

Chapter 1

Introduction

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

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

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

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

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

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

Taking up the Challenge

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

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

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

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

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

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

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

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

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

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

Drawing the Line

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 2

An Exploratory Study

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

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

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