

TRANSPARENCY, ETHICS, AND CORRUPTION ISSUES IN MONGOLIA'S EDUCATION SECTOR

STUDY REPORT

UIR.MN
СУДАЛГААНЫ САН



The Asia Foundation



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ULAANBAATAR
2017

ACRONYMS

IAAC	Independent Authority Against Corruption
NGO	Non-Governmental Organization
TVET	Technical and Vocational Education Training
MNT	Mongolian Tugrik
SICA	Statistical Institute for Consulting and Analysis



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PREFACE

The Asia Foundation (the Foundation), as part of its activities in Mongolia to strengthen governance and transparency, raise awareness, and prevent corruption, has conducted the Survey on Perceptions and Knowledge of Corruption (SPEAK) since 2006, and the Study on Private Perceptions of Corruption (STOPP) since 2012. The Foundation also conducted studies on corruption in the health sector in 2014, and in selected business sectors in 2015.

According to the SPEAK survey, political parties, land management offices, and the mining sector are perceived to be the most corrupt. The education sector, by comparison, is viewed as less corrupt. Citizens have greater expectations of fair treatment from the education and health sectors than from law enforcement or judicial organizations. Nevertheless, the variety and incidence of corruption in education are high enough to damage public morale, especially among the youth. According to SPEAK surveys conducted from 2012 to 2014, for instance, about 28 percent of all incidents of corruption involved teachers.¹

For the present study, the Foundation collaborated with Mongolia's Ministry of Education, Culture, Science, and Sports (MECSS) and the Independent Authority Against Corruption (IAAC) under its Strengthening Democratic Participation and Transparency in the Public Sector (STEPS) project. The study records perceptions, observations, and encounters with corruption reported by citizens, teachers, experts, and researchers on the forms, causes, ethics, and other factors of corruption in the education sector, and presents the information without any additional analysis or conclusions. The study has both quantitative and qualitative elements. Parents provided the main, quantitative information, while interviews with teachers and experts provided qualitative information that was used to support the findings of the quantitative survey.

We would like to express our gratitude to Global Affairs Canada for its generous funding and acknowledge the Statistical Institute for Consulting and Analysis, LLC (SICA) for implementing the data collection and completing the report, and the IAAC, the MECSS, and the Education Office of Ulaanbaatar City Municipality for their advice and technical assistance in developing the survey questionnaire. We strongly believe that this survey will contribute to the continuing discussion, debate, and other activities by the government and civil society organizations to prevent corruption².

¹ Thirty-one percent of 152 SPEAK respondents in 2012, 22% of 107 respondents in March 2013, 40% of 102 respondents in September 2013, and 19% of 95 respondents in 2014 indicated they had paid a bribe to a teacher.

² Please note that this report has been translated from Mongolian into English. Some aspects of this report may slightly differ from the Mongolian version to facilitate ease of understanding of certain terms and concepts in English.

EXECUTIVE SUMMARY

This study of corruption and ethical misconduct in the education sector was conducted in Ulaanbaatar and four aimags: the regional centers Dornod, Darkhan-Uul, Orkhon, and Khovd. A total of 1,240 respondents included 1,120 parents, representing the recipients of education services, and 120 teachers, lecturers, and education sector experts. Parents were selected using multistage stratified sampling, with the key criterion that they have a child studying in an educational institution of any level. The survey team then analyzed the quantitative and qualitative data surveys and indicator scoring to assess respondents' perceptions and understanding of ethics, transparency, and corruption in the education sector. A summary of the study findings in three main areas — provision of education services, internal operations, and procurement — shows the following results.

Ethical misconduct and corruption in the provision of education services

Respondents believed that issues of ethics and corruption exist at all levels of education services with admissions being the area that is most corrupt. The vast majority of respondents say that parents always, often or sometimes use bribes, connections or position to get their child admitted to kindergarten (77%), primary or secondary school (70%) or college and university (73%). The same held true when trying to change classes (62%) or change their grades (61%). Parents evaluated the corruption and conflict of interest in the education sector as “modest” (2.65), while teachers and education-sector employees assessed the level as “high” (3.37). Unethical acts such as verbal or physical abuse and defamation of students continue to happen in the education sector of Mongolia. About 30% of respondents reported incidents of teachers discriminating against students or evaluating them unfairly. When measuring actual level of corruption in the education system, 40% of respondents admitted they had given cash, gifts, or free services to teachers or school staff within the past year. The majority of these cases involved kindergartens and primary schools. In particular, 41% of parents with children of kindergarten age gave a gift or paid money to get their children into kindergarten, and 45% of parents with school-age children gave a gift or cash to express gratitude for their child's graduation or completion of a grade level. Giving gifts is more common at kindergartens and schools, whereas cash is more common at colleges and universities.

In more than 80% of these incidents, parents said they took the initiative to offer gifts, cash, or free services. Forty percent said they achieved the desired outcome, 23% said the gift or cash had no effect, and 35% said they never expected anything in return. The value of the gift or cash varied depending on the level of the institution. Kindergarten admission in Ulaanbaatar cost around MNT 400,000, a scholarship for a primary-school student cost MNT 300,000, and a transfer to a better school or a popular major cost MNT 500,000 to 800,000. Expressing gratitude ran from MNT 40,000 to 50,000 at all levels. According to the qualitative survey, money spent for these purposes is valued in millions of tugriks. Although using gifts and payments to obtain favors or advantages has become common, parents believe it is wrong to tolerate this practice, but in a sign that gift giving has become a social norm, few had any concrete ideas for change, and 70% of parents expressed the pessimistic view that giving

gifts and paying bribes would persist.

The study also looked at the issue of donations and fees in the education sector. Donations, fees, and payments for purposes such as improving the learning environment, maintaining the school, or procuring teaching materials have also become common. More than 50% of respondents reported that they had made a donation or paid a fee to a school or kindergarten in the past year. Donations ranged around MNT 45,000, while fees or charges were around MNT 50,000. Most donations were spent on school operations, but about 10% of reported incidents involved parents making voluntary payments or donations for other purposes, such as changing a teacher's attitude towards their child or securing admission to a school or kindergarten. Of all parents surveyed, 19.5% reported making no payments or donations. In other words, four out of every five households with kindergarten- or school-age children made donations or payments of some form. The receipt of these donations and how they are used, however, is not adequately reported. In about 40% of cases, no information on spending was provided; only 50% of respondents said teachers informed them how their money was spent; while fewer than 10% said that school managers had given them this information.

The findings demonstrate that the public has little access to information about how much is collected in fees and donations over the entire sector and how this money is spent. Moreover, the fact that most of these donations and payments pass through the hands of teachers with little oversight or reporting has bred public suspicion of conflicts of interest and corruption. Interviews did not uncover any actions or measures within the sector to address the issue of donations and fees. In most cases, unethical conduct and corruption in the education sector are connected to attitudes of parents, the budget and financial resources of the sector, and the salaries, remunerations, and working conditions of the personnel. This unethical conduct has become more or less normalized in the education sector — respondents may object in principle, but in practice they tend to acquiesce. Respondents displayed a limited understanding of the donations, fees, and formal and informal charges, and did not cite any administrative measures to address the root causes of corruption and conflict of interest.

Ethical misconduct and corruption in internal operations and procurement in educational institutions

In addition to issues of ethical misconduct and corruption in relation to the education sector's interaction with the public that relies on its services, the study examined the internal operations of the education sector and its institutions, primarily by means of the qualitative survey. It found that the internal operations of the sector are dominated by institutional behavior that prioritizes seeking privileges and obtaining personal benefits. Teachers and staff criticized school directors and headmasters, their ethics, and the inappropriate influence of political parties and political authorities. Thirteen percent of teachers who responded to the qualitative survey said they had to pay bribes to be recruited or appointed to certain positions, and more than 50% of respondents to the quantitative survey expressed the perception that there is a high level of corruption and conflict of interest in hiring, promotion, appointments, and remuneration in the sector.

Respondents working in the education sector have limited knowledge or understanding of the

budget, finances, and spending practices of their institutions. Just a few respondents thought that budget expenditures, particularly for large-scale projects and procurements, are free from corruption, while the majority believed that these practices are corrupt. Forty-six percent of citizen respondents thought that education-sector procurement involves corruption, while private-sector representatives assessed the corruption level in procurement as “moderate.” They assigned the highest risk of corruption in procurements to the process of forming the bid evaluation committee and the selection of winning bids. Private-sector representatives agreed that the procurement process in the education sector involves corruption, based on their own experience. For instance, six of 13 businesses surveyed had a history of influencing the procurement process by corrupt means. Corruption among mid- and upper-level officers in the education sector may routinely account for 5–10% of the total cost of a contract.

Sixty percent of respondents think that oversight currently in place is inadequate to control ethical misconduct and corruption in the education sector. Many proposed measures such as improving oversight mechanisms; increasing salaries, remuneration, and budget allocations; shielding the education sector from political influence; increasing transparency; and improving the ethics of all stakeholders. While respondents offered these potential remedies, they also expressed limited expectations that the corruption and conflict of interest would decrease, or that administrative agencies would demonstrate the will and commitment to take effective action.

CHAPTER 1. SURVEY ARRANGEMENT, METHODOLOGY, AND RESPONDENTS

1.1 Survey arrangement and organization/structure

Through discussions with stakeholders in April 2016, including the MECSS, the IAAC, and sector NGOs, the survey team identified key topics and the overall goals and scope of the survey. The Foundation and SICA LLC then developed the survey questionnaire, which was submitted for further review and comment to the IAAC, the Capital City Education Department, and education-sector NGOs. In preparation for the survey, researchers of SICA LLC received two trainings on the types and forms of corruption, and relevant legislation.

Data was collected and compiled between June 10 and August 15, 2016. Data analysis and the writing of this study report took place in September 2016. Survey data entry, quality testing, and modifications were done using CSPro software and data-entry tools, and SPSS 18.0, and double-entry methods were used to reduce non-sampling errors.

The study was conducted nationwide and covered the capital city, Ulaanbaatar, and four aimags, with 1,240 respondents representing the various stakeholders in the education sector: parents; school, university, and technical and vocational (TVET) students; teachers; lecturers; researchers; and private-sector representatives. Study data was collected using both quantitative (questionnaire) and qualitative (interview) methods. Parents were asked to fill out questionnaires, while other respondents were interviewed (Table 1).

Table 1. Survey scope and respondents

#	Survey type	Sample unit	Scope	Sample size
1	Quantitative survey	Parents	Ulaanbaatar city and 4 aimags	n=1120 parents
2	Qualitative survey	Representatives of students	Ulaanbaatar city and 4 aimags	n=120 persons
		Representatives of education institutions		
		Representatives of NGOs		
		Representatives of businesses		

1.2 Quantitative survey

In defining the survey sample size, the study team considered the parents whose children study in one of the education institutions. Sampling was made with 95% of probability ($Z=1.96$), with balanced probability of obtaining results ($P_0=0.39$), standard deviation (0.035), and design effect (1.5). Sample size was calculated according to the following formula:

$$n = \left(\frac{z^2 \times P_0 \times (1-P_0)}{e^2} \right) \times Deff \quad (1)$$

- Z = Statistical value determining the expected level of importance
- P_0 = Probability of obtaining a result
- $Deff$ = Design effect (calculated by comparing the sample design against the correct estimated sampling variance)
- e = Standard deviation

Calculation of sample size using the above formula resulted in a sample size of 1,113, which was then modified to 1,120 as the samples were divided into two: rural and urban. Standard deviation and other detailed statistical indicators are shown in Table 2.

Table 2. Sampling calculation

Indicators	n	p	q	Deff	z	se	cv
Total	1,113 ³	0.39	0.61	1.5	1.96	0.035	0.090
<i>Locations</i>							
Urban	557	0.39	0.61	1.5	1.96	0.050	0.127
Rural	557	0.39	0.61	1.5	1.96	0.050	0.127
<i>Types of education institutions</i>							
Preschools	371	0.39	0.61	1.5	1.96	0.061	0.156
Primary and secondary schools	371	0.39	0.61	1.5	1.96	0.061	0.156
Universities and TVET schools	371	0.39	0.61	1.5	1.96	0.061	0.156

Respondents were selected from each of four aimags, and each of six districts in Ulaanbaatar, by the multistage stratified sampling method. Distribution of survey sampling was based on the number of households. In other words, the survey design assumed that each household would have at least one member studying in an education institution at some level. Based on this sample distribution, the samples were distributed to Ulaanbaatar city and the regions (Table 3). Samples were distributed equally to each district and region, allowing for comparative study of corruption at various levels, including level of education institution (preschools, primary and secondary schools, and colleges, universities, and TVET schools) and urban vs. rural.

In each region, the major regional centers — Dornod, Orkhon, Darkhan and Khovd — were selected as representative aimags for the survey. Two soums were then randomly selected in each of these four aimags. Six districts were chosen in Ulaanbaatar. In the selected households, a parent or the best-informed household member was selected, and the researcher then asked the questionnaire and interview questions one by one, writing down the responses.

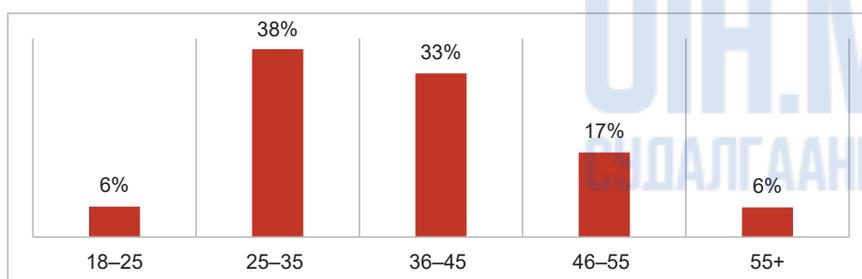
³ In relation to sample distribution, sample size was modified to 1,120.

Table 3. Primary sample unit and number of respondents

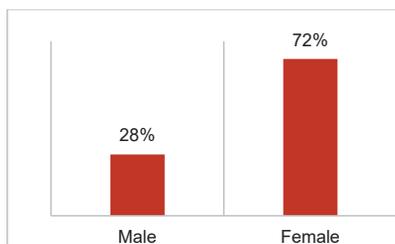
Aimags or district	Number of sample units	Percentage
Total	1,120	100%
Ulaanbaatar city (total)	560	50%
Bayangol district	93	8%
Sukhbaatar district	94	8%
Songinokhairkhan district	94	8%
Khan-Uul district	93	8%
Chingeltei district	93	8%
Bayanzurkh district	93	8%
Rural provinces (total)	560	50%
<i>Western region</i>	139	12%
Jargalant soum, Khovd aimag	100	9%
Myangad soum, Khovd aimag	42	4%
<i>Eastern region</i>	139	12%
Kherlen soum, Dornod aimag	97	9%
Choibalsan soum, Dornod aimag	42	4%
<i>Central region</i>	139	12%
Darkhan soum, Darkhan-Uul aimag	97	9%
Sharyn Gol soum, Darkhan-Uul aimag	42	4%
<i>Khangai region</i>	140	12%
Bayan-Undur soum, Orkhon aimag	97	9%
Jargalant soum, Orkhon aimag	43	4%

Information on respondents to the quantitative survey

Respondents of age 25–35 constituted the largest group in the survey (Graph 1). Most respondents (72%) were female, as females are the household members primarily involved in issues related to children. (Graph 2).

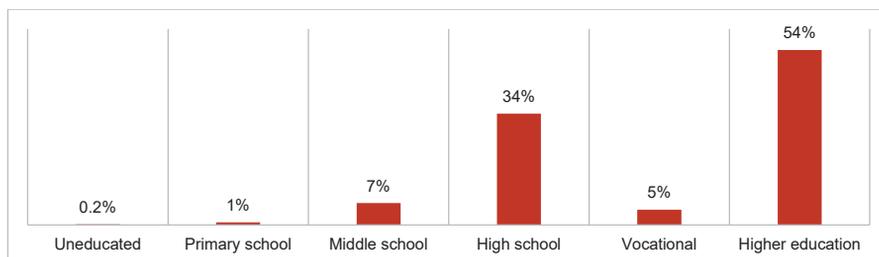
Graph 1. All respondents, by age

Graph 2. All respondents, by gender

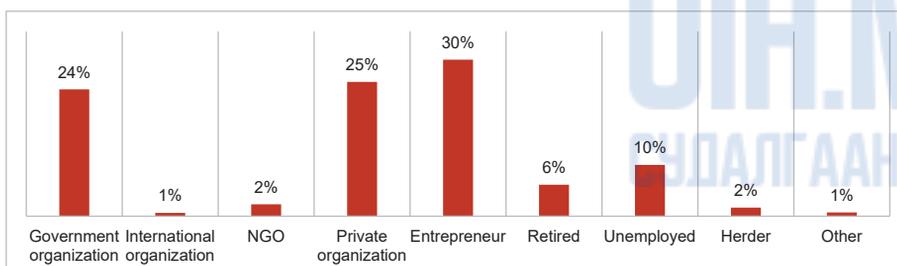


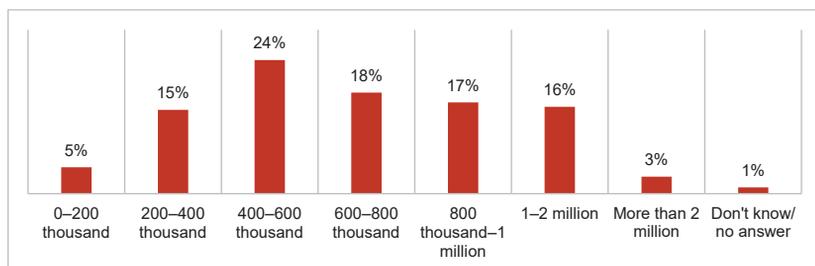
The education level of respondents was relatively high. A majority were university graduates, and 34% had completed their secondary education (Graph 3). Approximately 85% of respondents were employed (Graph 4). Average monthly household income was MNT 600,000 or lower for 45% of respondents, and MNT 600,000–MNT 1 million for 35% of respondents (Graph 5).

