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Abstract

In Latvia, parents have to pay for their children to be educated even to the level of the standard curriculum despite laws stating that primary and secondary education is free. Thus, the meaning of “free education” is not clear: what exactly should be covered by the state and municipality and what should be covered by the parents? There is a lack of coherent guidelines for schools how to deal with parental contributions – what the school can ask from parents, how much, who is responsible for collecting, using, and accounting, what are possible consequences when parents are not willing or not able to pay.

Parents in different schools are asked to meet different requirements and different financial burdens. Uncertainty, diversity of opinions on what “free education” means, different financial burden in different locations, additional duties to manage this informal system — all these put the stress on teachers and principals, and create dissatisfaction among all stakeholders.

Small amounts of money called “class funds” are very often collected from parents. This money is used mainly but not only for extracurricular activities. Some of these funds are spent for items necessary for curricular activities, e.g. paper for photocopying and markers for blackboards. In some cases, parents are requested to pay also larger sums for the maintenance of furniture and other items. Sometimes parents receive detailed accounts about the expenditure. In still other cases transparency is insufficient.

In the study, evidence of improper accountancy was reported in deals such as centralized purchase of T-shirts. Suspicions of corruption were reported when describing fully legal donations for school needs via official school funds by some parents whose children then pass the competition to enter prestigious schools or stay in school despite poor results.

To improve the situation, it is recommended to increase public funding and change the legislation to draw a clear line between educational expenses to be covered by parents and those to be covered by the state or municipality.

1. Introduction

Since 1991, when Latvia regained independence, school education has suffered from instability with respect to both content and funding. The resources allocated from the state and municipal budget are often insufficient to cover all the necessary expenses, such as school maintenance and teaching materials, thus forcing schools to look for additional resources. Thus, many schools have found that asking parents for financial contributions is one of the easiest ways to obtain additional funds.

In Latvia, parental contributions and involvement in school maintenance are not a new phenomenon. Although there were fewer complaints about insufficient funding of education in the Soviet times, parents participated in repairing of schools buildings, collected money for ad hoc needs (such as small presents) and school or class events, paid for private tutoring. Furthermore, parents had to provide their children with stationery, uniforms, to pay for lunches, extracurricular activities, etc.

After the independence, the money relationships between school and parents changed. The role of in-cash payments increased and requirements changed. Uniforms are no longer compulsory but textbooks, previously free of charge, today require parental contribution. For many parents it has become difficult to pay the requested fees.

The Latvian Constitution (article 112) states: *“Everyone has the right to an education. The state shall provide an opportunity to acquire elementary education and secondary education free of charge. The elementary education is compulsory.”* However, the definition of “free of charge” is not clear. There is no clear distinction between the financial responsibility of the state or municipality and the financial responsibility of the parent. Requirements of how much and what for parents should pay vary not only among municipalities but also among schools within one municipality.

Discussions about parental payments are not new. Although these discussions were never open, authorities have long recognized there was a problem, and some administrative changes have been made. New legislation has made it possible for registered school funds to accept parent payments. Nevertheless, parts of this cash flow remain in a grey area. Our research shows that teachers, parents, or even pupils very often collect small amounts of money. This money is called “class funds” and is used mainly for extracurricular activities. However, some parts of these funds are spent to pay for the items necessary for curricular activities, such as paper for photocopying and markers for blackboards.

In some cases, parents are requested to pay not only money to the class funds but also larger sums to repair the furniture and other school items that need maintenance. Often this money is not collected through official school funds. In some cases, parents receive a detailed report about the spent money and have an access to information. Still, sometimes transparency was insufficient.

Signs of improper accountancy were reported in connection to deals such as centralized purchase of T-shirts. Suspicions of corruption were reported when describing fully legal donations for school needs via official school funds by some parents, whose children pass the competition to enter prestigious schools or who stay in school despite of poor results.

Our research indicates that parents sometimes are indirectly forced to pay extra for what should be covered by the state as part of the standard curriculum. If the school is incapable of providing sufficiently qualified teachers (or teachers at all), parents often employ private tutors.

There is a debate whether textbook charges should be reduced or eliminated and whether it is altogether right that the state does not cover their costs, as they are indispensable to get allegedly free education.

Uncertainty, vague regulations, financial instability, and feeling that their actions are illegal while trying to achieve legal and honourable goals — all of these cause dissatisfaction among the stakeholders. The situation is confusing and unsatisfactory for the parents. Some parents believe that the situation is not fair and blame the state and school administration. Others have difficulties in paying the requested fees because of the economic conditions of their family. Parents feel the financial pressure (real or imagined). Some decide not to send their children in better and prestigious schools or to secondary schools at all.

Likewise, the situation is unsatisfactory for the teachers. Some teachers are involved in collecting this semi-legal money and are under pressure from both school managers and the parents. School

managers insist that the teachers should help generate the necessary resources to maintain and decorate their classroom and to purchase school materials in order to sustain the teaching process.

The situation is difficult also for the school principals. On the one hand, there is prohibition to collect money from parents (the only legal way to do so being via school funds), on the other hand, it is widely admitted that current public funding is insufficient to ensure the maintenance of school buildings, development of the school and even quality of teaching.

Government institutions have expressed concern over parental payment at schools. The government faces discontent of stakeholders and general public; it is aware of the semi-legal money present in school budgets, yet is not able to provide the funding needed.

Nevertheless, it seems that the stakeholders are not willing to discuss the issue openly. The parents fear that once their share of contribution is disclosed officially, the school-related expenses will increase. The teachers and principals are unwilling to discuss the issue because they then have to admit dealing in the grey area. The governmental institutions are not ready to discuss the issue, as the discussion would cause anger from the side of both schools and parents (for example, by declaring that parents are expected to pay more than it is officially admitted and thus admitting that education is not free) and would force the government react to the demand for sufficient funding for education.

As a result, discussions of the problem of parental (formal and informal) payments appear mostly in mass media. Research on funding in educational system in general has found that financial flow is not transparent, estimates of resources are not precise, calculations of what have been spent and what is really needed are unclear, and has concluded that financial participation of parents is not taken into account. Unfortunately, detailed studies regarding parental payments have not been conducted or are not publicly available.

2. Policy approach

Although the capability to achieve the goal – equal access to education for all children – is influenced by several economic and social factors, the first necessary step to take would be to adjust legislation, and to implement principles of good governance.

