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Decentralization and Recentralization Reforms: Their Impact on Teacher Salaries in the Caucasus, Central Asia, and Mongolia

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Background Paper:
Decentralization and Recentralization Reforms: Their
Impact on Teacher Salaries in the Caucasus, Central Asia,
and Mongolia

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Executive Summary

This regional nine-country study examines teacher salaries against the backdrop of de- and recentralization reforms in the Caucasus, Central Asia, and Mongolia. It examines the impact of the low teacher salary and the fragmented teacher salary structure on the professionalism, status, and morale of teachers. Despite continuous efforts of governments in the Caucasus (Armenia, Azerbaijan, Georgia), Central Asia (Kazakhstan, Kyrgyz Republic, Tajik Republic, Turkmenistan, Uzbekistan), and Mongolia to raise teacher salaries, and as a corollary the status of the teaching profession, the salaries remain below the national wage average in these countries. With the exception of Mongolia that revamped its salary structure and thereby managed to significantly increase teacher salaries, teachers in the other countries receive comparatively low salaries. Generally, teacher salaries account for only 53 to 70 percent of the national wage average in the respective countries. Low teacher salaries contribute to the declining status of the teaching profession, making teaching unattractive. Even though teacher education institutions produce thousands of graduates, less than half of them choose to enter the teaching profession. Attraction to the profession is a problem as is, for those that do enter, retention of these younger teachers. Furthermore, most countries face teacher shortage in rural areas and experience a feminization and an over-aging of the teaching profession.

There are two fundamental differences between the post-socialist teacher salary structure in the Caucasus, Central Asia, and Mongolia and other countries. First, the base salary is calculated based on the weekly, statutory teaching load (typically, 18-20 hours) rather than on the weekly workload (35-40 hours), which is commonly used to determine the salary in other countries. Second, the total salary of a teacher is fragmented into six different components that account for the full income: base salary, additional teaching hours, salary supplements, bonuses, allowances, and fees from parents. The base salary (for 18-20 hours of teaching), which constitutes guaranteed income, only accounts for 50 to 60 percent of the total salary and perpetuates the public perception of teachers being impoverished or underpaid.

In an attempt to substantially increase the salary of teachers, seven of the governments (data on Uzbekistan and Turkmenistan are inconclusive) embarked on a decentralization of governance and finance in the mid- and late 1990s. The expectation was that local governments would channel more funds into education if they were given more decision-making authority. Except for municipalities (that is, local governments in cities and capitals), the local tax revenues were too meager to make a difference. Instead, inequalities and irregularities (reallocation of funds from one sector to another) occurred, which prompted several governments to revert decentralization reforms. The decentralization reforms in the Republic of Georgia, the Kyrgyz Republic, Uzbekistan, as well as Mongolia but also the Russian Federation (for purposes of comparison) are discussed in greater detail.

In the new millennium several reforms of the first transition decade were replaced with three types of reforms presented in this report: (1) recentralization of budget approval and disbursement (suspending decision-making authority by the local government), (2) school-based financial management (replacing incremental budgeting with per capita budgeting), and (3) results-based or outcomes-based management. These reforms enabled the timely payment of teacher salaries and, for a short while, the accumulation of bonuses (as a result of teacher score cards introduced in some countries). However, these reforms have not helped to substantially raise teacher salaries relative to the national wage average. Public sector salaries still drastically lag behind salaries in the private sector.

One section of this report is devoted to the impact of a low teacher salary on the professionalism, status, and morale of teachers. Comparative studies suggest that private tutoring by teachers is associated with their low salary. An overview of qualitative data on private tutoring practices in Central Asia, in particular, reveals that the unethical use of private tutoring involves teachers pressuring (and sometimes blackmailing) their own students to take supplementary private tutoring after school hours, often threatening students with lower grades if they refuse. Compared to Central/Southeast Europe, Central Asian countries have the largest proportions of students tutored by their own class teachers. This section of the report also presents a few indicators that reflect the drop in teacher status: feminization of the profession, over-aged teaching force, low transition rate from teacher education graduation to professional service, and decrease of enrollment in teacher education programs at colleges and universities. Less than half of those that graduate in teacher education ever enter the profession. Governments in the region have developed various incentive schemes to attract graduates into the teaching profession, but with little lasting impact. The status loss is also clearly manifested in the declining interest to study education at pedagogical colleges and universities. In Tajikistan, for example, the percentage of graduates in the field of education halved between 1999 and 2003. Finally, the morale of teachers is low, not only because they are overworked from teaching 2 or 3 shifts or holding several jobs, but also because they are constantly controlled and sanctioned for their behavior, and in some countries for their opinions. Teachers are closely monitored by deputy-directors and periodically by the district education authorities and inspectors, not only with regard to their presences/absences but also with regard to student performance and task completion. In Mongolia, for example, deductions from salary supplements (for grading student notebooks or serving as a class teacher) are the rule rather than the exception and teachers rarely receive the full amount of the supplements. These deductions have a great impact on the morale of teachers who feel treated unequally at the school level.

The last section of the report presents the structural reform in Mongolia that went into effect in September 2007. The country broke away from the weekly teaching load system (in Russian: *stavka* system) to a workload system (36 hours per week), more commonly used in other regions of the world. The structural reform benefited especially teachers in small rural schools that were not able to amass their salary by taking on additional teaching hours. The public sector salaries in Mongolia have, for the first time, exceeded private sector salaries at the end of 2005. The public perception of the teaching profession has visibly improved in Mongolia.

Besides demonstrating the urgent need for reform, an examination of teacher salaries also lends itself for the study of globalization in education. Twenty years after the transformation that took place in this part of the world, teacher salaries in the region have been, with the exception of Mongolia, strikingly resistant to major changes. The current fragmented salary structure in the region reflects the cultural understanding of the teacher's role. It is engrained in the definition of the teaching profession that, for example, grading assignments or commenting on students' work is not core to the profession and therefore needs to be compensated additionally. Teacher's role is literally reduced to teaching, and is reflected in these self-definitions as well as in the calculation of the base salary in terms of weekly teaching load. Teachers who have undergone training in student-centered teaching complain about the extra work that this pedagogy entails and find it unfair that they are not adequately compensated for their additional effort. The stagnation on teacher salary reform implies a human tragedy and a loss of status for professionals who used to be regarded highly in their respective societies. The low salary and the fragmented salary structure have a detrimental effect on learning and student achievement: Some subjects are not fully offered during class time, either because of a shortage of teachers in some subjects and in some (rural) areas or because some teachers choose to make an additional income by teaching important content after class, and if they are, they are taught with as little effort as possible. The

current teacher salary structure fossilizes existing pedagogical practices and thereby prevents teachers from investing more in the preparation of lessons and evaluation of student work. The current teacher salary structure and the low salary need to be seen as one of the main barriers for improving the quality of education.

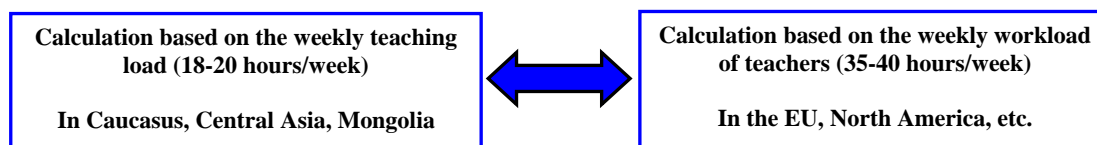
1. Introduction

This background paper for the 2009 Global Monitoring Report examines teacher salaries in the post-socialist region of the Caucasus (Armenia, Azerbaijan, Georgia), Central Asia (Kazakhstan, Kyrgyz Republic, Tajik Republic, Turkmenistan, Uzbekistan), and Mongolia. A special emphasis is placed on public management and finance reforms of the new millennium, in particular de- and recentralization reforms, that have affected teacher salaries.

All the countries presented in this study are, with the exception of Mongolia, former Soviet republics and as such share features of the former Soviet teacher salary structure and rationale. Even though politically independent, Mongolia also adopted the same salary model. The problems with the Soviet legacy of teacher salaries are strikingly similar across this post-socialist region: a low base salary, an unpredictable, fragmented and non-transparent income composed of statutory teaching hours, additional teaching hours, supplements, allowances, bonuses, and finally a compressed salary scale with little differentiation between the starting and ending salary.

The differential in base salary of a teacher is determined in similar ways as in other countries outside the region: either by her/his educational background, years in service, rank (based on promotion) or by a combination of these three factors. Different from other parts of the world, however, the base salary in the post-socialist region is based on the statutory teaching load and *not* the workload.¹ In contrast, teachers in other countries with a workload of 35-40 hours per week, for example, are expected to stay at school, and are paid, for 7-8 hours per day during which they teach, prepare lessons, grade student work, meet with their class, individual students or parents, participate in meetings, etc. The base salary in this region, however, is based on the statutory teaching load (3.5 to 5 hours per day, depending on country and grade level) and they receive salary supplements for tasks that are considered additional, notably for grading student assignments (in this region referred to as checking student notebooks), serving as a homeroom teacher (referred to as class teacher) but also for many other tasks that, in this part of the world, are not considered core tasks of a teacher. In other words, the base salary only covers teaching and all other functions of the teaching profession are compensated separately. In Russian, the weekly, statutory or regular teaching load is called *stavka*, and the term is still used in the five Central Asian countries. The *stavka*-system is a prominent feature of the teacher salary in the region that sets it apart from the weekly workload system that is commonly used in other countries. The two, fundamentally different remuneration systems are presented in figure 1: on the left side is the *stavka*-system (based on weekly teaching load) and on the right is the more common system based on the weekly workload.

Figure 1. Calculation of Teachers' Base Salary: A Comparison of Two Systems

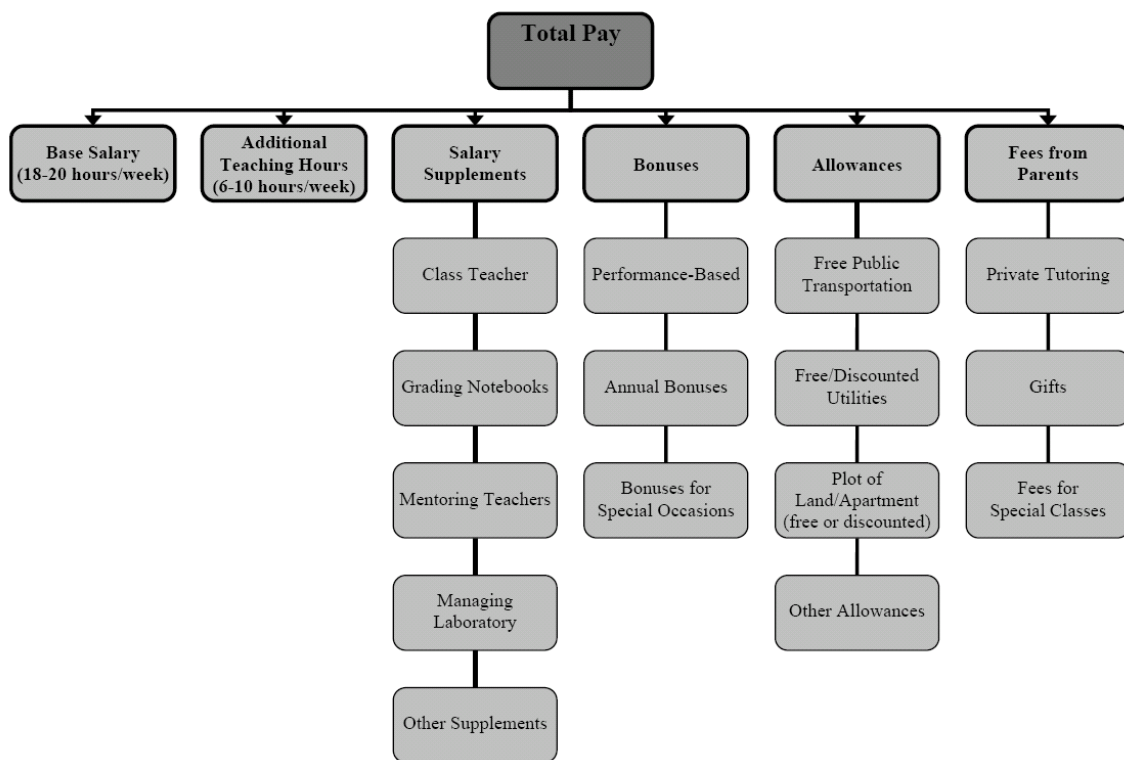


Since the entitlement for such salary supplements varies by grade level (e.g., all primary school teachers by default receive the supplement for class teacher) and subject (e.g., only teachers in some subjects, deemed to be more labor-intensive with regard to reviewing students' work, receive the supplement for grading student notebooks), the salary of teachers varies considerably within a school. In addition, teacher salaries also vary widely across districts and regions,

depending on the size of allowances and bonuses a local government can afford to pay. These inequities have become cause for concern for governments and educational researchers in the region.

Thus, even though the base salary of civil servants (in some countries referred to as the Unified Tariff System) is determined centrally, the actual pay of teachers varies widely because of the fragmentation of the total salary. It will be necessary to present the salary structure in the post-socialist region in greater detail in this report because it is fundamentally different from salary structures in other regions. Figure 2 illustrates the fragmentation of the teacher's total pay by highlighting the various components of a teacher's income. The social benefits, provided from the national budget, are not included in this figure.

