

## Kazakhstan: Parental informal payments for education

Saule Kalikova

Zhanar Rakhimzhanova,

Center for Educational Development BILIM-Central Asia, Almaty, Kazakhstan<sup>1</sup>

### Abstract

Along with substantial economic growth in Kazakhstan, public spending for education has been on the increase. Meantime widespread practice of parental contributions to schools remains in place, having developed in 1990s under severe under-financing of schools. Currently the parental share in the total school budget varies from 10 to 20 percent, depending on the source of information. According to the survey approximately half of parents are offered to contribute to school services once per year while about a quarter faces this situation monthly.

In quantitative terms, not many parents, teachers and school principals agree with claims that students whose parents cannot make contributions find themselves disadvantaged. However, evidence of some cases of discriminatory attitudes due to inability to pay exists. Moreover the lack of transparency and accountability in the use of parental funds spurs community displeasure and complaints.

There is no unified understanding of what exactly the constitutionally guaranteed free education standard should include. The law stipulates the function of any educational institution to attract additional financial assets. However, in the absence of efficient and transparent mechanisms for the attraction of additional funds from parents, the door is open for the discretionary application of the law, creating the risk of unlawful exaction from parents or obscure use of collected funds.

It is necessary to announce the educational package, which the state provides to its citizens free of charge. Mechanisms of parental participation in school administration should be developed, particularly in the management of property and financial assets. This would require the definition of the legal status, jurisdiction, and operational procedure for the bodies of joint management such as boards of trustees and parents' committees. Schools should have sufficient autonomy as far as planning, allocating and spending the budgetary funds are concerned. Official recognition is needed to develop the culture of school transparency and accountability.

### 1. Introduction

Recently Kazakhstan has been showing a substantial economic growth entailing increase in state budget revenues and thus increase in funding of social programs, including education. In 2006 expenditures for education were 1.5 times higher than in 2004. Compared with the 1993 crisis year they increased 10 times: in 1993 \$249 million were invested in education while in 2006 this figure was more than two billion dollars.<sup>2</sup>

Except for the public expenditures for education, some other sources of school funding stipulated by legislation and regulated by a number of normative documents exist. They

---

<sup>1</sup> The survey was carried out by GfK Kazakhstan on request of the "Bilim-Central Asia" Center for Education Policy Analysis.

<sup>2</sup> National Report on Education State and Development, 2007. National Center of Education Quality Assessment. Astana, 2007. p. 11

include sponsorship and donations where the contributions made by parents play not the last part. Attitude of the community to a parental payment practice is ambiguous - on the one hand, most parents are ready to support schools: some consider these payments insignificant and of no importance for the family budget, others are ready to invest much more money considering it as investment into their child's future, yet others do it paying no attention and not worrying, where and how the money are spent. Currently mass media brings up a problem on additional parental payments for education as being an illegal practice, calling this phenomenon „school extortion“.

Series of researches touching upon aspects of education financing in Kazakhstan basically at the macro or public expenditure level were performed. Just citation of their report titles comments itself: “Efficiency of public expenditures for education development”, “Efficiency of state purchases”, “Kazakhstan. Systems of services management and rendering”, “Review of public expenditures and investments (in education and public health services)”, etc.

Contribution to education services made by sponsors, international organizations or parents remains to be beyond the researchers concern. Today it is almost impossible to measure and evaluate contributions to education received from other than public sources because official statistics do not register such data, information about education funding, in particular, school budgets remains inaccessible for the community. The lack of school budget transparency results from the absence of culture of accountability before the community, consumers of education services. The above conclusions were made based on the results of the “School Budget Transparency” survey initiated by the Center for Education Policy Analysis in 2005, and also they were proved by results of other studies.

## **2. Policy Approach**

Issues of education financing are rather non-transparent for the community, information about it is hardly accessible, poor and frequently inconsistent. As far as the parental contributions to their child's education, to school budgets, the “informal parental payments for education” as we call them in our survey, is a poorly investigated problem. One way or another, the previously-mentioned surveys touched upon some aspects of education financing, while no special surveys on parental partnership in financing of the Kazakhstan schools were carried out.

Informal parental payments for education are a wide-range subject covering social, economic, administrative, political, legal, ethical aspects. With no intent of providing detailed analysis, the given survey covers almost all the listed aspects because citizens of Kazakhstan have the right to free education guaranteed by Constitution, and the right of equal access to it is declared as a key principle of a state education policy. Today “free” education is an issue under active discussion. Some questions now arise of whether free education should be provided to all at all education levels or should it be only compulsory education? Whether free meals, textbooks, travel to school, out-of-class activity should be provided within the compulsory education? Should financial support be provided to some students or their families?<sup>3</sup>»

Each state should decide what educational package and in what volume it could provide to its citizens for free. It's a quite normal practice all over the world, including highly developed countries, to attract extra budgetary funds to finance education, including parental contributions. In this case the state guarantees should be clear and explicit, school should be

---

<sup>3</sup> Education: more for one, less for another? Regional survey the field of education in Central and East Europe and CIS. UNICEF, 2007. p. 137

transparent and accountable to the community in order that parental money were spent for the improvement of education quality and provision of equal access to it.

### 3. Context

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

##### Socio-economic Data (The World Bank, CIA)

**Currency:** tenge, KZT per USD – 122.55 (2007)

**GDP (USD billions):** 1996 – 21.0, 2005 – 57.1, 2006 – 81.0

**GDP annual growth:** 2005 – 9.7 2006 – 10.7

**GNI per capita (USD):** 1995 – 1280, 2000 – 1270, 2006 – 3870

**Population below poverty line:** 13.8% (2007)

**Unemployment, total (% of total labor force):** 2006 – 7.8

**Public education spending (% of GDP):** 1995 – 4.5, 2000 – 3.3, 2006 – 2.3<sup>4</sup>

**Expenditure per student, primary (% of GDP per capita):** 2005 – 9.8

**Ratio of pupils to teacher (primary level):** 2006 – 16.8

**Ratio of pupils to teacher (secondary level):** 2006 – 10.9

Sources: The World Bank, <http://go.worldbank.org/LJW2UB0SI0>;  
CIA The World Factbook (on currency and poverty line), <https://www.cia.gov/library/publications/the-world-factbook/index.html>

#### 3.1. Social and Economic Framework

The Republic of Kazakhstan is a multinational state having extensive territory, its population makes up more than 15 million, and population density is 5.6 persons per 1 km<sup>2</sup>. The state is rich in natural resources, demonstrating high economic development (9-10 %). The share of poor population in 2006 as compared to 2005 reduced from 31.6 % to 18.2 % (in terms of living minimum wage). Under reduction of the poor population share both in urban (from 20.2 % to 13.6 %) and rural areas (from 45.6 % to 24.4 %), still high poverty level is registered in rural areas.<sup>5</sup> Despite such optimistic social and economic indices, Gini coefficient has increased from 0.304 to 0.312, which reflects a deepened gap between the lower-income and higher-income subpopulations.

As a whole, about 8000 schools (75% are rural schools) have been functioning in Kazakhstan. Total school enrollment rate is about 3 million students (53% in urban and 47% in rural areas). That is, despite the fact that the rural schools predominate, the urban school enrollment rate is

<sup>4</sup> According to the data of the National Agency on Statistics this figure was 3.1 in 2006.

<sup>5</sup> Standard of living of the population of the Republic of Kazakhstan in 2006. Analytical note. [http://www.stat.kz/RU/publishing/Pages/Analiticheskie\\_materiali.aspx](http://www.stat.kz/RU/publishing/Pages/Analiticheskie_materiali.aspx)

higher. 56% of rural schools are small schools. Private sector is represented by less than 2% of schools; the school enrollment rate there is less than one percent of total enrollment rate.

