copies of workbooks for students who did not have it. For next year I have another plan. With the parents, we will buy one book and make copy for everybody in the class.

Practical discussions about costs and resources must take place. With public input, governments need to define who bears the responsibility for major expenses associated with education. Based on focus-group discussions across the region, an equitable breakdown of expenses is proposed in the following box.

Who Should Pay for What?

- Government should pay for:
  - Salaries
  - Operational/maintenance costs
  - Capital expenses
  - Teacher/staff consumable items
  - Items that remain school property
  - Instructional equipment
  - Basic tuition costs
  - Required extracurricular activities

- Parents should pay for:
  - Extra fees
  - Additional tuition costs
  - Pupil consumable items
  - Activity fees
  - Instructional material fees
  - Optional extracurricular activities
  - Items that become personal property

If governments can provide only school facilities, teacher salaries, and basic training material, then sources for additional expenses must be agreed upon by parents and the community. In some situations, they might choose to allow local communities to cover basic maintenance costs through parent associations. These decisions must also include quality-control measures and assurances of equity and access.

The PIPES study showed that compulsory payments for mandatory educational services represent the largest share of parental payments. With minimal control and ambiguous procedures, they present opportunities for corruption, double payments, counterfeit goods, poor quality, and more. For those expenses that parents have the primary responsibility to cover, formalized clarity is an outstanding need.

Some parental payments are presented as mandatory but are actually expenses that either should not be charged to parents or should not be expenses at all. For example, in

certain cases, textbooks are expected to be bought by parents and then to remain the child's property. In others, textbooks are provided for free but are sometimes "rented" out by the school. In still others, textbooks end up in the hands of local salesmen who then profit from this arrangement, which should never have been allowed.

Since textbooks are essential for instruction, many stakeholders support state or municipal provision for a small fee or for free. However, the physical quality of the texts must be such as to allow them to last for a number of years. The content must remain unchanged so that new editions are not constantly needed. Final decisions on this and similar expenses, which are influenced by the state of national development, may not be possible until later.

Nonmandatory items though can be discussed right now and require case-by-case identification and consideration. Parents may choose to pay costs arising from elective and extracurricular activities. They should also be given the chance to make formal and voluntary contributions to the school.

Suggested Donation Guidelines

- All donations must be on a voluntary basis
- Provide clear information about need and purpose of donations
- Ask for donations more than once a year (preferably at the beginning of the year)
- Minimize reminders to parents
- Post information in public place about donations, receipts, and expenditures
- Have parent associations or a designated staff person collect donations
- Limit (eliminate) student involvement in collection or information process
- Ensure that donors receive no benefit and nondonors suffer no consequences
- Keep donations confidential
- Make event and activity participation optional
- Ensure that disadvantaged children may participate in all mandatory and optional school events and activities

Whereas mandatory expenses might have set fees and payment procedures, donations require another set of rules (see box on previous page). Absent such rules, coercion, offers of special treatment, and misappropriation can corrupt the donation process.

Other types of payments need review and control. Tutoring is one, especially if it involves teachers from the school or serves as a substitute for schooling. Gift-giving is another, particularly because the value and frequency of gifts has increased and the importance they have for informal social relations is now considerable. Reporting procedures should be established along with limits on the value, type, and frequency of payments.

Defining payments of all types is important for reducing the incentive or opportunity for corruption. It will also lead to a decrease in the amounts of money collected and in financial pressure on households. If a formalization of the payment system encompasses philanthropic donations, public-private partnerships may also increase. Most importantly, these changes may lead to improvement in the critical policy areas of quality, access, and equity. A consideration of these changes requires a review of the conclusions on matters of scope, motivation, and impact.

Initial Conclusions

Here we review the conclusions of each study before discussing the advocacy role of NEPC members. The chapter closes, based on the experience of the members and their counterparts from around the world, with an agenda for action. We intend for all of the countries under study to identify a sound approach for determining the meaning of free education, an essential step toward drawing the line. The conclusions are presented in this section in three categories: the payment process, engagement, and policy issues.

The Payment Process

While legislation provides a framework that defines and supports school financing, including the existence and use of parental payments, the functioning of the phenomenon requires clear procedures, a transparent payment mechanism. A first step is to define what is meant by payments as discussed above, followed by an explanation of what makes these definitions legal. The remainder of the process also requires clarification.

Effective school management is essential. It should make sure that public funds designated for education reach the schools and are used for their specified purposes. It should also eliminate dependence on parental payments, particularly on those of an ambiguous and informal nature. Schools should forego *ad hoc* reliance on parental payments in favor of

long-term, sustainable forecasting and budgeting. They should also be able to improve the quality of education, to retain students and teachers, and to develop a sustainable future.

Some research teams proposed developing a single form for analyzing schools' effectiveness in attracting resources and in budgetary efficiency. This form would identify best practices and estimate costs across a school system. Another argument was made for greater school autonomy and community oversight for the management of funds and other resources. Changes such as these require school administrators and their local counterparts in parent associations and on boards of trustees to learn to exercise fiscal oversight. Training and professional development programs for teachers and administrators are needed in financial management, educational finance, documentation and reporting, decision making, fundraising, and the like. Ethics modules can also be included in preparatory courses and in-service training workshops. The potential for professionalization opportunities, such as merit review, codes of conduct, and certification, may also be explored.

Where payments are necessary or desirable, transparency and accountability must also be integrated into procedures. As shown in the survey, most payments are processed without any documentation. Establishing clear procedures, including forms, receipts, and manuals, is essential to facilitate real change. Periodic reviews, reports, and public files should also be considered. Another option for financing education is to set up public-private partnerships, which will reinforce the role of parent associations and have specific rights for collection, distribution, and documentation of parental payments.

Schools should provide information on receipt procedures and use of contributions. Regular meetings may be held to discuss revenue requirements, collection, use, and distribution. Guidelines should be established for handling potential problems. Minutes of any meetings should be publicly available. All community members should have easy access to all this information in writing.

To support transparency and accountability, measures aimed at public engagement are also recommended. While parent associations or boards of trustees are good mechanisms, parents must not only be informed of all aspects of the payment process but also be brought in as participants in planning. Information provided in good time is essential to allow for discussion, consent, and planning within households. Transparency and accountability within parent and community organizations is also necessary.

Defining roles and responsibilities is important in rooting out discriminatory practices. The role of both teachers and children in the collection process, from communication to collection, should be diminished or eliminated. These actions will reduce strains on relationships and minimize pressure on children, parents, and even teachers while easing the administrative burden. A school administrator in cooperation with a parent-association representative should become responsible for collection, tracking, and reporting all contri-

butions. Wire transfers or checks might be used, and all funds must be fully documented and contributors given receipts.

All systems of accountability need alternate routes in case the primary ones run into obstacles. In anticipation of these and to build trust across groups, review agencies and procedures need to be defined. To enable parents to raise concerns and solve problems, confidential hotlines or designated advocates might be made available. Reviews should ensure the proper use of funds from other sources, such as private donors or international sponsors. These reviews should consider the efficacy of exemptions and programs for disadvantaged children.