Research shows that one of the most serious problems of parent payments at schools (alongside insufficient financing) is the lack of clear line between parental duties and the state/ municipality responsibilities, when providing free standard curriculum as stated in the Constitution of Latvia.

There is a lack of open discussion. The way decisions are made often makes parents feel ignored. The only legal form of parental contributions – school funds – is not working properly. Activities via the school funds are time and money consuming, thus small sums for everyday life circulate in a grey area.

In general, legal guidelines should specify:

- What is free of charge within education system?
- What is the standard curriculum?
- What can be parents asked to pay for?
- How parents can make sure that requested fees and their amount are justified and receive information about their usage?
- What is the role of government, municipality, school boards, teachers, and parental committee regarding provision of standard curriculum?
- How school can make requests for voluntary financial contributions?

- How to ensure that children cannot be denied access to the standard curriculum on the basis of not paying requested payments?
- How to ensure that children are not under psychological pressure due to not paying requested contributions?
- What support is available to help paying requested payments?

3. General information about Latvia

Box 1. Socio-economic Data (The World Bank, CIA)

Currency: lat, LVL per USD – 0.5162 (2007)

GDP (USD billions): 1996 – 5.6, 2005 - 16.0, 2006 – 20.1

GDP annual growth: 2005 – 10.6, 2006 – 11.9

GNI per capita (USD): 1995 – 2050, 2000 – 3220, 2006 – 8100

Unemployment, total (% of total labor force): 2005 – 8.7

Public education spending (% of GDP): 1995 – 6.7, 2000 – 5.4, 2006 – 5.1

Expenditure per student, primary (% of GDP per capita): 2004 – 20.7

Ratio of pupils to teacher (primary level): 2006 – 11.8

Ratio of pupils to teacher (secondary level): 2006 – 10.3

Sources: The World Bank, <http://go.worldbank.org/LJW2UB0SI0>;

CIA The World Factbook (on currency), <https://www.cia.gov/library/publications/the-world-factbook/index.html>

3.1. Economy

After regaining independence in 1991, Latvia's economy has gone through changes from planned economy to the market economy. At the beginning, the transition caused a dramatic decline of production and living standards, but since 1996 the GDP has been growing. The reforms implemented and the country's integration in the EU left a positive impact on the development of economy. However, despite rapid growth of the GDP in last years, it is still one of the lowest in the EU (according to the EUROSTAT, in 2006 the GDP per capita in Purchasing Power Standards reached 53.7% of EU (27 countries) average). According to the data of the Ministry of Economics in 2007 the GDP at current prices in Latvia was USD 27 330 million and the GDP per capita was USD 12 010.

3.2. Population and demographic trends

Since the independence, the number of inhabitants has been decreasing every year due to mortality rate that exceeds birth rate, and due to emigration. At the beginning of 2007, the number of population decreased to 2.28 million, which is almost 400 000 less than in 1990. The majority of Latvia's inhabitants live in towns and cities.

Table 1. Population size and urban/rural distribution

RESIDENT POPULATION AT THE BEGINNING OF THE YEAR			
Year	Total	Urban localities, %	Rural localities, %
1990	2 668 140	69.2	30.8
1997	2 444 912	68.6	31.4
2007	2 281 305	67.9	32.1

(Source: Central statistical Bureau of Latvia)

3.3. School system and governance

The elementary (primary) education in Latvia is compulsory. Children have to attend school until they get elementary education or are 18 years old. After finishing their elementary education, most young people continue their education at general secondary school, while about a third attends a vocational school.

General secondary education including elementary education lasts 12 years (i.e. 9 years of elementary education + 3 years of secondary education) (see chart 1 “The Education System in Latvia” in appendix).

About 70% of secondary schools graduates continue studies in higher education institutions and colleges (according to the data of Central statistic Bureau of Latvia, 70% in 2004, 74% in 2005, 73% in 2006). All higher education institutions from 2004 have to enrol students on the basis of the results of centralized examinations passed at the end of secondary education. However, the higher education institutions may still organise one or several additional entrance examinations, aptitude tests, or a competition with an emphasis on subjects relevant to the chosen programme.

In school year 2006/2007, there were 983 elementary and general secondary schools in Latvia, 96% of these were public schools (where pupils are not required to pay tuition fee), but 4% were private or religious schools (where pupils can be asked to pay tuition fee).

More than a half of schools are in rural areas (57%), however only about 1/4 of all schoolchildren (27%) live in rural areas. It should be added that administrative territorial reform in Latvia is in progress. The purpose of this reform is to form larger local administrative units, which will entail closing down or merging of small rural schools.

Table 2. Number of elementary and general secondary schools and pupils

School year 2006/2007	Urban Districts	Rural districts	Overall
Number of schools	419	564	983
Number of students	193474	72637	266111

Source: Ministry of Education and Science http://izm.izm.gov.lv/upload_file/Izglitiba/Vispareja_izglitiba/adreses_vs_06-3.xls

The legal basis for the educational system in Latvia is the Law on Education (adopted in the 1998), Law on General Education, Law on Professional Education, and Law on Higher Education Establishments.

The Ministry of Education and Science is the central executive institution for education in Latvia. Municipal administration of education is organized through the Educational Boards of Municipalities, which are established and financed by regions or by metropolitan cities. The boards assist schools by providing teaching and methodological materials, ensure possibilities for teachers to improve qualification, implement the regional educational policy and allocate funds from the state budget to schools for salaries of pedagogical staff.

Local governments (municipalities) establish, reorganize and close pre-school institutions, elementary, secondary and vocational schools (in co-ordination with MoES), provide children who have reached compulsory school age and reside in its administrative territory with places in pre-primary, elementary and secondary schools, employ and dismiss principals of institutions under their supervision (in co-ordination with MoES), establish the procedure for financing education institutions under their supervision from the budget of municipalities, distribute and allocate the financial means from the budget of the municipality to education institutions and control the rationality of expenditure, maintain the facilities of the schools under their supervision, guarantee the transfer of funds allocated from the state budget for teachers' salaries, the transfer of target grants and the state subsidies into the accounts of schools, provide financing for non-teaching staff of the schools, provide transportation to and from school if it is not possible to use public transportation.