Figure 2. Main Components of the Total Pay for Teachers in the Region



For a variety of reasons, including the absence of a comprehensive reform of the post-socialist teacher salary, the teaching profession has become unattractive. The only country that has had to date a comprehensive structural reform is Mongolia (presented in section 5). Attracting graduates of teacher education programs to work in schools is a major concern in the region. In some countries fewer than half of the graduates of teacher education enter the teaching profession. The teaching force is over-aged with a great proportion qualifying for retirement. Retaining teachers in the profession is another concern. Those who remain in the teaching profession work additional hours engage in private tutoring or take on additional jobs. Without exception all governments in the region substantially raised teacher salaries over the past few years, but teacher salaries, along with salaries of all civil servants, have remained below the national salary average. Several ministries of education issued emergency decrees to combat teacher shortage in rural

areas. They have passed short-term measures to remedy the worst outgrowth of a profession that, nowadays competing with higher paid jobs in the private sector, has turned to be unattractive. The same governments have also embarked on more long-term measures by revising public management and finance in ways that could benefit civil servants and teachers. Of particular interest for this report are public sector reforms that have dealt with a de- or recentralization of educational finance and governance. As this report will illustrate in greater detail, the educational sectors in most of these countries have been, in short sequence, decentralized and recentralized leaving behind a centralist government that governs centrally and at the same time relies on local financial contribution to the public sector; a contribution that typically is only made by municipalities and local governments in other urban areas with a sizable revenue from local taxes.

1.1. The Region

The post-socialist region examined in this study—eight post-Soviet republics and post-socialist Mongolia—share the identical teacher salary structure and rationale, and yet are quite different with regard to their economic situation. Table 1 provides an overview of the region with regard to a few basic economic indicators and depicts the varied size of the population and the teaching force.

Table 1. Regional Overview, Year 2007

	Caucasus			Central Asia					Mongolia
	Armenia	Azerbaijan	Georgia	Kazakhstan	Kyrgyz Republic	Tajikistan	Turkmenistan	Uzbekistan	
Per Capita GDP (PPP), in US\$ in 2008 ^a	5,422	9,186	5,252	11,862	2,156	1,942	5,663	2,551	3,504
Education Expenditures as % of Total Public Spending in 2005 ^b	13.5	19.6	13.1	12.1	20.0	18.0	N/A	20.0	20.7
Education Expenditures as % GDP ^c									
1990	7.0	7.7	7.4	3.2	8.4	10.8	4.3	4.0	12.3
1995	2.0	3.5	7.7	4.5	6.6	2.0	1.7	7.4	6.3
2006	2.7	2.1	2.9	2.3	4.9	3.5	6.9**	10.8*	5.2
Population Size in 2007 ^d	3,002,271	8,467,167	4,395,420	15,421,861	5,316,543	6,735,996	4,965,278	27,372,260	2,628,840
Employed Teachers (Total) in 2006 ^e	37,551	172,176	76,339	239,923	70,946	91,679	65,000***	465,927	23,769
Primary School Teachers	5,720	43,036	N/A	58,014	17,781	31,017	N/A	117,482	7,562
Lower/Upper Secondary Teachers	31,831	129,140	N/A	181,909	53,165	60,662	N/A	348,445	16,207
*2005 Data ** 2004 Data *** 2003 Data									

Source: a) IMF World Economic Outlook Database b) World Bank Ed. Stats Data Query; World Bank (2006) *Mongolia Public Financing of Education. Equity and Efficiency Implications*; Ministry of Education for the Kyrgyz Republic (2006) *Kyrgyz Education Development Strategy 2007-2010*; Republic of Uzbekistan Ministry of Finance c) World Bank Ed. Stats Data Query; Ministry of Education and Finance (2007) *Armenia Medium-Term Expenditure Framework 2007-2009*; World Bank (2007) *Turkmenistan The Hidden Challenges to Systems in Transition Economies*; UNDP Uzbekistan (2006) *Education in Uzbekistan Matching Supply and Demand* d) World Bank Ed. Stats Data Query e) World Bank Ed. Stats Data Query; UDB Eastview Database Turkmenistan; Ministry of Education and Science for the Republic of Georgia.

Economically, Kazakhstan and Azerbaijan began to experience explosive economic growth in the new millennium, led mainly by the oil sector. In Kazakhstan, the real GDP grew close to ten percent each year since 2000, and has reached a GDP per capita (PPP) of US\$11,862 in 2007. In Azerbaijan, the ethnic land dispute over the Nagorno-Karabakh region escalated to a full-fledged war between Armenia and Azerbaijan from 1988 until 1994, leaving tens of thousands dead and wounded, and hundreds of thousands internally displaced. In disuniting the countries of the Caucasus (Armenia, Azerbaijan, Georgia) have become more outward looking, associating themselves closely with educational reforms (especially in higher education) in Europe. Azerbaijan, in addition, established close ties with Turkey.

The two poorest countries of the region are Tajikistan and the Kyrgyz Republic. The civil war in the Tajik Republic, 1992-1997, left over half a million people internally displaced. Almost all of the ethnic minorities that fled Tajikistan during the civil war—Kyrgyz Tajiks, Turkmen Tajiks, Uzbek Tajiks and Russian Tajiks—did not return. A second emigration wave has been labor related. According to the Migration Policy Institute (2006), Tajikistan may be the largest emigrant labor supplier per capita in the world. Estimates show that approximately eighteen percent of the adult population (600,000 Tajiks)—among them many teachers—leaves the country each year in search of seasonal work. The most popular destination is Russia, which draws about eighty percent of all Tajik labor migrants, followed by smaller numbers going to Uzbekistan and Kazakhstan. IMF estimates that Tajikistan receives between US\$400 million and US\$1 billion in remittances annually, or between twenty and fifty percent of its total GDP. The Kyrgyz Republic, in turn, was categorized as a “highly indebted and poor country” (HIPC) by IMF and the World Bank, but in 2007 declined the option to sign a debt amnesty because of the economic and political conditions attached to the HIPC Initiative.

The transition, in economic terms, addresses the shift from a planned to a market economy. The growth of the private sector over the past twenty years also varies in the region. In Mongolia, the private sector’s share of GDP was 76 percent in 2004 as compared to just 3.3 percent in 1989 (EFA FTI Mongolia 2006). In this region, private sector development grew the fastest in Mongolia and the slowest in Uzbekistan (45 percent) and Turkmenistan (25 percent).

Despite these great differences with regard to economic development, teacher salaries have remained below the national salary average in the respective countries.

Table 2. Teacher Salaries in the Region, School Year 2007/08

	Caucasus			Central Asia					Mongolia
	Armenia	Azerbaijan	Georgia	Kazakhstan	Kyrgyz Republic	Tajikistan	Turkmenistan	Uzbekistan	
Teacher Salaries as a Percentage of the National Wage Average (2005) ^a	68%***	53%	66%*	60%	61%	70%	N/A	>65%	92%
Monthly Base Salary for Full Teaching Load (without additional teaching hours, supplements, allowances, bonuses) in US\$ ^b	\$126*	\$88*	\$135	\$195*	\$47*	\$25*	\$130	\$118*	\$215
Weekly Hours for Statutory Teaching Load for Teachers ^c									
> Primary School	22	18	20	20	21	18	21	18**	19
> Lower/Upper Secondary School	22	18	18	18	18	16	24	18**	19
* 2006 data **2005 data ***2004 data									

Source: a) UNICEF (2004) *Education for some more than others* p.144 Figure 5.8; World Bank (2005) *Republic of Uzbekistan Public Expenditure Review*, p. 30 and the UNDP Uzbekistan (2006) *Education in Uzbekistan: Matching Supply and Demand*; Ministry of Education and Science for the Republic of Georgia; World Bank (2007) *Sources of Growth Report*, Mongolia, Annex III). ^b Steiner-Khamsi; Decree of Presidential Republic of Uzbekistan, Nov. 25, 2005 *About measures on the pay system and enforcing incentives for workers of public education*; USAID Almaty; Ministry of Education and Science for the Republic of Georgia; Commonwealth of Independent States “Statistics of the Commonwealth”; USAID Almaty. ^c USAID Almaty; Steiner-Khamsi; Ministry of Education and Science for the Republic of Georgia; World Bank Azerbaijan; interview of Steiner-Khamsi with two department heads from the Ministry of Education, Turkmenistan, April 22, 2008; Ministry of Labor and Ministry of Public Education of the Republic of Uzbekistan (2005) *Definition and allocation of course load of teachers and administration staff in general secondary schools*

1.2. Data Sources

This comparative study draws both on empirical research as well as on secondary analyses and desk reviews. In five of the countries—Georgia, Kyrgyzstan, Mongolia, Tajikistan, Azerbaijan—authors of this reports were able to conduct interviews or administer surveys in-country that either directly relate to teacher salary reform or included the widespread practice of private tutoring inextricably linked to the low teacher income.² For the other four countries we relied on a desk review of existing studies and technical reports as well as contact to researchers in international organizations that helped us with gathering or accessing relevant information. The assistance of these organizations and individuals is gratefully acknowledged on the preliminary pages of this report.

In an attempt to compare governance and teacher salary reforms in these nine countries, we developed a list of indicators that relate to decentralization/recentralization reform and teacher salaries. Naturally, we succeeded to gather information on some countries and some indicators more than on others. Written information on the educational sector of Turkmenistan is scarce and we had to rely on a few reports and interviews only, including with two government officials of the Ministry of Education of Turkmenistan. Some statistical data were more difficult to locate, not only for Turkmenistan but in several other countries. In general, teacher shortage is rarely

reported in documents but frequently addressed in observations and interviews. These access challenges notwithstanding, this study represents a first comprehensive endeavor to scrutinize a policy-relevant and yet understudied area of reform—teacher salaries—based on empirical evidence and secondary statistical analysis.

2. The Impact of Governance and Finance Reforms on Teacher Salaries

By way of introducing this section, we summarize the financial sources of the teacher salary. As will be presented in section 3 of this report, the various components of a teacher’s full or real income are funded from various sources: from the central budget, local budget, and the school budget. In addition, an important source of income—addressed in the last section of this report—is private tutoring and other “fees” retrieved from parents (for special classes, but also gifts for special occasions, sale of booklets produced by teachers, semi-mandatory after school activities organized by teachers). These private costs of education, paid by parents to teachers, need also be considered as part of the regular teacher’s income. Table 3 provides a summary of the various funding sources a teacher’s real monthly income:

Table 3. Funding Sources for a Teacher’s Real Monthly Income

Level	Sources	Allocation
Central/federal	National/federal taxes	Base salary, supplements, additional teaching hours
District/municipality	Local taxes	Allowances
School	Generated income	Rewards and bonuses
Private	Parental fees	Private tutoring, after-school activities, bribes, gifts

2.1. Historical Antecedents

The nine countries of the region started out with a similar path of transformation in the early period of transition but by the late 1990s have had different trajectories due to a faster pace of economic growth in some countries (Kazakhstan and Azerbaijan), war and inter-ethnic tensions (Tajikistan, Armenia, Azerbaijan), or various degrees of openness towards other countries and receptiveness towards international organizations (with Turkmenistan and Uzbekistan being the least receptive). Decentralization and privatization have been since the early 1990s the top two priorities of the IMF and the development banks operating in the region. Whereas reforms for accelerating the growth of the private sector are still being actively pursued, policies on decentralization were in most countries after a brief period suspended and replaced with a recentralization reform packet.

The international organizations held the erroneous assumption that decentralization of governance and finance were novel to countries that had been until the early 1990 centrally planned and organized. A cursory overview of the situation during the socialist period as well as during the early transition period is necessary to explain why the decentralization of governance and finance ultimately did not work. The move towards a multi-party system and privatization of state property in 1991 and 1992 was, throughout the region, followed by an economic crisis in the years 1992 to 1995. The agricultural collectives and the collectives for animal husbandry were dismantled in the early transition period triggering a mass exodus of unemployed farmers and herders from villages to urban areas, and in particular to the capitals of these countries. Many health posts and schools in remote rural areas were closed down and comprehensive “secondary schools” offering all grades (grades 1-9 or 1-10, respectively) were reorganized as primary schools. The remaining schools in rural areas faced dwindling enrollment of students and

received little financial support from the central government for maintenance and rehabilitation of facilities as well as for the salaries of their educational staff.

In today's terminology early childhood education (ECD) but also primary education in remote rural areas was during the socialist period "decentralized" and partially funded from "community" funds. Higher education, in turn, was under the auspices of the line ministries and horizontally organized by sectors (Heyneman 2004). In line with manpower planning during socialist times, the line ministries determined the number of enrolments, funded higher education students, and secured employment for the graduates in their sector. The Ministry of Education was only in charge of funding and administering teacher education programs at the college and university levels. Teacher shortage was anathema during socialist times, because graduates were assigned to a teaching post; if necessary, in remote rural areas (for which they received a hardship supplement). In preschools as well as in primary schools in remote rural areas, the salaries of teachers were paid by the central government, whereas the communist state collectives and the local governments were in charge of building and maintaining the school facilities. Officially, the support of schools by state farms, trade unions, cooperatives, and state enterprises were "voluntary" and followed the idea of a "patronage" [*shestvo*], but in effect they became indispensable supplements to the state's direct financing of schools, and in Mongolia, of boarding schools.³ The collectives and the local governments moreover subsidized the teacher's income by providing free housing as well as coverage of utility cost (electricity) and transportation in urban areas, and a free plot of land for growing vegetables and free livestock for animal husbandry in rural areas.

2.2. The Decentralization Reforms

In the first half of the 1990s when the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank entered the region as advisors to the governments, they observed a large allocation of public funds for the education sector and non-existent private provisions for education. In the years to come, they advanced a two-pronged structural adjustment formula in the region: decrease of central funding for education and increase of private funds in the form of private preschools and universities and fees for special classes and services in general education. Besides Tajikistan that had a very low GDP allocation to education (2.4 percent) in 1995 and subsequently struggled with allocating more funds to education and Uzbekistan that in 1997 significantly increased total spending on education from 7.6 percent to 11.8 percent in the period 1995 to 2001 (Asian Development Bank 2004), all other governments of the region (excluding Turkmenistan that has not been receptive to international advice) were pressured to reduce educational spending at central level by decentralizing educational finance, by providing incentives for opening private preschools and universities, by encouraging schools to engage in different forms of income-generation, and by permitting the collection of parental fees for special classes and services. At the opposite end to Tajikistan was the Republic of Georgia, where educational spending previously accounted for almost 36 percent of all government spending but, within only 4 years (1992-1997), was slashed by more than half. In 1997, the Government of Georgia was only able to commit less than 15 percent of its public spending on education (UNICEF 1999:5).