Graph 3. All respondents, by education level

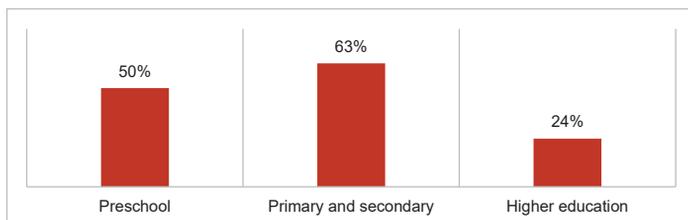


Graph 4. All respondents, by employment



Graph 5. All respondents, by household income

Fifty percent of 1,120 respondents (560) had children in kindergarten, 63% (700) had children in primary or secondary school, and 24% (273) had children in a college, university, or TVET. Respondents, in aggregate, had a total of 1,839 children in school at some level, an average of 1.6 children per household. Eleven percent of all children of respondents (203) attended private institutions, and 89% (1,636) attended public institutions (Graph 6, Table 4).

Graph 6. All respondents, by level of education institution of their children**Table 4. Children of respondents, by level of education institution and by private or public**

Level of education institution	Type of ownership	Urban	Rural	Total	Grand total
Preschool education institutions	Private	57	26	83	634
	Public	240	311	551	
School	Private	24	23	47	900
	Public	409	444	853	
Universities, colleges, and TVET schools	Private	38	35	73	305
	Public	94	138	232	
Number of children in 1,120 respondent households studying in education institutions					1,839
Number of children per household					1.6

1.3 Qualitative survey

A qualitative survey, based on individual, face-to-face interviews, was used to collect additional, key information on topics not covered by the quantitative survey. The qualitative survey involved 120 respondents, representing teachers, staff, and public employees in the education sector, NGO officers, academics, researchers, students, and private-sector representatives. Respondents were selected by location, the level of education institution that employed them, and their position. The survey team prepared a complete list of institutions according to their administrative units and the level of the education system they occupied, then used random sampling to choose the institution whose representative(s) would be interviewed individually. Teachers, lecturers, and staff who gave permission were invited to participate in the individual interviews.

If the employees of a selected institution were unavailable or unwilling to participate in the survey, people from the next institution were invited. The survey team collected data directly from the respondents and did not ask their name or the name of their institution. Interviewers worked from a list of prepared questions, which they followed up by asking for clarifications. In cases where the survey questions raised sensitive issues, respondents sometimes refused to answer or answered incompletely. Of 120 respondents to the qualitative survey, 40% were from the rural aimags of Khovd, Darhan-Uul, Orkhon, and Dornod, and 60% were from Ulaanbaatar (Table 5).

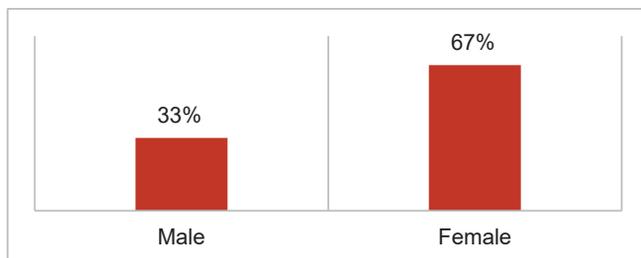
Table 5. Distribution of sampling for the qualitative survey

#	Key information sought	Target group	Types of Respondents	Location		Total
				Urban	Rural	
1	<ul style="list-style-type: none"> Teachers' ethics Payment of informal fees, charges, donations 	Preschools	Kindergarten directors, teachers, and so on	10	10	20
2	<ul style="list-style-type: none"> Student grades and evaluations Awarding scholarships Education-sector human resources 	Primary and secondary schools	School directors, training managers, chiefs of training units, and so on	10	10	20
3	<ul style="list-style-type: none"> Appointments, awards, and remunerations Budgets, finances, and procurement 	Colleges, universities, and TVET schools	Directors, chairs of academic training departments, lecturers, and so on	10	10	20
4	<ul style="list-style-type: none"> Education-sector human resources Appointments, awards, and remunerations Budgets, finances, and procurement 	Education-sector administrative agencies (<i>Ministry of Education, other agencies, education departments in capital city and districts</i>)	Officers, chairs of departments and divisions	10	5	15
5	<ul style="list-style-type: none"> Procurement and bidding 	Businesses bidding on education procurement contracts (<i>books, uniforms, supplies for school tea breaks</i>)	CEOs and senior business executives	11	4	15
6	<ul style="list-style-type: none"> Teachers' ethics, Payment of informal fees, charges, donations Student grades and evaluations Awarding scholarships Education-sector human resources Appointments, awards, and remunerations Budgets, finances, and procurement 	Representatives of education sector, researchers, scientists, and NGOs (<i>experts</i>)	Researchers, scientists, veteran and retired teachers, school staff	10	5	15
7	<ul style="list-style-type: none"> Teachers' ethics Payment of informal fees, charges, and donations 	Representatives from the student body	Students	7	8	15
Total				68	52	120

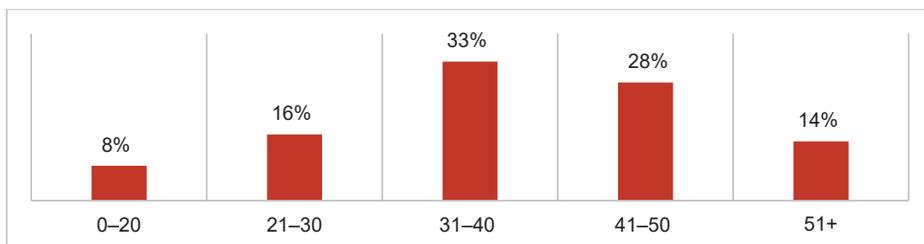
Information on respondents to the qualitative survey

Females comprised 66.7% of all respondents to the qualitative survey; and 60% of those respondents were of age 31–50; 86.7% of respondents had a college or university degree; and 40.8% had a master's degree (Graphs 7, 8, and 9).

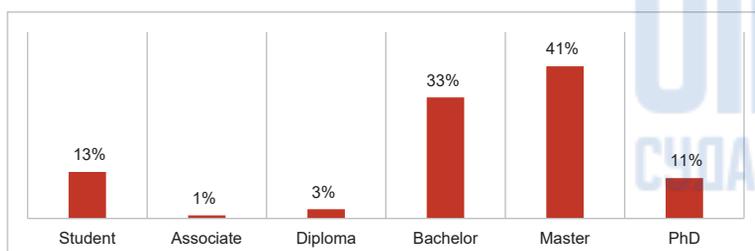
Graph 7. All respondents, by gender



Graph 8. All respondents, by age



Graph 9. All respondents, by education level



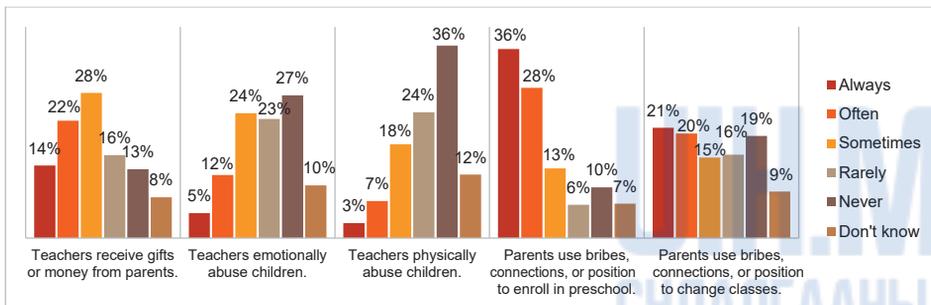
CHAPTER 2. CORRUPTION AND CONFLICT OF INTEREST IN THE PROVISION OF EDUCATION SERVICES

This chapter presents findings on respondents’ perception and understanding of ethical misconduct and corruption in the education sector, as well as their knowledge of actual cases of corruption and misconduct. The questionnaire included questions about ethical misconduct, immoral acts and omissions, illicit personal gain, misusing official position or personal connections to obtain personal privileges, and the pervasiveness of such behavior.

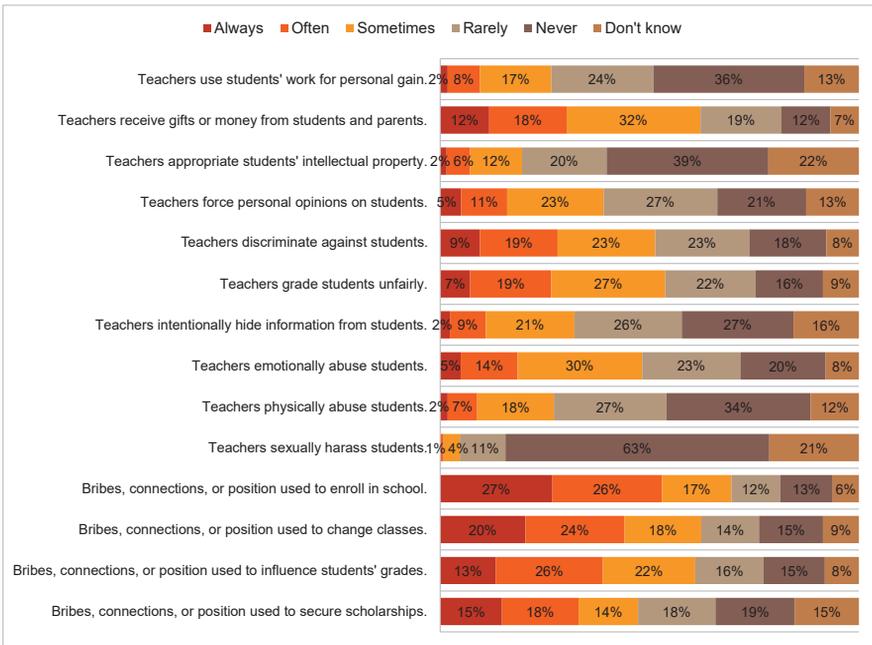
2.1 Perception and understanding of ethical misconduct and corruption in the education sector

We asked respondents to evaluate 14 indicators by assigning a score to each one. At the top of five indicators related to preschool institutions, 77% of respondents said parents always, often, or sometimes use bribes, connections, or position to get a child admitted to kindergarten, and 64% said teachers always, often, or sometimes receive gifts or money from parents (Graph 10). In primary and secondary schools, respondents widely believed that parents always, often, or sometimes use bribes, connections, or position to enroll their children (70%), change their classes (62%), change their grades (61%), or secure scholarships (47%) (Graph 11). Respondents believe the situation is even worse at colleges and universities (73%, 69%, 69%, and 64%, respectively) (Graph 12). At all stages, “often” was the most common response, while the responses “rarely” or “never” were the least common.

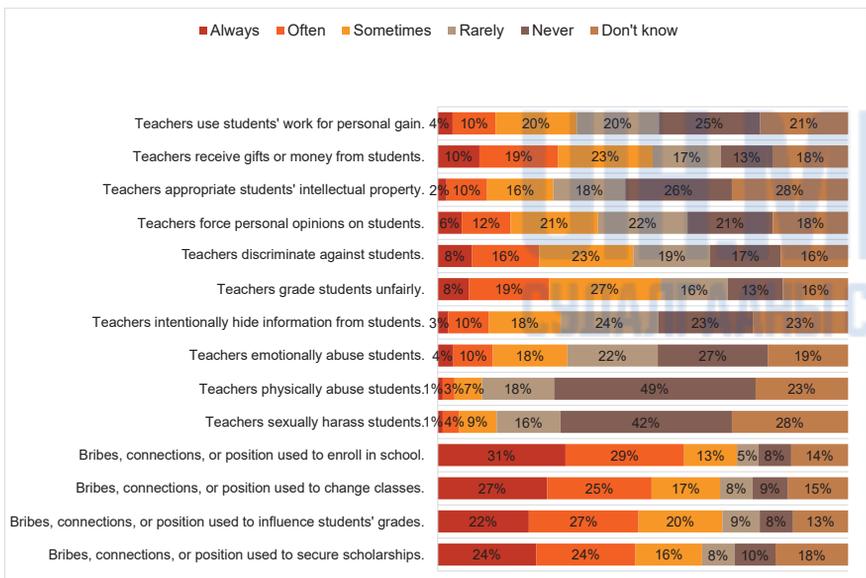
Graph 10. Perceptions of ethical misconduct and corruption at preschool institutions



Graph 11. Perceptions of ethical misconduct and corruption at primary and secondary schools



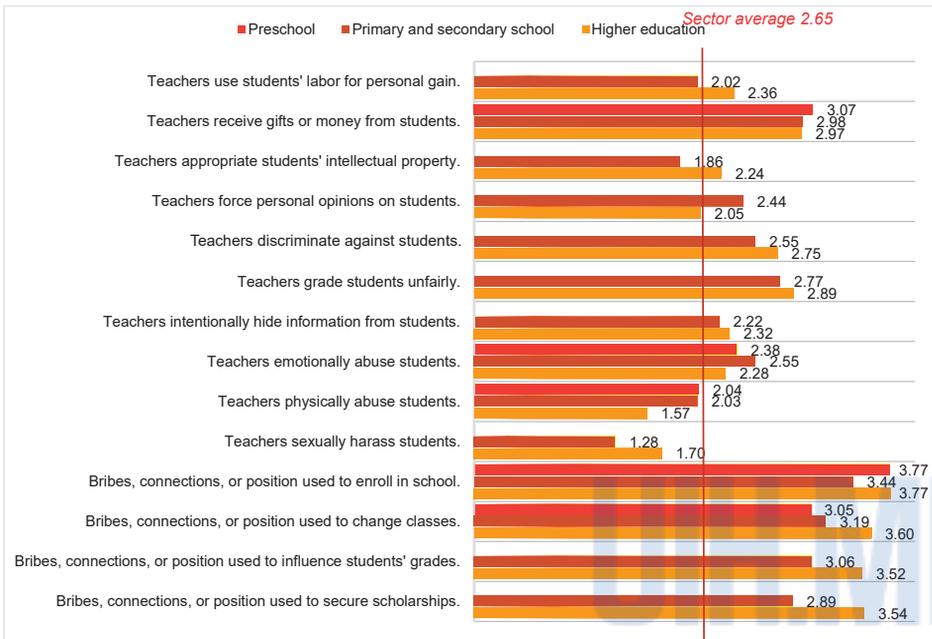
Graph 12. Perceptions of ethical misconduct and corruption at universities, colleges, and TVET schools



The indicators were ranked by assigning a numerical score of 1–5 to the results: always-5, often-4, sometimes-3, rarely-2, or never-1. The following six issues had higher than average rankings (Graph 13):

1. Bribes, connections, or position used to enroll in school (this was found more common at preschool and university levels).
2. Bribes, connections, or position used to change classes (this was most common at university level).
3. Bribes, connections, or position used to influence students' grades.
4. Bribes, connections, or position used to secure scholarships
5. Teachers receive gifts or money from students.
6. Teachers grade students unfairly.

Graph 13. Quantitative evaluation of ethics and corruption issues, by level of education institution

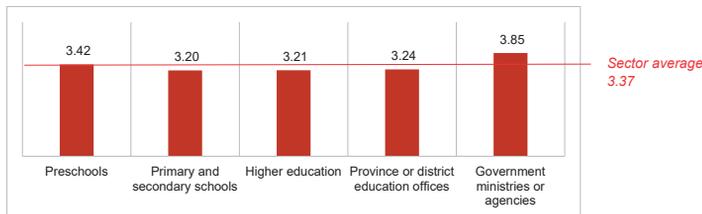


Respondents were asked to provide their own estimates of the overall level of ethical misconduct and corruption in the education sector using the same scoring system.⁴ Teachers, staff, and expert researchers who responded to the survey assessed the level of ethical misconduct and corruption in the education sector at 3.37, which is higher than average. When the evaluation results are disaggregated by education institution, government ministries and agencies involved in education are rated more corrupt (3.85) than preschools (3.42), primary and secondary schools (3.20), universities (3.21), or province and district education

⁴ Score: 5-very high, 4-high, 3-medium, 2-a little, 1-none, 9-don't know.