A school is independent in developing and implementing educational programs, staff hiring and school management. In particular, the principal (who is employed by the founder) of an educational institution hires the teaching and non-teaching staff, manages the financial resources, ensures the implementation of the regulatory enactments concerning education. The principal may hire deputy principals, who ensure organization of educating process.

The board of the school, which may consist of the principal, the representative of founder of the institution, representatives of pedagogues, municipality, parents and pupils, also fulfils some administrative duties. Representatives of parents have to be in majority in this board. Head of the board is elected from the representatives of parents. The board of the school has a consultative function in the drafting of the school development plan; it works with organizing school social life activities; manages accounting of received donations, decides on the use of these funds.

3.4. Financial situation

When analysing public financial resources allocated for education as share of the GDP, we can conclude that this indicator in period of 1998-2003 is similar to the EU average (5.2%-5.5%), but we have to note that the GDP in Latvia is one of the lowest in the EU.

Table 3. Expenditure on education

	1997	1998	1999	2000	2001	2002	2003
Total expenditure on education (% of GDP)	4.9	5.5	5.4	5.4	5.2	5.4	5.5

Source: The Statistical Yearbook of the Economic Commission for Europe 2005,

[http://www.unece.org/stats/trends2005/Sources/122_Total%20expenditure%20on%20education%20\(%25%20GDP\).xls](http://www.unece.org/stats/trends2005/Sources/122_Total%20expenditure%20on%20education%20(%25%20GDP).xls)

The primary and secondary education in Latvia is free. The Law on Education states that expenses related to getting elementary education and secondary education at educational institutions founded by the state or municipality are paid from the state or municipal budget. At primary and secondary schools, founded by municipalities, the state pays teachers' wages, while the local authority finances the maintenance of the school itself and covers other expenses connected with teaching. At primary and secondary schools, founded by state, it finances both teaching and maintenance of the school.

Usually, problems in schools are explained by the lack of funding but there is also criticism of how the allocated resources are managed. Recently, the State Audit Office carried out audit on "Implementation of General Education System in Compliance with the Set Objectives". In the audit report, the State Audit Office concludes that the Ministry of Education and Science "has not developed and established unified principles, necessary for planning of funding for general education, implementation process supervision and control in the field of general education,

thereby not providing equality with regard to funding of educational institutions and equality with regard to getting quality education”. Furthermore, the report states the MoES “in cooperation with local governments, has not established unified principles by which local governments provide funding for educational institutions and control rational utilization of funds (...). According to information provided by the local governments and schools education programmes implementation costs per one pupil at the visited local governments fall into the following range: from LVL 36 to LVL 1477 in 2004; from LVL 42 to LVL 1765 in 2005; from LVL 69 to LVL 2127 in 2006. (...) The MoES does not aggregate information on local government education programmes implementation cost per one pupil at the general education institutions”¹.

The Law on Education also states that schools can receive additional financial resources in the form of donations, through providing of services for charge (defined in school’s statutes) and from “other incomes” (not further specified). Referring to this paragraph, schools organize collection of parental contributions. Some schools have “schools support funds” which is non-governmental organization to which parents and others can donate money to support schools.

4. Research findings

4.1. Character and extent of supplemental payments for public schooling

In 2006 and 2007, the public opinion centre SKDS carried out study about parents’ supplemental payments made for public schools in Latvia. The respondents met certain difficulties when characterising informal and/or supplemental payments: significant uncertainties about definition of supplemental payments were observed both in quantitative and qualitative studies. Different parents reported different expenses related to education process, when answering questions about supplemental payments. Some of the expenses were closely connected to teaching and learning process, others, such as clothing and extracurricular activities, rather indirectly. It is possible that differences in interpretation of term “supplemental payments” have influenced the survey results: according to the survey data 7.3% of all education-related expenses were spent on supplemental contributions (min - 0%, max - 80%).

The parents were not certain about the legality or illegality of payments for different purposes and based their opinion on their experience and the traditions existing in their schools.

The figures of parental payments indicated by teachers, principals, and parents differ significantly. One of explanations could be difference in perception of term “supplemental payments”. It is possible that parents understood it more widely than teachers and principals, who might have mentioned only payments for class funds and school funds or might have tried to lessen the extent of payments, as they were not sure about their legality.

The principals more often than teachers insisted that there were no supplemental contributions, and both principals and teachers mentioned these contributions less frequently than parents.

All three groups mentioned lesser amount of money if a school was based in rural area. Likewise, the results of qualitative studies show that the situation is different in the rural and urban areas. The teachers have mentioned that it is not possible to ask for higher contributions in the rural areas because of incomes of rural inhabitants is often much lower than in Riga.

¹ State Audit Office of Republic of Latvia Audit report “Implementation of General Education System in Compliance with the Set Objectives” Riga, 2007

It's impossible to estimate what is the share of parent's payments to schools budgets: on the one hand, as the State Audit Office concludes, *"state funding for general education has been included in various MoES budget programs in full amount and partly, wherewith it is not possible to gain unified information on the funding"* and the MoES *"does not aggregate information on local government education programs implementation cost per one pupil at the general education institutions"*; on the other hand, there are no data about total sums of money paid by parents, as part of this money is collected and spent without being documented.

In quantitative study, 25% of principals, 19% of teachers, and 38% of parents agreed that supplemental contributions made by parents represent an important source of revenue for their school. In qualitative study, teachers stressed importance of having some money in cash (to buy small goods, presents for pupils, awards if there are competitions or events, etc) and admitted that enforcing strict rules would cause more problems than benefits.

According to both quantitative and qualitative survey data, supplemental contributions are made both **in cash and in kind**.

However, there are several types of contributions and some of them are not collected by teachers and administrators, like agricultural produce for school lunches (some parents in rural areas mentioned this kind of contributions that helps reduce money spent for this position), help for repairing works at schools, contributions in the form of furniture, classroom equipment, such items as toilet paper and soaps, paper for photocopying and other materials.

In my school, there is no toilet paper in the toilets. If we do not pay, there will be nothing in the toilet, no soap, nothing. One day an inspection came to school, and my daughter told me that that day there was toilet paper and hand towels. When the inspection left, the towels and paper disappeared. In each classroom, there is a roll of toilet paper, if you need to go to the loo, you can take it and go.