Languages of instruction are the following: Kazakh, Russian, Uzbek, Uigur, Tadjik. The great majority (96%) are trained in two languages: Kazakh (56%) and Russian (40%). 3% of students of the total RK school enrollment rate are trained in Uzbek language, about 1 % - in Uigur and Tadjik languages.<sup>6</sup> The Pupil-Teacher Ratio is 9.8.

### **3.2. School System and its Management**

Secondary education is compulsory and provided stage by stage by a three level educational institution: primary (1-4 grades), basic (5-9 grades) and higher (10-11 (12) grades). According to the RK Law *On Education* (2007), the six-year-old children should be enrolled in the first grade of a general education school.

The following bodies are engaged in implementation of the governmental education policy:

- The RK Government;
- The RK Ministry of Education and Science, the RK Central Executive Body in Education;
- Local Representative and Executive Bodies: Maslikhats and Akimats;
- Local Management Bodies in Education: departments of education in oblasts, capitals and republican cities, district departments of education.

Control over a general education school shall be effected in compliance with the RK Law *On Education* (2007) and a Charter of any education institution based on a one-man-management-and-joint-leadership principle. A principal shall exercise direct management of a school. A principal shall be appointed to a post on a competitive basis, and as agreed with the agency of state administration he/she assigns and dismisses his/her deputies and a chief accountant.

The RK Law *On Education* (2007) also provides for the forms of collective leadership including Trusteeship board, teachers and methodologists councils, as well as other forms. Their organizational rules, including procedure of their election, shall be approved by the RK education authorized body.

### **3.3 Education Services Financing**

*The RK Constitution* (1995) (item 1, Article 30) and the RK Law *On Education* (2007) (item 2, Article 28) guarantee a citizen right to free secondary education. "Free education" may be provided by means of budgetary financing of both governmental Education Institutions and purchase of educational services rendered by Institutions, or by means of the state educational grants. According to the RK Law *On Education* (2007), item 64, the material base of any Education Institution can be created and developed on the account of budgetary funds, incomes from services rendered on paid basis and other sources, not prohibited by the RK legislation.

Item 61, the RK Law *On Education* (2007), defines the education financing system as a sum-total of the Republican and local budgets and also other sources of income, which is based on the principles of efficiency and productivity, priority, transparency, accountability, differentiation and independence of all budgets levels.

---

<sup>6</sup> The secondary education basic parameters in 2005. - Astana. The RK Ministry of Education and Sciences, 2005

Education is financed from the Republican and local budgets. More than 80 % of all expenditures are covered by local budgets. Majority of funds allowed for in the local budgets is spent for teachers salaries; on the average across the Republic it makes up 80.9 %, in regions it varies from 64.8% to 91.9%<sup>7</sup>. Thus, almost nothing is left for education system development, expansion of network and access to it.

A teacher salary remains low and makes up about 60 percent of an average wage/salary paid in other sectors. A teacher salary is only 2-3 times higher than the living minimum wage<sup>8</sup> while an average wage/salary in all other sectors exceeds it 7 times, in financial and extractive sectors – 10-11 times. As a consequence, drain of specialists and ageing of the pedagogical personnel have been observed: approximately 15 percent of the Kazakhstan teachers are over 50 years, 2 percent – pensioners, more than 80 percent of the Kazakhstan teachers are women.

### **3.4. Participation of Parents in School Financing and its Legal Regulation**

The practice of parental contributions to school services started its development in 90-s under severe school under financing. The dynamics of expenditures for education reflects hard financial condition in education during this period: while in 1990 education financing made up 9% of GDP, by 1994 this figure decreased more than 3 times. In 2000 this share made up 3.3% of GDP and kept so until 2003. It is natural that under rigid financial deficiency when money were allowed only for salary and public services payments, although not in full, schools have to survive and fall back upon help of parents, or to search for patrons and sponsors.

Currently the parental share in the total school budget, according to different sources, can make up 10-20 percent. In various schools and regions monthly parental contributions to so-called *Class Fund* and *School Fund* amount 200-2000 tenge or more. Also “situational” payments: class room arrangements, presents to teachers, organization of festivals and some events, purchase of additional training materials, etc. exist. In addition, there are other forms of school material support in the form of non-financial contributions: furniture, equipment, books, etc. Practically it is impossible to value these contributions because schools do not register them.

In recent years, the rate of school financing has increased considerably, although parental payments practice remains. The lack of transparency and accountability for parental funds gathering and spending incurs the community displeasure and complaints. Time and again the issue of their legality was brought up by mass-media and it was widely discussed at different levels. In reply to numerous public calls, the Ministry of Education and Sciences takes its stand of absolute prohibition of any parental payments. In 2002 the order *On measures to strengthen compliance control over the paid services at the RK schools* was issued. It was an attempt to stop “exaction” at schools and to remove money from being “shady”. The above order has been brought to notice of all Departments of Education, and one can get acquainted with it at any school. Anyway whip-rounds still take place and school administration masks them as donations.

The analysis of legislation and legal regulations concerning additional sources of school financing, including parental payments, shows that, on the one hand, legal control over the point in question takes place and, on the other hand, this legislation is ineffective in practice

---

<sup>7</sup> National Report on Education State and Development, 2007. National Center of Education Quality Assessment. Astana, 2007. p. 35

<sup>8</sup> As of December 2004 a living wage made up 5640 tenge. Source. The population standard of living. Statistical collection. - Almaty. The RK Agency RK for Statistics, 2005, p. 83

because it contains a lot of ambiguities and contradictions.<sup>9</sup> As far as the parental payments situation in Kazakhstan is concerned, the legal accuracy and certainty are exceptionally necessary, because the community shows misunderstanding of legal provisions and mechanisms of parental payments to education, if not to say confusion.

**Box 2. Round table materials “Parental payments for school education: Assistance or exaction?”: an expert’s view**

It is stipulated by the RK Law “On Education” that it is a jurisdiction of education institutions to “raise additional financial and material sources for conducting the by-law operations in accordance with the procedure established by the RK legislation”. This provision, subject to the absence of efficient, transparent and realistic mechanisms of raising additional parental funds, produces an opportunity of its arbitrary application, including both illegal parental contributions to their children education or non-transparent application of funds paid by parents voluntary.

The RK legislation must be more definite as far as its mechanisms of participation of parents and other school communities in managing the education institutions are concerned, particularly in managing the property and financial assets. In the current RK legislation, special mechanisms of formation and jurisdiction of such public authorities as parents' committees and boards of Trustees are absent at all, or set forth not in full and inconsistently. For instance, Law “On Education” defines Board of Trustees as a form of collective leadership, in fact not all schools have Boards of Trustees, but if existed all the same they lack independence because they are incorporated into the school administrative system and as a rule possess an advisory character. The above body’s jurisdiction has not been stipulated and also its functioning procedures have not been defined. The parents’ committees functioning at all schools actively participate in gathering money to meet the school needs, not in the least have a legal status, their field of activity, jurisdiction and procedures are not stipulated by law at all. Only public funds have legal capacity guaranteed by law, however many parents wave aside from using this form of activity due to its labor intensity and necessity of tax payment.

*Timur Kuliev, “Human Rights Mission”, Public Association*

Thus, efforts should be taken to reform the existing legislation in order to improve the procedure of parents participation in terms of regulating both additional financing of education institutions and actual access of a school community to administration of education institution.