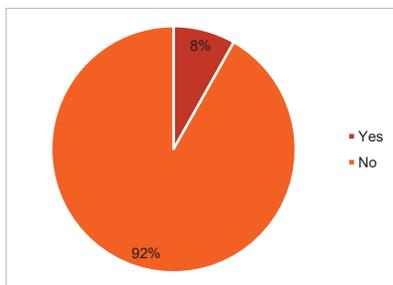
offices (3.24) (Graph 14). Teachers and school staff tended to evaluate the sector more harshly than parents based on the interviews from the qualitative survey.

Graph 14. General evaluation of ethical misconduct and corruption in the education sector

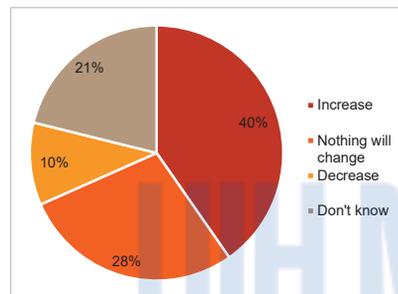


More than 90% of the respondents say the practice of giving money and gifts to teachers is unacceptable (Graph 15). On the other hand, a small percentage of respondents, especially the most wealthy and parents of kindergarten-age children, find these practices acceptable. Among parents who do not find these practices acceptable, most (68%) are pessimistic that the situation will improve (Graph 16).

Graph 15. Is it acceptable for the practice of giving money and gifts to teachers to continue?

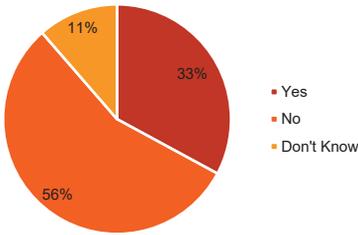


Graph 16. Will the practice of giving money and gifts to teachers increase or decrease?

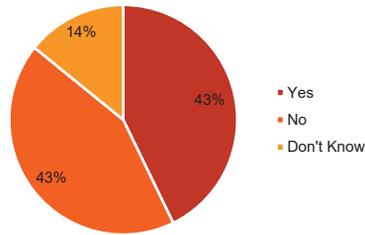


Just 33% percent of parents said gifts and donations give children an advantage, and 11% did not know (Graph 17); but 43% of parents said *not* giving gifts or donations gave children a *disadvantage*, and 14% did not know (Graph 18). This suggests that respondents feel some anxiety that not giving gifts or donations may cause problems for children. This result is most pronounced among the parents — especially young parents — of kindergarten-age children.

Graph 17. Does giving money or gifts to teachers or donations to schools or kindergartens give children an advantage?



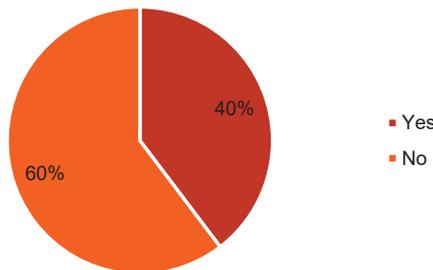
Graph 18. Does not giving money or gifts to teachers or donations to schools or kindergartens give children a disadvantage?



2.2 Incidence of ethical misconduct and corruption in education

In addition to exploring respondents' perceptions of ethical misconduct and corruption in the education sector, the quantitative survey asked about actual incidents in which respondents gave gifts, money, or free services to teachers or school staff in the past year. Forty percent of respondents said they had given either money or gifts to teachers or school staff in the past year (Graph 19). At the same time, a large majority of respondents to the qualitative survey said that all levels of education suffer from corruption and conflicts of interest, with 85% saying they had observed such incidents. Asked whether they had witnessed specific incidents of corruption in the past year, 68% of those who observed such incidents (82 respondents) named an incident that actually happened to them or someone close to them.

Graph 19. Did you give money or gifts to teachers or school staff in the past year?



Due to the shortage of places in kindergartens, the most common form of corruption at the preschool level is paying bribes, giving gifts, or using the influence of a personal connection to secure a child's admission. At the primary and secondary school level, seeking a child's transfer to a higher-ranking school or a class with in-depth programs is also a source of corruption. Paying bribes to transfer children from peri-urban schools to downtown schools with so-called "good teaching," to transfer from rural schools to urban schools, and to

influence exam results were common forms of corruption identified by respondents at this level. At colleges and universities, corruption and conflict of interest often occur in new student admissions, changing majors, and altering exam results.

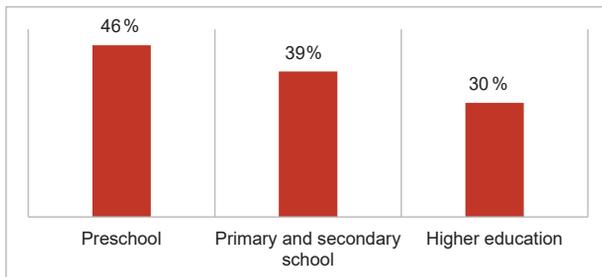
Interview excerpt:

Different ethical issues are found at each level. For instance, primary and secondary schools, which pay lower salaries, collect various illegal payments and fees, but parents don't protest, because they fear the school will change its attitude towards their children. It is a deeply rooted issue. In our school, we established an ethics committee over a decade ago. So far, we have not received any complaints about the ethical conduct of teachers. But no complaints does not necessarily mean there's no problem.

Representative of teachers and school staff

The quantitative survey indicates that 46% of parents gave money or gifts in the past year to support their kindergarten children, 39% to support children in primary or secondary school, and 30% to support university students (Graph 20).

Graph 20. Incidence of giving money or gifts in the past year, by level of education institution



Interview excerpt:

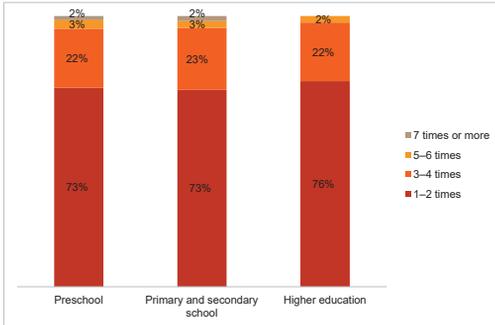
Last year, on September 1, I paid MNT 300,000 to a schoolteacher to get my brother's child, who was transferring from a soum school, admitted to an urban school. I paid the bribe to the schoolteacher because it was cheaper to ask someone I knew in the sector. If I had gone to the school director, they would have asked for MNT 500,000, hidden behind the name "donation".

Representative of teachers and school staff

(Parent of a child)

Among respondents who said they gave money or gifts in the past year, about 70% said they did so once or twice, while 23% did so three to four times. The frequency was roughly the same for education institutions at all levels (Graph 21). If looked at in detail, respondents felt the need to give cash or gifts at the time of admission and graduation at all levels school (Graph 23).

Graph 21. Frequency of giving money or gifts in the past year, by level of education institution

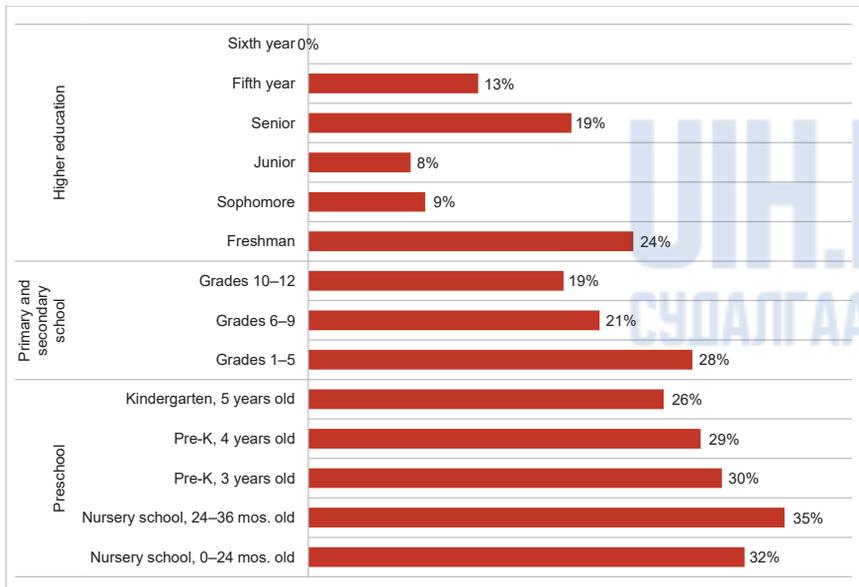


Interview excerpt:

In 2010–2012, I made three surveys at the kindergarten, and I found that the number of children from poor and extremely poor families decreased by 19%, and the number of children from families with middle and upper-middle incomes increased by 25%. Everyone wanted to get their children admitted to public kindergartens, which are free of charge, but the number of kindergartens is limited, so people have to wait in line; subsequently they tend to pay a bribe, either directly or through relatives or friends. Obviously, those with low incomes cannot do this, because they have no money. That is why they are pushed out.

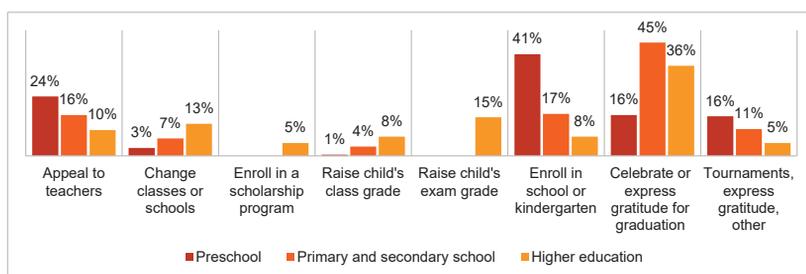
Representative of researchers and scientists

Graph 22. Percent of respondents who gave money, gifts, or free services in the past year, by student grade level



Respondents gave money to teachers and schools for a variety of reasons. Some reported giving money to kindergarten teachers to get their child admitted to the kindergarten or to change the teacher's attitude towards their child. Others said they gave money to schoolteachers to express gratitude for their child's successful graduation or completion of a grade (Graph 23). It is also common for respondents to give money or gifts to teachers to avoid any potential discrimination against their children. For instance, a teacher and an assistant in a downtown kindergarten have to work with 40–50 children, a very large class, which reduces their ability to care for and work with every child. This creates a potential ethical problem of unequal opportunity for students, and parents give gifts and cash to try to influence their child's treatment. Students who responded to the qualitative survey said that at the university level, student evaluations and the scoring of results are most likely to be dishonest. There are cases where cash or gifts are used to change exam results, increase GPAs, and even get a diploma without fulfilling the required coursework.

Graph 23. Reasons for giving cash and gifts, by level of education institution



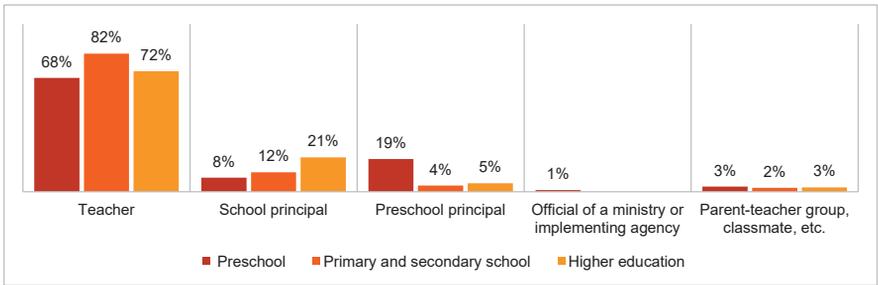
Interview excerpt:

A year ago, a man wanted to transfer his child from an expensive “orchon” school to Public School #23. A man whose name was X got MNT 2.5 million to help him with the transfer. X received MNT 2.5 million from 5–6 parents, saying he would help them transfer their child to various schools such as #23 and #84. X gave money to A, a teacher at school #23. A gave money to other teachers, and so on. Eventually, X was arrested and convicted of fraud, but he was soon granted amnesty and released. Actually, it is said that some schools — those with so-called high quality and specialized training such as #1, Russian School #33, #18, and #23 — have their fixed rates of corruption.

Representative of teachers and school staff

Teachers receive far more bribes than school administrators and officials or other recipients (Graph 24). At education institutions at all levels, gifts and money are common, but gifts predominate in preschool, primary, and secondary education, while money is more common at universities (Graphs 25). When disaggregated by recipient, the higher the recipient's official position, the more cash is preferred over the gifts. In particular, teachers receive gifts nearly 60% of the time, while higher officials usually receive cash (Graph 26).

Graph 24. Recipients of money or gifts, by level of education institution

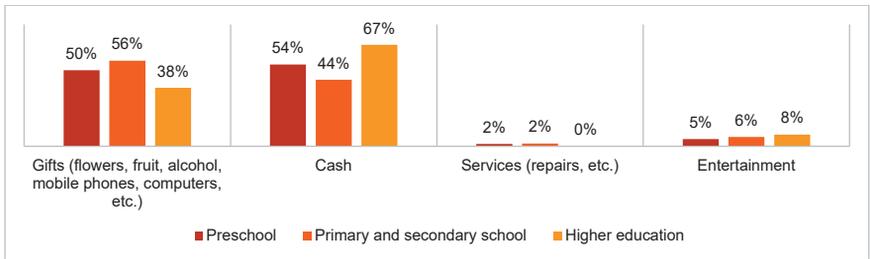


Interview excerpt:

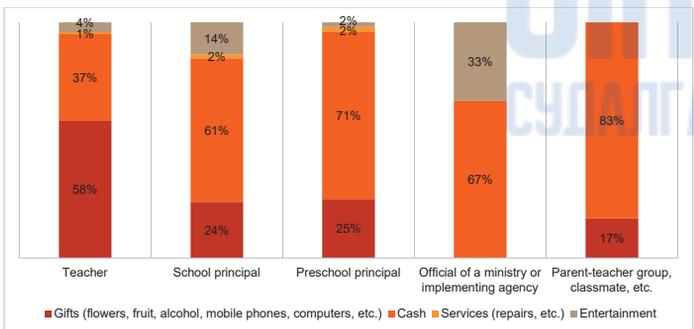
A teacher of mine once received MNT 100,000 from a student to give higher scores on a practical training. The whole class knew this student never attended class, but the teacher gave the higher marks, and then asked us if we would prefer our classmate to fail. There are many incidents of teachers receiving money or gifts from students.

A representative of students

Graph 25. Types of bribes, by level of education institution

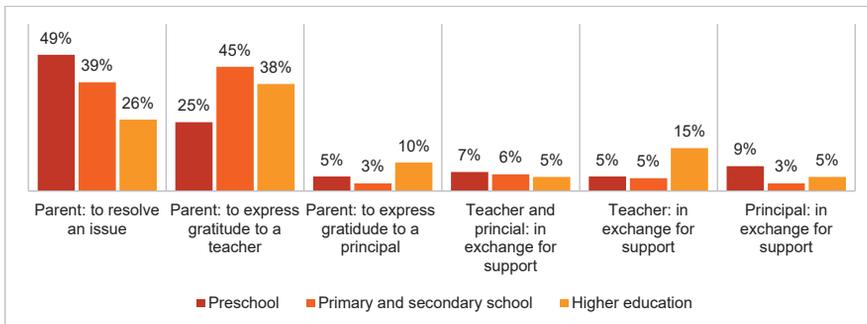


Graph 26. Types of bribes, by recipient's official position



The results show that, in kindergartens and schools, parents take the initiative to start giving gifts and cash, with the object of avoiding or resolving any issues that might cause a disadvantage to their child; but the situation is reversed at colleges, universities, and TVET schools, where teachers more often take the initiative to solicit a bribe (Graph 27). In addition, gifts and cash are given directly to teachers. There are some cases where cash is transferred through the bank account or given through someone else, but giving through their children is common in universities (Graph 28).

Graph 27. Party initiating a bribe, by level of education institution

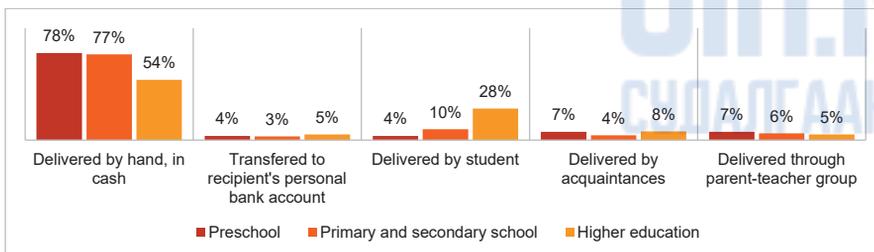


Interview excerpt:

I, myself, am trying to get my granddaughter admitted to school #23, but I can't, because we don't live in the right district. The person I am communicating with told me that the school managers are not taking any action on my request, probably because they are trying to get something. I have been informed that the benchmark amount is MNT 5 million. I was told that they would contact me in August. I was told that school #1 also gets direct donations, such as MNT 5 or 10 million. Large businesses keep giving money, and have taught the schools to expect money. The fault also belongs to people trying to gain admission for their children.