Community Engagement

Recommendations for policy change and process improvement were based on inputs from research teams, survey respondents, and focus-group participants. The final set of recommendations concern how to keep these parties engaged so that changes are satisfactorily implemented. The suggestions for improving community engagement are divided into four parts.

Decentralizing for Relevancy

Decentralization has been promoted as a means of making education more relevant by letting schools and communities make key decisions. In practice it has been used to encourage or force local communities to absorb more of the cost of local schools. Governments have overestimated the ability of local communities to contribute financial resources. Plans to increase parental participation have not been generally successful.

Source: Education reforms in countries in transition: Policies and processes. Manila, Philippines: Asian Development Bank. (2004).

The first concerns a shared vision for policy goals. For policy to be effective, the teams suggested that stakeholders need to find a shared concept and agree on milestones. One suggestion is to develop a model of a fair and transparent system. Such a step is necessary before dealing with details such as empowering and enabling school administrators or developing mechanisms for community oversight.

For improvements in education financing, school management, and education quality, it is important to keep all stakeholders constructively engaged. Skill-building, participation, attendance at public meetings, and joint problem-solving should all be encouraged. Identifying roles and responsibilities can help maintain authority and respect. Engagement can also be extended to counterparts in other sectors, like health services, where informal payments are prevalent and many of the same participants are involved.

In order to facilitate engagement, outreach activities have a significant role. Much of the population does not possess a solid working knowledge of the full context in which parental payments have taken hold. Some widely-held perceptions are based on erroneous information. A number of legal mechanisms and protections are known by only a few.

Public and professional awareness programs should be organized in a variety of areas. Public and school authorities can take some responsibility for these, but community associations, media outlets, and other civil society organizations may have a broader reach. Themes may include basic findings on this phenomenon, both local and cross-regional, but might also highlight important legal details and other specifics of the national context. No matter what approach is adopted, it is important to set the stage for future cooperation. Sharing responsibilities and working together is important so that parties do not feel disenfranchised or excluded.

Since schools play a pivotal role in youth development, engagement strategies may consider the creation (or expansion) of external groups that are able to serve as neutral parties. Such groups can serve as resource points for consultation and training. Tailoring their services to meet specific needs and tackle systemic issues is important. In this capacity, they should not merely repeat familiar information, but serve as facilitators and advisors. Providing legal alternatives for illegal or inappropriate practices should be the focus of their activities. The presence of open community centers would permit constructive research about, discussion on, and promotion of educational quality and social equity.

Expert research is also necessary. While the PIPES study may serve as a basis for community, provincial, national, and even cross-regional discussion on this topic, it has also revealed a need for more precise tools to measure and track informal payments. The actual cost of this phenomenon as well as its effect on particular subcommunities must be investigated. Community engagement and outreach are important in developing a shared vocabulary for this process. Policy changes will also help to identify alternative approaches.

Ongoing research efforts should focus on examining ways to diminish household burdens while improving community support and participation. School and community needs and conditions should be continually monitored in order to impart transparency to all transactions. Evaluation of school performance and innovation should be carried out to establish practical criteria for wide future use.

Policymaking

Good policy must ensure that parental payments have little or no negative effect on educational quality, access, and equity. The first step for establishing good policy begins with education finance. Many of the respondents had ideas about what needed to be done nationally to ensure that schools receive sufficient funds. The most common answer was simply to increase the national education budget, especially for higher teacher salaries and improved technical and material resources.

The largest task is to determine the actual cost for education, with necessary projections to meet future needs. In some of the participating countries, private schools have been established and may serve as a model for determining the required costs. In Azerbaijan, for example, a private school that is run primarily by local staff and faculty and serves local families, costs US$10,000 per student each year. With this amount, the school is able to print its own books, offer a range of extracurricular activities, and retain faculty. Teachers receive good salaries and merit-based increases. In return, they must participate in school events, be available after school to assist students who need help, and agree not to engage in private tutoring.

While this school caters to more prosperous families, it highlights the discrepancy between what is provided for schools by the state and what is needed. The experience of this school and others like it serves as an important reference point for revising state budgets for education. Many parents are unable to afford this option, but for those with college-bound children, private education is seen as a means to make up for deficiencies in the public schools.

Although national budgets do not generally cover all the costs of education, they do cover teacher salaries. However, the amount teachers receive is still low in comparison to other professionals with similar levels of education in the participating countries. The funds available to school principals or regional authorities often come with complicated requirements, such as prohibitions to transfer leftover funds from one item line to another where it might be put to better use. Principals are also restricted in how often they can request capital improvement funds. Both cases lead them to turn to local resources.

Other issues related to finance are also missing at the policy level. The first is to employ budget tracking procedures to identify any leaks or bottlenecks in funding channels. Comparative audits of receipts and expenses across schools and their districts will help the cause of budget accountability. These procedures can help to suggest how legislation can be amended, what procedures might be developed, and what forms of enforcement are required. They will allow the regulation of parental payments to reduce inequalities in access to education and to diminish opportunities for corruption.

Once budgets and salaries are accurately assessed and provided for, policymakers must also review equity. As the survey pointed out, schools still need informal payments and will

continue to do so.[31] Supplementary payments tend to marginalize children from low-income and disadvantaged households. Children from disadvantaged families require assistance so that they can contribute to and participate in all aspects of the schooling process.

Corruption Cases in the Slovak Education Sector

The Slovak Press Agency reported in 2007 that Peter Levák, the former head of the school office in Trnava, was found guilty of accepting bribes. He was sentenced to 12 months in prison with two years probation. The district prosecutor pushed for stronger punishment, but the court accepted a guarantee given by Levák's fellow teachers at the secondary vocational school in Trnava, where he currently works, and took into account the length of the investigation procedure, as well as the fact that Levák had not been punished before.

Levák was found guilty on three counts of accepting bribes in exchange for help with admission to schools. In the first case, the police used an agent, for whom Levák promised admission to a university in exchange for 80,000 SKK in September 2001 (24.9 SKK equals 1 U.S. dollar). He took another 15,000 SKK for ensuring the admission of a student to a business academy. He requested 25,000 SKK from a parent in exchange for a promise to ensure the admission of his son to a grammar school in Vrbové or another secondary school in Trnava.

In another case, an investigator from the Bureau of the Fight against Corruption at the Presidium of the Police Forces indicted 53-year-old Ján B. and 52-year-old L'udmila K. for accepting bribes. Ján B. requested 10,000 SKK during a phone call in exchange for ensuring the admission of a student to an external study program at the Constantine the Philosopher University in Nitra after the official admission procedure had already been finished. He took money from the father of the student and gave them to L'udmila K., who worked at the Student Office of this university and who admitted the student to university. Both individuals could be imprisoned for three to eight years.

This is the first court case concerning corruption in higher education in Slovakia. The chief of the Bureau of the Fight against Corruption, Tibor Gašpar, said that other cases will follow: "Our Bureau monitors the situation in the education sector and I do not think that this is the last case from this area."

Budgets should make allowances for the costs of both mandatory and voluntary activities and events, in addition to other expenses that children might incur. Otherwise, both access and equity will be affected. Charges for meals, transport, uniforms, texts, activities, or other educational expenses for at-risk households should be reduced or eliminated. While some nations may choose to set policy nationally, others may favor a provincial approach that draws on local resources rather than depending on national funding.