#### **4. Survey results**

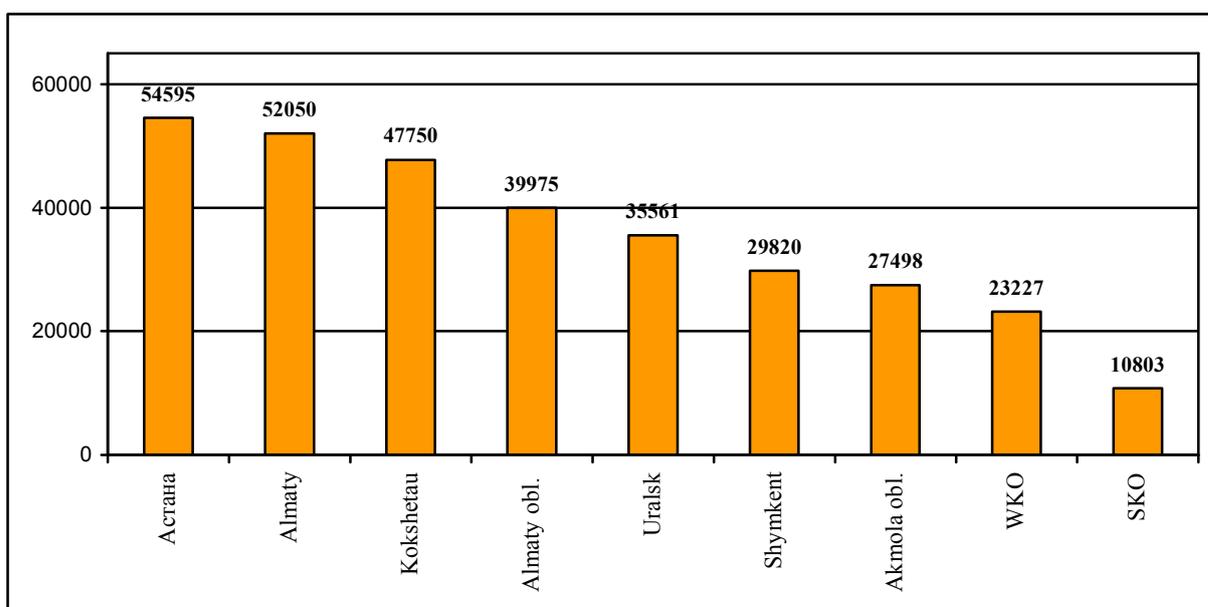
##### **4.1. Value of informal parental payments for education services**

###### **4.1.1. Parental expenditures for education**

The survey’s objective was to reveal the value of parental expenditures for education. Parents were asked how much they spend for their children’s education (Graph 1).

#### **Graph 1. How much do you spend for a child’s education per year (by oblasts), in tenge?**

<sup>9</sup> Materials of Round table “Parental payments for school education services: the help or extortion?”. T.Kuliev's expertise



The highest payments for their children's education are made by parents residing in north and south capitals of Kazakhstan (Astana and Almaty cities). These expenditures make up 54595 and 52050 tenge per year respectively. In Kokshetau city its figure is 47750 tenge, in Almaty oblast – 39975 tenge, Uralsk city – 35561 tenge. Great difference is seen in the urban and rural areas: parents from urban areas pay for their children's education much more than in rural areas. The highest gap between payments made in urban and rural areas is seen in Akmola, West Kazakhstan and South Kazakhstan oblasts. A correlation between parental expenditures and incomes was revealed: parents from the above oblasts have the least monthly income and, thus, spend less money for their children education.

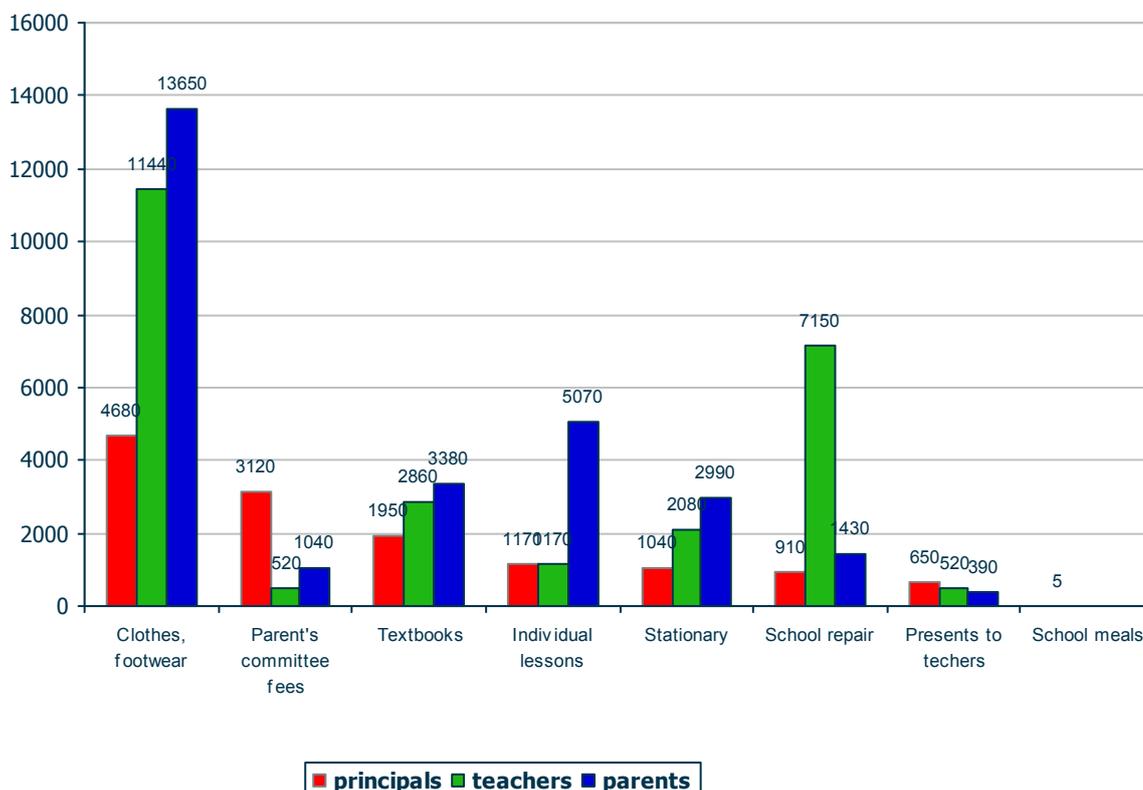
Graph 2 shows the comparative data of the household monthly income and expenditure for the children education within the same period. It should be noted that the absolute amount of parental expenditures for education does not characterize a true state of affairs. To evaluate the parental expenditures, it is more correct to speak about percentage ratio between expenditures for education and household cumulative income. It becomes evident that in the least favorable position are households from Kokshetau city because their expenditures for children's education per month make up 11 % of the family monthly income. In the most advantageous position are households from the city of Almaty, although having the highest expenditures for education across the Republic, they make up only 4,3 % of the family monthly cumulative income.

**Graph 2. Ratio of the household monthly income and expenditure for children education per month by regions**



All respondents from three groups were asked how much money parents spend for children education by items of expenditures.