Representative of researchers and scientists

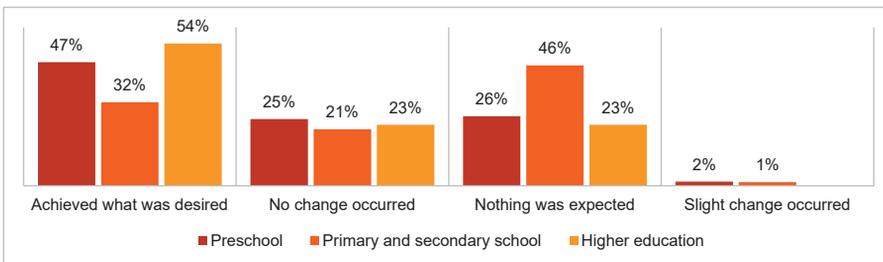
Graph 28. How payment of bribes is made, by level of education institution



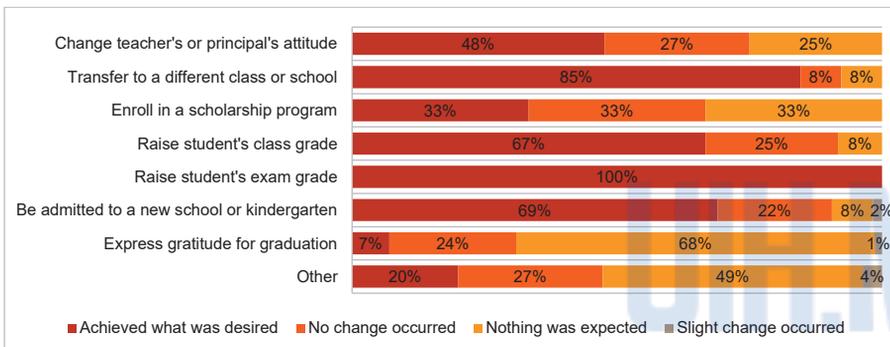
The effectiveness of giving gifts and money varies with level of education institution (Graph 29). It also varies with the purpose of the bribe (Graph 30). Parents who offer bribes for better grades or for a transfer to a better class or school are quite often rewarded. Parents who offer

gifts or money to change a teacher's attitude toward their student are less often successful. Students who responded to the qualitative survey said that teachers grade dishonestly. Some students are able to use bribes to get a higher GPA or receive their diplomas without attending classes. These respondents suggested that the introduction of electronic record-keeping systems might limit this kind of fraud, but because such gifts and money are often passed directly from student to teacher, there is little public disclosure. When analyzed by level of education institution, parents of kindergarten children and college, university, and TVET students are the most likely to successfully use bribery to achieve their purpose. Primary and secondary school parents, on the other hand, are more likely to give gifts and money without expecting any specific results (Graph 30).

Graph 29. Results of giving gifts or money, by level of education institution



Graph 30. Results of giving gifts or money, by purpose of the gift



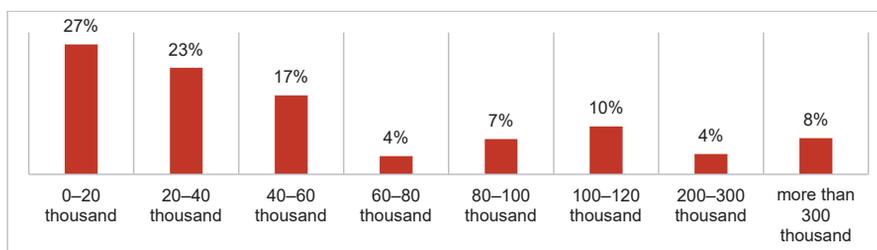
Interview excerpt:

It seems that there are cases where 3–4 students get together and pay money to the school secretary to change their marks or write better marks on their diplomas. At the university level, teachers are the main recipients. They always ask each other to give better marks to their students — like, give 70 points to him or her — but those teachers have received money from the students to advocate for them for a higher score. That is an awful system.

Representative of teachers and school staff

Most respondents (67%) gave teachers gifts or money worth MNT 60,000 or less (Graph 31). When broken down by level of education institution, the cost of these bribes was greatest for higher education students. The highest costs for rural respondents were for higher education students, while urban residents paid most for their kindergarten children. For instance, a rural household spent MNT 1.2 million for gifts and cash payments to get their child enrolled in a university. For changing from an unpopular major to highly popular major, a rural household spent MNT 835,000, while an urban counterpart spent MNT 575,000 (Graph 33).

Graph 31. Value of gifts and money (MNT)



Graph 32. Value of gifts and money (MNT x 1,000), by level of education institution and by urban vs. rural

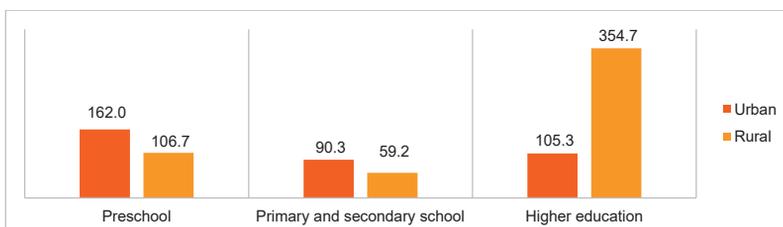


Table 6. Value of gifts and money (MNT x 1,000), by grade and by urban vs. rural

Grade		National	Urban	Rural
Preschool	Nursery school, 0–24 mos. old	145.0	165.7	120.8
	Nursery school, 24–36 mos. old	177.5	200.2	163.5
	Pre-K, 3 years old	150.8	157.6	143.8
	Pre-K, 4 years old	68.7	84.0	57.9
	Kindergarten, 5 years old	130.9	204.3	49.7
Primary and secondary school	Grades 1–5	70.8	82.7	52.4
	Grades 6–9	84.1	100.8	60.8
	Grades 10–12	80.2	103.5	69.0

Higher education	Freshman	613.6	73.3	816.3
	Sophomore	178.1	278.8	77.5
	Junior	43.3	55.0	34.5
	Senior	47.1	56.3	28.8
	Fifth year	50.0	50.0	N/A

Interview excerpt:

When I had to send my children to a public kindergarten in my district, I paid MNT 350,000. The same will happen this year, because I cannot wait for days outside the kindergarten to register. I am busy and have work to do every day. My younger child will be admitted this year the same way. I also donated toys worth MNT 4–5,000 for admission to a kindergarten close to my home. The class size is supposed to be 18, but it has already reached 25–26. I had to spend a week asking for permission.

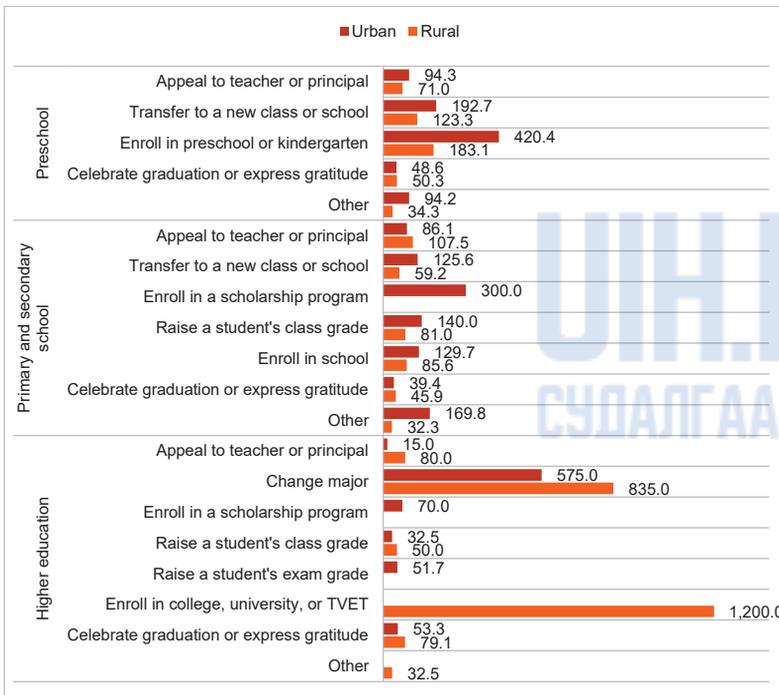
Representative of parents

Interview excerpt:

I was told that if I paid MNT 3 million to an official of the Academic Training Department, I would get a formal diploma regardless of whether I attended the remaining classes or not. Two students of my group received diplomas this way. The last year, they did not attend classes. I was also told that USD 2–3,000 can be paid to get a national government scholarship.

Representative of students

Graph 33. Value of gifts and money (MNT x 1,000), by purpose and by urban vs. rural



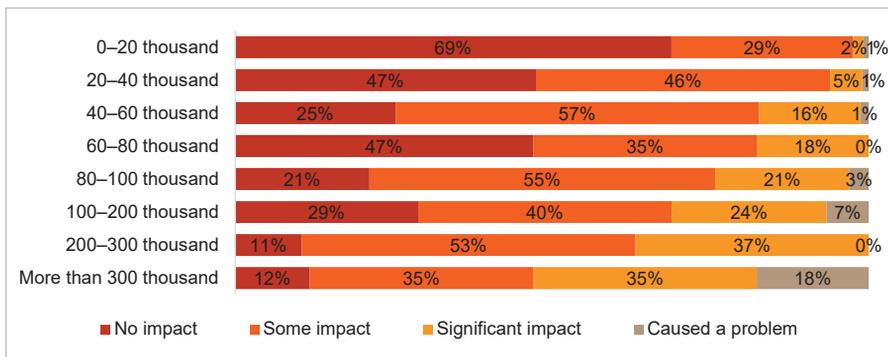
Interview excerpt:

Marks and scores must be transparent. Nowadays, school students and university students don't know each other's marks and results. This makes it impossible to detect any corruption or conflict of interest — that is, I suspect, where the problem is. For instance, a badly performing student may pay a bribe and get “excellent” scores. But the scores are displayed in coded ways, so the public can't see what's going on.

Representative of teachers and school staff

When the total amount of money spent for bribes is less than MNT 40,000, the negative impact on the household budget is relatively low, but when the amount reaches MNT 60,000–100,000, the impact becomes significant, and amounts exceeding MNT 200,000 cause budgetary problems for the household (Graph 34). Still, when household income increases, the amount and frequency of bribes also increases (Graph 71).

Graph 34. Impact of the cost of bribes on the household budget

**Interview excerpt:**

At first glance, there's no problem when a teacher and a student agree on a payment and the student gets higher scores, but it has a huge, negative impact on students who are earning their marks fairly. Those students conclude that nothing is fair and that honesty doesn't work. Then when they get a job, they start acting unfairly.

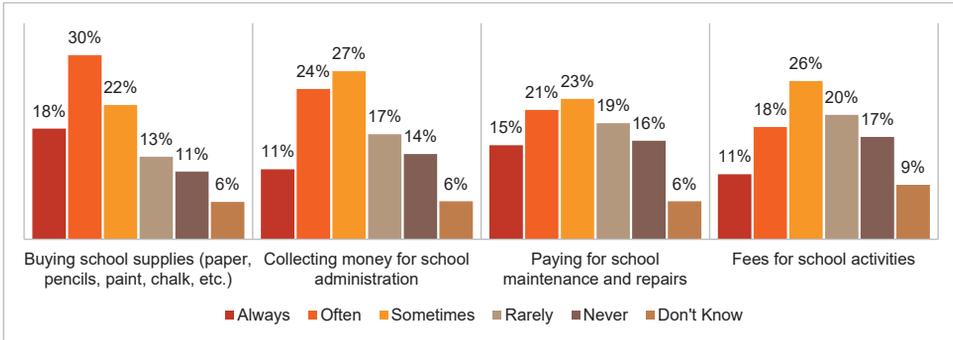
Representative of researchers and scientists

2.3 Understanding and perception of donations and fees in the education sector

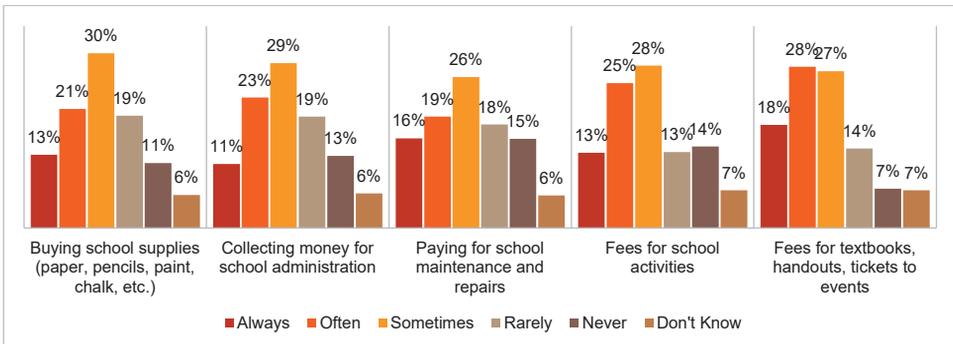
This chapter presents findings on donations and fees in the education sector, including respondents' perceptions of the situation and their understanding of real incidents. The terms “donation” and “fee” refer to cash and in-kind payments by parents to support their children's schools. Respondents say it is common for kindergartens and schools to receive in-kind and cash donations, and to charge fees for books, handbooks, after-school activities, and tickets to student events to support their operations (Graphs 35 and 36). Respondents said that schools do not provide a formal accounting of donations received and the uses to which they

were put, causing many to suspect that “donations” are often simply a form of corruption.

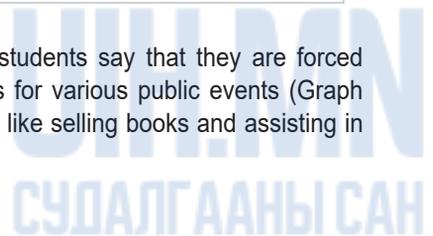
Graph 35. Incidence of donations and fees at the preschool level, by type



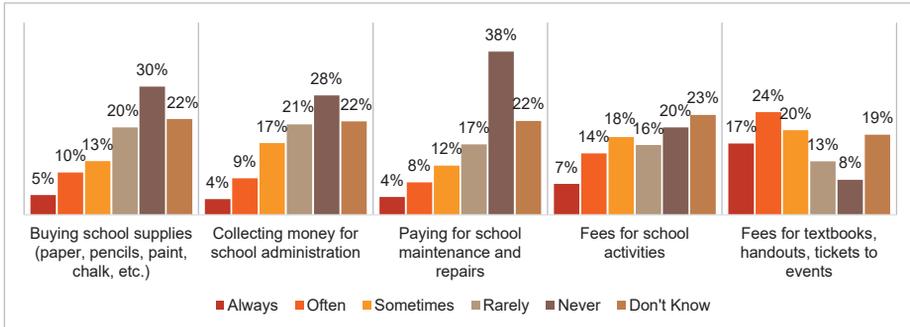
Graph 36. Incidence of donations and fees at the primary and secondary school level, by type



Respondents representing college, university, and TVET students say that they are forced to pay for additional classes and books and to buy tickets for various public events (Graph 37). University lecturers often require unpaid student labor, like selling books and assisting in research, in exchange for better exam scores.

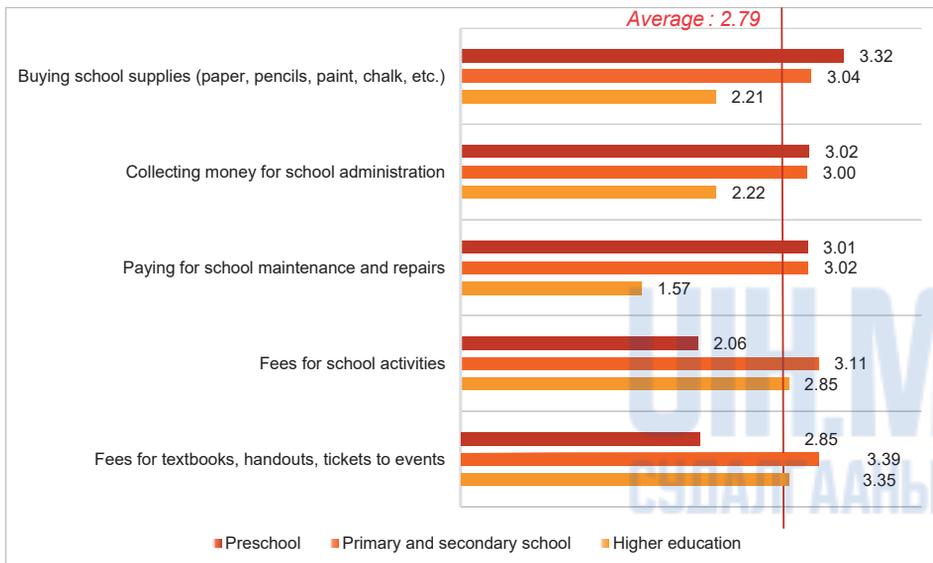


Graph 37. Incidence of donations and fees at the colleges, and universities, and TVET schools, by type



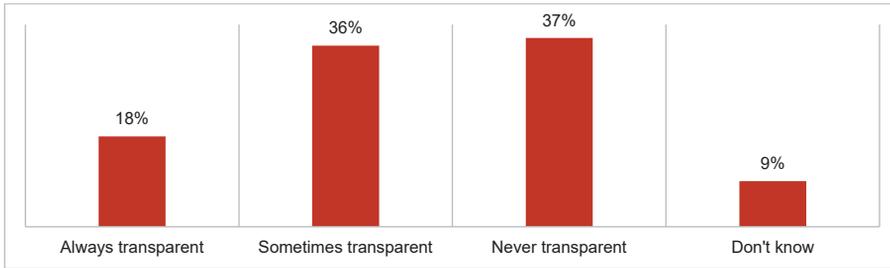
The comparative incidence of donations and fees at all three education levels was computed by assigning scores of 1–5 to respondents' answers: never-1, rarely-2, sometimes-3, often-4, and always-5. The average score of 2.79 indicates an average incidence of “sometimes” for all types of fees and donations at all three levels of education institution (Graph 38).