Flexibility needs to be legislated into systems to grant access to other resources. Philanthropy and taxation are both underdeveloped across the region. A combination of the two has proven beneficial for education financing in other parts of the world. Policymakers should develop such alternative means for raising revenue as tax incentives for private contributions to schools.

Despite positive changes, families may still feel that the costs associated with sending their child to school are too high. They may also feel that some of these costs are inappropriate, misspent, or even too small. If so, parents may withdraw their children from school or limit their participation in extracurricular activities, studies, and programs. If this happens, the educational experience of the children may be diminished and the overall educational quality of the school may suffer.

Policymakers should review legislation and procedures to eliminate grey areas in which undesirable practices are allowed to occur. Rights and responsibilities as well as enforcement procedure need to be clearly delineated for all parties. The roles of parent associations and community overseers should be defined. Clear rules for collecting and disbursing school funds and a code of professional ethics need to be formulated. Legal protection from discrimination of any kind should be instituted for children of parents who decline to make payments.

In making policy, authorities should hold open and comprehensive discussions with local experts, professionals, and other community representatives. Public discussion will encourage scrutiny of questionable practices (such as the marketing of commercial products in schools), and present an opportunity for the community at large to choose what is necessary and appropriate.

The education sector should develop a culture of transparency and accountability. To this end, governments must work to improve schools' resource management and enforce laws and regulations to support reforms. While policy development is underway, work is also required at the local level. Community actors, such as NGOs or other civil organizations, may serve as liaisons. Advocates for reform should aim not only to increase awareness and knowledge, but also to encourage all stakeholders to participate in bringing about change and managing it.

Change Management

Change management requires the acceptance of responsibility and is based on the concept of shared leadership. Rather than focus on awareness development or simple capacity-building, advocacy efforts in education policy require action driven by attainable goals and informed by process and context. They must also secure the commitment of stakeholders in the already realized common goals.

Actions without the commitment of stakeholders may backfire. For example, a youth group in Armenia, which borders Georgia and Azerbaijan, sought to fight corruption in universities. The group conducted a survey to identify 10 corrupt professors and used their limited results to create a shaming campaign. They posted pictures around the capital to garner attention, but raised more questions about their methods than curbing corrupt practices. As such, they ostracized potential partners and supporters. While this tactic has proven successful to motivate debtors in India and Spain, the students' approach was largely seen as counterproductive, a misuse of publicity that diminished the prospect of change.[32]

Advocates are advised on the other hand to bring the parties together rather than to alienate them. One method is to encourage partners to learn about each other's roles and responsibilities. In *Making Services Work for the Poor*, the World Bank (2004) represents these relationships as a triangle. Individuals are seen as clients in their relationship to service providers and citizens in their relationship to government. The short route for them is to go directly to the service provider, with recourse to management should the service not be provided as agreed. The long route is to switch from client to citizen and go through government to try to have appropriate action taken.

In transforming, monolithic or autocratic societies, this second route is unavailable. For countries making the transition to market economies and participatory governance, though, creating these relationships is not only a practical exercise in reform and restructuring, but is also, according to the World Bank, a step on the way to reducing corruption.

These are just first steps, though. The remaining steps will be difficult and potentially drawn out, judging by the examples of Uganda and Australia. In the mid-1990s, Uganda suffered drastic leakages of school funds, a problem shared with the former Soviet states. In 1996, the country conducted a public expenditure tracking survey (PETS) and a follow-up in 2001. Due to the survey and resulting policy changes, leakages in capitation grants decreased from 80 percent to 20 percent (Reinikka and Smith, 2004).[33] PETS helped Uganda to have a cleaner financing system, especially because follow-through requiring public announcements of fund receipt, usage, and transfer made certain that few if any opportunities for leakages opened up (World Bank, 2004: 62–63, 185).

Even this demanding project is only the beginning. The province of Victoria in Australia began its own fight against informal payments back in 1973. Only in 2006 did the government pass the Education and Training Reform Act. It "ensures the provision of free instruction in the standard curriculum program, and empowers school councils to charge for goods and services used in the course of instruction and to raise funds" (2007: 4).

From Research to Action

After reviewing its PIPES results, NEPC's member center in Azerbaijan realized that we needed to bring the various stakeholders together and ensure that no one was left out. The Center for Innovations in Education produced a small video with a poignant story about informal payments. This short clip has since been shown on television, been used in training sessions around the country, and now is viewable on YouTube.

This public awareness campaign required adjustment though since the original video concerning payments could embarrass principals rather than helping them to espouse the cause. A local comedian was hired to play the role of the principal in the video so as to defuse potential antagonism. Additional efforts were made to include principals and to get them to talk with teachers and parents.

The project coordinator summarized by saying, "We've been amazed how such a simple thing as a video has generated more discussion of this study than any of our earlier advocacy efforts."

According to the reform, the Australian Department of Education and Early Childhood Development provides funding for the standard curriculum program, associated items, equipment, and operational costs. School councils are responsible for the development of policy and plans for resource management and allocation. In regards to parental payments, the councils are also given the right to request parental payments for essential education items (required), extras on a user-pays basis (optional), and invited financial contributions (voluntary). Specific guidelines on these charges are provided in writing and on the web.[34]

These cases demonstrate the complexity of the task facing the NEPC countries. As an exploratory study, PIPES must stand as a call to action. In this chapter, we began by looking

at who should pay for what. We then reviewed conclusions from the country teams in the areas of the payment process, community engagement, and policymaking.

Together, a network of experts can facilitate changes based on the inputs provided here. They can indicate how informal payments can be used to support education. These inputs can inform policy and promote accountability. Fostering integrity and trust across all parties is also important, as is the reminder that integrated efforts will promote an even greater success. The final chapter returns us to this point.

Chapter 6

Drawing the Line

Determining the level and impact of informal payments has been the focus of this book. As an exploratory study, PIPES proved a success. In earlier chapters, we discussed the initiation of the study, its results, the context of transformation, and the potential for change management. The most important part of this undertaking though is to draw the line, to determine the starting point of change.

There is no simple formula. Informal payments are a complex behavioral phenomenon, one that occupies the border between the appropriate and inappropriate. In some forms it is corruption, and scholarship in that field can give us our bearings.

Hallack and Poisson (2007) point out that there is a fine line between what is considered "corrupt" and "noncorrupt" in a society, particularly when no rules or regulations are available. Even when rules and regulations do exist, they are not always followed or enforced.

The basic lesson here is that there ought to be benchmarks. This exploratory study is an initial step in understanding this particular phenomenon in terms of scope, motivation, and impact. Across the region, we have been able to identify the form of informal payments and how they may be better structured. By drawing the line on three elements of the phenomenon, we found that it is possible to reduce ambiguities that lead to corruption, exclusion, and inequity. A more lasting solution requires an identification of the types of payments that are appropriate.

Throughout this book reference has been made to "the line," but what this line actually signifies and how it can be drawn requires further elaboration. In this chapter, we return briefly to the subject of transformation in order to define informal payments and plan further action.