The decentralization reform of the 1990s was initially seen as a solution to curb public spending in education. As mentioned earlier, there was a precedent from the recent socialist past for raising educational funds locally. Decentralization of finance in the 1990s implied that the local governments were supposed to cover most of the public expenditures and only resort to central funding if needed. A block grant from the central government was supposed to cover the funding

gap between locally generated sources and actual expenses. The 1990 decentralization reform was enforced in two ways: the central government gave a block grant for all sectors (education, health, infrastructure, etc.) to local governments and assigned decision-making authority on how much they would assign to each sector. Furthermore, the block grant only partially covered the budget forecast thereby forcing the local governments to allocate additional funds from local tax revenues or raise funds from the local community. These early decentralization reforms failed for a variety of reasons: First, local governments misallocated funds by shifting money from one sector to another. They used the money that they had previously budgeted and earmarked for one sector and allocated it to another sector at the moment the actual transfer of funds was made from central to local level. This period of unpredictable planning resulted in teacher salaries being paid late; in some countries up to several months. Second, the expectation that the local community (during socialist times communist collectives, nowadays businesses) would financially contribute to the public sector did not resonate with the emerging middle class. Finally, the revenues from local taxes turned out to be minimal in rural areas, and decentralizing finance was only an option for municipalities of the capital city and other cities that had a sizeable workforce in the formal economy. In all the countries of the region where the World Bank or the Asian Development Bank were involved in the 1990s, decentralization of finance and management was designed a high priority of education sector loans or grants. A few years later the same banks evaluated the outcome of the reform and concluded that corrections need to be made to effectively lift the burden of educational financing for the central budget. In Mongolia, for example, the Ministry of Education, Science and Technology and the Asian Development Bank acknowledged the shortcomings of the decentralization reform as follows (MOSTEC & ADB, 2001, p. 26):

Local governments are expected to prepare their own budgets, based on their own revenues and expenditures. Shortfalls in revenues are often met by grants from the central government. The current block grant mechanism at *aimag* level [province level] is perceived to be used inequitably, because earmarked funds are used for other pressing demands on local budget. Such tensions are evidence of budgetary fragility, lack of cash at the local level, and the strain of competing demands for budgetary support.

Other countries experienced a back and forth on decentralization reform. The Kyrgyz Republic decentralized educational governance in three stages. In a first stage, from 1998 to 2000, thirty percent of the management staff at central and district level were reduced, and the education authorities at province level were strengthened. At a second stage, the three-tier management system (central level – province – district; *republican level – oblast - rayon*) was replaced with a two-tier system relegating the province-level education authorities to offices for teacher support and training. Most of the responsibilities of the provinces were transferred to the district education authorities. At the third and final stages the initial central structure was restored. As a study of the Kyrgyz decentralization reform contents (Asian Development Bank 2004, p. 49):

After one and a half years of testing, the exercise was abandoned and *oblast* education departments were restored as structural subdivisions of the Ministry of Education and Culture in August 2001. Clearly, district level authorities were not well prepared (nor perhaps willing) to assume new responsibilities. Growing discontent was voiced as regards the performance of important functions, such as collection and payment of teacher salaries and selection and placement of teachers.

The decentralization of finance reform of the late 1990s was also considered a failure in Georgia and was reversed by means of a recentralization reform in 2004. Shifting responsibility for financing education from the central to the local government level resulted in an inequitable distribution of public funds across the country. As table 4 demonstrates, there existed in 1999 vast

differences in per student spending across the provinces of the country when decentralized financing was in effect.

Table 4. Per Student Spending and Other Indicators by Region in 1999 (before the Recentralization Reform in the Republic of Georgia)

REGION/PROVINCE	Per Student Spending [in GEL]	Student/Teacher Ratio	Per Capita Income [in GEL]	Per Class Spending [in GEL]
Tblisi (capital)	148.55	13.42	108.29	4,176
Abkhazia	91.0*	-	-	-
Ajara	205.39	9.47	144.44	3,404
Guria	86.63	7.97	27.43	1,275
Racha-Lechkhumi & Kverno Svaneti	158.75	4.75	55.62	1,182
Samegrelo Zemo Svaneti	101.53	8.67	37.61	1,613
Imereti	94.41	9.17	36.90	1,706
Kakheti	81.89	9.15	34.42	1,584
Mtskheta-Mtianeti	133.97	7.87	57.43	1,706
Samckhe-Djavakheti	99.20	8.02	33.04	1,406
Kvemo Kartli	98.47	10.35	37.69	1,870
Shida Kartli	78.48	9.72	27.14	1,485
Republic of Georgia	118.29	9.77	63.39	2,193

Sources: Herczynski (2002); *World Bank Expenditure Review, Georgia (2002)

The great variation in per student spending, ranging from 78.48 GEL in the Shida Kartli province to almost the threefold amount in the Adjara province (205.39 GEL), was caused by the uneven economic development in Georgia. How much a province spent for education (“per student spending”) directly correlated with the per capita GDP in the province (“per capita income”), forcing poorer provinces to spend less on education and enabling richer provinces to spend more. Revenues of local governments consist of a combination of local income tax as well as taxes on property and sales. In some locations, local governments had also insignificant revenues from industrial land sale and lease (Herczynski, 2002). Given the broad range of economic development in the country, the resources available at local level vary greatly. The sharp inequalities caused by the decentralization of finance led for a call to reinstate a centralized administration of finance, revitalize the redistributive function of the state, and clearly allocate funds to the different sectors.

In Uzbekistan, decentralization of finance and governance is officially still in place, but at closer examination the funding still comes from central sources and all major decisions continue to be made at central level. The *Republic of Uzbekistan Public Expenditure Review* (World Bank 2005, p. 37) states:

The management of most preschools, primary, secondary and specialized secondary schools is ostensibly decentralized to local governments (*hokimiats*). But there is a fundamental disconnect between local governments’ responsibilities for managing education and their means for doing so. In order to keep schools functioning, the state budget finances whatever local governments—*oblasts* [province-level governments] or *districts* [district-level governments]—are not able to finance through their own

resources. It does so by varying the percentage of the locally collected Value Added Tax and other central taxes. General secondary schools are financed through the Ministry of Public Education's budget; specialized secondary schools are financed through the budget of the Ministry of Higher Education's Center for Specialized Secondary Schools.

In practice, decentralization of finance did not work and most local governments, with the exception of cities and municipalities, depended in great part or fully from central funding.⁴

Even though the Government of Georgia exerted to some extent an equalizer function during the period of financial decentralization by allocating funds to provinces that were in need, the central support did not materialize in more equitable spending on education. There existed no clear criteria for redistributing or allocating additional resources from the central level to the provinces or for transfers made from provinces to districts. How much was actually transferred largely depended on persuasion skills, political power and personal contacts of local government representatives with the central-level or province-level officials. Factors such as poverty level or educational factors such as school size, student/teacher ration, etc. were not part of the considerations for reallocations (Orivel, 1998). The inequality was further exacerbated by misallocation at the local level. The local governments were responsible to develop school budgets based on the information provided by schools. Whether the local government accepted the figures submitted by the school was, in the absence of clear criteria, a matter of arbitrary decision-making. At the end, the amount of funds allocated to schools (rather than to other sectors) depended on the influence and personal contacts of schools directors to the local leadership. The misallocation of funds and the transfer of earmarked funds from one sector to another, mentioned earlier for the Mongolian context of decentralization, was also noticed in Georgia.

Given that teacher salaries absorb the greatest portion of a school budget, the decentralization of education finance had a negative impact on teacher salaries. "Frozen salaries" became a common practice in poor provinces and teachers either did not receive salaries for a couple of months at all or received them with considerable delays. The actual rate of teacher salaries, however, was not affected. Both under the conditions of decentralization and recentralization reforms, the salaries of civil servants working in state institutions (referred to as "budget organizations") is determined by the government. In all the countries the salaries of civil servants are centrally determined in a Unified Tariff System and annually adjusted by the governments. In countries where incremental budgeting is used (e.g., Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan), the governments establish the regular rate for the statutory teaching load (*stavka* rate) and determine the class size. In systems with per-capita financing (e.g., Armenia, Georgia, Mongolia), the governments decide each year on the "normative mean" per student, which varies by grade level and in some countries by location of the school (the normative mean is higher in remote areas). Additional coefficients are used to bolster the normative mean for schools with small student numbers. This centralized system of determining the teacher salaries has been preserved from the socialist times and also endured the brief period of decentralization of education finance. Under both finance systems—the traditional system of incremental budgeting and the new per-capita financing—the governments determine the salary of teachers. In both systems, the governments also regulate class size in an attempt to ensure that schools do not employ too many teachers. Exceptions to the class size regulation are frequently made, especially in rural areas with small numbers of students per school.

In the Republic of Georgia, the deficiencies of the decentralization reform were apparent and led to the second wave of reforms: recentralization of education finance. Since 2004 education financing is centralized and schools are directly funded from the central budget based on the

number of students that they enroll (per capita financing). As projected from the onset of the reform, per capita financing puts small schools at a disadvantage. As part of the recentralization reforms, the Government created therefore a central reserve fund which provides additional funding for schools that otherwise would not be able to cover teacher salaries and other costs at the school level.

As mentioned earlier, allowances from local government funds had been a distinct feature of Soviet educational systems. These allowances also exist in other post-Soviet countries, and other educational systems went back and forth on how much educational finance should be decentralized. The only complete empirical study on allowances has been conducted in Russia. Given the identical salary structure in Russia as in the Caucasus, Central Asia, and Mongolia, the Russian study provides useful clues with regard to allowances. Galina Monusova presents the findings from a fascinating study on teacher salaries in the Russian Federation that the Iuri Levad Research Center in Moscow published.⁵ Monusova collected salary information from 400 schools, in the following regions of Russia: Tambovsk, Kursk Omsk, Krasnodarsk, and the Bashkiria Republic. Even though the teacher salaries in Russia are also below the national wage average—they are 60 percent of the national wage average (in Tajikistan in comparison: teacher salaries are 70.4 percent of the national wage average, see table 9)—there exist vast regional differences due to the social benefits and allowances (*nadbavka*) provided by the regional and local governments. Despite the Unified Tariff System across the Russian Federation, teachers' full income vary considerably depending on the economic situation of the province (*oblast*) and district (*rayon*) in which they are located. The following table presents a few economic indicators for the six regions in Russia along with figures on average teacher salaries.

Table 5. Average Teacher Salaries in the Russian Federation by Region

<i>RF Oblasts</i>	Tambovsk	Kursk	Krasnodarsk	Omsk	Bashkiria	Sverdlovsk
GDP per capita (in rubles)	43,604	48,691	53,944	60,811	68,256	70,314
Average salary (in rubles)	4,081	4,889	5,155	5,482	5,389	6,928
Average salary in education (in rubles)	3,005	3,055	3,299	3,389	3,248	4,425
Average teacher salary (in rubles), of which:	2,398	2,808	2,512	2,925	3,246	3,161
Tariff (base salary)	1,733	2,093	1,864	1,951	2,579	2,063
Regional allowances	106	15	57	338	299	384
School allowances	483	598	483	509	277	546
Bonuses	48	78	79	161	107	100
Other	28	24	29	34	16	68
Tariff/Teacher Base Salary as % of Average Teacher Salary	72%	75%	74%	67%	79%	65%

Source: Galina Monusova, 2007, p. 8ff.

As table 5 illustrates, teacher in the Bashkiria Republic with a high GDP per capita, earn 135.2 percent more than teachers in the Tambovsk region. The variation is explained by regional and school-level allowances [*nadbavkas*]. Accordingly, for teachers in Tambovsk their base salary accounts for 72 percent of their total income, whereas in Bashkiria the base salary only amounts to 65 percent of what they earn in total. The regression analysis, provided in the Russian study, reaches the same conclusion that the author succinctly summarizes:

From all factors, the teacher salary is determined first and foremost by the region of residence. Against this background, the qualification of the teacher and the actual teaching load are secondary, and supplements for additional school activities (such as supplements for class teacher, notebook checking, etc.) are the least important determinants of a teacher salary. Such a system of teacher salary stimulates teachers to move to richer regions, get as many hours as possible and avoid additional school activities. (Galina Monusova, 2007, p. 11; translation from Russian)

The inequities and irregularities arising from decentralization reforms, described here for a Caucasian country (Georgia), two Central Asian countries (Kyrgyz Republic and Uzbekistan), Mongolia as well as the Russian Federation are characteristic features of governance and finance reforms that were instated in the late 1990s and in some countries (Georgia, Kyrgyz Republic, Mongolia) suspended in the new millennium.

2.3. Recentralization, School-Based Financial Management, and Results-Based Public Administration

In the new millennium the decentralization reforms of the first transition decade were replaced with three types of reforms presented in the following: (1) recentralization of budget approval and disbursement, (2) school-based financial management, and (3) result-based or outcomes-based management.

2.3.1. Recentralization of Budget Approval and Disbursement

Most countries in the region underwent Public Expenditure reviews (PER) and a few countries have either completed Public Expenditure Tracking Surveys (Mongolia, Tajikistan) or are in the process of conducting them (Azerbaijan). The PETS (Public Expenditure Tracking Survey) studies trace public expenditure at the various levels (school, district, province, central level) to examine possible leakages, wastages, and misallocations in the education sector. In several countries, the PERs and PETS' have culminated in a comprehensive public management reform that manifests typically two distinct features.

First, the preparation and approval of a budget is organized by sector rather than by local and provincial governments. The school budget is directly passed on for approval to the Ministry of Education or to their district and provincial representatives, respectively, thereby undermining the decision-making authority of the local and provincial government. In several countries of the region, the line ministries have started to enforce fiscal discipline in that schools are held accountable for the submitted budget. If, by the end of the fiscal year, the expenses exceeded the submitted budget, the schools have to find own resources to cover the cost as reallocations throughout the fiscal year—a widespread practice in the earlier decentralization reform period—has become ruled out. Conversely, if schools under spend their budget by the end of the fiscal year, they are required to either return the unused funds to the central level or declare it as revenues for next year's budget.