Graph 38. Comparative incidence of donations and fees

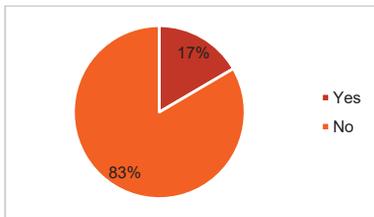


Respondents believed that the spending of fees and donations is insufficiently transparent. Just 20% of respondents said that spending of fees and donations is reported transparently, while 37% said it is not reported at all (Graph 39). A substantial majority of respondents (83%) said that additional fees and donations to education institutions are inappropriate (Graph 40).

Graph 39. Is the spending of donations and fees by education institutions transparent?

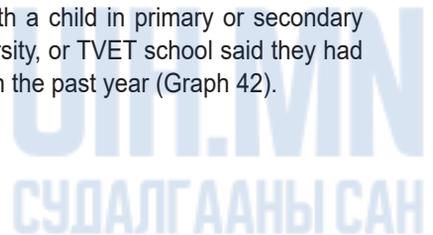


Graph 40. Are additional fees and donations to education institutions appropriate?

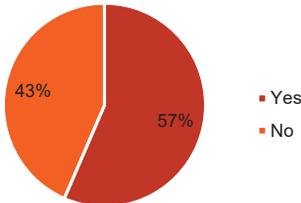


2.4 Incidence of additional donations, payments, and fees in the education sector

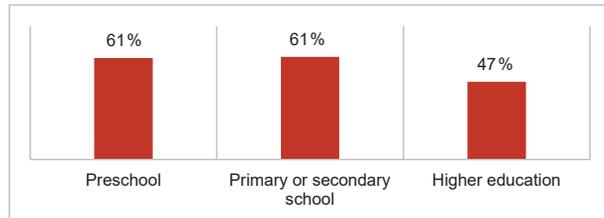
To establish a more realistic picture of the circumstances surrounding additional donations and fees in the education sector, the study team explored actual incidents in which parents made donations or paid fees to a school or university in the past year, including the type, purpose, and amount, using the data and findings from the qualitative survey. Six hundred thirty-three respondents (57%) said they had made a donation or paid a fee to a school or university in the past year (Graph 41). Disaggregated by level of education institution, 61% of parents with a child in kindergarten, 61% of parents with a child in primary or secondary school, and 47% of parents with a child at a college, university, or TVET school said they had paid a fee or made a donation to that education institution in the past year (Graph 42).



Graph 41. Have you made a donation or paid a fee to a school or university in the past year?



Graph 42. Donations and fees in the past year, by level of education institution



Interview excerpt:

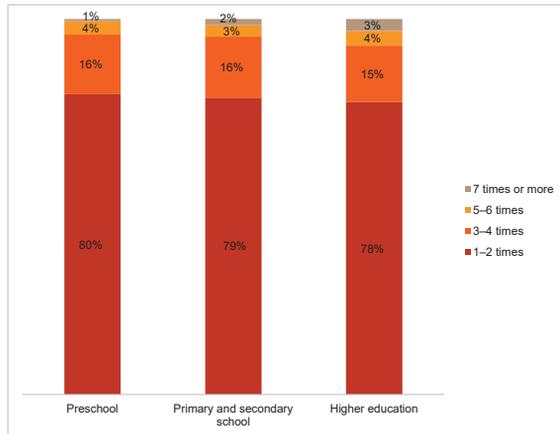
I support schools collecting money from parents to improve classrooms and the learning environment for children. It's wrong to call this type of payment corruption. There are occasions when we get money from parents, but the money is spent on improving the learning environment. There were times when we charged MNT 1,000 for classroom repair and MNT 1,000 to buy flower vases. Teachers should not be blamed for these donations. Here is an example of mine. I charged parents MNT 5,000 for classroom repair, but the children told their parents that the amount was MNT 15,000, and parents called the government hotline, 1111. The children mistook the amount, but the teachers were blamed. The ministry decided that this year parents could be charged no more than MNT 10,000. So we charge this permissible amount, but the teachers are still often blamed and seen as guilty.

Respondent representing schoolteachers

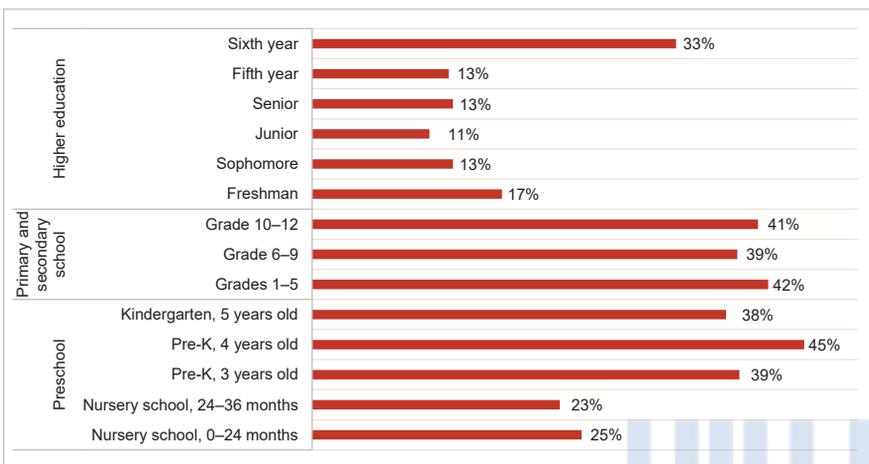
Of those who have donations, about 80% said they had made 1–2 donations in the past year, and 15.5% made 3–4 donations. Donations were similarly frequent at all levels of education institution (Graph 43), and occurred at every level from the earliest preschool to postgraduate study (Graph 44). The most common purpose was the repair and improvement of classrooms (Graphs 45). At all levels of education institution, 90% of donations were in cash, and the rest were in kind (Graph 46). Parents rarely gave donations voluntarily. In most cases, donations were requested by a parent-teacher group, teachers, or school principals (Graph 47).

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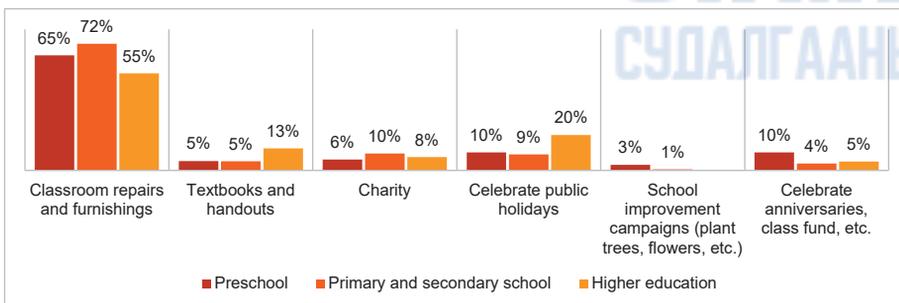
Graph 43. Frequency of respondents' donations in the past year, by level of education institution



Graph 44. Most recent donation, by grade

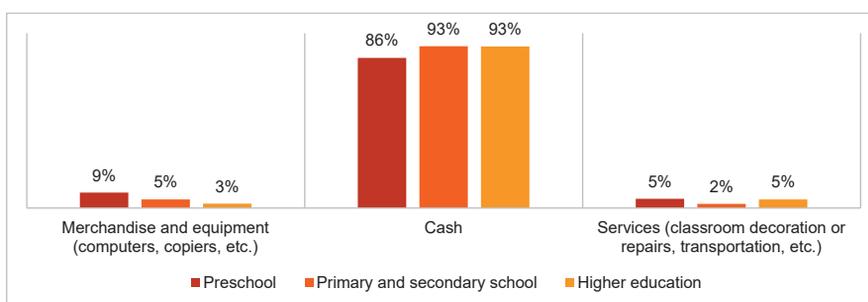
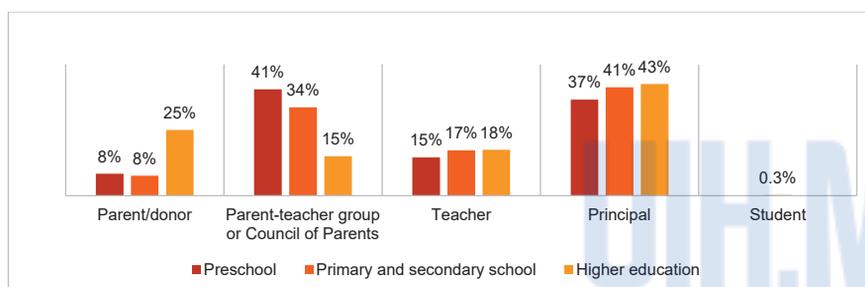


Graph 45. The use of donations, by level of education institution



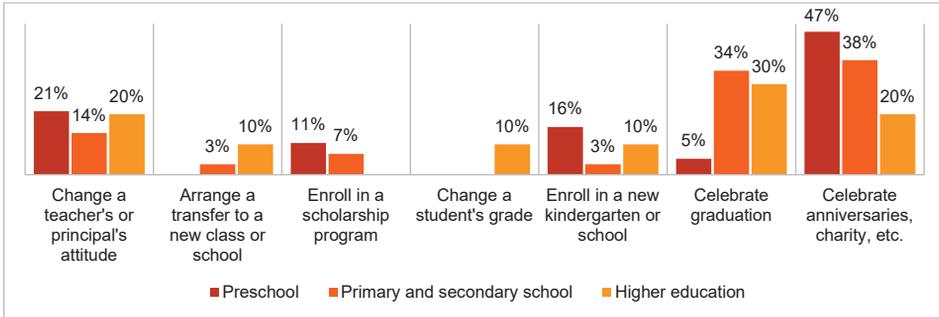
Interview excerpt:

The Council of Parents classifies the children into three groups and charges them different amounts according to their family's livelihood. For instance, we needed MNT 70,000 to purchase a TV set for the e-classes. We also require donations for classroom repair and the celebration of holidays. Parents pay on time as required by the Council of Parents. In general, we require payments at certain intervals. Children also emulate each other and give gifts to teachers. There was a case where a teacher ordered a gift when the children completed fifth grade.

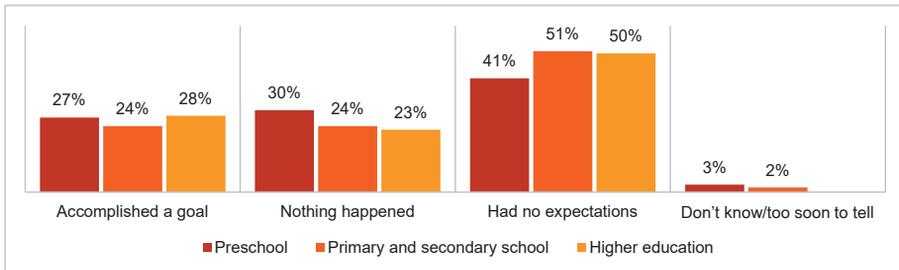
Representative of teachers and school staff**Graph 46. How donations are made (in cash or in kind), by level of education institution****Graph 47. Who initiates donations, by level of education institution**

In many instances, parents give donations to express support and acknowledgement, but they have a variety of other motivations as well. Parents may give donations to change the attitude of a teacher or principal, to arrange a transfer for their child to a different class or school, or to change a child's grades. On average, half of parents did not expect anything in return for their donations, while 20% succeeded in achieving some desired outcome (Graphs 48 and 49).

Graph 48. Intended purpose of donations, by level of education institution

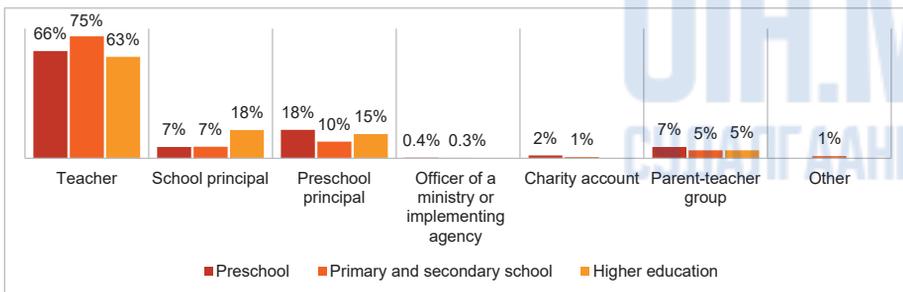


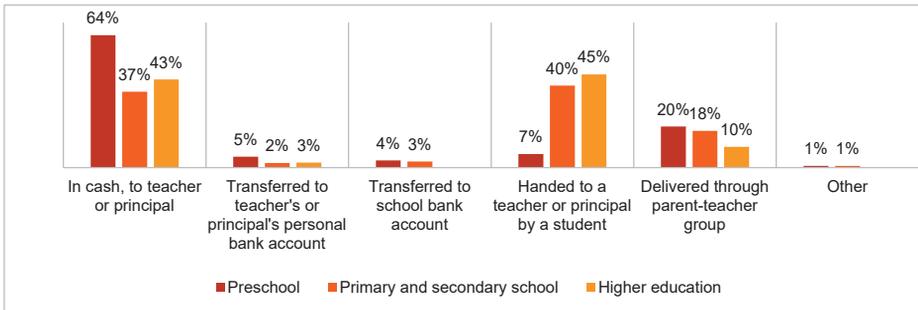
Graph 49. Results of making donations, by level of education institution



It is noteworthy that the recipients of donations are not the schools' financial officers, but teachers in many cases. At colleges, universities, and TVET schools, the principals tend to receive donations more often (Graph 50). In most cases, donations are delivered directly as cash by teachers and students (Graph 51).

Graph 50. Recipient of the donation, by level of education institution

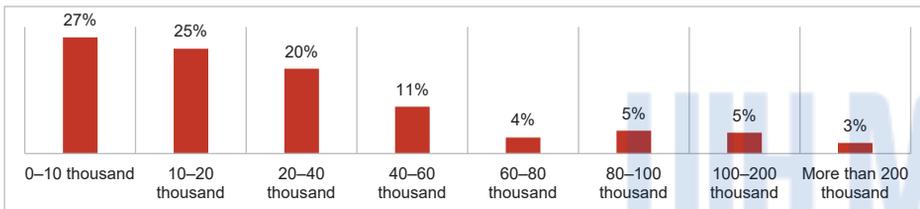
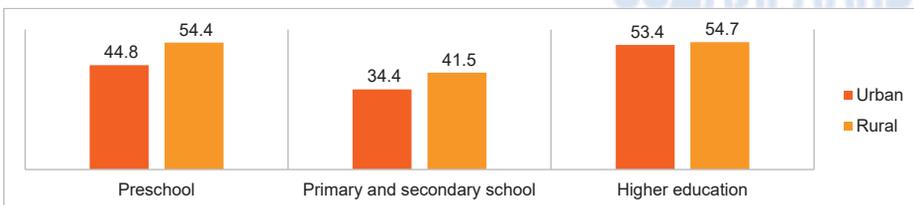


Graph 51. How donations are delivered, by level of education institution**Interview excerpt:**

It is wrong to refer to this corruption as “donations,” and to demand them from children in kindergarten and elementary school. This corruption — referred to as “donations” — has simply been accepted in the education sector, and they never think it as corruption.

Representative of teachers and school staff

Of the 633 instances of bribery, half of the respondents had spent MNT 20,000 or less, about 30% spent MNT 20–60,000, while a small percentage of donations exceeded MNT 100,000 (Graph 52). Disaggregating the data by urban vs. rural, rural parents spent more money than those in the urban areas (Graph 53). The predominant use of donations was general expenditures such as classroom funds and celebrating anniversaries (Graph 54).