Other in kind contributions, such as presents for teachers and principals, are given as well, and significant presents (something more important than flowers and books) are commonly given at the graduation (after the 9th or 12th grade) or on other significant occasions.

I tried to discuss with my children what is needed for their school, but they told me that presents were not widespread. I have never heard about presents to the teachers, only flowers. At the graduation, there was a joint present to the school, but no presents to each teacher separately.

We gave a present to the teacher, after the graduation, a small gold bracelet. How much did it cost? Not much.

In my school, presents are widespread now. Previously, when my daughter who is 21 now was studying, it was not common; I did not buy any presents. But now, in the same school, we have to buy presents.

A low percentage of teachers answered that some part of parental contributions received by most teachers are gifts or in kind donations. Nevertheless, the majority of teachers insisted that they did not receive parental contributions in money. Asked to explain such results, they said that many teachers do not collect parental contributions at all, as it is a function of parental committee, representative of parents, or pupils, in some cases.

In our school, the class teacher collects money. I do not envy her. There are those who do not pay, who live at the expenses of other children, or perhaps the class teacher puts in her own money.

[In our school] one of the parents collects money. The teachers are not allowed to ask or to remind about it.

In my class, pupils collect themselves; we have money-collectors who are responsible. If soap is needed, they coordinate with the teacher. The parents are not involved.

However, according to the survey data, in some cases teachers collect money for the expenses related to pupils' education. It has to be pointed out that teachers are greatly dissatisfied with this situation.

"Collecting money is not easy. I had an unpleasant incident a couple of years ago. At the beginning of the school year, we tend to remind how much to pay at the parents evening. In the second term, I decided to remind the children, those who had not paid, to bring money. After a week, I saw a note in one pupil's grade book: Dear teacher, are you not ashamed to ask for money from a child? It is a voluntary donation. My daughter almost does not want to go to school because of this."

The respondents were asked what **kinds of payments** are made in their schools. According to the survey data 55% of parents, 41% of teachers and 38% of principals admitted presence of so-called **"payments for the class"**. The amount and frequency of those payments differ from school to school; usually these are small amounts of money, collected monthly or yearly from all parents, undocumented. The money is used for everyday needs, like paper for photocopying, celebrations of pupils' birthdays, class events, for toilet paper. In the focus group discussions, parents from different schools mentioned different class funds:

"We collect once a month, not much, two lats", "we pay a lat a month, it is compulsory to everyone", "at the parents meeting once a three months, we collect two three lats, depending on what you can afford", "about five lats once half a year", "two lats a school year".

They also mention different purposes the money is spent:

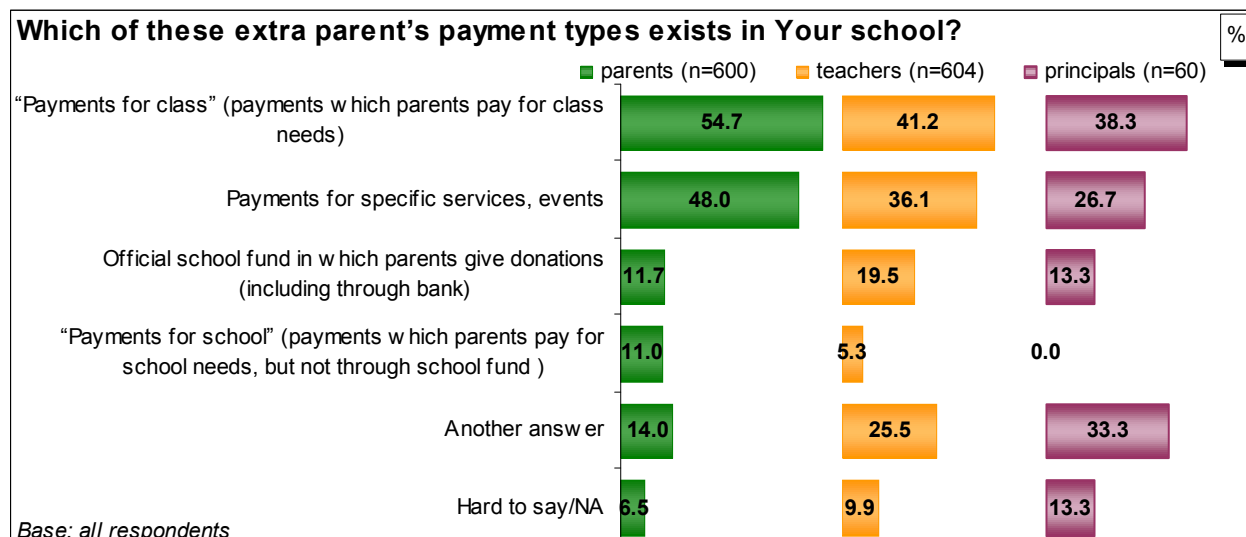
"On paper, tea, water", "on paper, photocopying, events, sometimes birthday parties, something they buy now and then", "drinking water or presents, sometimes flowers for the teacher", "what is needed for everyone, soap, paper".

12% of parents, 20% of teachers, and 13% of principals indicated existence of **school funds** (the official school fund where parents can donate money for school needs), which is actually the only legal way to collect parents' donations.

Interestingly, the principals did not admit the existence of **"payments for school"** (not via school fund), while 11% of parents and 5% of teachers mentioned such form of payment. "Payments for school" are made similarly as "payments for the class", they also are undocumented, and amount of money and frequency of payment differ from school to school. This payment was mentioned in the focus group discussions: "I pay payment for school 5 lats a month", "Payment for school for me is two lats once a year, it has been established and we have accepted this." According to the qualitative research data, this money is used for purposes that needs larger amounts of money and benefits all pupils in a school.

Almost half of parents (48%), 36% of teachers and 27% of principals said that parents in their schools also pay for specific services and events.

Graph 1. Types of parental payments



There is no unified system at schools how teachers should account to parents about the collected money (e.g. at parents meetings). Parents are given detailed information about spending of class and/or school funds, although not always: 10% and 13% said that teachers and principals “never” do it and 34% answered that they are “never” given receipts. Still, the majority of parents (~84%) answered that they trust principals and teachers that the money is well spent. However, there is a tendency that trustful relationships exist in cases when small amounts of money are paid.