Second, as part of the public management reforms of the new millennium, disbursement has also been organized centrally. Rather than transferring block grants to local governments, which then reallocate the funds to different sectors, the Ministry of Finance directly credits the account of the state institution thereby bypassing the possibility of misallocation and financial leakage. This measure, referred to in some countries as Single Treasury Fund, enables the central government to exert direct control over public expenditures, and suspends district and provincial governments in their decision-making authority over financial matters. The recentralization of educational finance has had a positive impact on teacher salaries. The direct disbursement to education accounts has alleviated the worst excesses of the 1990s decentralization reforms when teacher salaries were paid months later.

2.3.2. School-Based Financial Management

Since local governments, with the exception of well-endowed municipalities, are financially not in a position to channel a sizeable amount into the education budget, more recent reforms emphasize the need to generate funds at school-level and to reduce wastage. Reforms in this area required amendments to the education laws which, without exception, had emphasized free compulsory education. The amendments specify for which type of services (extra-curricular classes and after school clubs) the school is permitted to charge fees from parents. In addition, incentive structures had to be created in order for schools to embark on income-generation activities on one hand and to reduce irrational expenditures on the other. Examples of income-generation include sales from the school garden or the school livestock in rural areas, or rental of school equipment and facilities in urban areas. An often-cited example for reducing irrational expenditure is the repair of windows and doors to save on heating. Two incentives stand out: providing a block grant to schools based on student numbers and allowing schools to retain a proportion of the generated income for their own discrete usage.

The first incentive structure—per-capita financing—has experienced great popularity in the region. Mongolia introduced per-capita financing as early as in 1997 and since then has continuously attempted to refine the funding formula in ways to not harm schools with small student numbers. The “micro-coefficients” are used as correctives for very large and very small schools: schools with below-average student numbers receive more funding and vice-versa large school receive less funding than they would be entitled to based on their school size. The Republic of Georgia introduced per-capita financing in 2004 (labeled “vouchers” in Georgia), and Tajikistan and Kyrgyzstan are currently piloting this financing mechanism in select provinces and districts. Per capita financing seems to resonate with different administrators for different reasons. The Ministry of Finance expects to save money by schools having incentives to cut unnecessary expenses and to fire excess staff, in particular assistant teachers and support staff (cleaners, guards, cooks, storage keepers, etc.). The Ministry of Education is in a position to better plan and monitor the education budget at school level because it is based on student enrollment figures. The school administration, finally, is given a sense of financial autonomy in that it can determine the allocation of resources.

The second incentive—assurance that schools have the discretion to assign a proportion of the generated income and fees for their own usage—is less pronounced. In several countries (with certainty in Georgia, Kyrgyz Republic, Tajikistan, Mongolia; possibly also other countries in the region), laws were passed in the new millennium that allow school to open a school account for depositing the income that the school generated from fees and sales. However, whether schools are permitted to use the income at their own discretion is a different issue. In Georgia a law was amended in 2004 assuring schools that they can administer the school account at their own discretion. In Mongolia, a decree of the Government in 2007 affirms, and in fact prescribes, that

the schools are permitted to use the generated income for paying bonuses and rewards to teachers, students and school employees. The liberalization of the central regulation on the usage of school development funds, manifested in the 2007 decree in Mongolia, must be seen as response to widespread dissatisfaction about the central control of school accounts. The PETS study in Mongolia showed (World Bank, 2006) that schools in 2006 had few incentives to generate additional income as they were expected, despite assurances of the contrary, to include the revenues in next year's operational budget of the school.

Table 6 provides an overview of financial sources for teacher salary expenditures in the Kyrgyz Republic.

Table 6. Financial Sources for Teacher Salaries, Fiscal Year 2006, Kyrgyz Republic

	Federal Budget	Local Budget	Special Sources	Other Contributions
Kyrgyz Republic	77.9	13.2	5.4	3.5
Urban areas	57.3	23.2	10.4	9.0
Rural areas	83.4	10.6	4.0	2.0
Bishkek city (capital)	23.2	41.5	16.5	18.9

Source: Office of the President of the Kyrgyz Republic, Department of Economic and Social Policy Development; compiled by Center for Public Policy, Bishkek (2008)

In fiscal year 2006, close to four-fifth of the budget for teacher salaries was funded from the central or federal level (77.9 percent). It is noticeable that only urban areas, in particular the municipality of Bishkek (capital), are able to draw from local funds, special sources from income-generating activities, and other private contributions.

2.3.3. *Introduction of Bonus and Performance-Pay*

The wage-bill in the education sector as a proportion of the general wage-bill in the public sector is not to be underestimated. Wages in the education sector constitute at least half of all wages in the public sector. In Tajikistan, for example, the budget for wages in the public sector amounts to 278 million TJS (Tajik somoni) of which 156 million TJS are spent for salaries in the education sector (World Bank 2005). An increase in teacher salaries has therefore great repercussion not only for the public sector as a whole but also for the economy. Every increase in teacher salaries inevitably leads to inflation and forces employers from the private sector to raise salaries in order to cope with higher prices for goods and services. At the end of a cycle, every employee's salary is increased. Thus shortly after teacher salaries have been raised, the relative income of teachers drops again and remains below the national wage average. To break this vicious cycle and in line with Results-Based Management, a reform that the Asian Development Bank advanced throughout the region, performance pay and bonuses as an alternative to general salary increase were ardently promoted.

Results-based management or outcomes-based education (Steiner-Khamsi, Silova, Johnson 2006), respectively, was tried in Kazakhstan, the Kyrgyz Republic and Mongolia with a mixed outcome. The idea is raise the income of civil and public servants selectively by awarding those

employees that demonstrated high performance based on established expected outcomes. The introduction of “outcomes contracts” between teachers and deputy director, between deputy director and director, between director and director of the Education Department of the *rayon* [district] etc., and ultimately, as is the case in Mongolia, between the line ministers and the premier minister, is often a central part of general public sector reforms and is mainly donor-driven, in particular by the Asian Development Bank.

“Results-based management” is supposed to replace informal agreements with contracts or formal agreements, and hold public and civil servants accountable for their performance. Public and civil servants are supposed to be semi-annually evaluated and receive a sizeable bonus provided that their superiors found their performance to be extraordinary or above average. In Mongolia, the State Service Reform Committee developed in 2006 guidelines on how bonuses need to be linked to outcomes.⁶ Bonuses were not meant to be recurrent awards but rather acknowledge outstanding performance with an extraordinary large bonus, up to 25 percent of the annual salary (3 monthly salaries). The decree on bonuses was only enforced for the first year, in 2006, when schools received central funding for assigning bonuses to select teachers. In the following year, the schools were expected to raise own funds or pay for bonuses from the salary budget, that is, deduct money from salary supplements from some teachers to award others. The idea of bonuses or performance-pay was buried a year after its inception. Besides the strongly held belief in social redistribution that prohibits rewarding a few at the expense of others, a performance-based bonus system would have to overcome additional challenges. A bonus system requires two conditions: close and continuous monitoring over the course of a year resulting in a lot of documentation and paper work, and a clearly discernible hierarchical structure between those that are monitored (teachers) and those that monitor (deputy director). In Tajikistan, teacher salaries underwent a major structural reform by reducing the number of supplements. Bonuses, in the case of Tajikistan a legacy from the Soviet past, accounted for two percent of the base salary. They were eliminated in the wake of the 2007 salary reform.

3. The Teacher Salary Structure

A unique feature of the Soviet and post-socialist salary structure is, as mentioned repeatedly in this report, the low base salary as compared to the overall teacher income. Sovietologists and comparative education scholars outside the region have marveled more than forty years ago (see Bereday and Schlesinger 1963, Noah 1966⁷) about the Soviet salary supplements for grading student notebooks, serving as a class teacher, administering a laboratory or a resource center, and a host of other pedagogical tasks which in other countries are typically regarded as core tasks of the profession and therefore included in the teacher salary. In recent times, the allowances that local governments pay to subsidize the living expenses of teachers (free or discounted rates for utilities, residence, plot of land, etc.) and the fees (private tutoring and other fees) paid by parents have drawn a great deal of public attention.

Even though this complicated salary structure is a legacy from the Soviet or socialist past and endured into the present, the share of the various components as a percentage of the total teacher salary has changed: the base salary shrank as a proportion of the total salary, and the other components (additional teaching hours, salary supplements, bonuses, allowances, fees from parents) have taken on greater shares. One might argue, that the increase of the salary additions reflects the financial constraints of the governments in these countries to raise the base salary of teachers to an adequate level.

3.1. Base Salary

The base salary is calculated based on the weekly, statutory teaching load of teachers. As mentioned before, in the five Central Asian countries, the Russian term *stavka* is used to refer to the regular teaching load of teachers. In the absence of possibilities to substantially raise the salary of teachers, the teaching load was gradually decreased enabling teachers to increase their income by teaching additional hours for which they are compensated. The statutory teaching load [*Russian: stavka*] used to be 24 hours for primary school teachers and 18 hours for lower and upper secondary school teachers. As table 2 illustrates, the regular teaching load of teachers in Turkmenistan is higher than in the other countries of the region even though it was substantially decreased in 2007. Prior to the decree of the (new) President of Turkmenistan in 2007, the statutory teaching load was 30 hours for primary and 27 hours for lower/upper secondary school teachers.

The base salary varies by educational background and by rank. The latter is determined based on promotion or “attestation” criteria. In the five Central Asian countries, three levels of education are considered: higher education degree, professional teacher education degree (also referred to as “college degree”), and no professional teacher education background (referred to as “incomplete higher education”). The teaching force is throughout the region well educated. In Tajikistan, for example, 61.5 percent of all teachers have a higher education degree, 59.0 percent a college degree, and only 0.5 have no adequate preparation for the teaching profession (Ministry of Education of Tajikistan, Educational Statistics 2006-2007, p. 65). There exist four ranks for teachers with a higher education degree⁸ and three ranks for teachers with a college background. The small minority of practicing teachers with no professional qualification is not ranked and thus cannot be promoted. Educational background is taken very seriously and teachers are paid at a lower salary level if they teach subjects for which they had not an adequate professional preparation.⁹ Two of the countries that we examined, Azerbaijan and Mongolia, established

policies in 2006 and 2007, respectively, that consider years in service as the main criterion for determining a teacher's rank and, by implication, the nominal value for the base salary.

Base salaries of civil servants and teachers are both a public and a political concern given the great number of employees in the public sector. The salary raises of civil servants periodically surface in action programs of political parties, especially during election years. As table 7 illustrates the base salaries of teachers have been regularly raised over the past years.

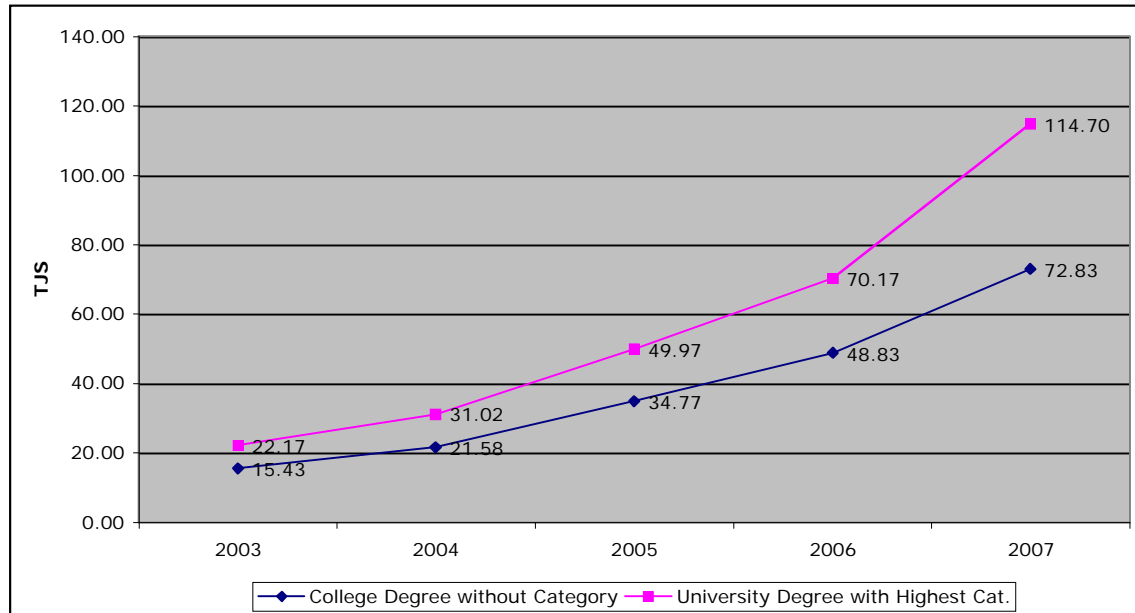
Table 7. Salary Raises of Civil Servants and/or Teachers in the Region

Country	Increase in Salaries
Armenia	Teachers salaries have risen approximately 100% between 2004-2006
Azerbaijan	Teacher salaries have been increased 9 times in the period 1997-2007
Georgia	Teacher salaries have risen approximately 150% between 1997-2007
Kazakhstan	Salaries of civil servants planned to be increased by 75% between 2004-2008
Kyrgyz Republic	Salaries have been risen by approximately 70% between 2003-2006
Tajikistan	Five-fold increase in the amount of base salaries in the period 2003-2007
Turkmenistan	In 2007: 40% salary increase for teachers and 10% for other civil servants
Uzbekistan	Salaries have increased by approximately 185% between 2004-2006
Mongolia	Fourfold increase between 2004 and 2007 (including structural reform of salaries)

Source: Ministry of Education and Finance (2007) *Armenia Medium-Term Expenditure Framework 2007-2009*; Ministry of Education and Science for the Republic of Georgia; interview with two department heads from the Ministry of Education, Turkmenistan, on April 22, 2008; World Bank (2005) *Uzbek Public Expenditure Report*; UNDP (2007) *Uzbek Supply and Demand*; Steiner Khamsi (2007); World Bank Azerbaijan.