Graph 52. Amount spent for donations (MNT)**Graph 53. Amount of last donation, by urban vs. rural (MNT x 1,000)**

Interview excerpt:

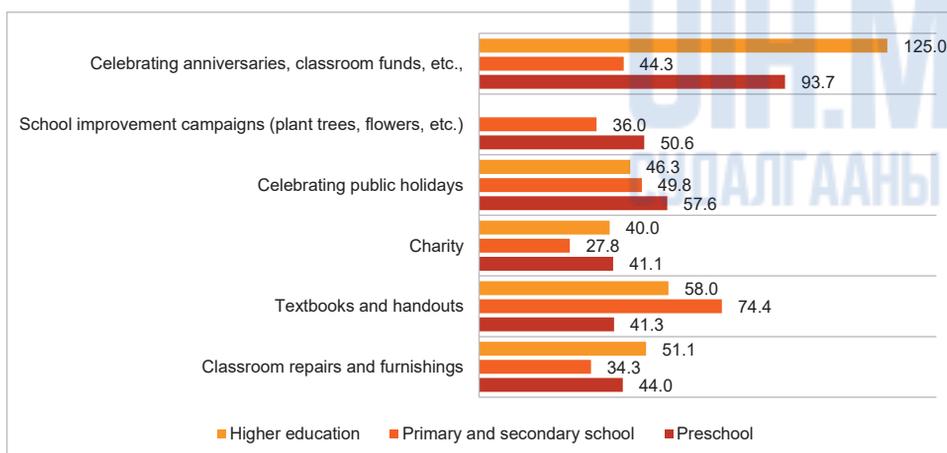
I know a case where a child was enrolled in a school, even though the child's admission test score was low, because the parents made a donation to the school: MNT 1 million on top of the tuition. The child was enrolled after meeting with the director.

Representative of researchers and scientists

Table 4. Average amount of most recent donation (MNT x 1,000), by grade and urban vs. rural

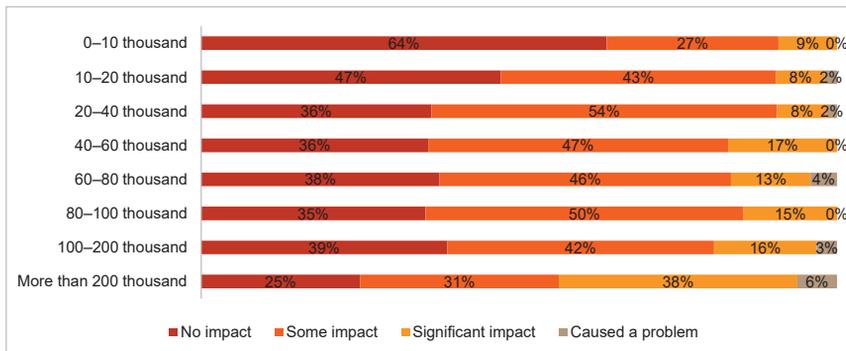
	Grades	National	Urban	Rural
Preschool	Nursery school, 0–24 mos.	72.0	23.9	111.4
	Nursery school, 24–36 months	44.8	47.9	43.3
	Pre-K, 3 years old	54.9	43.2	62.7
	Pre-K, 4 years old	50.4	46.6	53.5
	Kindergarten, 5 years old	39.8	50.4	30.5
Primary and secondary school	Grades 1–5	37.4	34.8	41.7
	Grades 6–9	32.3	32.4	32.1
	Grades 10–12	44.4	36.2	51.3
Higher education	Freshman	40.6	46.7	37.0
	Sophomore	52.1	34.4	87.5
	Junior	71.5	95.8	35.0
	Senior	45.0	35.8	72.5
	Fifth year	100.0	100.0	N/A
	Sixth year	30.0	30.0	N/A

Graph 54. Amount spent on donations (MNT x 1,000), by purpose and level of education institution

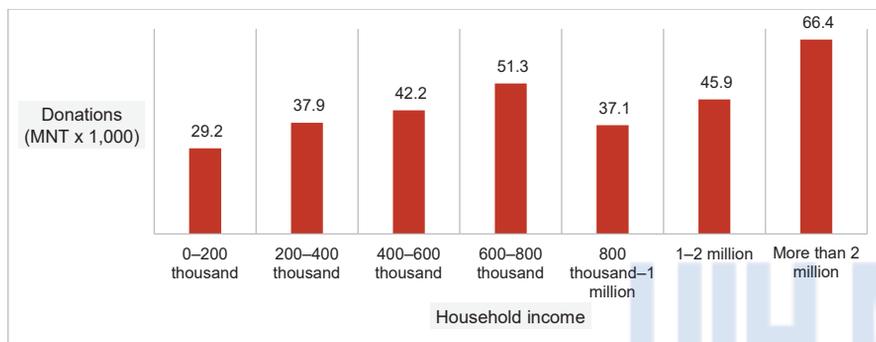


Respondents indicated that a donation of less than MNT 20,000 had an insignificant impact on household budgets. Donations of MNT 40–100,000 had a moderate impact, while donations exceeding MNT 200,000 had significant impact (Graph 55). It was also noted that the higher a household’s income, the more that family tends to spend on school donations (Graph 56).

Graph 55. Impact of donations on household budgets

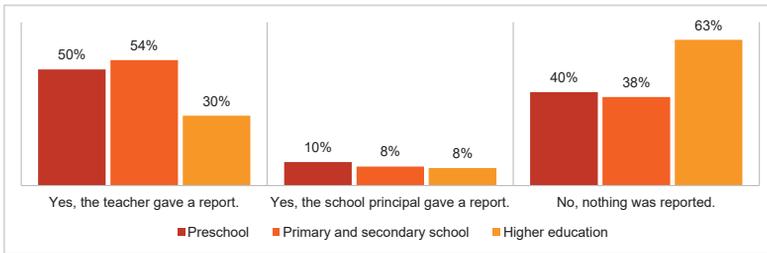


Graph 56. Amount spent on donations (MNT x 1,000), by household income



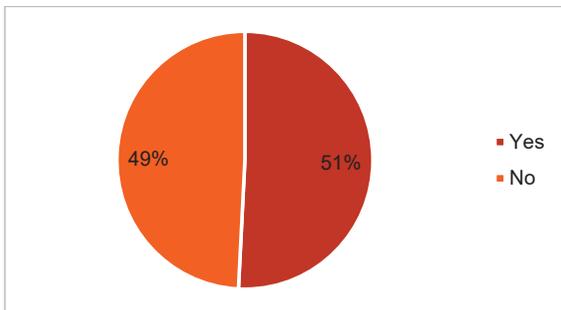
The study suggests that there is inadequate reporting of how cash donations are spent. On average, just half of those who received a donation reported to the donor how it was spent. Just 10% of kindergarten and school principals reported how they spent donations, and more than 60% of respondents who gave a donation to a college, university, or TVET school said that they received no information on how their donations were spent. (Graph 57).

Graph 57. Were you told how your donation was spent?



Five hundred sixty-nine parents, or 51% of respondents, said that they had paid a fee to their child’s school in the past year (Graph 58). Disaggregated by level of education institution, 47% of 560 respondents with children in kindergarten, 56% of 700 respondents with children in primary or secondary school, and 54% of respondents with children studying at a college, university, or TVET school paid fees to these schools. Approximately 66% paid 1–2 times, 26% paid 3–4 times, and the remaining 8% paid 5 times or more (Graphs 59 and 60). Analyzed by level of education institution, kindergarteners, primary school students, and college seniors were the most likely to pay fees in their respective levels (Graph 61).

Graph 58. Have you paid a fee to your child’s school in the past year?

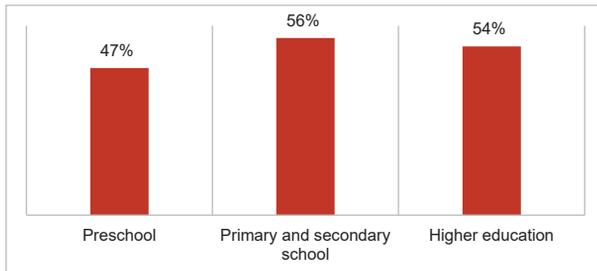


Interview excerpt:

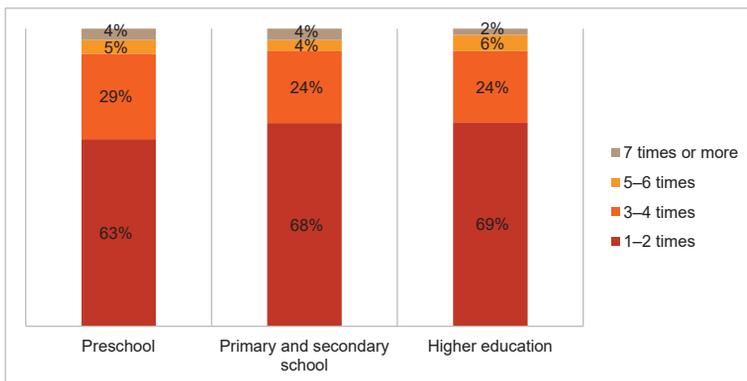
Civil society organizations believe that fees and charges violate the right to education because they are discriminatory. But paying is good for the schools. If the fees weren’t paid, teachers would demand money from the children. If the parents didn’t have the money, the children wouldn’t come to school the next day, and the situation would get worse. As social inequality and the divide between rich and poor deepen, the issue is becoming more serious. Because of the poor quality of education services, parents want teachers to provide more consulting and additional programs. It’s also an ethical issue for teachers. If teachers and the rest of society accept these fees and payments, teachers will tend to teach badly and then offer additional consulting and teaching for a fee.

Representative of teachers and school staff

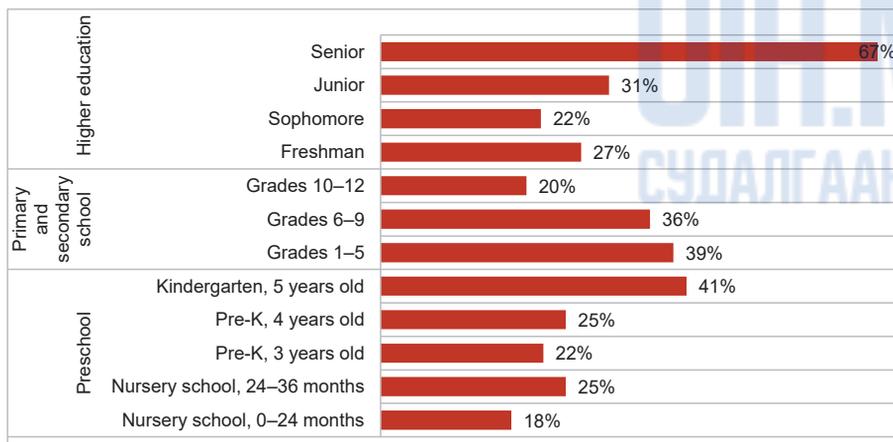
Graph 59. Respondents who paid a fee to their child's school in the past year, by level of education institution



Graph 60. How many times have you paid a fee to your child's school in the past year? By level of education institution

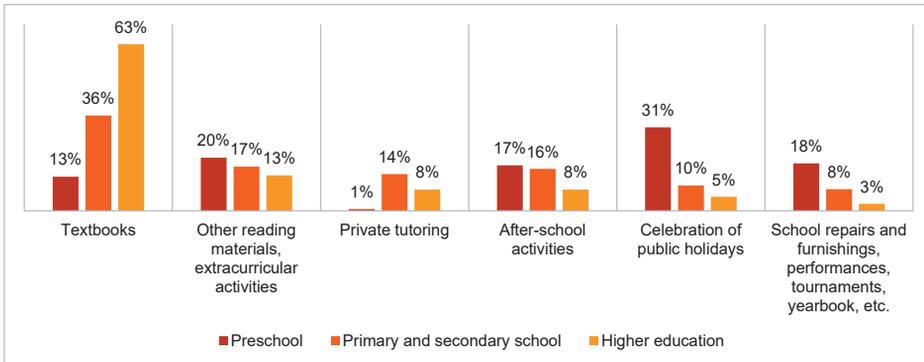


Graph 61. Percent of respondents who paid fees, by child's grade

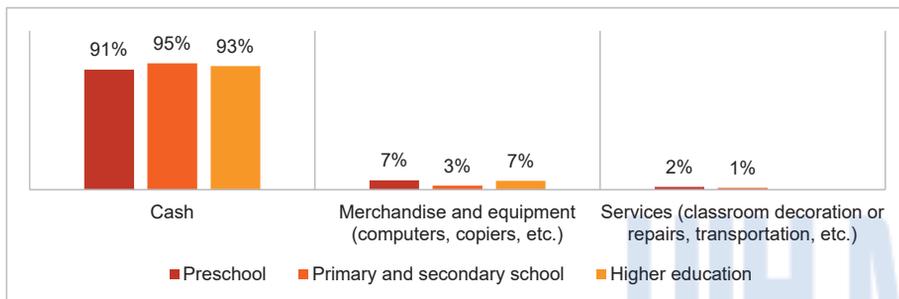


The purpose of fees and charges varies by level of education institution. Primary and secondary schools and higher education institutions collect fees for textbooks, which are directly relevant to learning, while preschool institutions collect fees and charges for celebration of holidays and events apart from classwork (Graph 62). At all levels, the majority of fees and charges are paid in cash (Graph 63).

Graph 62. Purpose of fees and charges, by level of education institution



Graph 63. How fees and charges are paid (in cash or in kind), by level of education institution



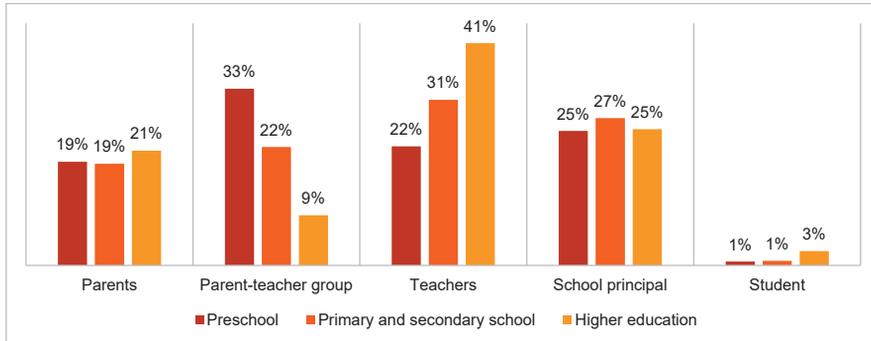
Interview excerpt:

Schools charge fees all the time. My daughter goes to school. She often comes home saying the school is demanding that we buy tickets to events or pay fees to winterize the classroom, make repairs, or buy textbooks. We pay all these fees and charges — it is impossible not to, because it would shame our daughter among her classmates, and the teachers would keep demanding payment.

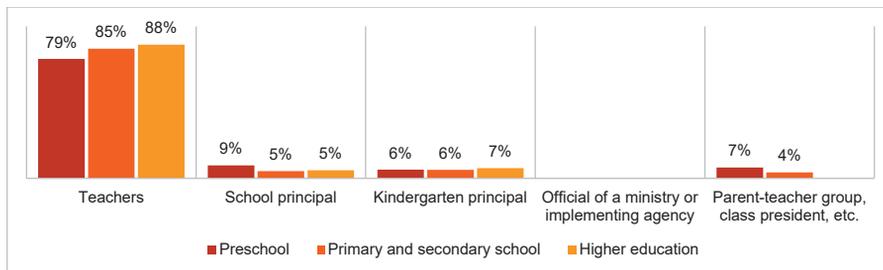
Representative of researchers and scientists

In most cases, teachers and administrators initiate student fees and charges. At preschools, however, parents themselves tend to propose collecting fees and charges, while at colleges, universities, and TVET schools teachers generally initiate new types of fees and charges (Graph 64). While the parties initiating these illegal fees and charges vary, the recipients are predominantly teachers (Graph 65).

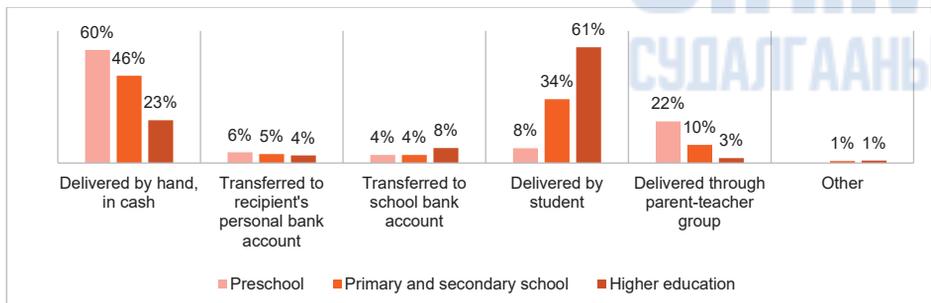
Graph 64. Party initiating new fees and charges, by level of education institution



Graph 65. Party receiving the fees and charges, by level of education institution

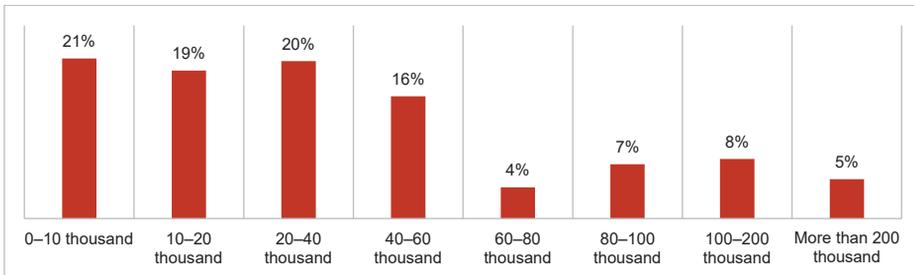


Graph 66. How the payment of fees and charges is made, by level of education institution



Of 569 respondents who paid a charge or fee in the past year, 40% paid MNT 20,000 or less, 36% paid MNT 20–60,000, while the remaining 24% paid more than MNT 60,000 (Graph 67). The amount paid in fees and charges was similar for urban and rural households except at the higher education level, where rural households paid substantially more (Graph 68). Fees and charges were mostly for books and handouts, tutoring sessions, and extracurricular activities among schools and universities (Graph 69).