**Graph 3. Value of parental expenditures for children education by items of expenditure per time, in tenge (on the average)**



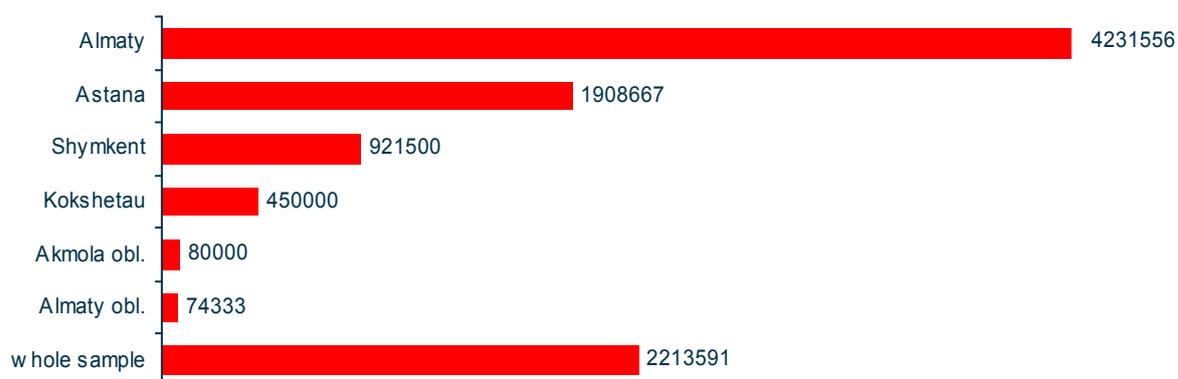
Responses of various groups of respondents to questions about both expenditure ranking and amounts paid were pretty different. According to parents, they spend a great deal of money for clothes and footwear, then follow individual lessons, textbooks and stationary, respectively. According to principals, parents bear the highest expenditures for clothes and footwear, parents' committee fee and textbooks. Teachers noted expenditures for repair and textbooks after clothes and footwear. Almost similar situation presents to teachers was seen: 390- 650 tenge are spent for them. Much less amounts incur the following items of expenditures: school meals (260-650 tenge), school events (390-1560 tenge), out-of-class activity (390-1300 tenge), additional lessons (390-780 tenge), school-leaving certificate arrangements (390-1170 tenge), school repair and heating services (130-910 tenge), examinations (130-520 tenge), school security services (130-520 tenge).

#### 4.1.2. Informal parental payments for education

Also parents were asked to estimate the share of their informal payments for school in their total expenditures for education. According to the sample average, this figure makes up approximately 6 %, though it varies by regions: Almaty city – 10 %, Astana city – 8 %, Uralsk and Kokshetau cities – 2 and 3 % respectively.

In its turn, principals were asked to assess the amount of parental contributions to their schools services (see Graph 4).

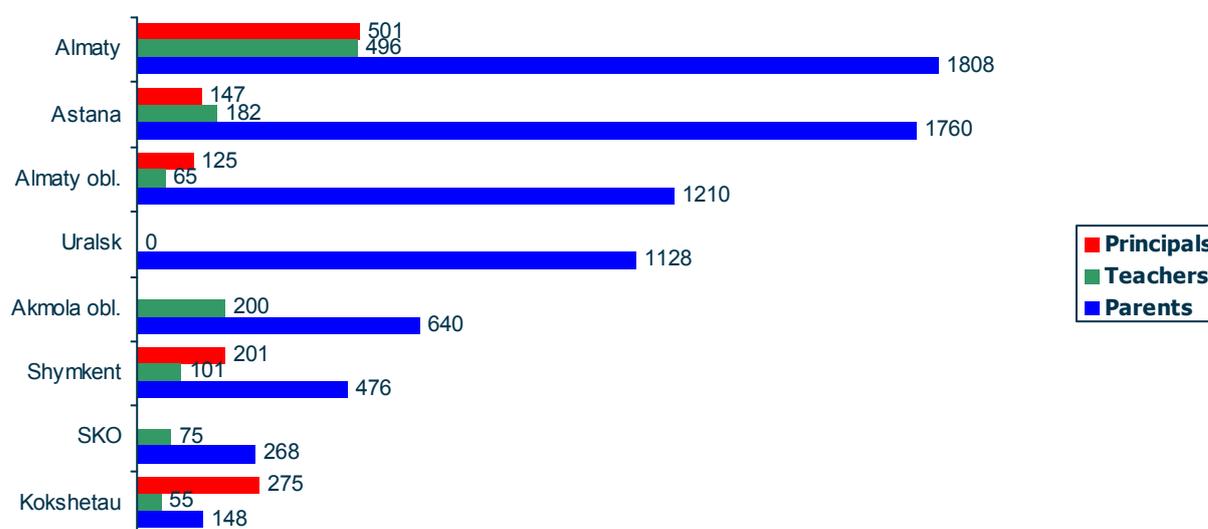
**Graph 4. How much your school accumulates in the form of parental contributions per year (on the average in cash)? Principals' view**



According to principals, in Almaty city parental contributions to school services average 4,231,556 tenge. Contributions to school services in Astana city make up 1,908,667 tenge, Shymkent city – 921,500 tenge. In Kokshetau city this figure is 450,000 tenge – less by half in comparison with Shymkent city. In Akmola oblast it amounts to only 80,000 tenge per year and in Almaty oblast – 74,333 tenge.

All respondents from three groups were asked how much parental money per student is accumulated in school. Results presented in Graph 5 show not only a large gap between oblasts but also an essential difference between parents, principals and teachers responses. Assessments given by various groups of respondents differ 3-12 times.

**Graph 5. How much parental money per student is accumulated in school per month, in tenge**



Parents from Almaty city make informal payments per child in the amount of 1808 tenge, parents from Astana city – 1760 tenge. Parental payments per child in Almaty oblast is 1210 tenge, in Uralsk city – 1128 tenge, in Akmola oblast – 640 tenge, in Shymkent city – 476 tenge, in South Kazakhstan oblast – 268 tenge. Parents from Kokshetau city pay the lowest amount – 148 tenge per a child. No payment is registered in West Kazakhstan oblast although surveyors cannot surely say if parents pay for school nothing or they did not want to respond.

Teachers’ answers reduce parental contribution to a minimum. Probably they specified only a monthly contribution to the so-called “class fund”, not taking into account other parental payments in “school fund”, extra charges for cleaning, security, additional lessons services, etc. which has become a widespread school phenomenon.

In addition, respondents of all groups were asked to estimate the opinion that informal parental payment is an important source of school budget. Their responses showed that parents consider their contributions weighty enough – 48,8 % of respondents agreed with this opinion while only 25,7 % of principals and 28,5 % of teachers gave the same answer. Views of urban and rural respondents vary considerably: 42,5 % of urban and only 20,9 % of rural parents consider their payments an important source of school financing; 35,6% of urban and 10,4 % of rural teachers agreed with this opinion. As findings show, payments made by urban parents are in large excess over payments made by rural parents and consequently contributions to urban schools services are estimated higher than those to rural ones by parents themselves and teachers.

In this context, the analysis of budget of the Semipalatinsk higher secondary school showed that item “repair” is financed from two sources: parental special account and state budget. Only one third of funds came from the state budget while two thirds are parental funds.<sup>10</sup>

Thus despite official prohibitions informal parental payments are not of minor importance in the school financing. If to compare funds allocated by the state to finance general education schools, the 2006 budget of the Almaty school averaged 43 million tenge while parental

<sup>10</sup> Report on monitoring of a higher secondary school №6 budgetary program transparency.- Collection of materials on analysis and assessment of social efficiency of budgetary programs. Taraz, 2005