Defining the Line

The process of social transformation (or social change) has been studied under many names, from culture shock at the personal level to the diffusion of innovations for entire societies. Most change diagrams describe a curve that rises slightly before dropping into a trough and then heading upwards again. This curve can be broken into stages known as the honeymoon, depression, recovery, and adjustment.[35]

Depression is the lowest part of the curve. When dealing with personal change, experts in fields from psychology to mentoring new teachers advise people to minimize the depth and duration of depression by deciding to make a change and to take action. Similar advice can be offered to societies, but the decision to make a change is not so easy to make, especially the decision as to which change to make.

Research in this field is useful. For societal change, Everett Rogers used an S-curve to describe a diffusion of innovations that divides change into three general stages and identifies the parties necessary to take up the change (Rogers, 1983).[36] Malcolm Gladwell improves upon this curve to show critical moments or "tipping points" that made the difference by reviewing various transformations seen around the world. He claims that once 5 percent of a population has taken up an innovation, it has become embedded. Under supporting circumstances, the rest of the population will take up the innovation once 20 percent has accepted it (Gladwell, 2001).[37]

For informal payments, the crux of the problem is their relative ambiguity. In an unstructured environment, it is difficult for a society at large to determine what is necessary and what is undesirable. Fortunately, the PIPES study has defined several key issues that can be useful in making this determination.

The project team found at the outset that deciding what to do is easier said than done. Numerous questions were asked in the development of the survey tool and throughout its implementation. A joint meeting was held after all the countries completed field research to share results and consider how to analyze them.

Team members agreed upon a categorization scheme for informal payments based on their use in the rest of the world. The categorization scheme had seemed like a good idea until the teams tried to match their results to it. As shown in Table 1, this attempt was informative

but it failed to provide explanations. The team was unable to place types of informal payments into specific categories because the payments did not meet the definition supplied.

Table 1.
Payment Categories and Results

	Description	*Survey Ressults*
A	Formal payments for **mandatory educational activities** such as lab fees for use in specialized science laboratories, textbook purchase or rental, and transportation. These activities are legal and often documented.	The survey included six kinds of formal payments—textbooks, stationary, clothing/shoes, transportation, lunch, and security. The recognition of them by nearly all of the countries suggests that parental payment for necessary items for schooling is ***becoming the norm*** across the region.
B	Payment for **elective educational activities** for a group of students such as excursions to a museum or historical site or the purchase of sport uniforms to participate in a voluntary sport. These are legal and sometimes documented.	Payments in this category ***are still very uncommon*** for this region. Very high percentages report no payment for electives, which suggests that school outings and special program charges have yet to become commonplace.
C	**Private contributions** to support general activities for the benefit of all children such as a gift of a computer for use by the class, flowers to demonstrate support for the teacher, or the repair of broken windows. These contributions are voluntary but often undocumented.	This category is problematic because many payments seem to fall into it, including ***donations, gifts, heating fees, repair contributions, and maintenance fees***. As separate items, each of these received high responses for amount and frequency. This prevalence seems to indicate that ***these payments are not genuinely voluntary but are unofficially expected***.
D	Informal payments for **elective activities** for use by an individual child who elects to participate in those activities. These might include a telescope for those interested in astronomy or a new basketball for those who play on the school team.	This category of payment was not covered in the questionnaires.
E	Informal payments in reply to **requests from the school** or the school parent association. Since records are not kept, these payments are considered mandatory but informal.	***Small regular payments*** are made to support class needs based on requests from teachers and the group of class parents. A parent association or principal may also ask for payments for school needs.
F	Payments to specific faculty members or to a specific administrator in exchange for a **service or favor** for a specific child. This can include a bribe to increase a child's grade. These payments are undocumented; they are contrary to common international norms of professional conduct and are usually illegal.	No country reported a complete absence of these payments, which suggests that ***corrupt practices persist*** across the region.

The first major problem was that since the education systems are still in various stages of development, formal standards of mandatory and voluntary payment had not yet been adopted. They were therefore difficult to enforce. Most payments had the appearance of being voluntary contributions. However, since schools had come to depend on these payments and they had come to be seen as regular expected payments, the concept of voluntarism could not be applied to almost half of them.

Another problem was that schools and community members had limited experience handling cash or in-kind contributions, and no formal procedures existed to record them. Keeping bank accounts, drawing up budgets, tracking expenses, forecasting costs, or managing other resources were not typical responsibilities. Under the Soviets, direction was supplied from the center, and in the periphery schools and institutions were merely responsible for carrying them out.

Into independence, *ad hoc* means for keeping track of these transactions were adopted in many schools, but rarely were they shared with contributors. The funds were not reported as school income, except as official items monitored by education inspectors. Donors rarely received clear documentation of how their contributions were used.

Figure 1.
Payment Matrix

		Voluntary	
		Yes	***No***
Documented	***Yes***	Official record of fees for diplomas, exams, and textbooks Informal record of some repairs, maintenance, school events	Some repairs Some maintenance
	No	Grades Bribes Exams Diplomas Private tutoring Extra group lessons Contributions	Gifts Some maintenance Some repairs Heating School events Class supplies Contributions

The research experience of the NEPC team proved invaluable, as did their personal experience as parents. Many had also worked as teachers, professors, and school officials, which gave them additional perspectives. All were products of the Soviet education system. When reviewing results, they saw that payments had two components, a discovery which led them to devise a matrix based on the variables of voluntary-mandatory participation and documented-undocumented transactions (Figure 1).

While types of payments could be placed into this matrix, distinctions were not as clear as anticipated. Many items could be placed in several boxes at once. This scheme also did not lend itself to deciding what to do with informal payments. An element was missing.

The team returned to the data to see what could be done with it. Following guidelines from the project leaders, each country team prepared a country study based on its results. After a review, the editorial team was able to break down the survey questions and responses into the categories of scope, motivation, and impact.

The conclusions from each country study, which are the foundation for the chapter on advocacy, were similarly divided into three groups: payment process, community engagement, and policy. Defining payments and standardizing a payment process will minimize the negative aspects of the scope of informal payments. Promoting and regulating engagement will ensure appropriate motivation. Attending to certain issues at the policy level, such as financing and legal sanctions, will allow the management of impact.

The ability to divide the results and conclusions into three parts led to the consideration of whether a third variable was needed to understand categorization of informal payments. The first two variables, mandatory-voluntary and recorded-unrecorded, did not include the question of purpose, which was one of the first considered by the research team when constructing the survey tool. It promised to be a useful third variable.

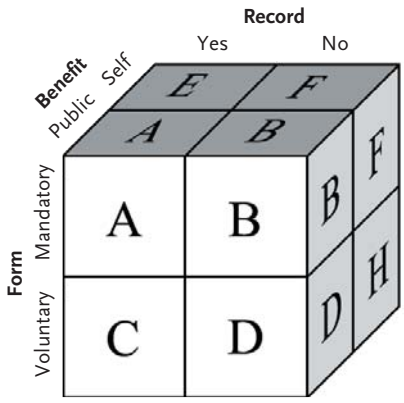
Building Blocks

Categorization and matrices were useful in describing payments, but they are not sufficient to draw the line. These variables address the question of accountability, the common thread running through findings of scope, motivation, and impact; accountability depends on the existence of the line. The benefit of making payments, which may give rise to a demand for accountability, is the third variable.