Graph 67. Amount paid in fees and charges (MNT), by percent of respondents



Graph 68. Amount paid in fees and charges (MNT x 1,000), by level of education institution and urban vs. rural

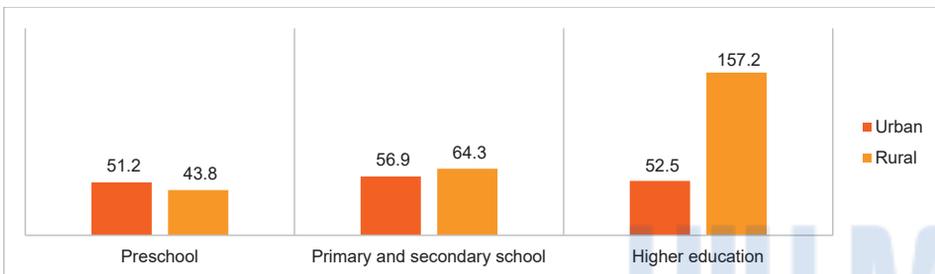
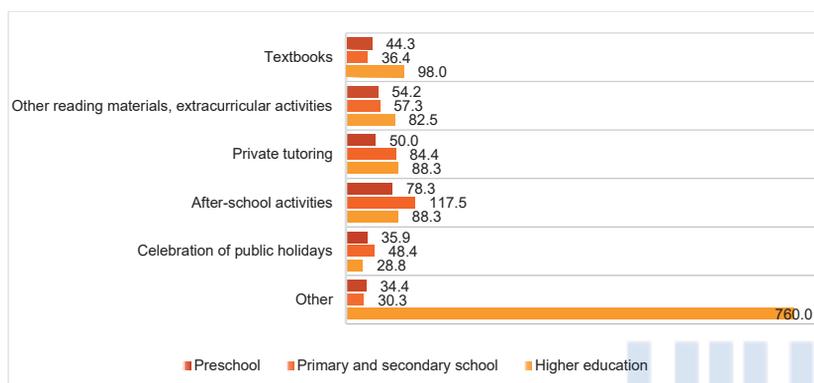


Table 8. Size of most recent fee or charge paid (MNT x 1,000), by grade and urban vs. rural

	Grade	National	Urban	Rural
Preschool	Nursery school, 0–24 months	87.1	90.7	83.6
	Nursery school, 24–36 months	33.2	30.0	34.6
	Pre-K, 3 years old	44.9	44.7	45.0
	Pre-K, 4 years old	32.6	28.7	38.1
	Kindergarten, 5 years old	55.1	64.9	33.8
Primary and secondary school	Grades 1–5	48.5	48.1	49.3
	Grades 6–9	64.6	69.8	56.5
	Grades 10–12	78.4	59.0	94.5
Higher education	Freshman	49.2	61.3	25.0
	Sophomore	62.3	37.1	79.1
	Junior	179.0	105.0	210.7
	Senior	127.6	37.5	282.1
	Fifth year	60.0	20.0	100.0

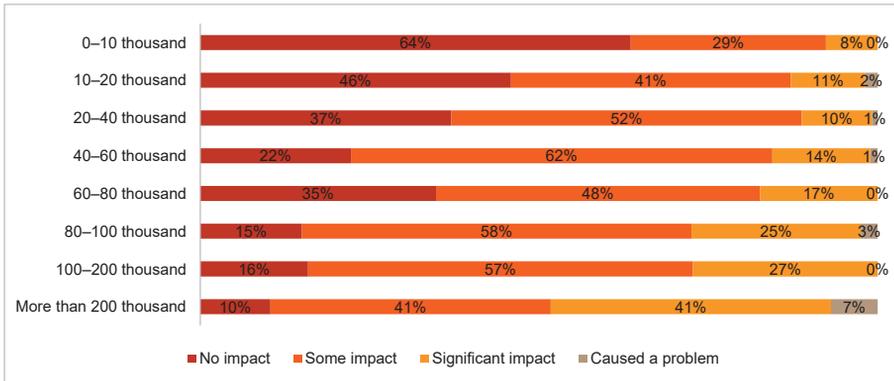
Graph 69. Amount paid in fees and charges (MNT x 1,000), by level of education institution and purpose of fee or charge⁵



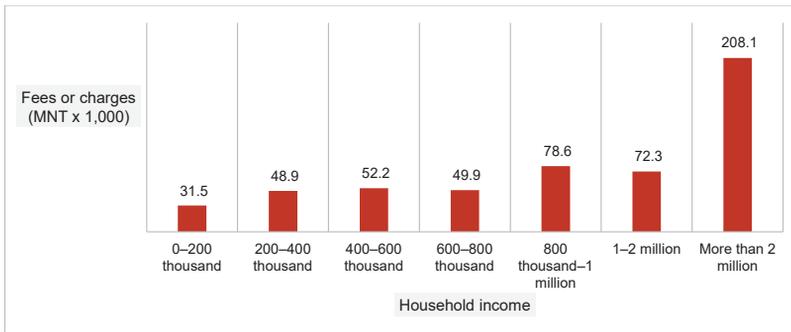
Fees and charges paid to schools have a higher impact on household budgets than donations. When the amount reported by respondents was less than MNT 10,000, the impact was insignificant, but the impact grew as the amount increased. When the amount paid exceeded MNT 200,000, the significant-impact level grew by as much as 10% (Graph 70). There was little connection between household income and the amount of fees and charges (Graph 71). As in the case of donations, there was inadequate reporting of how fees and charges were spent, with 30–60% of respondents, depending on level of education institution, saying they never received any report, while approximately 40% said teachers reported the expenditures (Graph 72).

⁵ One respondent reported paying a school MNT 2 million to permit a student to transfer from a school in another country. This explains the very high number for “other/higher education” in Graph 69.

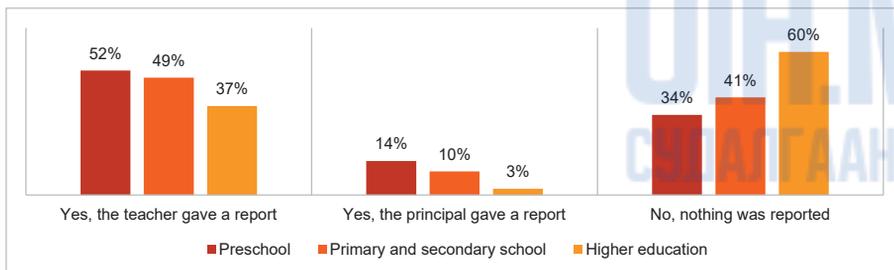
Graph 70. Impact of fees and charges on the household budget



Graph 71. Amount paid in fees and charges (MNT x 1,000), by household income



Graph 72. Were you told how your fees or charges were spent? (By level of education institution)



CHAPTER 3. CIRCUMSTANCES OF ETHICAL MISCONDUCT AND CORRUPTION IN THE EDUCATION SECTOR

The interviews reveal that the education sector is heavily affected by mismanagement; illegal appointments, recruiting, and procurement; opaque finances; corruption; bribery; and conflicts of interest. The fiscal transparency of the sector is insufficient. A majority of teachers and staff have no access to information on budgets, spending, and property management at the institutions where they work. These circumstances fuel the suspicion of corruption and conflicts of interest in the education sector.

3.1. Appointments, awards, and remuneration

According to interviewees (teachers and staff), there are many ethical issues and conflicts of interest in the schools and kindergartens, and in the education sector more generally, related to human resource management. Respondents heavily criticized the unethical conduct, low skills, and conflicts of interest among high-ranking officials, which they blamed for discriminatory conduct and unfair practices towards school staff. For instance people with relatives or other connections in higher positions are promoted quickly, or are discriminated against based on how they dress or appearance.

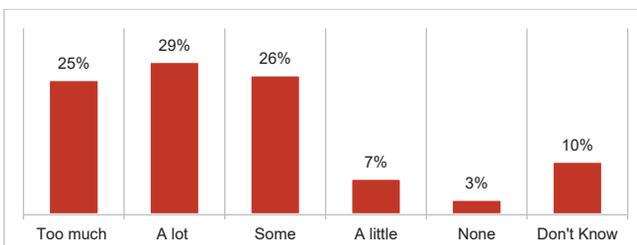
Interview excerpt:

I used to work as a teacher at a soum-based school, and then transferred to a school in Ulaanbaatar using my personal connections. Four months after my recruitment, the school director started oppressing me for no reason. When I spoke to my colleagues, they said the director was doing this to get money from me, so I gave him MNT 1 million. His attitude changed drastically, and he asked me to continue working. The director forced me to pay this bribe to not be fired. It caused difficulties for our household finances for some time.

Representative of teachers and school staff

More than 50% of parents interviewed perceive that human resources management in the education sector is highly corrupt (Graph 73). Corruption and conflicts of interest are perceived to be most severe in the areas of recruitment and promotion. While interviewees said people sometimes receive awards for no reason, they generally felt that the procedures for establishing teachers' ranks are relatively fair.

Graph 73. Perception of corruption in recruitment, appointment, promotion, awards, and remuneration



Interview excerpt:

Suppose three candidates in a selection process have qualified for a position, but only the one who has good personal connections will be recruited. The Ministry and other high-level agencies are always sending formal letters ordering that a specific person be recruited for a position, involved in some special training, etc. High-ranking officials frequently misuse their authority to impose tasks and demand compliance. During the admissions process, we receive formal letters demanding that we enroll students in the Defense University of Mongolia without an admissions test. These higher authorities who misuse their positions were themselves often appointed corruptly. There are no preventive actions taking place.

Representative of teachers and school staff**Interview excerpt:**

When I worked for the administration, I met two or three times with some school administrators who hoped to get their schools accredited. They were marvelous, paying lavishly for meals and providing a car. Was it a "bribe"? I don't know. They asked if there was anything we needed and even offered to admit a student to their school. I cannot say how to define this. It was a pleasure at the time.

Representative of teachers and school staff**Interview excerpt:**

The level of corruption is too high. It starts at the top. What we all need to understand is that an education institution is not a political party. There is too much political party influence in the sector. The governor's administration puts pressure on us. No preventive measures are taken to control corruption, because they are all involved with it. In schools, directors are appointed from the political parties. Then they evaluate everyone dishonestly and create their own circle of allies. In order to get included in that circle, teachers flatter and act unethically. There are two groups in our school: one dominates when the Democratic Party is in power, while the other dominates when the People's Party is in power. At meetings, the group in power criticizes the other group, saying they are not doing anything. No good can come of this situation. This is how a scientific institution is overturned.

Representative of teachers and school staff

Respondents attest that the appointment of officials and the operation of institutions in the education sector are heavily influenced by political parties and political authorities, with deleterious effects. For instance, respondents say that political appointees to management positions have poor management skills, make bad decisions, and take bribes to recruit teachers. Ultimately, these political appointees fail to effectively manage their staff and their school, which damages morale and finally destroys the collective atmosphere of the institution.

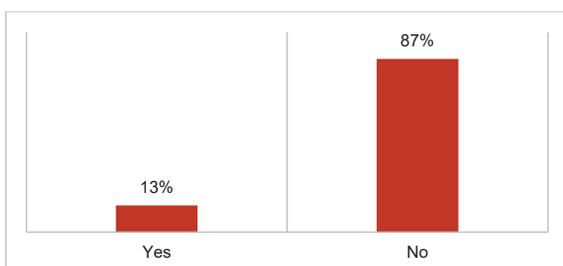
Interview excerpt:

When we have a vacant position, the headmasters always recruit someone associated with their political party — someone who belongs to the party or worked on some election campaign. The recruiting committee is instructed to recruit that person, regardless of anything. This is unethical. Then senior management blames the previous directors, saying everything they did was wrong, and we will change everything and make it right. This causes delay and constrains the normal operations of the institution.

Representative of researchers and scientists

The survey team, using anonymous answer sheets, asked teachers whether they had given a gift or a bribe to someone to secure a promotion or a professional qualification. Of 75 respondents, 13% (10 respondents) said they had done so (Graph 74).

Graph 74. Have you ever given cash or a gift to someone to secure a promotion or professional qualification?

**Interview excerpt:**

A teacher who seeks employment comes with MNT 1–1.3 million and asks to be recruited. Getting that job is important, as employment opportunities are limited in rural areas.

Representative of teachers and school staff

Interview excerpt:

There is nothing documented, but it is said that people get jobs and higher-level positions through bribery. There is an even a fixed rate. Recruiting a teacher would be a month's salary — between MNT 300,000 and 600,000 or even MNT 700,000. For a director's position, it might be MNT 10 million or more. For some time, the rate was said to be MNT 7–8 million. Looks like the rate is going up, same as consumer prices.

Representative of researchers and scientists

Interview excerpt:

I have never received an award for my decade of work. If I had paid USD 5,000 when I enrolled in my PhD program, I probably would not have this problem. A friend of mine who has a high position in the education sector once asked me to tell him if there is anyone who wants an award in the education sector.

Representative of teachers and school staff

3.2. Management of budgets and spending in the education sector

Teachers and staff have virtually no access to information on budgets and spending in the education sector. Only a few interviewees said they get adequate information on budgets, spending, and procurement. Because this information is generally not disclosed, staff tend to be suspicious of school administrators, especially at universities. In most instances, access to information on budgets, spending, and procurement is limited to school directors or headmasters, who tend to spend the budget at their own will.

Interview excerpt:

We don't always check the budget reports. Even when the information is disclosed, something is always concealed. It's hard when someone provides false documents and calls it transparency.

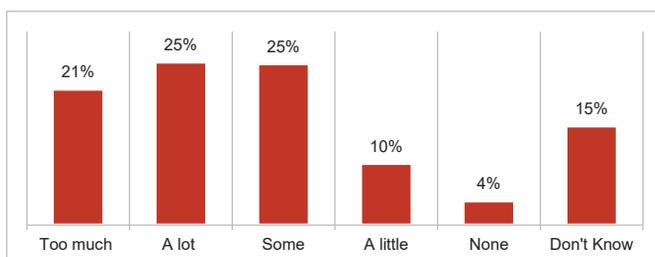
Representative of teachers and school staff

Interview excerpt:

Nothing is fair. The people in higher positions get everything. They procure goods and services even when we don't need them, saying "We will need it, buy it." Senior officials send their people on different missions, like a trip to the city for fun. They buy old computers at the price of brand new ones. They pay to have the school floor painted, and the paint peels off within a week. They buy the worst quality goods and services at the highest possible prices. Even if the goods are in bad condition, they say okay and buy them. They get their job by paying a bribe, and then reimburse themselves through corrupt acts.

Representative of teachers and school staff

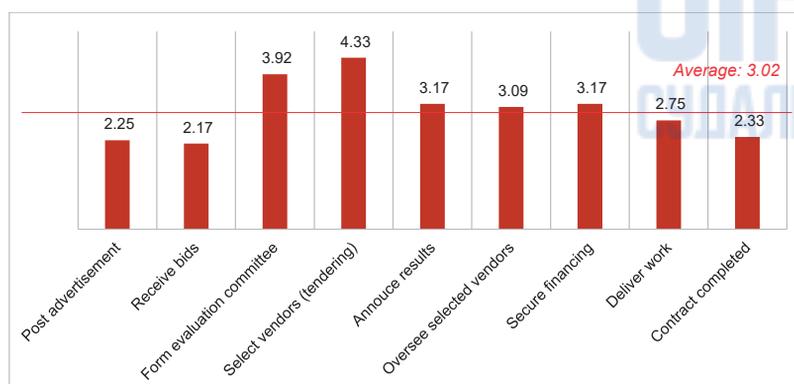
Respondents were highly critical of spending for large-scale programs and projects, investment in facilities, and procurement of goods and services in the education sector. One respondent, for instance, offered the criticism that the results and outcomes of the spending of funds allocated for laboratories, equipment, and programs are not fully visible. Parents responding to the quantitative survey shared this perception that procurement in the education sector is corrupt. (Graph 75).

Graph 75. Perception of corruption in procurement**Interview excerpt:**

In order to get financing for building repairs and other investments, we always have to use personal connections. In order to get budget financing, we pay some kind of bribe, such as paying for lunch or dinner or something else, depending on the interests of the other party. For people like us, coming from rural areas for just a short period, time is essential, so we just pay the bribe to get everything done quickly. Without the bribe, it never works.