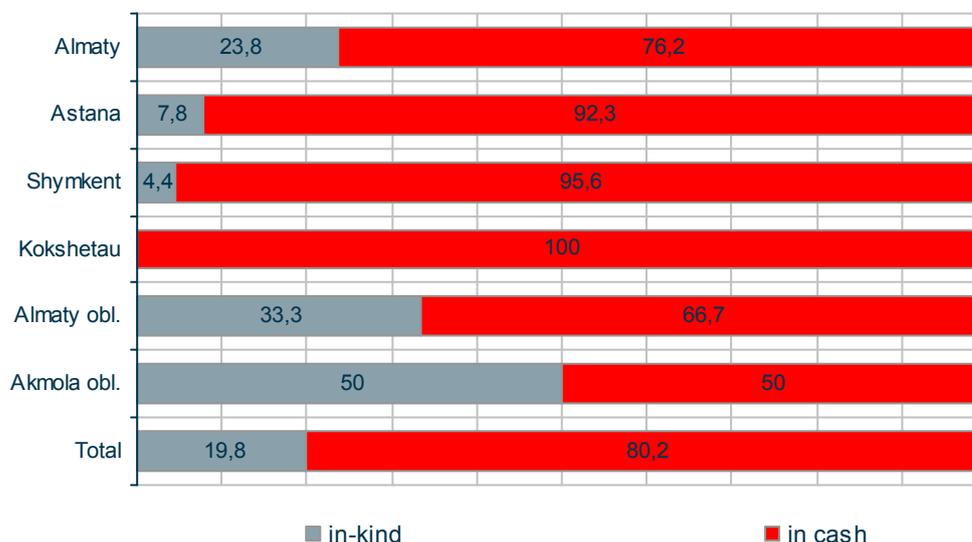
contributions made up 10% of total state school financing. If to take an average value of parental contributions to schools and multiply it by number of schools functioning in Kazakhstan, the amount will be impressive, i.e. more than 18 billion tenge. In 2005 on the average 148,802 billion tenge<sup>11</sup> were allocated for general secondary education, i.e. parental contributions to education make up about 12 % of the state school budget. These calculations are rather approximate; the case in point here is the parental contributions to school services made in cash only. In addition, there are other forms of material support of schools: furniture, equipment, books, etc., which, as a rule, are not registered in a school sheet-balance, i.e. these contributions are hardly assessed (according to parents, approximately 20% of their contributions are made in-kind, see Graph 6 below). Besides the above calculations were made based on assessments by principals, which sometimes are much lower than assessment made by parents. If to take into account all the above factors, one could say that parental contributions to school services cover the school financing gap completely.

## 4.2. Nature of informal parental payments

### 4.2.1. Type of informal parental payments

Assistance can be provided to school not only in the form of cash but also in-kind, these are the so-called “presents to school”, including equipment, building materials, etc. However, in the main parental contributions are made in cash. As a whole only one fifth of parental contributions are made in-kind. In urban areas parents prefer in cash contributions and the in-kind share does not exceed 24 % while the in-kind share in rural areas is higher 50 % (see Graph 6).

**Graph 6. Types of parental contributions, %**

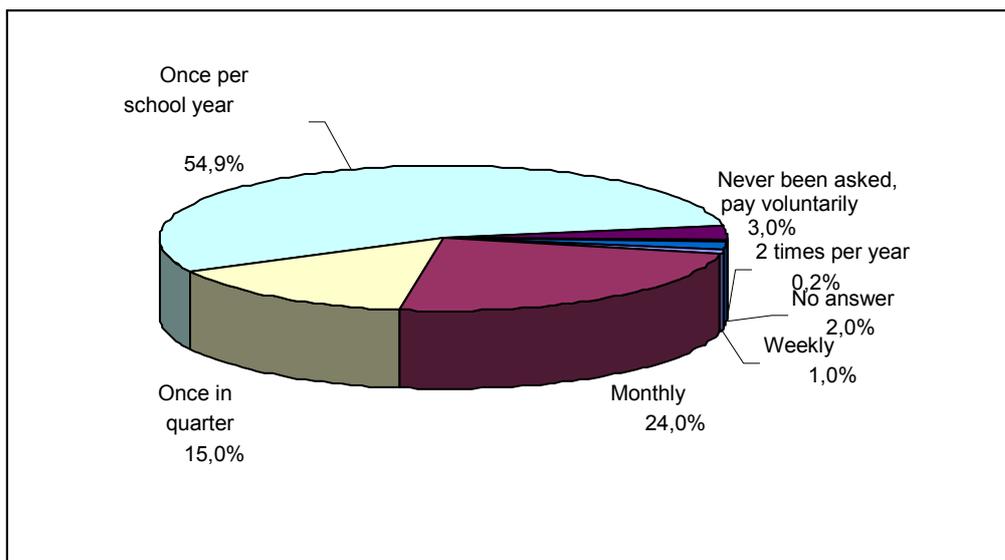


### 4.2.2. Frequency of informal parental payments

As far as parental payments for schools are concerned, respondents were asked how often they are offered to pay for school services (See Graph 7). More than half of the respondents noted – once a year, 24% – monthly, 15% – once a quarter, and only 3% of respondents said that they do it voluntary with no pressure from outside.

<sup>11</sup> Data of the National Center for Education Quality Estimation.

**Graph 7. Frequency of parental contributions to school services, %**

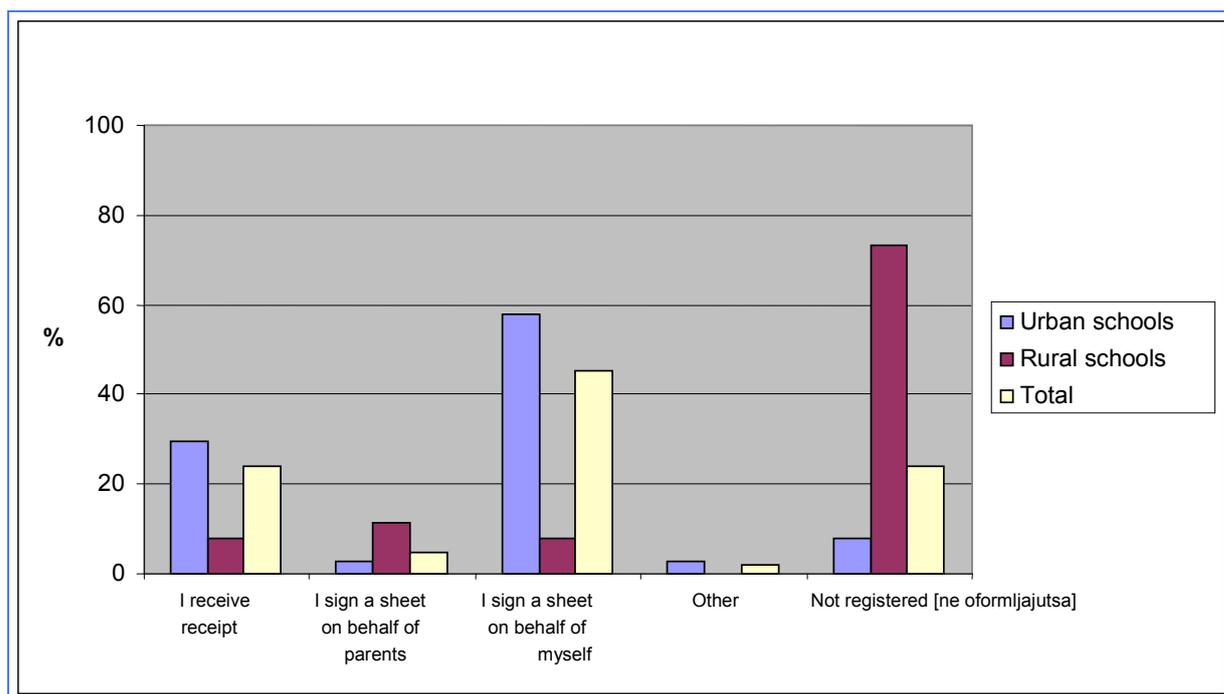


#### **4.2.3. Ways of delivery of informal parental payments**

Surveys performed in Akmola, Aktyube and Karaganda oblasts in 2005<sup>12</sup> showed that ways of money delivery to school could vary: sometimes they are transferred to a school's account, or just delivered to a class teacher or a parents' committee, or through their children. The urban and rural high schoolers from the above oblasts were also surveyed. To deliver money through a child is a widespread practice: absolutely all interviewed urban and 80 % of rural high schoolers said that parents used to deliver money through them. 72% of all interviewed delivered the money to their class teachers, 21% - to an accountant, 6% - to a head of the teaching department, only one child said that he/she delivered money to a principal. In rural areas more than 70 % of these payments are not registered at all.