In the focus group discussions, parents mentioned the cases when teachers do not provide the information on how the money is spent, and that the parents do not insist on receiving the information (“the money is not large to bother about it”), but also the cases when detailed accounts are given (“the teacher gives a detailed account”, “the teacher has a receipt for each item spent, everything is in order”, “the principal reports at the parents meeting when and how the money has been spent, one year on the gym, this year a playground. He shows everything on September the 1st”). The teachers stress that detailed reporting helps to prevent arguments with parents and to avoid suspicions of money ill spent. They support the idea of guidelines of how the reporting should be done, as currently each school does it differently. Yet, they believe that enforcing the strict rules when dealing with small money paid to the class funds would be unnecessary and would create additional work for the teachers.

Characterizing **purposes** of payments (see Appendix 2), the respondents most often mentioned the school lunch. More than 1/4 of respondents in all three groups (parents, teachers, and principals) also indicated that parental contributions are expected for school repair works, textbooks, and school events.

In other categories indicated, more than half of all groups surveyed answered that parental contributions are not expected. Most often the answer “never” was given to the question how often the parents are expected to pay to secure better grades.

4.2. Opinion about desirable financial involvement of parents

In general, it has been observed that both parents and school representatives are aware of flaws in the current system of free education, yet all involved recognise that there are costs that have to be paid from the state or municipal budget and costs that parents should contribute to.

During the study, the parents, teachers, and principals were asked to decide which of the mentioned items (textbooks, school repair works, school transportation, etc.) should be paid only by parents, which both by parents and the state or local governments, and which only by the state or local governments. The results of the study show that the answers of parents, teachers, and principals are rather similar (see Appendix 3).

The majority of parents, teachers, and principals consider that **only parents** should pay for pupils' clothes and shoes, private tutoring, and stationary (although the principals more often than the other groups replied that for stationary should pay only the state or local governments or both).

The majority of parents, teachers, and principals consider that for means necessary for educational process (computers, furniture, etc.), school repairs, school security, school heating, maintenance, and textbooks must pay **only the state or local governments**.

It should be mentioned that one of the most acute problems regarding parental contributions are related to textbooks. Financial resources, guaranteed by the state and municipality for purchasing textbooks, are insufficient. There are municipalities that can afford to allocate some extra money for this purpose, but most cannot. Textbooks are expensive: for many parents, purchasing of textbooks is the largest part of school-related expenses. It is a common opinion that textbooks should be available at school's library free of charge, as it was in the Soviet times, when current parents were pupils. Parents were dissatisfied with teachers changing textbooks every year and that many schools do not have any guidelines on the length of use of textbooks. Parents indicated that if they have more than one child, the younger could not use the books of the older if the teacher changed or if the same teacher decided to use a different book.

As municipalities have different possibilities to support schools, and different schools have different policies about textbooks, situation in schools differs a lot – in some schools almost all textbooks should be purchased by parents, in some schools a part of books is available in the library but a part should be purchased by parents, in some other schools pupils for relatively small amount of money can borrow textbooks from the library. The differences between schools cause feeling of unfairness among parents.

Similar problems are related to the extracurricular activities, such as after school clubs, which parents tend to connect to the school. Supply and parents' financial contribution differ from municipality to municipality.

Opinions on such expenses as school lunch, additional group lessons, school transportation, extracurricular activities, and school events differ in all groups of respondents: comparatively large groups of parents, teachers, and principals noted that either **“only the state or local government”** or **“both parents and state or local governments”** should pay for these.

4.3. Pressure on parents, teachers, and principals

It was established that several pressure groups to make additional payments exist: other parents (parents' committees), teachers, principals, other authorities etc. According to the survey data, the majority in all groups denies the existence of pressure from the teachers on the parents and pressure from principals or other school officials on the teachers. Still, some signs of indirect pressure were indicated.

Asked for their motivation and expectations when they make additional payments of various kinds, the **parents** both in qualitative and quantitative research answered that those payments are

made for the sake of their own children (for better quality of their children education) and that there is no other possibility to ensure the quality of education.

Officially, additional payments are declared to be fully voluntary. Still, only 23% of parents answered, that parents “always” pay voluntarily. In the focus group discussions, parents revealed the difference between paying to the school and to the class funds. Sometimes, the payment is expected (*“if you do not pay, you will be asked at the end of year anyway”, “if you do not pay, the teacher immediately phones you and says you owe money and you have to pay one lat a month”*), sometimes not (*“in my school, nobody forces you to pay”, “in my school, if you let say forget and not pay, nobody asks you for that money”*).

Some parents admit that they do not see a choice to pay or not to pay. It is commonly acknowledged that schools have insufficient funding. The parents accept that they have to make contributions, as funding provided by the state or municipality is insufficient.

“If you want that your school looks nice, that it has flowers and curtains, which all cost money, then you have to contribute if you wish. If you do not wish, do not contribute. But you also see that the school improves, new classrooms, new plates in the canteen. If you want that you child uses nice plates and proper fork and knife, and not those we used in our days, all this costs money.”

However, some parents believe the existing order benefits those who fund schools: *“In reality, we support the municipality. The money that it does not give to school, as it relies on parental contributions, it will give it to something else. The parents begin with one lat, then more and more. And they continue paying.” “If the school were not repaired for twenty years, they would be forced to pay for the repairs. But now, I think they speculate on this.”*

At the same time, parents have indicated that they are not informed about school’s financial situation, including managing of public funds. If there are some urgent maintenance needs, parents tend to accept to make supplemental contributions rather than require the principal to find other ways of funding. In the discussion group, parents said: *“if the school building needs repairing, then we contribute all together, because the municipality is very poor, but children do need a school”, “when we start school, they show us the classroom, it looks awful and needs repairing.”*

Although indirect pressure was observed, parents generally believe that there will not be any sanctions regarding the quality of education against pupils whose parents do not pay: 87% of parents answered that they trust their children will receive a good education whether they make supplemental contributions or not.

When analysing whether the **principals** are under pressure to collect parental contributions, it should be noted that only 5% of principals agree that school officials encourage the principals to collect parental contributions to pay for school expenses. More often, the principals feel indirect pressure – on the one hand, they have to ensure educational process at school, meet all the requirements set for their school, on the other hand, the state and municipal funding is insufficient. 28% of principals agree that it is necessary for schools to collect supplemental contributions from parents to meet budgetary requirements.