Three variables represent three dimensions and are difficult to render on paper. Instead of a two-dimensional matrix like the one above, a three-dimensional matrix expressed as a cube was proposed (Figure 2). This cube is composed of eight smaller blocks, each of which

is determined by the three variables. These record payment (yes or no), form of payment (mandatory or voluntary), and benefit of payment (public or individual).

Figure 2.
Building Blocks



	Breakdown of Payment Types		
	Record	***Form***	***Benefit***
A	Yes	Mandatory	Public
B	No	Mandatory	Public
C	Yes	Voluntary	Public
D	No	Voluntary	Public
E	Yes	Mandatory	Self
F	No	Mandatory	Self
G	Yes	Voluntary	Self
H	No	Voluntary	Self

The variable "record" covers the various ways that payments can be recorded. This includes public announcements, ledger books, receipts, publicly posted lists, regular reporting, and other ways. Some payments require little record other than a yes or no. Others, especially if tax incentives or other forms of acknowledgment are desirable, need receipts, registers, and reports.

Records will allow the full scope of payments to be brought into the open. The basic act of public reporting can break down barriers that might have prohibited review or criticism. Records allow for funds to have identifiable costs and procedures attached to them and to be tracked and budgeted.

Drawing the line for record-keeping means instituting clear procedures and techniques for each type of payment for which documentation is desirable. No formal records exist for payments made by survey participants. It is clear from their responses that certain payments should be formally reported on, while for others the necessity is less certain.

Mandatory and voluntary are both forms of involvement and participation. If everyone must participate (by making a payment) for the sake of the education process, that payment is mandatory. Not making a payment of this type will compromise the educational experi-

ence of the child. A voluntary payment is made without any external pressure; it is by the family's choice.

Drawing the line for form has shown that very few so-called voluntary payments are actually voluntary. Nearly all payments are presented to parents as being expected. Determining the forms of payments is critical. Consideration of this variable should open public discussion of the justification necessity and dispensation for the payment. Without agreement on these matters, there can be no compliance or regulation.

Benefit is the third variable and indicates two types of beneficiaries—the public good or the child him/herself. Defining the beneficiary is an essential step to completing the discussion of why a payment is required, and how it is appropriate and must be processed.

Drawing the line on benefit should be straightforward. It means that a payment achieves a concrete result for an individual, class group, or the school as a whole. It means that payments lead to the intended result and that the benefit is not used merely to advertise payment. For this variable, clear accounting procedures and oversight are necessary.

To draw these lines more clearly, the demands on parents of each payment must be stated in terms of record, form, and benefit. The building-blocks approach helps determine where payments can go and, by doing so, eliminates their troubling ambiguity.

Table 2 shows where the different payments for education might be ideally placed and identifies their current location. Since each variable has two choices, a total of eight blocks as described above is possible. The columns are named for the eight possible building blocks, using the letters A through H. Each row contains a possible parental payment for education across Eurasia as identified in the course of this study. The character "X" has been used to indicate the ideal location for each payment according to discussions and participant comments. The character "O" shows how these payments are currently handled. Parentheses around characters suggest optional or multiple placement.

Ambiguous areas exist for all these variables, especially in reference to the findings written about in this report. Current payments are for the most part neither recorded nor fully mandatory nor voluntary. To emphasize the latter point, the heading "mandatory" is underlined to show that payments are expected and that noncompliance can have negative consequences. The comments area helps to highlight some of these issues.

Differences among payment types became apparent after filling in the table. The first five payments have been designated as needing to be recorded and as being for the public good. A further determination of form is necessary, but this depends on the school's ability to use other resources for these purposes. The final four are for self-interest and should be voluntary. They still require records to be kept.

Table 2.
Drawing the Line for Parental Payments for Education

		Payment Blocks								*Comments*
		A *YMP*	*B* *NMP*	*C* *YVP*	*D* *NVP*	*E* *YMS*	*F* *NMS*	*G* *YVS*	*H* *NVS*	
Purposes for Payments	Class Supplies	(X)	O	(X)						Policy should be set with parents and community
	Heating	(X)	O	(X)						School must decide with parents and community
	Repairs	(X)	O	(X)						School must decide with parents and community
	Maintenance	(X)	O	(X)						School must decide with parents and community
	School Events	(X)	O	(X)						School must decide with parents and community
	Donations			X	O				O	Policy should be set with parents and community
	Diplomas					X			O	Only official fees, not for purchase
	Exams					X			O	Only official fees, not for purchase
	Grades								O	Should not occur at all
	Extra Group Lessons		(O)					X	(O)	Especially if school resources are involved
	Extracurricular Activities		O					(X)	(X)	Policy should be set with parents and community
	Presents		(O)				(O)	(X)	(X)	Recipient submits annual report, has annual limit
	Private Tutoring						(O)	(X)	(X)/(O)	Tutors are licensed and report income/activity

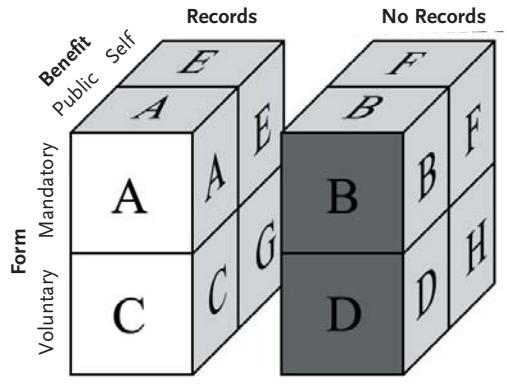
Key: X = suggested method; O = current method; and (X) or (O) multiple methods, suggested or optional
Block Codes: Record= Yes or No; Form = Mandatory or Voluntary; and Benefit = Public or Self

The middle four categories represent potentially corrupt practices. Grades, diplomas and exam results should never be bought and sold; such practices are not unknown. Where deemed appropriate, however, the receipt of diplomas or participation in special exams may be fee-based. Donations should be allowed in schools and should result from voluntary payments used for the public good of the school. Without record-keeping, it is difficult to assess whether the donation is made under, whether the donor or recipient is personally rewarded for it, and what the contribution is used for.

The final four are payments made for activities supplementary to the basic requirements for schooling. Since extracurricular activities and extra group lessons can command school resources, including teachers, and require several students, proper recording is necessary in order to gauge the extent of the activities they cover and to minimize the possibility of a forced donation.

A glance at all the placements reveals a preference for record-keeping. While it is conceivable that payments having become standardized records will no longer need to be kept, record-keeping is currently essential to drawing the line. The creation of accurate records is important not only to show the full costs of education, but also to ensure accountability. Record-keeping creates clear distinctions among payments (Figure 3).

Figure 3.
Dividing the Cube



In short, ***all required payments need to be recorded***. Other efforts aimed at control and compliance will fail without documentation. Without documentation, parents will be skeptical of requests for payment and of the system of school management.

Nearly all legitimate forms of payments fall into the boxes A, C, E, or G. Almost all illegitimate payments fall into the boxes B, D, F, or H.