<sup>12</sup> Results of the survey conducted by the Center of the Educational Policy Analysis "The school budget transparency: existing practice and possible mechanisms of accountability".

**Graph 8. How is delivered money registered in your school? %**



Other survey data also confirm the above situation. For example, a public opinion survey in Semipalatinsk city aimed at monitoring the school budget transparency was carried out in 2005. 120 parents and 30 teachers from various schools were surveyed. According to respondents teachers register money in a sheet or log-book. No case of issuing a cash voucher or any other document was registered. Cases when a child was delegated to collect money are frequent enough, thus subjecting him/her to any and all possible temptations and troubles.<sup>13</sup>

#### 4.2.4. Purposes of informal parental payments

All three groups of respondents were asked what items and how often schools expect from parents to pay for. The most widespread items to be paid for were listed. Textbooks, stationary, clothes and footwear were among annual expenditures. Almost no difference was seen in responses of principals, teachers and parents concerning the items of expenditure. Differences were revealed concerning payments received by schools directly. These payments include: repairs of school or classroom, examinations, presents to teachers. Responses made by three groups were different: 63% of principals and 59% of teachers deny payments for school and classroom repair while, in contrast, 56.6% of parents noted that they used to cover this item expenditures annually. The fact of making presents to teachers was recognized by 7% of principals and 8% of teachers while 22.7% of parents said that they make presents to teachers once a quarter or once a year.

Other items of expenditures include: bus services, school meals, individual lessons and additional classes at school, school events, examinations, school-leaving certificate, parents' committee fee, out-of-class activity and school security services.

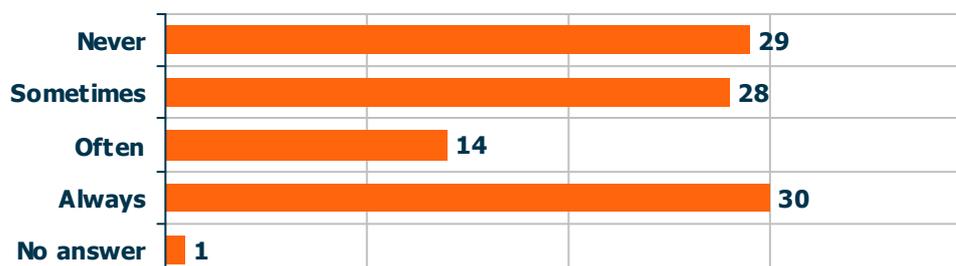
<sup>13</sup> Report on monitoring of the Semipalatinsk schools budget transparency, WKO,- Collection of materials on analysis and assessment of social efficiency of budgetary programs. Taraz, 2005

#### 4.2.5. How voluntary are informal parental payments

Respondents were also asked to estimate some opinions concerning how voluntary parental payments are by ranking them from “completely agreed” to “completely disagreed”. Thus 10 % of parents agreed with the statement that teachers often bear pressure upon them to pay for school needs. The same percent of parents recognized the fact of their own pressure upon other parents. 8% of parents and only 2.2% of teachers agreed with the statement that principals often bear pressure upon teachers to ask parents to pay to school.

When estimating how voluntary parental payments are, only 30% of parents said that payments are always voluntary, 14 % – often voluntary, 28% – sometimes, and 29 % – never (see Graph 9).

**Graph 9. Parental payments are voluntary**



Thus most parents (57%) recognize the fact that payments for school are not actually voluntary. They pay to school under external pressure by teachers, principals and even other parents or by virtue of internal impacts, for example, for fear of their child being pressed if they refuse to pay to school.

#### **Box 3. Presentations made by participants of the round table discussion of intermediate survey results**

The voluntary character of parental payments to the school budget is dubious. All the more so, the voluntary-compulsory method inherited from Soviet times did not undergo essential changes.

Usually parents participating in parental meetings are offered to collect money just not to get their teacher in wrong: it is a widespread practice in primary school. All parents know that, if no money is collected for a class repair, the teacher will incur displeasure of the school administration. In their turn, principals use to demonstrate before the Department of Education positive results, showing good designs of classes and school, etc.

Instructions for being prepared for the banner days or for inspection, to hang portraits, etc. are regularly issued by the education top management and, when principals ask about funds for these events, they are forwarded to parents.

Results of other surveys also confirm involuntary parental payments. According to a survey conducted by the World Bank one-third of respondents showed that their informal payments for school were involuntary.<sup>14</sup>

<sup>14</sup> Kazakhstan. Systems of administration and services granting: Report on diagnostic research. The World Bank paper. p. 26

### 4.3. Reasons for informal parental payments

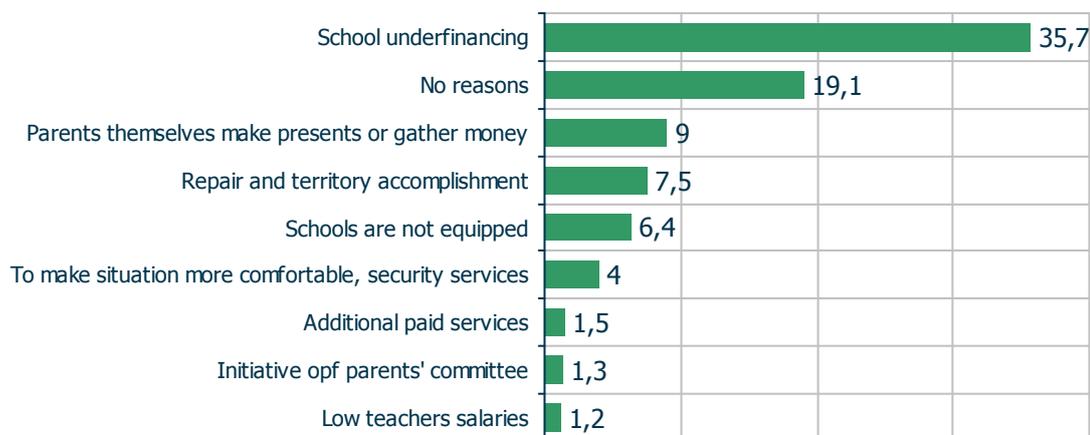
Respondents were asked about reasons for the practice of parental payments.