The salary increases needs to be interpreted as a government effort to respond to the competitive salaries offered in the private sector. Even though the salary increases have been substantial, the base salaries of teachers (not including supplements, allowances, bonuses) have remained low in relative terms. A good case in point is Tajikistan where the real salary increased fivefold (taking into account the inflation rate during that period), but yet the relative base salary is only 70.4 percent of the average monthly salary in Tajikistan. Figure 3 present the real increase for the lowest paid teachers (college degree without rank/category) and the highest paid teachers (university degree with highest rank/category) and demonstrates that all teachers, regardless of rank, had a five-fold real salary increase in the period 2003 to 2007.

Figure 3. Real Base Salary Increases for Grade 5-11 Teachers, Tajikistan, 2003-2007



Source: Steiner-Khamsi 2007: 17.

Table 8 illustrates the salary in the education sector as a percentage of the national salary average and also lists, for comparison, salaries in other sectors. The teaching profession is, along with the professions in the health and agricultural sectors, among the three most poorly paid jobs. In 2004, salaries in the education sector were with 70.4 percent close to thirty percent lower than the national salary average.

Table 8. Average Monthly Salary in Tajikistan, 1998-2004

	1998	1999	2000	2001	2002	2003	2004
<i>Wages in sectors in % of national average</i>							
Economy	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Industry	309.1	308.5	304.6	303.1	284.0	255.9	236.1
Agriculture	57.4	46.3	50.0	58.3	58.2	60.5	57.4
Construction	242.5	319.0	249.9	235.7	146.8	224.2	247.5
Transport	175.9	200.0	198.8	207.9	213.9	226.6	242.6
Communication	211.2	246.9	246.9	253.5	292.6	334.0	324.8
Trade, Catering and Procurement	90.1	102.2	108.3	98.3	100.4	103.3	81.4
Health	33.4	38.5	43.2	37.7	39.8	38.3	35.8
Education	70.2	65.6	74.2	73.4	78.6	77.2	70.4
Social Protection	33.4	38.5	43.2	37.7	39.8	54.9	73.1
Public Administration	175.8	196.3	153.2	127.4	151.0	141.9	110.8
Credit and Insurance	221.8	421.4	492.7	385.1	363.9	393.0	378.7

Source: World Bank (2005). *Tajikistan. Civil and Public Service Wage Note*, annex 1, p. 97.

3.2. Additional Teaching Hours

The Teacher Unions in these countries have emphasized the advantages of the *stavka* system: it allows teachers to either work part-time for a few hours only (1/4, 1/3, 1/2 of a *stavka*, etc.) or take on additional hours for which they are paid (often referred to as 1.2, 1.5, or 2 *stavkas*, etc.). The labor laws in these countries establish an upper workload (40 hours/week) which determines the ceiling for taking on additional teaching hours. On the average, teachers in the region work 1.5 teaching loads or *stavkas*. This means that they work as much as or more as they did during Soviet times with the difference that they are compensated for two-thirds of their actual teaching load (16-20 hours) in the form of a base salary and for the remaining one-third (8-10 hours) they are paid extra in the form of “additional hours.” The flexibility of the *stavka* system benefits mostly secondary school teachers of subjects that are high in demand and low in supply (math, sciences, languages) or teachers at schools in urban areas where several classes per grade are offered. Conversely, secondary school teachers at small schools, typically located in rural areas, earn significantly less because they are not able to teach additional hours. The Public Expenditure Tracking Survey in Mongolia found that compensation for teaching additional hours is the main reason why teachers in urban areas earn significantly more than teachers in rural areas (see World Bank 2006, Table 3).

Precisely because teachers are paid per hour or per a fraction/multitude of a *stavka* (weekly statutory teaching load), teacher absenteeism is rigorously noted and the missed teaching hours are deducted from the monthly salary. Thus, teacher absenteeism is not an issue, but “ghost teachers” who temporarily or permanently work somewhere else but are listed on the payroll of a school is a concern in some countries, in particular in Tajikistan and Kyrgyzstan.¹⁰ In contrast, “ghost students” are an issue in countries with the per-capita financing mechanism (e.g., Mongolia), and the Ministry of Finance and the Ministry of Education there are, year for year, in a disagreement about the real student figures on which the national education budget is supposed to be based. In countries with incremental budgeting (e.g., Tajikistan and Kyrgyzstan), the phenomenon of ghost teachers is exacerbated by a rigid social insurance policy which requires twenty years of uninterrupted public service in order to qualify for a full pension. Even though the pension is with approximately 30 percent of the last salary very slow, and subject to reforms, it still functions as a social safety net for households.

3.3. Salary Supplements

The number of salary supplements increased rapidly and extensively over the past years to the extent that government officials themselves are not entirely sure which teachers qualify for which supplement. There is a tendency nowadays among other ministries of education to reduce the number of supplements and thereby make the teacher salary more transparent. Before April 2007, teachers in Tajikistan were compensated for up to ten different supplements including a supplement for buying newspapers or books (equaled to ten percent of the base salary). Since April 2007, teachers are only entitled to two types of supplement: supplement for being a class teacher (monetary value: 15 percent of the base salary) and supplement for grading student notebooks (20 percent of the base salary). As mentioned above, there is great confusion as to which teachers are entitled to receiving the supplement for grading student notebooks (Steiner-Khamsi 2007). During Soviet times only teachers of languages and literature, math, physics, chemistry, and technical drawing were entitled to a supplement for notebook checking. All other subjects were regarded as less labor-intensive and therefore teachers of the other subjects were not eligible to receive this particular supplement.

The 2007 teacher salary reform in Tajikistan is noteworthy as it reflects the trend to reduce the number of supplements by integrating the payment for supplements into the base salary. Table 9 presents the reduction of supplements in the wage of the 2007 teacher salary reform in Tajikistan. As an example we insert the monetary values for an average teacher salary, that is, teachers with a college degree in the second category.

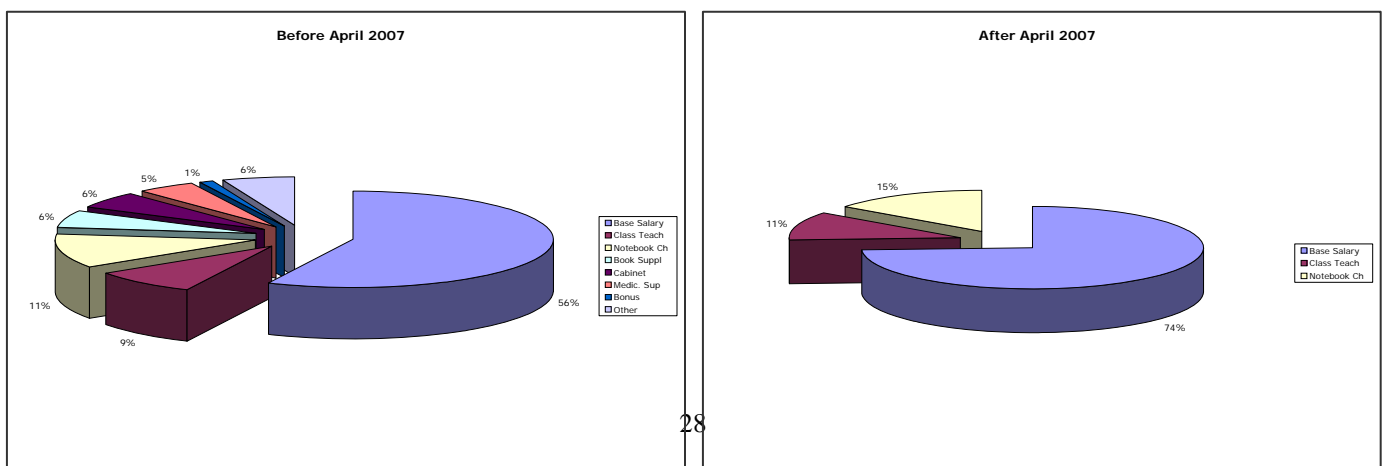
Table 9. Teacher Salary Reform in Tajikistan: The Integration of Supplements

	BEFORE APRIL 2007										AFTER APRIL 2007			
	Tariff per stavka (= base sal.)	Class teacher (15%)	Notebook checking (20%)	Books & Newspapers (10%)	Head of cabinet (10%)	Medical. supplement (1/12)	Premium/bonus (2%)	Other Supplements (10%)	Subtotal (stavka with suppl.)	Tariff per stavka (= base sal.)	Class teacher (15%)	Notebook checking (20%)	Subtotal (stavka with suppl.)	
Teachers with College Degree and Category 2 (middle)														
Grade 1-4 Teachers	63,10	9,47	12,62	6,31	6,31	5,26	1,26	6,31	110,64	90,00	13,50	18,00	121,50	
Grade 5-11 Teachers	59,40	8,91	11,88	5,94	5,94	4,95	1,19	5,94	104,15	85,00	12,75	17,00	114,75	

Source: Republic of Tajikistan, Presidential Order #219 of March 16, 2007 (paragraph 6), see Steiner-Khamsi (2007, page 22).

Before the reform of April 2007, the average teacher's income from base salary and salary supplements was 110,64 TJS (\$32). Only 57 percent of that income reflected the base salary of 63.10 TJS (\$18.30), the remaining 43 percent of income was generated by supplements. After April 2007 the teacher's income from base salary and salary supplement was raised to 121,50 TJS (\$35.20) but only two supplements—supplement for class teacher and notebook checking—were compensated additionally. Figure 4 illustrates the positive impact on the public perception of how much teachers get paid by integrating salary supplements into the base salary.

Figure 4. The Shares of Base Salary and Salary Supplements in Tajikistan: Before and After the Reform of April 2007



Source: Republic of Tajikistan, Presidential Order #219 of March 16, 2007 (paragraph 6), see Steiner-Khamsi (2007, page 23).

Our comparative analyses revealed that all nine governments compensate teachers extra for serving as a class teacher and for grading student notebooks. Other commonly used supplements are mentoring other teachers in the school (“leaders of methodology units”), managing a laboratory or a class library (“leader of cabinets”) as well as a supplement for teaching in remote rural areas¹¹ and teaching a subject for which there is a shortage of teachers (e.g., Russian teachers in Central Asian countries and foreign languages teachers; in Kyrgyzstan also math teachers).

It is important to highlight one particular point here that will be explained in greater detail in the last section of this report: teachers are only entitled to receive the salary supplement if the tasks tied to the supplement (e.g., grading student notebooks, leading the class, mentoring other teachers, etc.) are carried out diligently. Deductions from the salary supplement are common and inscribed in the governmental decrees. Article 5 of the Presidential Decree of the Republic of Uzbekistan (November 11, 2005), for example, states that “the concrete size of the supplement is based on the teacher’s performance.” Even though in Uzbekistan the supplement for class supervisions carries the same monetary value as a full base salary and the supplement for checking notebooks and grading tests accounts for an additional 50 percent of the base salary, the full amount is only paid if the teacher delivers accordingly. As a result of such regulations a series of sophisticated and time-consuming control mechanisms are put in place to closely monitor teachers to assess whether a teacher should receive the full amount of the supplements or whether deductions should be made. Deductions from the salary supplements are the rule and contribute to the low morale among teachers.

3.4. Bonuses

Bonuses for outstanding performance have an established place in the educational systems of the region. Teachers receive cash awards if their students or they themselves score in the top three ranks of student or teacher competitions (*olympiads*). Preparing students for *olympiads* is considered part of the profession and explicitly listed in ministerial decrees as a duty of teachers.¹² Educators in the region have, however, criticized the high value attached to student competition events (see Steiner-Khamsi, Silova, Johnson 2006) as it encourages teachers to focus on the best-performing students that have the potential of scoring high at *olympiads* and neglect the other students in the class.

As will be explained in greater detail in section 3, the performance-based bonus system has taken on an ever greater importance in the wake of public sector management reform, and in particular the introduction of “results-based management” that the Asian Development Bank has been promoting and funding in the region. Azerbaijan introduced a merit-based system for evaluating and promoting teachers as part of the Education Sector Reform Program in 2001 (see ADB 2004, Six Country Case Studies, p. 6ff.). Mongolia stands out as a country that has perhaps most rigorously implemented results-based or outcomes-based education (see section 3). In the first two years, the bonuses for teachers and school staff were part of the salary line of the central education budget. Starting in the third year, however, the responsibility to pay for bonuses has been delegated to schools. According to the decree of the Government of Mongolia of September 2007, schools need to resort to the income that they generated for paying for bonuses or rewards. The generated income results from sales of vegetables grown in the school garden, sale of

livestock or livestock products of the school's herd, from goods produced in "labor training courses" of the school, or from services that the school provides to the community.¹³

The term "bonus," however, is used by governments indiscriminately and also includes additional payment in the form of a 13th, 14th or 15th monthly salary or additional payment for special occasions. The only commonality between these different usages of the term is that it is unplanned or unpredictable income, depending either on the performance of teachers (olympiads and other performance-based bonuses) and/or on available funds.

3.5. Allowances

In contrast to the base salaries and salary supplements presented in the previous two sections, allowances vary widely by country and location. There still exist allowances paid by the central government (oftentimes referred to as supplements), but most of the allowances are nowadays paid from local funds and are not subject to central regulation. Therefore public expenditure reviews and other fiscal analyses at national level prove to be inappropriate tools to examine allowance because they are not listed in the national education budget. In contrast, household surveys and other empirical studies that examine expenditures at local level are suitable for identifying the amount and type of allowances that teachers (and other civil servants) receive.