Figure 4.
To Record or Not Record

Matrix A: Recorded

		Public	
		Yes	***No***
Mandatory	Yes	A	E
	No	C	G

Matrix B: Not Recorded

		Public	
		Yes	***No***
Mandatory	***Yes***	B	F
	No	D	H

In this final layout of Matrix A and B, Box H (not recorded, voluntary, and self-initiated) is the only space where records for ideal payments are not needed. Most but not all payments need to be recorded. The payments represented in Box H (for gifts and tutoring) have been reported as common and especially costly to parents. As discussed above, record-keeping for this type of payment may be best postponed until the practice of record-keeping is established. A delay will promote the diminution and transformation of these activities.

Establishing record-keeping procedures will begin to resolve the ambiguity inherent in the practice of informal payments. These procedures are the points of the first line that must be drawn. As *Making Services Work for the Poor,* the World Bank's 2004 World Development Report, says, a system of accountability must be put in place to ease transactions and service provision. This system can also minimize the potential for corrupt or undesirable behavior. It will require documentation, clear procedures, oversight, recourse, and more. The experience of implementing these measures should be a joint effort of the schools and communities whose involvement in this endeavor will itself help to build the familiarity and trust necessary to its success.

Down the Line

The single most significant problem, as outlined in each of the country reports, is a lack of clarity in what constitutes acceptable parental payments. In some instances, it is unacceptable for parents to pay for school lunches, since the community is used to children's receiving free lunches and in hard economic times households find it difficult to take on this additional expense. In other instances, a donation by a wealthy benefactor may be interpreted as a corrupt purchase of benefits for his child, especially where performance-based promotion is no longer standard practice. And in still others, contributions made to ease a child's admission to school or college are treated as being no different from a regular tuition payment.

Such large grey areas breed cynicism, destroying trust in education professionals, the integrity of educational institutions, and the broader system of governance. It diminishes the quality of education, may close doors for disadvantaged children, and socializes youth into cultures of corruption and system-avoidance.

Informal payments take an economic toll as well. They put extreme pressures on families, many of whom pay the equivalent each year of one whole month of household income per child. Parents have in some cases contributed over 20 percent of the national budgetary allocation for education. With families shoring up the education system, the state has no incentive to institute reforms.

The end of the party state in former Soviet republics initiated a period of social upheaval. Not all the changes have been negative. The ubiquitous practice of parental contributions across Eurasia might be considered a positive change. It represents the ability and willingness of parents to contribute to their children's education. This capacity must be recognized and used appropriately to build other public-private partnerships.

Informal payments in and of themselves are not bad. In fact, they represent an important financial resource as well as a valuable linkage of the community to schooling. What is undesirable is that they are made in the shadows rather than the light. Other countries throughout the world use informal payments in ways that promote equity, accessibility, and quality of education. The countries of Eurasia should be no different.

To draw the line for informal payments in Eurasia means first and foremost to establish accountability for all the parties involved in transactions. Rules and procedures must be clearly stated and vigorously enforced. Documentation must be transparent and publicly available for review. Monitoring and review activities must include checks for quality, access, and equity. These changes will permit other lines to be drawn and other reforms to be achieved.

The reward for this effort will be successful education reform. Sanctions and other enforcement measures will have to be adopted to ensure that changes do not exist on paper alone. Systemic reform will be accompanied by a change of behavior. Individuals must agree that a change is needed and demonstrate their commitment to it.

The countries of this region are undergoing a transformation. To call it a "transition" is to specify an origin and a destination. As discussed earlier, the populations, their education systems, and their countries all began in the same position—as part of the Soviet Union. Where they are actually going has not been determined. Terms such as "open market," "democracy," and even "open society" are often used to describe this process.

These countries' transition to independence has not been easy, but steps can be taken to lessen the difficulties. Their populations will need to find a destination and plot their course. They can take their next step by drawing the line.

Closing

The exploratory PIPES study began with a simple question, one that led the research team on a difficult journey. Together they learned to navigate an uncharted territory and were able to return with their bearings in place. This volume is a testimony to that journey and will serve as a guide for education reform and policymaking, especially in regards to education finance, school management, and corruption in education. It also holds the promise of promoting the causes of equity and access in schooling and still more generally of quality in education.

The study revealed that parents have taken on a tremendous burden, amounting to a significant portion of household budgets. This shows the willingness of parents to support education despite personal and professional hardship. Parents believe in their children and want them to succeed. But parents also need to be able to believe in their schools and governments.

Education need not be completely free. Instead it should be a collaborative process and shared expense that serves individuals, communities, and society at large. This study demonstrates with many examples the need to introduce accountability and improve financing. All parties are able and willing, but the legal framework, compliance mechanisms, and managerial skills must first be created or enhanced.

The message of this book is that informal payments deserve the attention of the parties concerned. As currently practiced, these payments reveal a poorly functioning system of governance. They threaten to deny a fair education to children, and not just to those from disadvantaged households. The currency of such payments has already affected a generation

of children who have been socialized into accepting informal solutions, rather than believing in formal structures and institutions. If the practice of informal payments goes unchecked, the consequences can only broaden. The full impact will be felt by national economies in the very near future.

Small steps can lead to large changes. Education across the region is changing. This study has raised awareness, but regulations to formalize parental payments must now be introduced. By drawing the line with records and receipts, parents and schools can alter the course of change. By investing prudently in their local schools and community, they invest in their children and their future. This is our underlying hope.

Chapter Notes

1. The PIPES country reports can be found online at http://www.edupolicy.net → current projects → PIPES.

2. The difference in organizational level and capacity of parent associations across the region varies widely. Including them in the survey would have masked important differences in their operation, legitimacy and effect.

3. Originally, it was thought that local and regional school officials could provide another rich dataset, but the reality of politics made it such that gathering this data would have significantly compromised ability of research teams to work within the overall school systems to collect other data.

4. Since development has mostly been concentrated in the capitals of these republics or on areas near important resources or routes, provincial towns and cities often have fewer educational opportunities and lower levels of economic activity in comparison with the capital.

5. The individual country reports for PIPES can be found online on NEPC's website (http://www.edupolicy.net).

6. This figure can not be confirmed due to a lack of information.

7. These totals do not add up. In Kazakhstan where the highest amounts were reported in each category by teachers, the combined contribution equaled only 85.6 percent. Similarly, principals in Slovakia reported a combined total of 73.9 percent.

8. No data for parents in Georgia was included for this question.

9. Source: United Nations, Department of Economic and Social Affairs, Population Division (2007), World Urbanization Prospects: The 2007 Revision. CD-ROM Edition—Data in digital form (POP/DB/WUP/Rev. 2007). http://unstats.un.org/unsd/demographic/products/socind/hum-sets.htm.

10. Source: *The 2008 World Factbook*. Central Intelligence Agency: Langley. 2008. Online edition (accessed 5 March 2009). Most economic figures are 2008 estimates.

11. Poverty is often described as living on one dollar a day, a rate used to describe conditions across Africa. In the re-developing nations of Eurasia, the World Bank and IMF established this rate to reflect different standards of living.

12. Shuttle or suitcase trade increased as a broad phenomenon across the Soviet Union and the Eastern bloc during the early 1990s as borders opened. Individuals and families traveled to other countries to buy cheap goods so that they could sell them at home for a small profit. With the failure or slowing of other sectors, shuttle trade has been an informal response to generate income.