Teachers also feel some pressure to collect parental contributions: 9% of **teachers** agreed that teachers are encouraged by school officials to ask parents for money. 4% of teachers and 11% of parents agree that *“the principals often put pressure on teachers to get parents to make supplemental contributions to the school”*. 5% of principals agreed that *“the principals often*

encourage teachers to ask parents to give money for school-related activities". In the qualitative survey, some parents have indicated that the principals are connected even to the collection of class money: "In our school too, the system is somewhat strange. You pay one lat a month on voluntary basis, but if you do not pay, the teacher phones you and says you owe some money, you have to pay that one lat. Afterwards, we understood what happens to the money, the principal collects it. I went to a parents' meeting, and the teacher said she was ashamed, because at a school meeting the principal said that her class owes that amount of money. Then we understood where the money goes, that the principal knows about it, that not only the class but teachers buy something for that money, but the headteachers knows all about it."

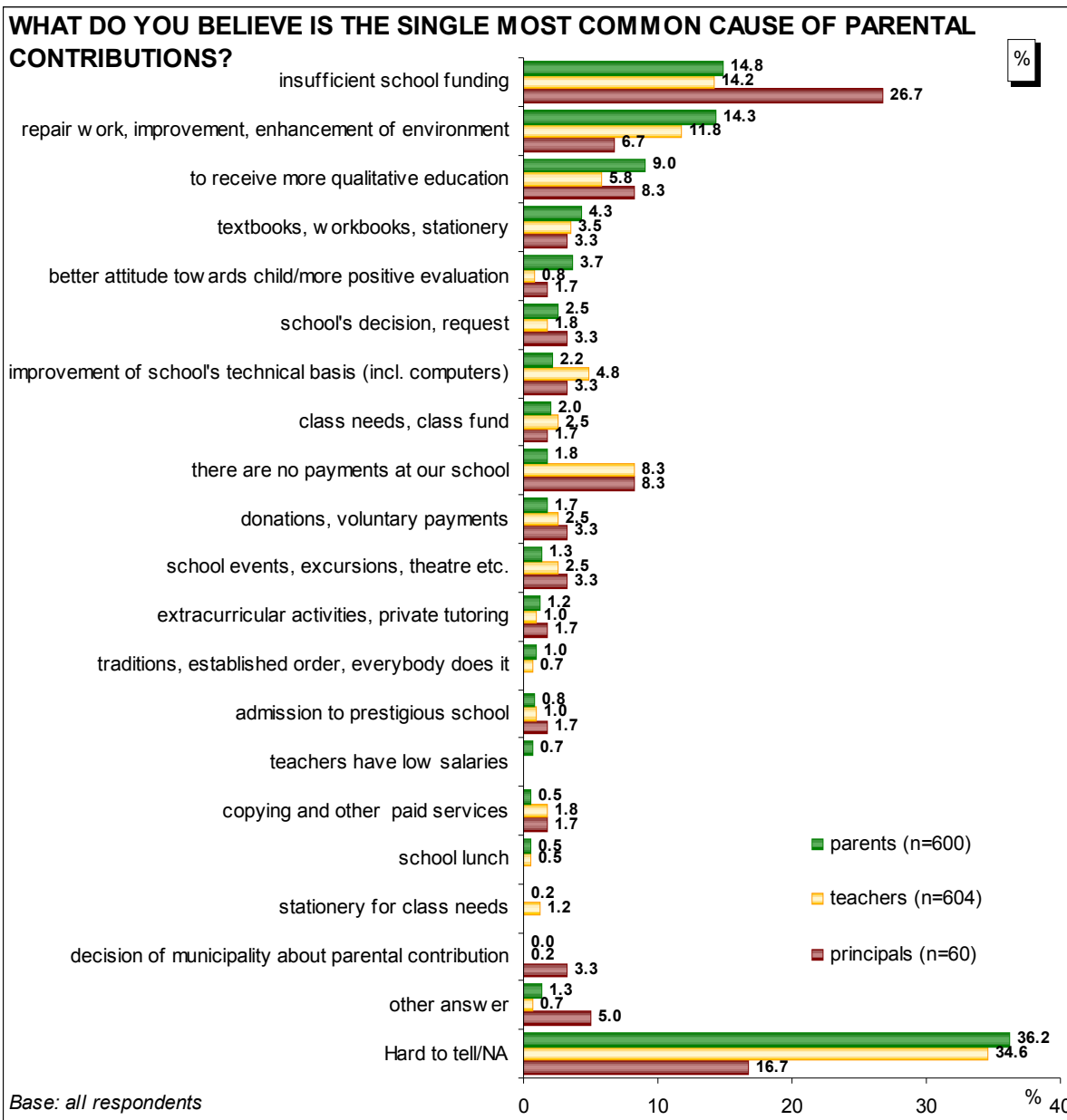
Teachers feel indirect pressure to collect parental contributions too, as each teacher is considered responsible for his or her classroom, sometimes without receiving sufficient funding for decorating and even repairing, and for materials necessary for the lessons. The teachers have indicated that "each autumn, there is an inspection at school. We have to show that the classroom is repaired, and all the new things in it. Everyone says you should not collect that money. But each autumn, they come and ask: do you have new things, have you made any repairs? How can we show all this? For English lessons, we have to buy lots of materials, they are not available, and we have to photocopy them. They say we should use modern methods. You have a photocopier they say. Yes, but they do not give money to buy paper!"

4.4. Causes of informal payments

Parents, teachers and principals were asked to name single most common cause of parental contributions. The three most often named causes in all three groups (parents, teachers and principals) were insufficient school funding; repair works, improvement and enhancement of school environment; and parents' wish to get better education for their children.

When asked directly whether parental contributions are made for supplies and improvements, 9% of parents and none of the principals replied that schools "always" expect parents to make supplemental contributions for supplies and improvements, 22% of parents and 12% of principals admitted that schools "often" expect such contributions, and 35% of parents and 35% of principals replied that schools "sometimes" expect such contributions.

Graph 2. Opinion about the cause of parental contributions



The study shows that in Latvia parental supplemental contributions are mainly made for school maintenance, and are **not related to teachers' salaries** or **private tutoring**. More than 90% of teachers and the principals as well as 77% of parents answered that teachers “never” expect or ask parents to make supplemental contributions to increase their own salaries. Likewise, private tutoring was not perceived as significant cause of supplemental payments. In-depth interviews with teachers show that teachers even avoid giving private lessons to their own students (it might be done by other teachers or colleagues).