**Graph 10. Reasons for informal parental payments: views of principals, %**



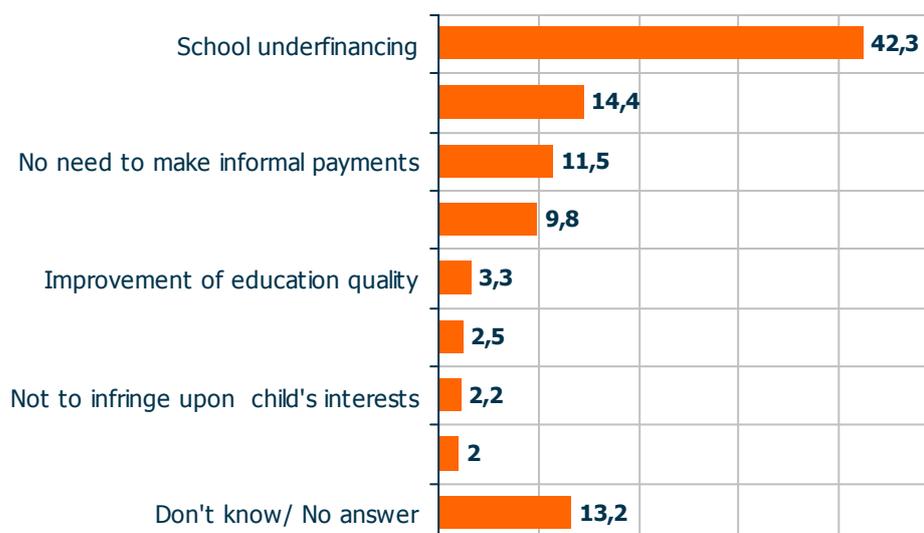
More than half of the principals (64.4 %) consider insufficient state financing to be a primary cause of the parental payment phenomenon. Meantime 18.8 % of principals deny this practice at their schools. Fewer respondents noted other causes (transition to market economy, recreation services, parents themselves offer money for repair, stopping the qualified personnel to drain-away).

**Graph 11. Reasons for informal parental payments: views of teachers**



35.7% of teacher-respondents also consider school under financing a primary cause of parental payments practice. The response, which denies any reasons (19.1%) takes the second place. 9% indicate that payments are parents' own initiative, which is the third most frequent response. 14.3% of teachers were at a loss to answer this question.

**Graph 12. Reasons for informal parental payments: views of parents**



About half the parents (42,3 %) consider that a primary cause of parental payments practice is insufficient state financing of schools. On the second place (14,4 %) – necessity to help in school repair and its accomplishment, which sounds as if parents even have no idea that repair should be paid by state. 11,5 % of parents consider that informal parental payments are not necessary. 9,8 % of respondents said that it is parents private affair, nobody forces them.

As may be seen from responses, respondents from all three groups consider insufficient school financing to be a primary cause. One-fifth of principals and teachers deny the informal payments practice at their schools although parents of children who attend these schools do not confirm it. It should be noted that some principals and teachers mentioned low wages as a reason (principals motivated it as necessity to keep qualified personnel, that's the same at bottom). In parents' responses such reason was not specified, however, more than half the respondents (58%) recognized that teacher salary is not sufficient. Responses of parents from urban and rural areas differ considerably: 69% of urban parents consider that a teacher salary is insufficient while only 36 % of rural parents agree with it. That is, despite low income of rural teachers in comparison with urban ones, as it was mentioned above, the financial position of a rural teacher is more stable with no large gap between incomes in comparison with other rural inhabitants. As far as an urban teacher is concerned, he/she belongs to a more vulnerable and low-income subpopulation in comparison with other social groups.

Parents also specified such reasons of informal parental payments practice as “education quality improvement” (3.3 %) and “in order not to impair a child's interests” (2.2 %) while teachers and principals did not mention these reasons.

#### **Box 4. From presentations of participants of focus-groups and in-depth interviews**

“It is necessary to know history, all these funds appeared somewhere in the middle 90-s. These were hard times for education. Many problems have to be solved in order to maintain schools. Thus, the idea to support schools by their own forces appeared. At that time school funds occurred to provide adequate school functioning.”

“Insufficient funds are allocated for maintenance and running repairs in school, purchase of stationary, recreation services, out-of-class events, etc. In addition, Akimats forces school administration to fill audience space with students (often through using school funds).”

“I’m a teacher and I know that a teacher’s low salary is the reason.” (Focus - group, female, 36 years old, Almaty).

Survey conducted by the World Bank in 2002, covering 1000 households across Kazakhstan, showed, that “... 75 and 90% of informal payments were made into the budget of primary and secondary schools, respectively. Most widespread reasons of making contributions to educational institutions were the following: to pay for their child enrollment (26 %), to keep a teacher to pay more attention to their child (26 %). 4 % of respondents show that the reason of their informal payments is to support teachers whose salary is low and 14 % specified that by payments they extend their thanks.”<sup>15</sup>

At the same time 91.1% of principals insist that parents never offered them presents in exchange for their child enrollment. 6% of respondents said that sometimes they face such situations. The difference in responses is well explainable and clear because principals are a concerned party and probably their responses do not reflect an actual situation.

Respondents were asked to express opinion on the statement that some parental money are actually transferred to principals: 7% of parents, 2% of principals and 1% of teachers agreed. 8% of parents did not agree that a principal is an honest and fair person; that is almost the same percentage as parents who consider that some parental money are actually transferred to a principal.

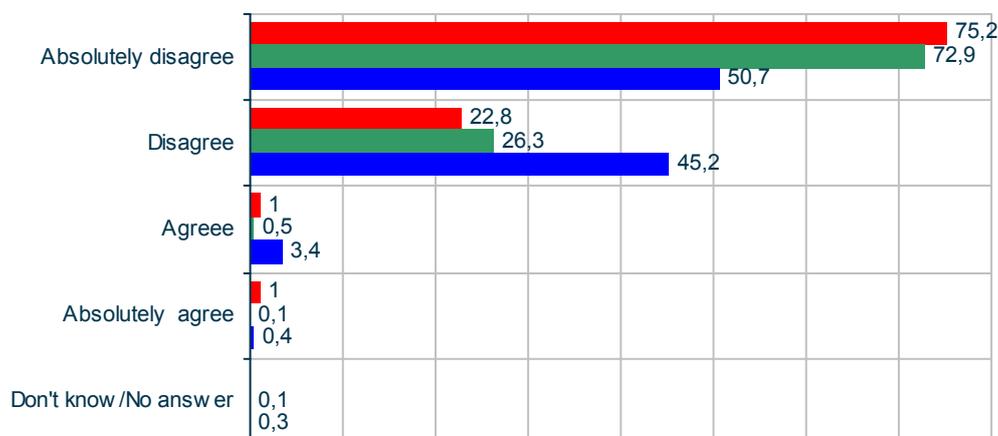
#### **4.4. Impact of parental payments on education quality and equal access to it**

One of the survey objectives was to reveal how informal parental payments impact on access to education. Respondents were asked to express opinion on the statement that teachers pay more attention to students whose parents make higher contributions to school services. According to principals, teachers and parents no relation between the contribution rate and positive attitude to a child was revealed. Only 2% of principals, 0.6 % of teachers and 3.8% of parents agreed with this opinion (see Graph 13).

---

<sup>15</sup> Kazakhstan. Systems of administration and services granting: Report on diagnostic research. The World Bank paper. P.30.

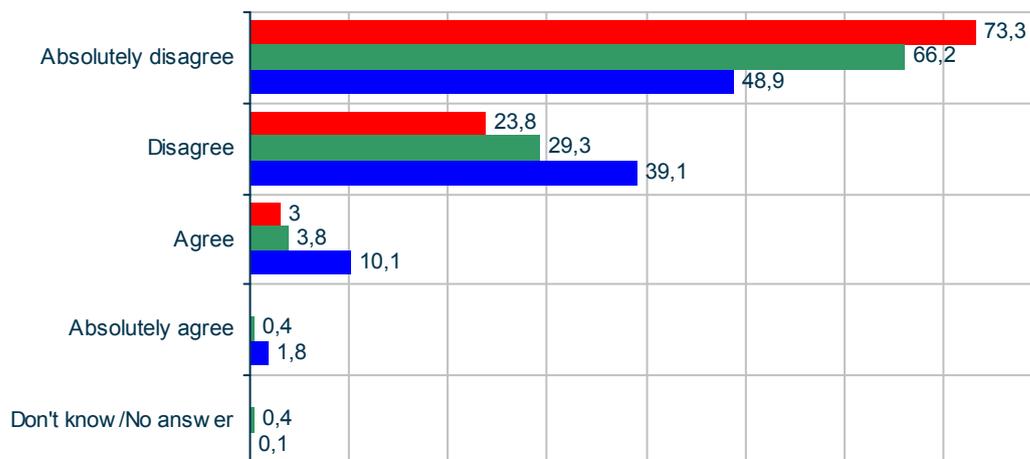
**Graph 13. Teachers pay much more attention to students whose parents make higher contributions to school services**



Comparison of responses of parents from urban and rural areas shows that responses of rural parents were either negative or they refused to respond at all. 5% of parents from Almaty and Shymkent cities and 7% of parents from Astana city agreed with the opinion that teachers pay much more attention to children whose parental payments are higher.