13. Source: *The 2008 World Factbook*. Central Intelligence Agency: Langley. 2008. Online edition (accessed 5 March 2009).

14. All figures from 2006, except for Kazakhstan (2005), Latvia (2004), and Slovakia (2005).

15. Figure from 2006, except for Latvia and Slovakia where data is from 2004.

16. It is interesting to note that this difference may even be larger given that the majority of the figures are for 2006 when some countries began to increase expenditure amounts in education. Official statistics though across countries were not yet available for inclusion.

17. Source: *The 2008 World Factbook*. Central Intelligence Agency: Langley. 2008. Online edition (accessed 5 March 2009).

18. While part of this problem rests on university entrance examinations that emphasize rote memorization, fault might also be found in slow curriculum reform.

19. For a more detailed essay on this phenomenon, please refer to Lepisto and Kazimzade, 2009.

20. The survey is at http://www.transparency.org/policy_research/surveys_indices/cpi/2006 (last accessed 10 May 2009). Countries are evaluated on the basis of several series and assessed on the scale of 0 (very corrupt) to 10 (clean).

21. Tables can be accessed online at http://www.freedomhouse.org/template.cfm?page=17&year=2006 (last accessed 10 May 2009). Countries are evaluated separately on performance over the preceding year on a scale of 1 (good) to 7 (worse).

22. These figures come from Norris, Pippa (2001) Making Democracies Work: Social Capital and Civic Engagement in 47 Societies. Cambridge: KSG Faculty Working Paper Series, Harvard University. This measurement comes directly from Putnam's definition of social capital.

23. The study by the Institute for Social Action and Renewal in Eurasia (ISAR) about NGOs in Azerbaijan revealed a high level of mistrust in these organizations by the population as well as a high level of ignorance regarding their role and purpose (Nelson 1999).

24. It should be noted that Soviet era scoring had a tendency to over-report or to bias reports so that the subject population would look better than it actually was.

25. Source: 2007/2008 Human Development Reports (2008), The UN Development Programme (UNDP) (http://hdr.undp.org/en/statistics/ last accessed 20 May 2009). These reports use a system based on a group of variables to come up with a score for their Human Development Index (HDI). This information has been adapted from the online National Human Development Report prepared by the United Nations Development Programme. The Human Development Index (HDI) is based on a composite score and then each country is ranked out of the total number of 179 countries. The higher the ranking, the better the level of human development is.

26. The education index is calculated on the adult literacy rate (% aged 15 or older) from 1995-2005 against the combined gross enrolment ratio for primary, secondary and tertiary education (%), 2005. The closer the rate is to 1.000, the better it is.

27. Wage amounts used here are from 2006. They were subsequently increased in nearly all of the subject countries.

28. See http://www.tol.cz/look/TOL/section.tpl?IdLanguage=1&IdPublication=4&NrIssue=323&tpid=68 (accessed 31 May 2009).

29. Please see http://www.transparency.org/global_priorities/other_thematic_issues/education/ corruption_education/ (accessed 31 May 2009).

30. Source: http://www.transparency.org/global_priorities/other_thematic_issues/health/service_delivery/ informal_payments (accessed 31 May 2009).

31. This position is supported by the fact that OECD surveys of developed countries now include private contributions as a target in their research methodology.

32. See "Raising a din over loan default" from the BBC News on 20 August 2005 from (http://news.bbc.co.uk/1/hi/world/south_asia/4168766.stm, last accessed 1 June 2009) and "Spain's Showy Debt Collectors Wear a Tux, Collect the Bucks" from the *Wall Street Journal* on 11 October 2008 (http://online.wsj.com/article/SB122369424667425525.html?mod=todays_us_page_one, last accessed 1 June 2009).

33. This volume, entitled *Public expenditure tracking surveys in education*, was written by Ritva Reinikka and Nathanael Smith for the International Institute for Educational Planning for their series on ethics and corruption in education. It covers Peru, Uganda, and Zambia, each of which present unique cases. At the time of this volume, the only country in Eurasia that had conducted PETS was Albania.

34. See Parent Payments in Victorian Government Schools at www.education.vic.gov.au/aboutschool/lifeatschool/parentpayments.htm, last accessed 1 June 2009.

35. See, for example, the personal change chart by J.M. Fisher available on his website, www.businessballs.com.

36. Rogers, Everett M. (1983). *The Diffusion of Innovation*. Macmillan: New York.

37. Gladwell, Malcolm. (2000). *The Tipping Point*. Little Brown: New York.

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Elmina Kazimzade (Ekazimzade@cie.ez) was the coordinating editor for this project. She is the policy research program director at the Center for Innovations in Education, an independent NGO and think tank in Azerbaijan. She has served on the staff of the United Nations and the Open Society Institute in Azerbaijan. She holds a Ph.D. in educational psychology from the Ukrainian Institute of Psychology.

Country Teams

Azerbaijan:
Center for Innovations in Education

Elmina Kazimzade, who is also one of the co-editors of this volume, led the research team in Azerbaijan from CIE's office in Baku. Survey work was carried out by SIGMA. *Firdovsi Rzayev* of the Center for Economic Development in Baku provided able assistance in the production of the final report.

Georgia:
International Institute for Education Policy Planning and Management

George Machabeli, Tamar Bregvadze, and *Aluda Goglichidze* from the International Institute for Education Policy Planning and Management led the research efforts in Georgia. The study was carried out jointly by the International Institute for Education Policy Planning and Management and the Tbilisi-based Business Consulting Group between December 2006 and May 2007.

Kazakhstan:
Center for Educational Development BILIM-Central Asia

Saule Kalikova and *Zhanar Rakhimzhanova* from Bilim-Central Asia organized the PIPES research in Kazakhstan with the assistance of GfK Kazakhstan.

Latvia:
Public Opinion Research Center SKDS

Ieva Strode and *Zanda Rutkovska* from the public opinion center SKDS in Riga, Latvia carried out a study on parental supplementary payments to public schools in 2006 and 2007.

Republic of Moldova:
Institute for Public Policy

Catalina Barbarosie and *Natalia Vladicescu* were the responsible parties from the Institute for Public Policy in Chisinau for this report.

Slovakia:
Orava Association for Democratic Education

Marcela Maslová from the Orava Association for Democratic Education served as the coordinator of the quantitative survey. *Martina Kubánová* and *Juraj Kubán* from the Slovak Governance Institute (SGI) and *Elena Gallová-Kriglerová* from the Center for the Research of Ethnicity and Culture took responsibility for the administration of focus groups.

Tajikistan:
Public Foundation Panorama

Zarrina Bazidova from Panorama served as the point of contact in Tajikistan for the PIPES study. *Tatiana Bozrikova* from Panorama and *Shodibek Kadirov* from ERSU PULSE along with *Soibov Abdunazar* and *Jamila Kholova* from the Open Society Institute Assistance Foundation–Tajikistan served as project consultants.