Some parents in the focus groups discussions pointed to corruptive practices: “How can I trust the school if I see that in the 9th year, for example, when the pupils have exams, everyone knows that someone has very poor grades and yet would pass and would continue studying. But afterwards you see, let us say, a new parquet floor in the school hall.” “We have heard many times that in this or that town there are many prestigious schools where it is impossible to get in. In our town, there is one prestigious school, grammar school nr.1. There are donations, and it is quite difficult to get in, and you hear about those children.”

4.5. Impact of informal payments on the quality of education

According to the survey data, approximately 30% of respondents in all groups agree that parental contributions hinder or compromise the educational process. We have to add that teachers most often marked that they “strongly disagree” with this opinion. When comparing the answers of parents we conclude that attitude towards statement “parental contributions hinder/compromise the educational process” is influenced by the household income – parents with lower income “strongly agree” with such statement more often.

There is no available data to confirm that students whose parents do not make informal payments are at disadvantage while studying. However, it is assumed that situation when some students cannot make informal payments could worsen class climate and create psychological tensions for the students concerned. This trend is particularly frequent in junior school and it strongly present if the money is collected by the pupils themselves. But even in the cases when the money is collected not by the pupils, when it is announced to the class or individually that some pupils have not paid, the pupils concerned are upset: “Small children talk about it among themselves, they are terribly upset. They are also asked about it at home. And then they ask each other: have you paid yet? Have you not forgotten? In fact, they control each other. But big children do not care much about it.”

Generally, respondents within all groups disagree that teachers spend significantly more time educating those students whose parents have made informal payments. When comparing answers of parents, teachers and the principals, we conclude that such opinion was expressed by more than 4/5 of respondents (yet, parents indicated the answer “strongly disagree” considerably more seldom (43%) than other groups (78%).

The majority of parents, teachers and the principals insist that it is possible for students whose parents do not make informal payments still receive an adequate education. Most of the parents (87%) consider that their children will receive a good education whether they make additional contributions or not.

Still, a possibility that some pupils cannot afford to attend “the best” or prestigious schools due to informal payments has to be taken into account: 43% of parents, 28% of teachers, and 22% of the principals agreed that because of the additional payments some children do not have an opportunity to attend better schools and to get better education.

5. Conclusions and key recommendations

The following measures can be recommended:

- Raise public awareness about the phenomenon of informal parental payments. This issue should be given more attention – by authorities, media, parents, schools, and general public.
- Clearly define financial responsibility of the state and municipality and of parents.
- Regulate parental payments to reduce unequal access to education and to diminish corruption.
- Ensure adequate funding for education.

The stakeholders should discuss and clearly define what is included in the standard curriculum and what the state and municipality financial responsibility is when providing for the level and the quality of education defined in the legislation.

We recommend that all the expenses necessary to get elementary education (or other level of education that is obligatory or recommended by the state) should be covered by the state or municipality. This includes:

- Training, administrative expenses, library resources, printing and copying of materials necessary for education process;
- Utilities necessary for elementary education process (incl. libraries, computers, furniture);
- Salaries (except for extra courses beyond regular school programme).

The issue of textbooks and other teaching materials necessary to teach standard curriculum and to receive a degree should be discussed. In many countries, the textbooks are expected to be bought by the parents and they remain property of the child; on the other hand, the stakeholders support the idea of the textbooks provided by the state or municipality, as they are essential in education process.

Parents can be asked to pay for:

- Things that remain property of children (families) – i.e. stationary, clothing.
- Events that are optional and are not essential for successful studies and receiving a degree.
- Donations, under following conditions:
 - All the donations must be on the voluntary basis (as a good practice it is recommended to inform parents about the purpose of a donation, to ask for them not oftener than once a year, and to avoid sending reminders).
 - Information about the purposes of donations and expenditures should be provided for general public.
 - Students are not allowed to participate in the process of collecting the donations.
 - Not donating cannot influence opportunity of student to get education.
 - Process of donation should be confidential.

To provide access to education, the state or municipality should provide resources that will enable socially vulnerable families to pay requested payments. It is recommended that schools find resources to cover some extracurricular activities to avoid discrimination in school on social basis.

It is necessary to legalize and set guidelines for money collected for events that are optional and are not essential for successful studies and getting the degree, such as school events and trips. Although in this case, the requirements can be less strict than in the case of donation, the parents still associate these expenses with the school. Thus, it is recommended to have guidelines at each school and to define how the problems if they arise while collecting and spending the money should be solved.