The following types of allowances are funded from local funds:

- Free or a discounted rate for utilities (electricity, gas, water)
- Free public transportation
- "emergency fund" for illness in the teacher's family
- Free or discounted rate for teacher's residence: this allowance has ceased to exist in the capitals and towns in the wake of privatization of formerly state-owned property. The PETS Mongolia found that nationwide only one-third of all teachers received free housing (World Bank 2006). In the city of Dushanbe, the Mayor's Office offers attractive loans to civil servants and teachers to purchase apartments.
- A plot of land for recreation, agriculture or animal husbandry
- Additional monthly salary/ies and other one-time bonuses¹⁴
- Cash gifts for Teacher's Day, New Year, and other special occasions

With the privatization of property over the past two decades, the local governments have much fewer residences and land available to hand over or sell them at a nominal fee to civil servants. Teachers complain that the allowances, paid by the central and local governments, have been drastically reduced as compared to the socialist times. In the Kyrgyz Republic, for example, teachers in rural areas are entitled to two hectares of land which they use seasonally (April through October) to generate additional income from agricultural products or livestock. However, not all governments of villages can afford to provide this particular allowance.

The five components of the teacher income—base salary, compensation for additionally taught hours, salary supplements, bonuses, allowances—only capture the teacher's monthly earning. In all countries, the social benefits paid to civil servants are quite extensive and account for a great proportion of the national wage bill. In some countries the list of allowances paid from the central budget is as long or longer as the one funded from the local budget, presented above. In Mongolia, for example, allowances are paid for the following (World Bank, 2007, *Sources of Growth*, p. 229):

Allowances for:

- Pregnancy and delivery
- Caring children
- Twin children
- Adopted orphan children
- Infant
- Single person's funeral
- Mothers having many children

Besides the state's allocation for these types of allowances as well as pension, health care, vacation, there are different kinds of benefits reserved for civil servants only including holiday related bonuses, end-of-year bonus, welfare bonuses (in the event of marriage, birth of a child, death of a close relative, serious sickness, etc.) and scholarships for off-spring of civil servants. The reforms of the public service wage system have attempted to monetize these social benefits and thereby make the actually paid monthly salary more transparent. A policy paper on the public sector wage system in Kazakhstan (World Bank, 2005) found that approximately 57 percent of salaries at central level and 30 percent of salaries at regional level consist of bonuses and allowances. It recommends to monetize these amounts and include them in the base salary, thereby making the real salary higher and more transparent.

3.6. Fees from Parents

It was unconceivable during socialist times that state institutions would charge fees for education. In seven of the nine countries (information on Turkmenistan and Uzbekistan) legislation was passed in the early 1990s to introduce tuition fees in higher education both for the newly established private universities and, at a reduced rate, for the state universities. A decade later, the legal framework for general education was revised in ways that permit schools to charge fees from parents for funding building maintenance, teaching and learning resources, library resource rental, or for special classes (see Asian Development Bank 2004 [Six-Country Case Studies]). In Uzbekistan, the household contribution to education has been reportedly one of the highest in the region (World Bank, UZ Public Expenditure Review 2005). In 2004, the private contributions included both official fees (tuition for special classes), purchase of textbooks and school supplies, as well as informal fees. Families spent on the average more on education-related expenses for one child than the poverty-level monthly expenditure on food (UZ PER, p. 32). Tuition for higher education is throughout the region excessive (note: data on Turkmenistan not available). In 2005, the annual tuition fee for colleges and universities in Uzbekistan was approximately the same as the average annual salary (UZ PER, p. 32) and in Mongolia it was approximately 65 percent of the annual base salary of a teacher (Steiner-Khamsi and Stolpe, 2006).

In a region where education used to be free, these fees are highly unpopular and subject to continuous revision and, in some countries, have been reverted. In the Kyrgyz Republic, for example, the textbook-rental scheme suspended shortly after it was instated.

Fees for special classes have been regulated in several countries to prevent abuse and over-charging but also to generate revenue for taxes. Schools that offer academic tracks of lower and upper secondary schools (*gymnasiums*) in Uzbekistan, Kazakhstan, the Kyrgyz Republic and Tajikistan request tuition fees from parents. In the Kyrgyz Republic, fees for additional classes are regulated in the province Chui where the per-capita financing scheme is being piloted. The

State Anti-Monopoly Agency of the Kyrgyz Republic issued two decrees in 2007 (Decree 385/1 and 71) that regulate parental fees for “additional educational services” and for “additional classes,” respectively. The fees are demand and supply driven: the most expensive additional classes are foreign language classes and sports lessons and the least expensive are arts lessons.

Parental fees for these regulated, special or additional classes are minimal as compared to what parents pay for unregulated private tutoring by teachers and for bribes to have their child admitted to a specialized school or a prestigious university. Ketevna Rostiashvili (2004, 27ff.) presents estimates of how much families in Georgia had to place to place their child in a university before unified entrance exams were introduced. On average, parents paid up to \$2,100 for private tutoring to have their child prepared for the three to four subjects tests in the university entrance exams. Additionally, parents were requested to pay bribes if their child scored below the required grades. For examples, bribes cost, on average, \$8,000-\$9,000 for admittance to the journalism faculty at Tblisi State University (TSU). The most expensive bribes were for the law faculty at TSU (\$20,000-\$30,000), but when the new State Technical University opened a competing law-degree program, the law faculty at TSU had to lower their bribes to \$10,000-\$15,000 per admitted student.

Staying in the classroom when classes have ended to privately tutor students is a daily routine for many teachers. The last section of this report examines in greater detail the negative correlation between teacher salary and professionalism, forcing teachers to seek for additional sources of income including privately tutoring their own students.

4. Teacher Professionalism, Status, and Morale Under Conditions of a Low and Fragmented Salary

The general public equates the base salary with the real salary of a teacher. In practice, however, the base salary accounts for only 50 to 60 percent of the salary (if supplements and additional teaching hours are included) and far less if also allowances, rewards and bonuses, and all private contributions are considered. Nevertheless the low base salary and the non-transparency of the real salary have a detrimental effect on the status, the morale and the professionalism of teachers.

4.1. Teacher Professionalism and Private Tutoring

Private tutoring, demanding fees, and expecting gifts are common practices for teachers in the region. Strikingly, both parents and students are empathetic and understand that teachers need to engage in such practices for making a living. David Sneath (2002) reports on the common sentiment in Mongolia that, to get things done, one needs to engage in all kinds of gifting practices, ranging from honorific expressions of gratitude to illegitimate practices of bribery. The informants in Sneath's study in Ulaanbaatar and in the Arkhangai province listed six examples as occasions for gifting: to secure a place for their daughter or son at a university, to receive the necessary grade on an exam, to get a job, to complete official documents or papers, to get a bank loan, and to facilitate a business transaction. The merit of Sneath's study lies in identifying what, in the Mongolian context, is regarded as an acceptable expression of gratitude and gift giving versus what qualifies morally as an unacceptable practice of reciprocity and bribery. To illustrate his point, Sneath comments on a newspaper article with the headline "Give Doctors and Teachers Bribes! Why Not?" The author of the article makes a case for differentiating between the recipients of a bribe. If the recipients are respectable individuals to whom one is socially indebted, such as doctors who save lives or teachers who "taught us our professions," then a bribe is morally justified. Teachers and doctors are not only members of traditionally respected occupations, but also earn low salaries. The bribe is therefore justified.

Private tutoring constitutes a substantial part of the teacher's income and should not be neglected as one of the benefits of the teaching profession. This is not to suggest that private tutoring is inextricably linked to teacher corruption. It is more accurate to suggest that only some forms of private tutoring are corrupt, notably when teachers withhold the prescribed curricular content or do purposefully not prepare students for tests in order to get paid extra outside of school for test preparation. The income generated from private tutoring is substantial and may range from \$20 to \$2000 per month depending on the subject and the qualifications of the tutor. In Azerbaijan, for example, the highest fees for private tutoring are collected by tutors who also work as test writers for the centralized university entrance examinations (Silova & Kazimzade, 2006).

When teachers are under pressure to secure sufficient financial resources to survive and provide for their families, they may be tempted to engage in unethical behaviour. The existence of a wage differential and the fact that classroom teaching can only be imperfectly monitored are likely to encourage schoolteachers to teach school lessons poorly in order to create a demand for income-generating private tutoring after school hours (Biswal, 1999). While there were many cases of corruption in the education area during the socialist period, the unethical use of private tutoring as an income generating activity among teachers was a new phenomenon of the post-socialist transformation period (Silova, Budiene & Bray, 2006). An overview of qualitative data on private tutoring practices in Central Asia reveals that the unethical use of private tutoring involves teachers pressuring (and sometimes blackmailing) their own students to take supplementary private tutoring with them after school hours, often threatening students with lower grades if they

refuse. Compared to Central/Southeast Europe, Central Asian countries have the largest proportions of students tutored by their own class teachers, including 51.2 percent of students in Tajikistan, 39.6 percent in Kazakhstan, and 39.3 percent in Kyrgyzstan. By contrast, the percentage of students tutored by their own teachers is less than 10 percent in Croatia and Poland and less than 20 percent in Lithuania, Slovakia, Bosnia and Herzegovina, Georgia, and Ukraine (Silova, Budiene & Bray, 2006).

The incidence of teachers tutoring their own students may be partially explained by such factor as the lack of tutors in small towns and rural areas. Indeed, the data indicates that the percentage of school teachers tutoring their own students is higher in rural areas (over 50 percent) compared to urban areas (33.5 percent in Kazakhstan, 34.5 percent in Kyrgyzstan, and 42.2 percent in Tajikistan). However, the incidence of school teachers tutoring their own students in both urban and rural areas of Central Asia is much higher compared to other former socialist countries of Central/Southeastern Europe, with less than 15 percent of private tutoring users being tutored by their own teachers in Central Europe (Croatia, Poland, Bosnia and Herzegovina, and Slovakia) and less than 20 percent in the former Soviet Union countries (Lithuania, Ukraine, and Georgia) (Silova, Budiene & Bray, 2006). A pervasive incidence of school teachers tutoring their own students in Central Asia is a clear indication of unethical behavior among some teachers. In these countries, it is not only the lack of availability of tutors in rural areas that forced students to take private tutoring lessons from their own teachers, but rather a possibility of a widespread corruption in the country in general and the education system in particular. According to the Corruption Perception Index (Transparency International, 2005), the former Soviet republics of Central Asia are at the bottom of the international corruption perception ranking, with all three countries included in this study (Kazakhstan, Kyrgyzstan, and Tajikistan) ranking 150 out of 180 countries, with higher ranking indicating higher perceived corruption by citizens and observers of that country.

Table 10. Identification of Private Tutors by Students

Country	Class Teacher	Other Teacher from school	Teacher from Other school
Azerbaijan *	25.6	16.5	36.9
Georgia *	19.3	8.6	16.3
Kazakhstan**	39.6	8.8	22.0
Kyrgyzstan**	39.3	8.6	14.6
Tajikistan**	51.2	7.6	14.3

Sources: * Silova, I., Budiene, V. & Bray, M. (2006), ** Silova, I. (forthcoming)

Interestingly, students do not seem to associate possible instances of teacher corruption with teacher professionalism. As Johnson (2008) explained, students tend to blame the systemic actors like the economy and the government rather than teachers themselves for such corruption. Data from this study confirms that only a quarter of all surveyed students (25.7 percent) agreed or strongly agreed with a statement that “teachers should not be allowed to offer private tutoring lessons to their own students.” The number of students agreeing (or strongly agreeing) with this statement was the lowest in Kazakhstan (16.7 percent) and the highest in Kyrgyzstan (32.9 percent). Interestingly, the majority of the surveyed students did not see any possible conflict of interest involved in taking private tutoring lessons from their own teachers (Silova, 2008).

Alternatively, some teachers have eagerly adopted the logic of “service provision,” seeking various income-generation activities in the education area. For example, several studies highlighted the low salaries of teachers as the primary reason for engaging in private tutoring (Silova, Budiene, Bray 2007; UNICEF, 2007). Using the language of the market, many teachers view their students as customers, which may easily prompt corrupt practices whereby teachers charge unofficially fees from parents, impose private tutoring, or engage in other shadow economic activities to boost their salaries (Silova, Budiene, Bray 2007; UNICEF, 2007; Hallak & Poisson, 2007; Johnson, 2008). More positively, however, Popa and Acedo (2006) argue that private tutoring is not all about business, but rather about “the very notion of professionalism,” whereby private tutoring empowers teachers as professional group and provides alternative ways for education professionals to demonstrate “a commitment to service ethic and autonomy in planning and implementing their practice” (p. 98). In this respect, private tutoring in general education has become an effective solution to the problems teachers faced during the transformation period, counterbalancing their economic hardships and, in some ways, restoring their professional legitimacy.

4.2. Status Loss and Teacher Shortage

The over-representation of female and older teachers is indicative of the low status of teachers. The profession does not sufficiently attract males who seem to manage, more than women, to secure lucrative positions in the private sector. In Mongolia, the under-representation of male teachers was placed on the policy agenda but then under international pressure suspended. The report *Mongolia Country Gender Assessment* was published by ADB and the World Bank in 2005. One section of the report is devoted to gender and development, specifically educational development (ADB & World Bank 2005). The inverse gender gap in the educational sector is discussed whereby female students outperform male students at all levels of the education system. Women are also proportionally overrepresented as employees in the educational system. The ratio of women decreases, however, at higher levels of the educational system. At the primary school level 94 percent of the teachers are females, and 52 percent of all lecturers in colleges and universities are female. The release of the report in 2005 triggered a heated public debate on causes and remedies of the inverse gender gap in education. The under-representation of male teachers in Mongolia led the Ministry of Education to discuss the feasibility of introducing a quota for hiring male teachers and generating incentives for attracting male secondary school graduates to enroll in pre-service teacher education. However, no concrete actions have been taken to date.

Mongolia is not alone with having a teaching force that at primary school level is composed of over 90 percent females and at the secondary level over 70 percent. Compared to other countries in the region, Tajikistan and Azerbaijan tend to attract more men to the teaching profession, but female teachers still constitute an overwhelming majority in primary schools. Table 11 presents the gender of the teaching force in eight of the nine countries.