11,9% of parents, 4,2% of teachers and 3% of principals (see Graph 14) agreed that students from low-income families are in a more disadvantaged position because their parents cannot make contributions to school services. Also regional differences were seen in responses to the above question: in South Kazakhstan oblast – 20,3% of parents, Kokshetau city – 18,8%, Shymkent city – 16,9%, Astana city – 14,6% and Almaty city – 10,1% agreed with this. As far as teachers are concerned, 7% of teachers from Astana city and Almaty oblast, 9% from Shymkent, 2% from Almaty city and 1% from South Kazakhstan oblast and East Kazakhstan oblast agreed with this opinion.

**Graph 14. Students from low-income families are in a more disadvantaged position because their parents cannot make contributions to school services**



In addition, 89 % of parents believed that their children will acquire quality education no matter they pay to the school or not. Thus according to respondents no direct relation between

informal parental payments and access to education was revealed although some cases show that child's interests were infringed upon if parents were not able to pay for school. Findings of previous surveys and discussions in focus-groups proved this fact.

### **Box 5. From presentations of members of focus-groups**

“There were five children from wealthy families in the class my child attended. One of the family had a car. Wealthy families mean that they were able to make a present to the teacher at the cost of 5 thousand tenge. In this situation our child's interests appeared to be infringed. One day our child came from school and told us that Nauryzbay's father presented a washing machine to the teacher. Children are very sensitive and feel dumbfounded when coming home with such news. Sure enough a wealthy child will have benefits.” (Focus-group, female, 42 years old, Almaty city).

“At the time when my son became a first-class pupil I was not able to pay for school services. It was a gymnasium class. You cannot imagine how they treat my son. The teacher said to my son: “Seva, I consider this place is not for you.”” (Focus-group, female, 45 years old, Almaty city).

“It seems to me, it is beneficial to a school administration. By collecting money from all students, they possess a piece of jack. We make contribution to school services in the amount of 2000 tenge per year. Besides, a class fund and other exaction exist there. And if you do not pay then your child will be skewed, impaired.” (Focus-group, female, 42 years old, Almaty city).

At all faithfulness of responses concerning informal parental payments and access to education, majority of respondents agreed that parental payments impede and compromise educational system: 41% of parents, 33.8% of teachers and 40.6% of principals. Most likely it is a result of ambiguity, uncertainty and inconsistency existing in the community as far as parents' participation in school financing is concerned. On the one hand, officials speak *viva voce* about the prohibition and inadmissibility of any fundraising from parents, on the other hand, this contribution practice still survives, being transformed to “sponsorship”.

## **5. Main Conclusions**

### **5.1. Legislation**

- There is uncertainty and contradictions in rights stipulated by the RK Constitution (1995) and Law *On Education* (2007) for free education. There is no unified approach and understanding of what a free education standard should include or may not include and where the state responsibility ends and the parents responsibility begins.
- The legal framework to regulate and legitimate the financial and other assets invested in the school budget from additional sources contains a range of uncertainties and contradictions. Thus, the effective RK Law *On Education* stipulates that the jurisdiction of any educational institution includes such function as “attraction of additional financial and material assets sources to implement the authorized activity in the manner prescribed by the RK legislation”. This provision, in the absence of efficient and transparent mechanisms of additional financing assets attraction from the parents concerned, opens the door for its random application, including unlawful forcing of parents to make payments for their children education or nontransparent use of funds paid by parents voluntary.

## **5.2. Management and Financing of Education**

- Boards of Trustees and Parents' committees as forms of public administration in education are formal enough, their status, jurisdiction, and procedures of functioning are not regulated. They do not possess independence and are of rather advisory character despite having great potential for participation in school administration and school financing management.
- Respondents from all groups consider school under financing as a primary reason of informal parental payments. At the same time officials say that funds to finance schools are allocated in full. Main problem is not a want for funds but rather their inefficient use. The school does not have enough autonomy in planning, allocating and spending the budgetary funds, thus it is forced to search additional funds including parental payments, which is the most reliable, convenient, fast and stable source.
- Informal parental contributions in cash equal approximately 12% of the state financing. About 20% of parental contributions come in-kind. All of them cover the school financing gap almost in full.

## **5.3. Access to Education**

- Balance between levels of parents' incomes and expenditures for their children education. Low-income families spend less money for education. At the same time low-income families are in a less advantageous position although they spend less for their children education in absolute value; their expenditure consumes a major portion of family income if compared with high-income families from wealthier regions.
- Misbalance between expenditures incurred by parents from urban and rural areas: in rural areas they pay less than in urban ones. Expenditure incurred by parents from rural areas makes up 36-77 % of expenditure incurred by parents of urban areas.
- Students from low-income families are in a less advantageous position because their parents are not able to make contributions to school services: 12% of parents agree with this opinion. At the same time significant regional differences were observed: 20,3% of parents from South Kazakhstan oblast, 18,8% – Kokshetau city, 16,9 % – Shymkent city agreed with this opinion.

## **5.4. Pedagogical Ethics and Corrupt Practice in Education**

- The majority of parents (57%) acknowledge the fact that, as a rule, their payments for school education are not voluntary: contributions to school services are made under pressure from outside (principals, teachers or other parents) or by virtue of internal motives (for example, fear for their child to be pressed upon in case of refusal to make contributions to school).
- Discussions in focus-groups revealed cases when children were impaired or they suffered psychological pressure if their parents were unable to make contributions to school services. Also informal payments and presents were made with a view of their child to be enrolled in a prestigious school or of more attention to be paid to their child.
- Often no financial documents confirming the fact of parental payment to the so-called "class fund" and "school fund" are issued. Except for the above funds, there are

various other one-time situational payments for presents, examination arrangements, festivals and other events; these are also collected in cash and no confirming documents are issued.

## **6. Main Recommendations**

- Based on the applicable RK legislation (the *RK Constitution* (1995), item 30; the RK Law *On Education* (2007)), it should be necessary to announce the educational package, which the state can provide to its citizens free-of-charge. Existing constitutional guarantees and their interpretation in the RK Law *On Education* (2007) should be explained to the citizens clearly and called to notice of educational institutions working under programs, included in the package of free-of-charge services guaranteed by the state. This issue is of special relevance for Kazakhstan taking into account transition to 12-year school education.
- Mechanisms of parents' and other school communities' participation in school administration should be developed, particularly in property and financial assets management. It should require the definition of a legal status, jurisdiction, and procedure of functioning of bodies of joint management: Boards of Trustees and Parents' committees.
- Schools should have sufficient autonomy as far as planning, allocating and spending the budgetary funds are concerned.
- To develop the culture of school transparency and accountability through the official recognition of this school activity aspect (for example, through the development of school self-assessment system as a constituent element of attestation and school activity assessment procedure). Schools, intending to work in this format, will require expedient support (development of their capacity through training, etc.).
- Mechanisms of tax incentives for business participation in solving school problems as well as parental funds taxation should be developed.