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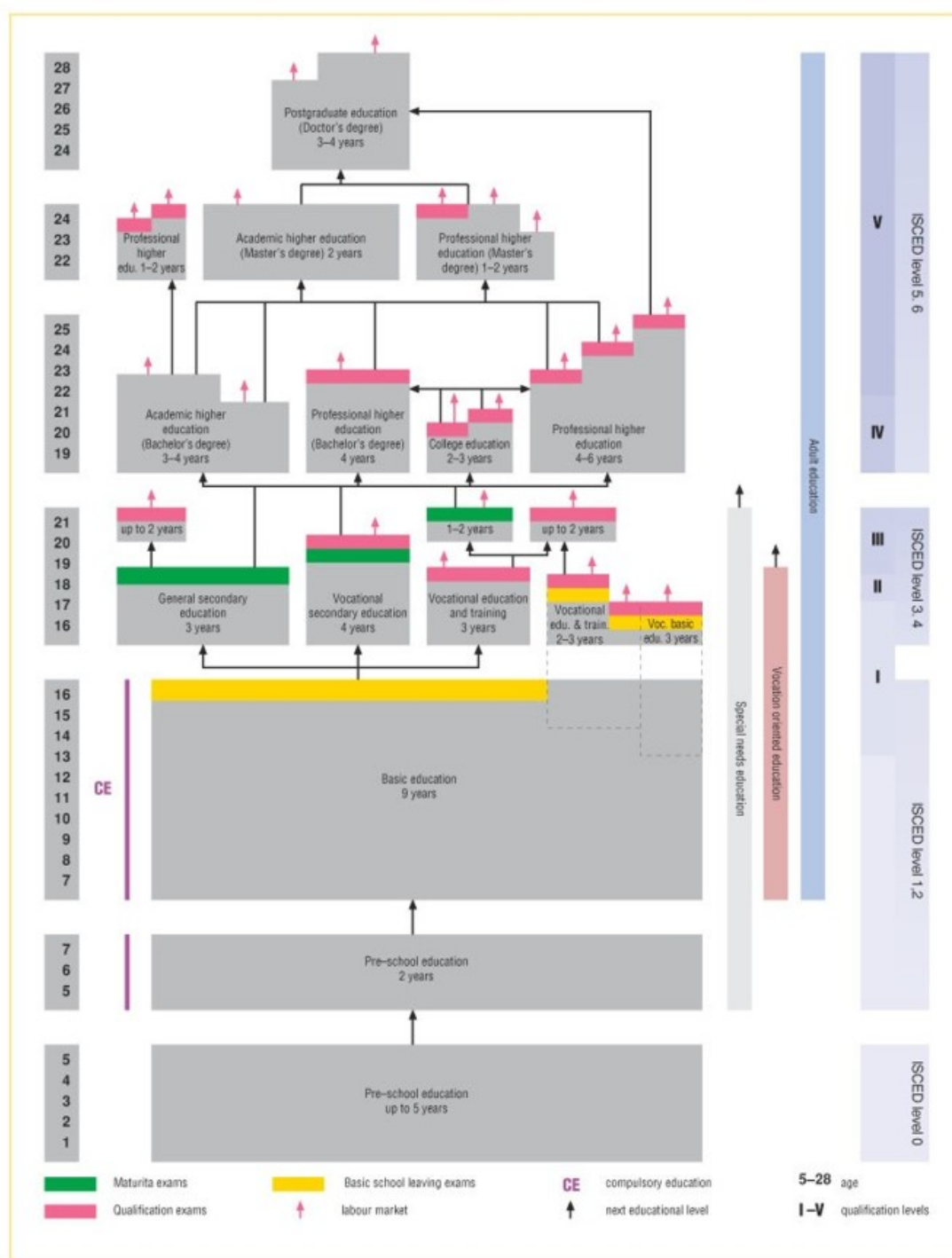
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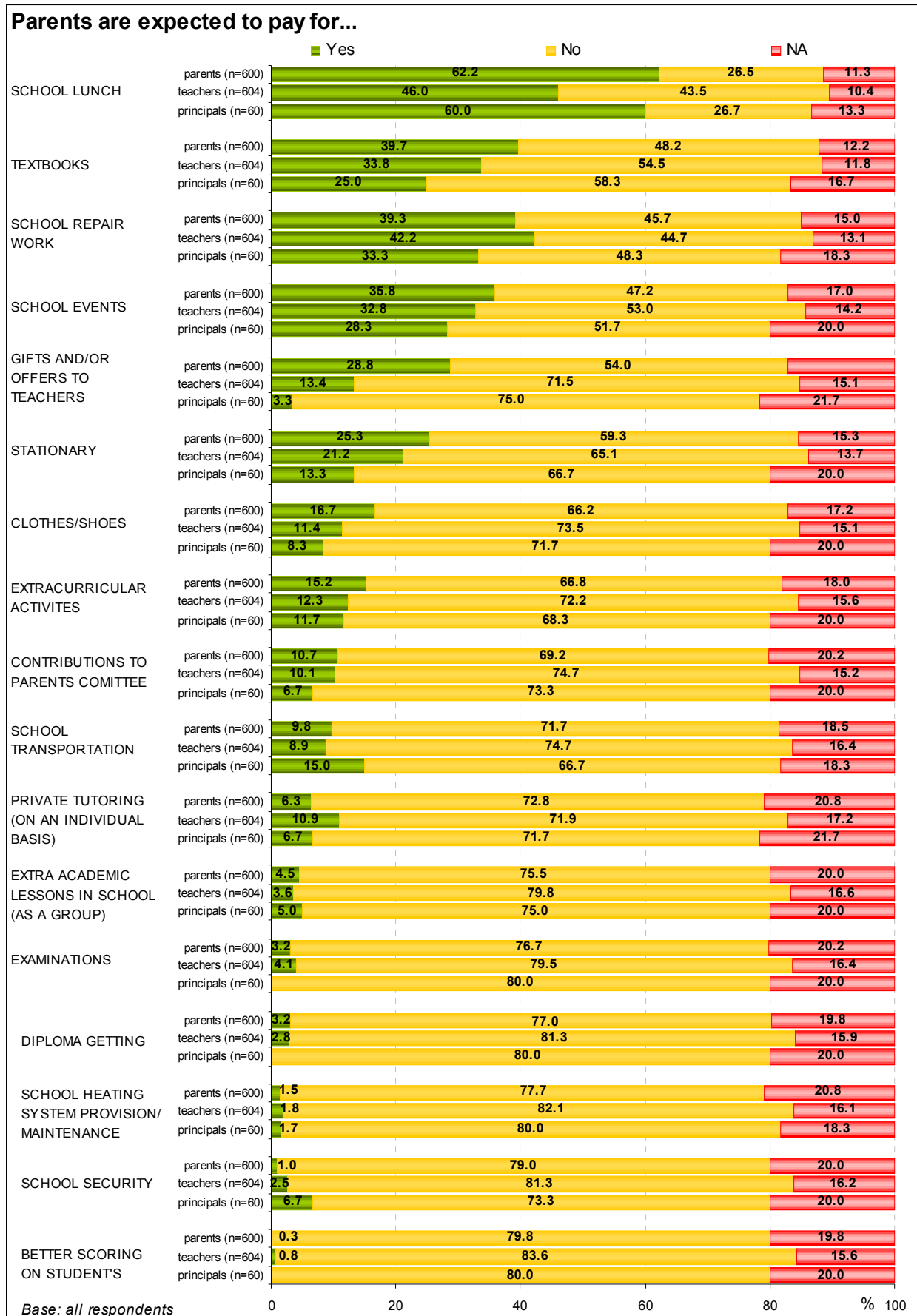
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Appendix 1. The Education System in Latvia

The Education System in Latvia



Appendix 2



Appendix 3

There are expressed some opinions about the amount of the parents financial involvement in the educational system. Please evaluate for which positions must pay parents and for which – local government and state so that education system could be lasting, sustainable.