Table 11. Gender of Teachers, 2007

	Gender (% Female)	
	Primary School Teachers	Secondary School Teachers
Armenia	99	84
Azerbaijan	86	66
Georgia*	97	81
Kazakhstan	98	87

Kyrgyz Republic	97	73
Tajikistan	65	46
Turkmenistan	N/A	N/A
Uzbekistan	86	61
Mongolia	95	73
* 2003 Data		

Source: World Bank Education Statistics Database.

In addition to the gender imparity, the teaching force is over-aged reflecting the difficulty to attract new or young teachers to the profession. In Tajikistan, almost half of the teaching force (47.5 percent) served more than 17 years in the profession. Rural schools throughout the region depend on teachers at the pension age that are willing to teach part-time or full-time. The inability to attract graduates of pedagogical colleges and university to enter the teaching profession is well acknowledged among government officials of the region.

In Tajikistan, for example, there were 20,492 students enrolled in pedagogical colleges and universities in 2006/07, yet less than half of them entered the teaching profession and the majority of those that started a teaching career left the profession after three years when they fulfilled the “service requirement.” In seven of the nine countries (the data on Turkmenistan and Uzbekistan is inconclusive on this issue), there exist two types of higher education students: “budget students” and “contract students.” The so-called “budget” students in teacher education receive government scholarship and sign on to a two- or three-year service requirement which they, on paper, have to fulfill upon completion of their studies. In Tajikistan, the recipients of government scholarships (budget students) need to serve in schools for 3 years and in Kyrgyzstan for 2 years, before they are handed the teaching diploma. In contrast, the contract students pay for the tuition themselves and are free to choose their own employer. In previous times when higher education was free, all students were, so to speak, considered “budget students” and were assigned to a job. As during the times of Soviet manpower planning, today’s budget students are supposed to be placed by the Government for their first post; if necessary in remote rural schools. In the Kyrgyz Republic, approximately 12 percent of all higher education students are budget students, whereas in Tajikistan almost half of all university students receive a scholarship from the Government (see Brunner and Tillet 2007).

In practice, however, the service requirement for budget students is not rigorously enforced (see Steiner-Khamsi, Mossayeb, and Ridge 2007). Table 12 presents the figures for the Kyrgyz Republic which shows a significant increase of graduates entering the teaching profession over the period 1999 to 2003 due to a series of emergency decrees to remedy teacher shortage. The most recent program, established in 2004 and co-funded by the World Bank and the Asian Development Bank, is the Young Teacher’s Deposit Program in the Kyrgyz Republic. The initiative is a conditional cash transfer program in which graduates need to remain in the teaching position for three years in order to receive a monthly stipend (amount: \$55 or KGS 2,000) which is paid in addition to their salary. After the three-year period, however, teachers revert back to the basic salary and have to wait another five years for the ‘attestation’ (promotion) that will give them each month only an extra \$3.60 or KGS 133. The program is implemented as a pilot in two provinces only and it is questionable whether the funds are available to extend the pilot throughout the country.

Table 12 shows the high attrition rate in teacher education in the Kyrgyz Republic. In 2003 only 49 percent of those that had to fulfill a service requirement (budget student) actually showed up at the assigned post. The enforcement of the service requirement showed positive results: five years earlier in 1999, three-quarters of teacher education that were supposed to teach for at least two

years failed to do so. That is, only 24 percent of the graduated budget students that were assigned to a teaching position actually entered the teaching profession.

Table 12. Assignment of Teacher Education Graduates in the Kyrgyz Republic, 1999-2003¹⁵

Year	Graduates of teacher education programs	Vacancies	Assigned to vacant positions	Appeared at the post (graduates)	Ratio of those that appeared/vacancies
1999	2,525	2,984	1,952	706	24%
2000	2,530	2,332	1,757	691	30%
2001	2,595	3,039	1,930	1,255	41%
2002	2,523	2,580	2,079	1,452	56%
2003	2,433	3,190	1,948	1,580	49%

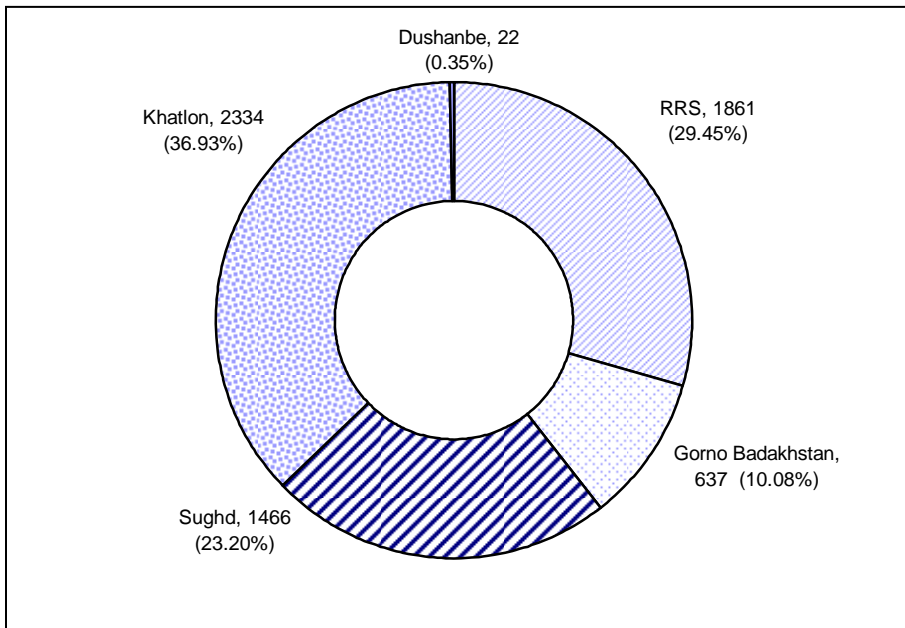
Source: Brunner and Tillet 2007: 119.

The status loss of the teaching profession is also clearly manifested in the declined interest to study education at pedagogical colleges and universities. This trend is especially pronounced in Tajikistan, where in 1999 52 percent of *all* graduates in higher education were in the field of education. By 2003, however, the graduation rate in the field of education (including teacher education) was halved: graduates of education only accounted for 21 percent of graduates. Graduates of education and health studies experienced the sharpest decline at universities in Tajikistan, whereas studies in economy experienced a student enrollment that was during the same time period, 1999-2004, almost fourfold.

The four indicators of status loss, presented here—feminization of the profession, over-aged teaching force, low transition rate from teacher education graduation to professional service, and decrease of enrollment in teacher education programs at colleges and universities—explain why there is a teacher shortage in the region, especially in rural areas and in specific subjects.

In Kyrgyzstan a shortage of 2,580 teachers was reported for school year 2006/07 (Ministry of Education and Science, 2007) and in Tajikistan 6,323 vacancies were documented in the same school year. As the following figure on teacher shortage in Tajikistan shows, vacancies in the capital Dushanbe are virtually non-existent (0.35 percent of all vacancies). Vacancies or unfilled teaching positions are a rural phenomenon, not only in Tajikistan but also in other countries of the region.

Figure 5. Teacher Shortage in Tajikistan by Region, 2006



Source: Ministry of Education Tajikistan 2006, see Steiner-Khamsi, Mossayeb, and Ridge (2007)

Teacher shortage in remote rural areas is ubiquitous, but in some countries severely underreported. In Tajikistan and the Kyrgyz Republic the problem of teacher shortage is rampant to the extent that international donors pledged funds for a series of emergency decrees that were also used during Soviet times and revitalized in the post-socialist period: abbreviating the course work in teacher education by one year and dispatching last year students as teachers to rural schools (Tajikistan), conditional cash transfer for new teachers provided that they accept to teach in a rural schools for three years (Kyrgyz Republic), or encouraging local governments to establish higher education scholarships for natives of the district and have them, upon completion of their studies, return and teach for two years (Mongolia). Nowadays, however, there are no bureaucratic hurdles for changing residence and retaining teachers in areas that have a poor infrastructure is a major challenge. In this region a legacy from the Soviet past, most countries provide incentives for working in remote rural areas.

It is important to bear in mind that, as mentioned before, teacher shortage or “vacancies” are only a concern for schools in rural areas in general and for specific subjects in urban schools. In some cities of the region there is an oversupply of teachers. In Azerbaijan, for example, there was at the end of 2007 an oversupply of teachers in urban areas but at the same time a shortage of 3,944 teachers in rural areas. In Armenia, the teaching force was reduced by 34 percent in the period 2003 to 2006, from 46,800 employments to 31,100.

4.3. The Morale of Teachers in a Controlling and Sanctioning Work Environment

In the dire work conditions, presented throughout this report, many teachers are forced to teach more than one teaching load and engage in other income-generation activities to supplement their income. In some of the poorest countries of the region (for example, Tajikistan and Kyrgyzstan), many teachers have placed personal survival over their professional responsibility to educate children. UNICEF (2001) reported that many teachers in Central Asia were surviving by engaging in petty trading, farming, teaching in more than one school, and/or taking other jobs in addition to mainstream schooling (pp. 80-81). In their ethnographic study of teaching in Kyrgyzstan, DeYoung et al. (2006) discussed how teachers (especially in rural areas) combine their work in school with the raising of cows, calves, and goats that they sold at the local market because they needed money. They quote one mid-career teacher of Kyrgyz language who had to combine several careers to make her ends meet:

About family, I have my husband and four kids: two girls and two boys. Besides school, I have another occupation. I have my small business at home: I sew dresses and sell them. Also, I have a small yard next to the house, where in the summer we grow vegetables. We also have a small plot of land that was given to us [when the local state farm dissolved]. We grow sugar beets there. This year I collected a good harvest. I got 30 tons per hectare, which I sold for good money... (p. 85)

In another study in Mongolia, we found that teachers are heavily indebted to banks and have a portion of their salary automatically deducted to pay off the interests of their loans (Steiner-Khamsi, Tumendemberel, and Steiner 2005).

It would be wrong to assume that the low base salary, the non-transparent salary structure and the general status loss of the profession account alone for the unattractiveness of the position. Teachers are in their daily work constantly controlled and sanctioned for their behavior and in some countries for their opinions.

It is a striking feature of the educational systems in the region that the laws and regulations are formulated meticulously, and the sanctions for not obeying them are as well. Along with the host of regulations imposed by the central, provincial, and district education authorities, each school also develops its own additional policies. A good case in point is schools in Mongolia. In a school in the Bayangol city-district of Ulaanbaatar, for example, the salary supplement for grading student notebooks is only given if the teacher successfully enforced the following seven requirements of student notebooks:

1. Full name and address on notebook cover, written in proper handwriting
2. Tidy notebook cover (i.e., not spoiled and not ripped)
3. No crossed out or corrected words
4. Legible and neat handwriting
5. Complete and correct notes on the teacher's lessons
6. No mixing of ink in the same notebook¹⁶
7. Evidence that the teacher actually checked and corrected the student notebook

Source: Bayangol 2004a, see also Steiner-Khamsi and Stolpe 2006: 139f.

Noncompliance with any of these seven requirements results in a supplement deduction.

Another example of this punitive system is the regulation of class teachers. In the same school in Bayangol city-district of Ulaanbaatar, seven criteria must be fulfilled for class teachers to receive the full supplement. The criteria are equally weighted, each carrying a maximum of ten points:

1. Cleanliness of classroom: 10 points
2. Discipline of the class: 10 points
3. Clothes and appearance of students: 10 points
4. Condition of class furniture and equipment: 10 points
5. Attendance of students: 10 points
6. Making use of the class bulletin board: 10 points
7. Accomplishment of given duties and responsibilities: 10 points

Source: Bayangol 2004b, see also Steiner-Khamsi and Stolpe 2006: 140.

Teachers are closely monitored by the deputy-directors and periodically by the district education authorities, not only with regard to their presences/absences but also with regard to student performance and task completion. In Mongolia, deductions from salary supplements are the rule rather than the exception and teachers rarely receive the full amount of the supplements. The PETS Mongolia study (World Bank 2006, p. 57f.) found that the reasons for salary deductions as well as subtractions from their salary supplements “were not completely justified” and they did not understand why they, at the end of the month, did not receive the expected salary. One-third of the teachers from the representative sample in Mongolia indicated deductions from their salary or their supplement in the past six months. The three most frequently mentioned reasons for deductions given by the education managers or deputy-directors to the teachers were “poor class management,” “poor lesson planning” and “poor maintenance of property in the classroom.” These deductions have a great impact on the morale of teachers, who, in their own words, work endless hours and yet, in the words of a Mongolian teacher,

All my life, I sacrificed my life for the children of other people and I don't have anything to offer to my own child. (Steiner-Khamsi, Tumendemberel, and Steiner, 2005)

5. The Study of Teacher Salaries: Its Relevance for Reform and Research

The low teacher salary in the post-socialist region of the Caucasus, Central Asia, and Mongolia is a human tragedy. Teachers are indebted and burned-out from working additional teaching hours, shifts, and jobs. On top of this untenable situation, teachers are heavily controlled for a job that pays little and yet is charged with very high expectations and great responsibilities. An examination of teacher salaries is much needed, not only because of its implication for teachers' personal lives, but it is also an issue of great relevance for educational reform and educational research.

5.1. Reform Trends: The Example of Mongolia

The EFA Fast-Track Initiative recognized the importance of teacher salaries for ensuring universal primary completion. A decent teacher salary does not only ensure a sufficient supply of teachers but also enhances the quality of education. The benchmark proposed in the EFA FTI Indicative Framework whereby the teacher salary should be 3.5 times the average GDP per capita in a country is illusionary in this part of the world. In Mongolia, the teacher salaries were 1.7 times the GDP per capita in 2005 but then in 2008, after the structural reform of 2007/08, 3.58 times the GDP per capita. Mongolia is the only country in the region that approximates, and in fact slightly exceeds, the EFA FTI benchmark.

In a short sequence, the Government of Mongolia lifted the teacher salaries three times in 2006 and 2007 to reflect the economic growth that the country has been experiencing since 2005.