Open Society Institute

The Open Society Institute works to build vibrant and tolerant democracies whose governments are accountable to their citizens. To achieve its mission, OSI seeks to shape public policies that assure greater fairness in political, legal, and economic systems and safeguard fundamental rights. On a local level, OSI implements a range of initiatives to advance justice, education, public health, and independent media. At the same time, OSI builds alliances across borders and continents on issues such as corruption and freedom of information. OSI places a high priority on protecting and improving the lives of people in marginalized communities.

Investor and philanthropist George Soros in 1993 created OSI as a private operating and grantmaking foundation to support his foundations in Central and Eastern Europe and the former Soviet Union. Those foundations were established, starting in 1984, to help countries make the transition from communism. OSI has expanded the activities of the Soros foundations network to encompass the United States and more than 70 countries in Europe, Asia, Africa, and Latin America. Each Soros foundation relies on the expertise of boards composed of eminent citizens who determine individual agendas based on local priorities.

www.soros.org

Education Support Program

The Education Support Program (ESP) and its partners are involved in activism, research, policy, and practice that promote education justice. Education justice provides a largely "political" lens through which to address issues of inequality and discrimination within the education sector while attending to inherent systemic, professional, and resource challenges. Central themes include supporting education renewal in postconflict countries, promoting equal education and inclusion for marginalized groups, strengthening critical thinking and education quality, and developing a progressive and forward-looking civil society engagement with the education reform process. Strategies for programmatic activities are focused mainly in Central Asia, the Caucasus, Europe, the Middle East, Russia, South Asia, and Africa, as well as at a global level.

ESP works in close cooperation with institutions in the Soros foundations network and independent professional networks, such as the Network of Education Policy Centers (NEPC), to instigate and advance education reforms that reflect open society values. Exam-

ples of recent and ongoing ESP initiatives include the following: a research project in South Eastern Europe which combines two robust scientific surveys that inform evidence-based advocacy for equitable and meaningful engagement of parents in the life of the school; a landmark OECD review of education policies in Central Asia on special education needs arising from disability, learning difficulties, and disadvantage; a project that partners a variety of public, private, and civil society institutions to promote education and cooperation in the North and South Caucasus; a regional initiative in East Africa (Uwezo) that combines civic activism and a focus on learning outcomes to push for increased quality; and an initiative in Swaziland that presents the school as the center of comprehensive care and support for vulnerable children in a manner that strengthens government capacity for service delivery and improves the quality of schools.

www.soros.org/initiatives/esp

Network of Education Policy Centers

The Network of Education Policy Centers (NEPC) is an international membership NGO with 28 members in 20 countries. It addresses the need for independent and information-based policy analysis, advocacy for equity, and effective, sustainable solutions in education policy processes.

The vision of NEPC is to develop into a strong network of leading education policy organizations and experts, an international actor with local and regional expertise in education policy that promotes the values of an open, democratic, multicultural, and pluralistic society in education. Policy in our understanding involves implementation and evaluation of current policies as well as the formulation of new policies.

The mission of NEPC is to promote flexible, participatory, evidence-based, and transparent education policies that are embedded with open society values. By implementing this mission we undertake proactive policy initiatives as well as advocacy and monitoring activities that will ensure that governments and national education systems deliver quality educational experiences to all citizens.

www.edupolicy.net

From Awareness Building to Advocacy

The PIPES Case

Advocacy begins with the identification of a problem and culminates in garnering support for a proposed solution, but there are steps in between. Organizations typically focus on raising political will and developing popular awareness. Actual problem-solving, though, is a long-term process. Over the past decade, NEPC members have been developing advocacy expertise. This is especially true of the representatives in the Caucasus and Central Asia, where community-based organizations and advocates are relative newcomers. A colleague in Azerbaijan shares her organization's experience:

> My first experience on evidence-based advocacy began with the Private Tutoring Monitoring Project, in which our team learned how to write a policy brief, how to approach the media, and how to communicate our message. With PIPES, we found new ways that to some extent were more creative and exciting and allowed us "to give the floor to the students." We all learned to initiate dialogue by taking a fresh, proactive look at everyday experience.

> In our country all research institutes belong to the state and usually they were engrossed in fundamental themes in education. The possibility of conducting a monitoring study with quick results and measurable outcomes was a great discovery for these practitioners and other applied researchers in this part of the world. Monitoring studies shifted the nature of our work from analysis to participatory advocacy.
>
> For example, after the PIPES study, we realized that we needed to bring the various stakeholders together and ensure that no one was left out. We decided to produce a small video with a poignant story about informal payments. This short clip has since been shown on television, been used in training sessions around the country, and now is viewable on YouTube.[1] We've been amazed how such a simple thing as a video has generated more discussion of this study than any of our earlier advocacy efforts.

An advocacy coordinator in Kazakhstan shared how they gained advocacy champions for policymaking:

> If you are sharing your recommendations with a large audience through publication of leaflets, you cannot be sure when and how your message will reach them. For PIPES, we targeted specific policymakers individually. Arranging one-on-one meetings with the people responsible for education and sharing our study results proved to be a successful advocacy approach for our project.
>
> It was important to gain the interest and commitment of these individuals by providing reliable information about this widespread phenomenon. Including a map of Kazakhstan, which shows average expenditure by region and city, was a helpful visual aid in our discussions. In fact, the Head of the Educational Commission included our paper in the agenda for the next meeting of the Parliament.

The seven Eurasian countries in this study each face their own particular economic, political, and educational challenges. However, they share a common history and a distinctive ability to support one another. NEPC provides just such regional support through advocacy, networking, consultancy, and other kinds of partnership. With each project, these partnerships become stronger and more effective.

Advocacy for NEPC has been an evolutionary process, as member centers moved from research and awareness-building to managing change. The case of informal payments

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1. This video is used for training programs with school personnel, parent committees, and others. An English-language digital version is available at www.youtube.com/watch?v=ETDW4pJjYEo, last accessed 10 April 2009.

presents a special challenge. Rather than being armed with a list of recommendations from a study, an agenda for a more integrated approach has been adopted. At every phase of design, research, and analysis, the team has kept the study's ultimate purpose, advocacy, in view.

This work proposes to facilitate the process of drawing the line. It recommends that NEPC members and partners work together to manage the scope of informal payments, keep the voluntary and mandatory discrete, and to create policies that promote the ends of equity and access. Professionalism, accountability, and transparency should be an integral part of each proposed measure.

Drawing the Line: Parental Informal Payments for Education across Eurasia is a cross-national study by the Network of Education Policy Centers on the character and frequency of private informal payments made by parents and families on behalf of their children attending primary and secondary schools in Azerbaijan, Georgia, Kazakhstan, Latvia, Moldova, Slovakia, and Tajikistan. The study examines the difference between the positive and negative implications of this unexplored issue in the education systems of transitioning societies. Since informal payments are widely accepted, but rarely open to public review, drawing the line implies that all stakeholders must discuss and decide where the line between acceptable and unacceptable private payments should be drawn. The central concern is how to ensure that educational reform takes into account the real cost of education and creates an equitable system that is accessible to all.

This study addresses researchers, educational professionals, community advocates, and policymakers working on education finance, anticorruption measures in education, school leadership, school governance, and parents' involvement. It was supported by the Open Society Institute's Education Support Program, which facilitates and informs the pursuit of education reforms that reflect open society values.


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