Table 13. Increase of Teacher Salaries in Mongolia between 2006 and 2007 (in MNT)

Rank of Teacher	Decree No 12 of 2006		Decree No 147 of 2006		Decree No 13 of 2007	
	Base Salary	Hourly Rate	Base Salary	Hourly Rate	Base Salary	Hourly Rate
1	65650	863.8	76323	1004.2	91588	1205.1
2	70070	921.9	81357	1070.5	97628	1284.6
3	74360	978.4	86391	1136.7	103669	1364.0
4	78650	1034.8	91425	1202.9	109710	1443.5
5	83070	1093.0	96459	1269.2	115751	1523.0
AV. GROWTH	100%	100%	16%	16%	20%	20%

Source: Ministry of Education, Finance and Economic Department (February 2007). *Reform of Teacher Salaries* (p. 4).

As table 13 shows, the teacher salaries in Mongolia were lifted by 36 percent in the period 2006 to 2007. The biggest increase, however, was the increase that went into effect in school year 2007/2008. In September 2007, the teacher salaries underwent a structural reform: the weekly workload (36 hours) was introduced and used as the foundation to calculate the salaries. It replaced the previous system that was based on the weekly teaching load of 19 hours. As table 14 illustrates, this structural reform more than doubled the salary of teachers. The structural reform benefited especially teachers in small rural schools that were not able to amass their salary by taking on additional teaching hours. With the introduction of the weekly workload in Mongolia, a system that is also used in North America and Europe,¹⁷ the public perception of the teaching profession has visibly improved.

Table 14. Teacher Salaries in Mongolia after the Structural Reform, School Year 2007/08

Rank of Teacher	Monthly Base Salary (MNT)	Monthly Base Salary (US\$)
1	241,038	207
2	243,471	209
3	249,650	215
4	265,329	228
5	282,819	243

Source: Decree by the Government of Mongolia, September 5, 2007, Decree #219.

According to estimates of the Ministry of Finance of Mongolia and the World Bank (see World Bank report *Mongolia. Sources of Growth*, 2007, p. 11), the public sector salaries in Mongolia have, for the first time, exceeded private sector salaries at the end of 2005. Real salaries in the public sector have risen at an average annual rate of nearly 9 percent between 2000 and 2005. In comparison, the salary growth across sectors averaged only approximately 5 percent during the same time period. The two figures 6 and 7 illustrate the turning point in 2005.

Figure 6. The Increase of Public and Private Sector Wages in Mongolia 2000-2007

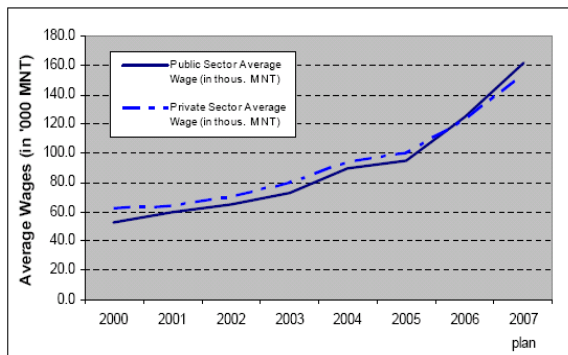
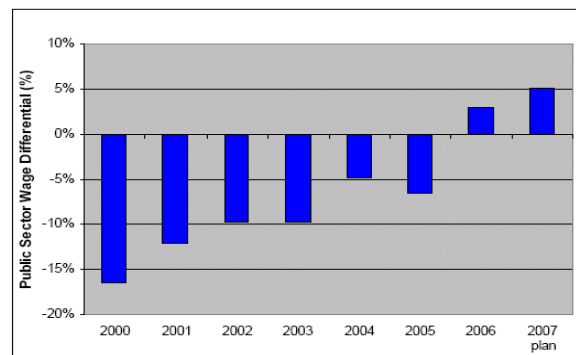


Figure 7. A Comparison between Public and Private Sector Wage Increases in Mongolia, 2000-2007



Source: World Bank (2007) *Mongolia Sources of Growth*, p. 11

The structural salary reform, issued by the Government of Mongolia, is the exception rather than the rule when it comes to lifting the teacher salaries to a level that makes the teaching attractive and competitive on a free job market. In all other countries, the teacher salaries remain far below the national wage average and are far removed from the international benchmark established in the EFA-FTI Indicative Framework (EFA-FTI Secretariat 2006). Nonetheless there is a trend in some countries (e.g., in Tajikistan) to incrementally integrate a few salary supplements into the base salary and thereby make the salary structure more transparent.

5.2. Contribution to Comparative Education Research

Besides demonstrating the urgent need for reform, an examination of teacher salaries also lends itself for the study of globalization in education. Twenty years after the transformation that took place in this part of the world, the teacher salaries in the region have been, with the exception of Mongolia, strikingly resistant to major changes. They still carry the main features of the Soviet

salary structure. Given the host of “traveling reforms” such as outcomes-based education, student-centered learning, vouchers, choice, and a host of other reforms that were transplanted from Western countries to these countries, the resistance to change begs for explanations. It exceeds the scope of this background paper for the *2009 Global Monitoring Report* to analyze the reluctance to change. Only a few hints should suffice for the moment to trigger the interest for investigating this fascinating topic in greater depth.

The low GDP only partially explains the low teacher salaries. Teacher salaries absorb the greatest bulk of public spending in education and governments in these regions simply do not have the financial means to drastically increase the salaries from tax revenues alone. Taking the financial limitations for granted, the question then becomes: why is the complicated salary structure preserved, leading, among other factors, to a negative public perception of the teaching profession? This question is more to the core of the matter than simply asking why governments in the region do not raise teacher salaries beyond the national wage average. There are a host of explanations, ranging from cultural ones to explanations that shed light on government-donor relations.

The salary structure reflects the cultural understanding of the teacher’s role. It would be absurd to deny the influence of seventy years of state socialism in these countries. Teachers were, along with the rest of the population, state employees that were paid the same as everyone else but remunerated additionally for extra effort (additional teaching hours), special skills (salary supplements), and service in areas where the demand is high but the supply is short (supplements for teaching in remote rural areas, teaching of subjects with a shortage of teachers). For example, it is engrained in teacher’s definition of the profession that grading assignments or commenting on students’ work is not core to the profession and therefore needs to be compensated additionally. Since this particular supplement (grading student notebooks) is only given to select teachers, there is also a strongly held belief that some subjects require more teacher input than others. Teachers who have undergone training in student-centered teaching complain about the extra work that this pedagogy entails and find it unfair that they are not adequately compensated for their additional effort. Needless to state, the current teacher salary structure is a barrier for introducing student-centered teaching. Such cultural reasons explain the resistance to change at the national level.

There exist, however, other barriers that impede a major reform in this area. It is one of the areas where international cooperation is least effective. There is an agreement among multilateral donors to refrain from supporting recurrent and operational cost in education. Teacher salaries epitomizes this category of cost and even though donors have observed and commented on the problem, they do not interfere in this area as their funding is, despite all intentions and international agreements, more often than not channeled into reform projects.¹⁸

The research field of transnational policy borrowing is a booming field within international and comparative education. Most of the studies are fascinated by policies that hold a great appeal and are borrowed in most cases with ample support by multilateral donors. Studies on transnational policy attraction or, the other side of the coin, on conditional lending on part of the donors, have dominated this field of research. As a corollary, researchers in this field emphasize policy attraction and investigate policies have been borrowed from other educational systems and examine the political and economic reasons for such a transaction. There is a scarcity of research on why some reforms, such as teacher salary systems, are *unattractive* and are *not* borrowed from elsewhere and come across as resistant to change.

Notes

Section 1

- ¹ With a workload of 35-40 hours per week, for example, teachers in other countries are expected to stay at school for 7-8 hours per day during which they teach, prepare lesson, grade student work, participate in meetings, etc.
- ² Gita Steiner-Khamsi in Kyrgyzstan, Mongolia and Tajikistan (see Steiner-Khamsi, Mossayeb, and Ridge 2007, Steiner-Khamsi and Gerelmaa 2006, Steiner-Khamsi 2007), Iveta Silova in Azerbaijan but also in other countries (see Silova, Bray, Budiene 2006), and Ketevan Chachkhiani in Georgia (see Chachkhiani 2007).

Section 2

- ³ Mongolia is the only country in the region that has an elaborate system of boarding schools for children of nomadic herder families. The communist collectives and the local governments in Mongolia were in charge of building and maintaining the school buildings and the dormitory facilities.
- ⁴ The gap between policy and practice of financial decentralization is not always acknowledged in technical reports. Otherwise very well-researched, the UNICEF CEE/CIS report *Education for Some More than Others?* (2007, p. 151) erroneously states that in Uzbekistan 61 percent of funds for public education are funded from the local budget, not taking into account that in most places the “local budget” is heavily subsidized from the central budget. When it comes to decentralization reforms, it is indispensable to distinguish between the (local) administration of funds and the (central) sources of funding.
- ⁵ Galina Monusova (3 June 2007). Skolko “stoit” shkolni uchitel? Formirovanie zarabotnoi plati v obsheobrazovatelnykh shkolakh. [How much does a schoolteacher cost? The composition of salaries in schools]. http://edu.of.ru/profil/news.asp?ob_no=21712, accessed on July 26, 2007.

Section 4

- ⁶ Government of Mongolia Resolution 42, appendix 4, “Monetary Award/Bonus to State Employees based on Outcomes” (2006)

Section 3

- ⁷ Harold J. Noah’s comprehensive study of the Soviet teacher salary from 1966 (Noah, 1966, chapter 5) examines the reforms of 1936, 1943, 1946, and 1948, and finds that despite the continuous raise in teacher salaries the structure and the communist rationale behind paying supplements (rewarding special skills in a context where salaries of workers, including workers in the educational sector/teachers, must be the same) has endured. Ensuring universal access to education was another priority during socialist times and, as a corollary, creating incentives for teachers to work in remote rural areas is also a long-held tradition in the region.
- ⁸ Labeled highest category, first category, second category, and no or lowest category (the latter is sometimes translated as “uncategorized.”).

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- ⁹ For example, if a teacher with a higher education degree in chemistry chooses to teach additional hours in physics, she/he is only compensated at the entitled salary level for the teaching hours in chemistry but receives a lower compensation for the hours taught in physics. Multi-subject teaching in secondary schools is a widespread phenomenon due to shortage of teachers in some subjects and in rural areas. In Mongolia, these teachers are referred to as “course teachers” because they merely completed courses (rather than a degree) in the other subject. Sometimes these teachers are also referred to as “universal teachers,” and the reliance on multi-subject teachers is seen as a liability for the quality of education.
- ¹⁰ In Tajikistan, for example, labor migration to Russia, Kazakhstan and Uzbekistan is widespread including among teachers. This is not to suggest that school administrators pay these “ghost teachers” or retain their salaries for their own usage, but more typically the salaries of ghost teachers are redistributed among the teachers of the school who take on additional teaching hours beyond the legally permitted ceiling established by the labor law.
- ¹¹ All the ministries of education in the region provide an incentive for teaching in remote rural areas. The definition of remoteness, however, differs in each country. In Azerbaijan, the supplement is paid to teachers nationwide that work in village schools that are at least 20 km away from an urban center. In Tajikistan and Mongolia the supplement is provided for entire provinces, typically mountainous provinces where the cost of living is high because of transportation and the distance to the capital. In Uzbekistan, the supplement is only given if a teachers moves from an urban to a rural school; that is, natives from rural areas are not entitled to the supplement. This is very much in line with decrees in the other countries: the allowance for remoteness is only given to teachers that have been assigned by the central government (as opposed to voluntarily chosen) to work in rural schools. Note that this supplement for working in remote rural areas is not restricted to teachers but is given to all public servants.
- ¹² In Uzbekistan, for example, the statutory teaching hours are 612 hours a year (18 hours per week for a school year of 34 weeks) and the amount of teaching for students with special needs or students that participate in *olympiads* is additionally listed as 198 hours per year (approximately 6 hours per week). See Uzbekistan Ministry of Labor and Ministry of Public Education, <http://www.edunet.uz/index.php?id=462>, accessed April 2008.
- ¹³ Article 26 of the Decree 219 of the Government of Mongolia (issued on September 4, 2007) states: From the income raised by the school through sale of products produced at the labor training courses as well as through other production and services, the school shall retain direct expenses for costs associated with production and pay. From the remaining income, bonuses and rewards should be made to teachers, students, school employees according to pre-established tariffs.
- ¹⁴ This varies greatly by location. The Mayor’s Office of Dushanbe, Tajikistan, paid all teachers in Dushanbe four additional monthly base salaries in school year 2006/08 (Steiner-Khamsi 2007) in addition to free public transportation and utilities. In some countries, the annual salary consists of thirteen salaries (paid from the central budget).
- ¹⁵ There was a calculation error in the last cell in the original table of Brunner and Tillet (listed as 84%) that we fixed. The correct figure is, as listed in table 12, 49%.
- ¹⁶ The teacher holds a monopoly over the usage of red ink.

Section 5

- ¹⁷ In most states of the United States, for example, the daily workload of teachers is 7.5 hours (for a 5-day week). Teachers are expected to teach, grade student notebooks or folders, work as homeroom teachers, and prepare for their instruction during this time. Only after-school

activities (e.g., coaching sport teams) are considered additional tasks that are remunerated separately. In some schools, mentoring other teachers also carries an additional stipend.

¹⁸ The Paris Declaration on Aid Effectiveness (OECD DAC, 2005) calls for alignment of donor funds with the targets established in education sector strategies of a government, but donors in this region continue to favor project-support over budget-support for a variety of reasons (risk of financial mismanagement, lack of reliable mid-term budget frameworks, etc). Even funding from the Catalytic Fund and the Education Development Grant (tied to EFA FTI) have been used for projects rather than for long-term educational reforms outlined by the governments. This applies, especially, to the FTI projects in the Kyrgyz Republic, Tajikistan, and Mongolia (see Steiner-Khamsi and Chachkhiani, 2008).

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