Representative of teachers and school staff

Private-sector respondents generally voiced suspicion of the education sector's procurement processes. In many cases, large-scale procurements are announced publicly, but others are announced with short notice, or in newspapers that reach only a few of the potential vendors, leaving others to rely for information on their personal connections. Procuring agencies often fail to explain why bidders are rejected. Respondents had limited information as to how the procurement of goods and services is managed at schools and kindergartens to insure fair prices. Asked to evaluate the fairness of various stages of education-sector procurement, using a scale of one to five, private-sector respondents gave an average score of 3.02, or "medium." They rated the beginning and end stages of the procurement process as relatively fair, but felt the middle stages, including the process of bid evaluation and selection of vendors, were the most dishonest (Graph 76).

Graph 76. Perceived fairness of procurement in the education sector

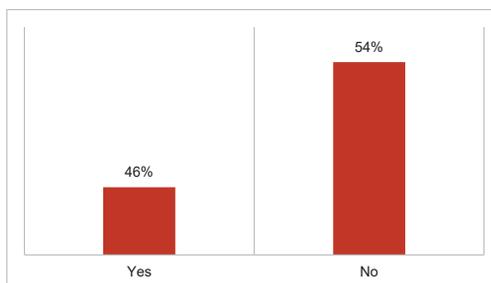
Interview excerpt:

Unless we negotiate in advance, the procurement process is often unfair. We need to reach agreement with our counterparts before other bidders approach them. In negotiations, 8–10% of the total amount of the bid is offered as a bribe. In one instance, we even had to agree to offer MNT 5 million. Bribes are paid mainly in cash or secret bank transfers. Bid selection criteria are the key secret weapon. Even before developing the ToR [terms of reference], the negotiation is complete and the winners are clear. While personal connections and acquaintances are important, we mostly get acquainted based on negotiations.

Private-sector representative

Private-sector respondents report that they must negotiate with procurement officials prior to bidding, and that paying bribes and offering a percentage of the bid amount as a kickback have become the unwritten law. Respondents also stated that they use middlemen to get work and pay bribes of 5–10% of the total bid. In most cases, the bidder initiates the bribe. They say that the chairs and members of bid evaluation committees, state secretaries of ministries, and chairs of ministry departments are mostly involved, and they also suspect that the criteria and requirements in the bid notice are often developed in advance in collusion with the agreed-upon bidder. Asked in the qualitative survey if they had encountered such cases, six of 13 business respondents said they had manipulated the education-sector procurement process by offering money and gifts to officials and paying for meals (Graph 77).

Graph 77. Have you given officials money or gifts or paid for meals to influence an education-sector procurement?

**Interview excerpt:**

It is impossible to get selected if we bid honestly for the procurement. We participate in bids only if we have an opportunity to influence the final result. For procurements of less than MNT 100 million, the bid evaluation committee makes the final decision, while procurements of MNT 100 million or more are decided by the agency chairs. It can be said that there is almost a fixed rate for a bribe. There is a benchmark of 5–10%.

Private-sector representative

Interview excerpt:

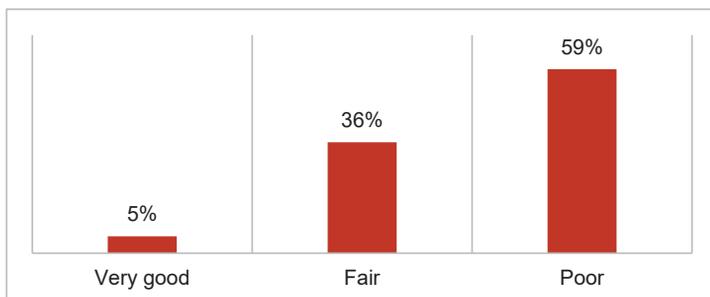
In terms of supplies for school tea break, school directors often choose their relatives or friends as vendors. When we look at these vendors, they are often found to be small food-processing workshops. We submitted bids to over 100 schools, and every time we met the directors, they asked if we were ready to pay 10% as a bribe. Our company had very limited budget, so we refused.

Private-sector representative

CHAPTER 4. CAUSES AND PREVENTION OF ETHICAL MISCONDUCT, CONFLICT OF INTEREST, AND CORRUPTION IN THE EDUCATION SECTOR

The causes of corruption in the education sector vary depending on the level of education institution and the scope of their services. In the education sector overall, ethical norms are weak, and the sector accepts corruption, ethical misconduct, and conflicts of interest as normal. Unsurprisingly then, public perception of the education sector is quite negative. Inadequate attention to these issues, including weak oversight and accountability systems, serve as the key catalyst for widespread unethical conduct throughout the sector. For instance, 59% of respondents — 661 people — say that education sector institutions fail to conduct oversight or impose sanctions on ethical violations and corruption, while just 5% say the sector is able to effectively oversee and assign responsibility for corruption (Graph 78).

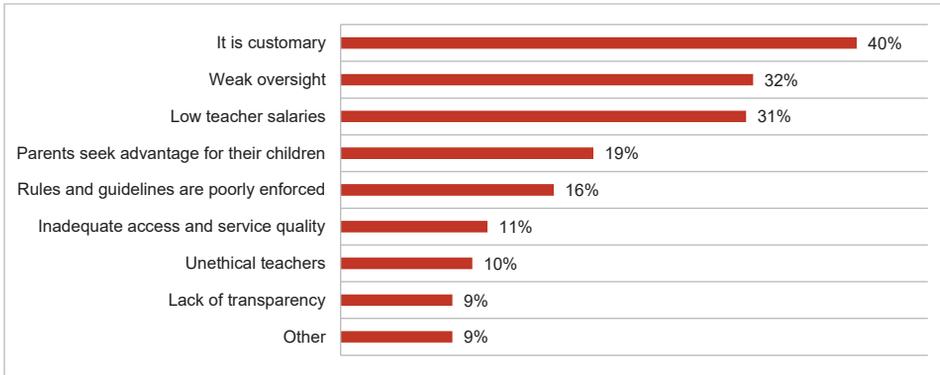
Graph 78. How good is the education sector at conducting oversight and assigning responsibility for ethical misconduct and corruption?



4.1. Causes and reasons

Respondents to the quantitative survey said that accepting gifts and cash had become normal and habitual, and that weak oversight and accountability systems and low salaries were the root cause of corruption in the education sector (Graph 79). The individual interviews also identified some key reasons for corruption in the sector that vary by the level of institution. For example, at the preschool level, too few kindergartens and teaching staff are key reasons for corruption, while at the primary and secondary school level, parents' desire to obtain a high-quality education for their children is an important factor. Other basic reasons include inappropriate political influence on the internal operations of education institutions, and low teacher salaries. On the other hand, these fundamental problems have been exacerbated by individuals seeking personal gain through bribery and corruption.

Graph 79. Reasons that teachers and school staff accepts gifts and money

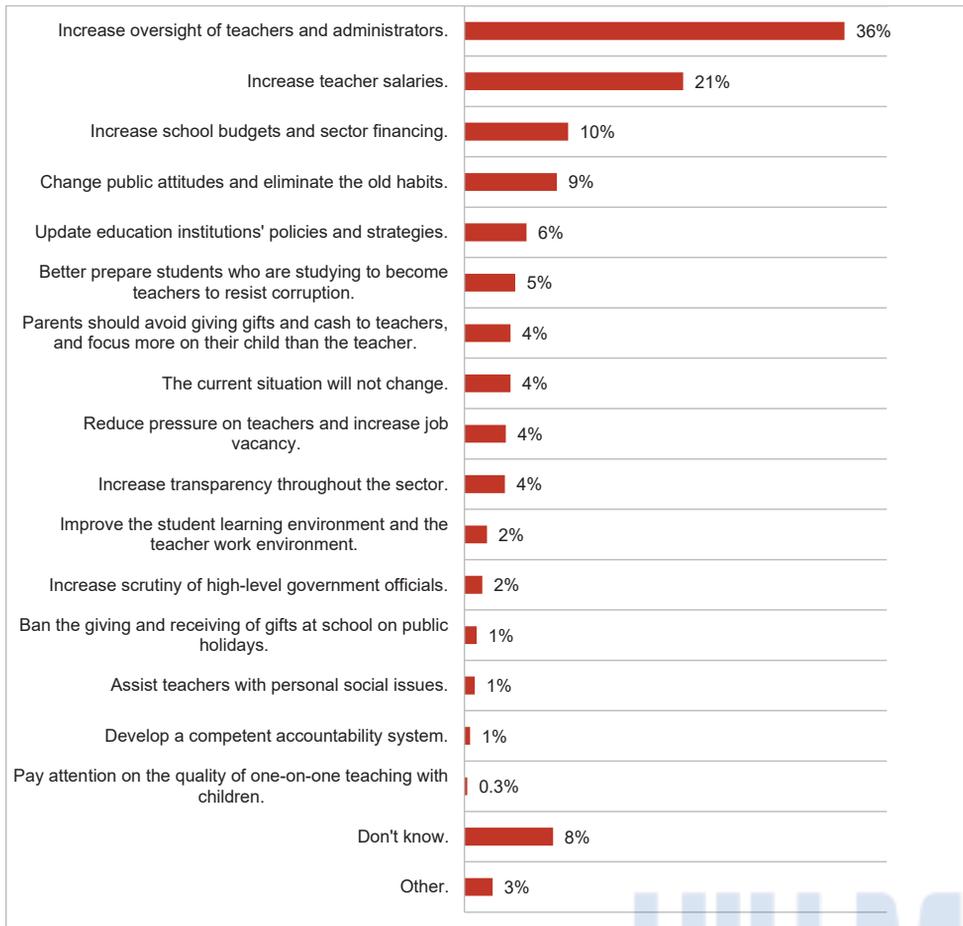


4.2. Prevention

Respondents to the survey thought that increased oversight and accountability would be the most effective way to prevent corruption and conflicts of interest in the education sector. They also suggested raising salaries for education-sector employees, increasing school budgets and sector financing, and working to change staff attitudes (Graph 80). Interviewees also suggested ways to prevent corruption among institutions at the same level of the education system, including eliminating differences in quality and access, ensuring compliance with uniform standards, avoiding incentives for unfair competition among parents such as specialized schools, and responsible participation and oversight by civil society. As for bids and public procurement, respondents proposed improving oversight of bidding for expensive projects, greater transparency in the selection of officials overseeing contract compliance by vendors, and ensuring documentation and transparency of the decision-making process. Although respondents offered various measures, there was widespread pessimism that corruption would be reduced, or that the government and public agencies have will to do so.



Graph 80. What would be the most effective way to prevent ethical misconduct and corruption in the education sector? (Open question)



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ANNEX ONE 1. Information on Respondents to Qualitative Survey

Information on respondents representing teachers, school staff, and education-sector public officials

Respondent ID	Location	Level working in education sector	Gender	Education level	Position
Respondent #1	Rural	School	Female	Diploma	Social worker
Respondent #2	Rural	School	Female	Master	Training manager
Respondent #3	Rural	Preschool	Female	Master	Director
Respondent #4	Rural	Public administrative agency in education sector	Female	Master	Officer
Respondent #5	Rural	School	Male	Master	Director
Respondent #6	Rural	University, college, or TVET school	Male	PhD	Head of department
Respondent #7	Rural	University, college, or TVET school	Female	Master	Lecturer
Respondent #8	Rural	University, college, or TVET school	Female	Master	Training manager
Respondent #9	Rural	Preschool	Female	Diploma	Teacher
Respondent #10	Urban	Public administrative agency in education sector	Female	Master	Director
Respondent #11	Urban	Public administrative agency in education sector	Female	Bachelor	Officer
Respondent #12	Urban	School	Female	Bachelor	Teacher
Respondent #13	Urban	Preschool	Female	Master	Director
Respondent #14	Rural	School	Male	Bachelor	Teacher
Respondent #15	Rural	School	Female	Bachelor	Director
Respondent #16	Rural	Preschool	Female	Bachelor	Teacher
Respondent #17	Rural	Preschool	Female	Master degree student	Director
Respondent #18	Rural	Public administrative agency in education sector	Female	Bachelor	Financial officer
Respondent #19	Rural	School	Female	Bachelor	Teacher
Respondent #20	Rural	School	Female	Bachelor	Training manager
Respondent #21	Rural	University, college, or TVET school	Female	PhD student	Lecturer
Respondent #22	Rural	University, college, or TVET school	Female	Bachelor	Director
Respondent #23	Rural	Preschool	Female	Bachelor	Director
Respondent #24	Urban	University, college, or TVET school	Female	Bachelor	Lecturer
Respondent #25	Urban	School	Male	Bachelor	Director
Respondent #26	Urban	School	Female	Bachelor	Director

Respondent #27	Urban	University, college, or TVET school	Female	Bachelor	Lecturer
Respondent #28	Urban	University, college, or TVET school	Female	Bachelor	Officer of training department
Respondent #29	Urban	University, college, or TVET school	Female	PhD student	Manager of training department
Respondent #30	Urban	Public administrative agency in education sector	Male	Bachelor	Senior officer
Respondent #31	Urban	School	Male	Bachelor	Social worker
Respondent #32	Urban	University, college, or TVET school	Female	PhD student	Head of department
Respondent #33	Urban	Public administrative agency in education sector	Female	Bachelor	Officer
Respondent #34	Urban	Preschool	Female	Bachelor	Director
Respondent #35	Urban	Preschool	Female	Bachelor	Teacher
Respondent #36	Urban	Preschool	Female	Bachelor	Director
Respondent #37	Urban	Preschool	Female	Bachelor	Teacher
Respondent #38	Urban	Preschool	Female	Bachelor	Director
Respondent #39	Urban	Preschool	Female	Master degree student	Teacher
Respondent #40	Urban	Preschool	Female	Master	Director
Respondent #41	Urban	University, college, or TVET school	Female	Bachelor	Lecturer
Respondent #42	Rural	University, college, or TVET school	Female	Master	Training manager
Respondent #43	Rural	School	Female	Bachelor	Teacher
Respondent #44	Rural	Preschool	Female	Master	Teacher
Respondent #45	Rural	Preschool	Female	Bachelor	Director
Respondent #46	Rural	Public administrative agency in education sector	Male	Master	Officer
Respondent #47	Urban	School	Female	Master	Teacher
Respondent #48	Urban	School	Female	Bachelor	Teacher
Respondent #49	Urban	School	Female	Bachelor	Social worker
Respondent #50	Rural	University, college, or TVET school	Female	Bachelor	Lecturer
Respondent #51	Rural	Preschool	Female	Master	Teacher
Respondent #52	Urban	University, college, or TVET school	Male	Master	Academic training director
Respondent #53	Urban	Public administrative agency in education sector	Male	Master	Chairperson
Respondent #54	Urban	Public administrative agency in education sector	Male	Bachelor	Officer
Respondent #55	Urban	Public administrative agency in education sector	Male	Bachelor	Officer

Respondent #56	Urban	Public administrative agency in education sector	Female	PhD	Chairperson
Respondent #57	Urban	University, college, or TVET school	Female	Associate professor	Lecturer
Respondent #58	Urban	Preschool	Female	Master	Director
Respondent #59	Rural	School	Female	Bachelor	Teacher
Respondent #60	Rural	Preschool	Female	Bachelor	Director
Respondent #61	Rural	University, college, or TVET school	Male	Bachelor	Director
Respondent #62	Urban	University, college, or TVET school	Female	Master	Lecturer
Respondent #63	Rural	Preschool	Female	Bachelor	Teacher
Respondent #64	Urban	School	Male	Master	Training manager
Respondent #65	Urban	University, college, or TVET school	Male	Master	Director
Respondent #66	Urban	Public administrative agency in education sector	Male	Master	Officer
Respondent #67	Urban	School	Female	Master	Training manager
Respondent #68	Urban	School	Female	Diploma	Teacher
Respondent #69	Rural	Public administrative agency in education sector	Male	PhD	Chairperson
Respondent #70	Rural	Public administrative agency in education sector	Male	Master	Officer
Respondent #71	Urban	University, college, or TVET school	Female	PhD	Director
Respondent #72	Urban	Preschool	Female	Bachelor	Teacher
Respondent #73	Urban	Preschool	Female	Bachelor	Teacher
Respondent #74	Urban	University, college, or TVET school	Female	Master	Lecturer
Respondent #75	Urban	Public administrative agency in education sector	Female	Master	Chairperson

Information on respondents representing students

Respondent ID	Location	Gender	Education Level	Age	University Type
Respondent #1	Rural	Female	2	19	Public
Respondent #2	Rural	Female	2	19	Public
Respondent #3	Rural	Female	2	19	Public
Respondent #4	Rural	Male	3	20	Public
Respondent #5	Urban	Male	2	21	Public
Respondent #6	Urban	Male	4	24	Public
Respondent #7	Urban	Female	3	20	Public
Respondent #8	Urban	Male	2	21	Private
Respondent #9	Urban	Female	3	20	Private
Respondent #10	Urban	Female	4	22	Public
Respondent #11	Urban	Female	4	20	Private

Respondent #12	Rural	Female	3	21	Public
Respondent #13	Rural	Female	2	19	Public
Respondent #14	Rural	Male	2	17	Private
Respondent #15	Rural	Male	4	20	Public

Information on respondents representing academia, researchers, and NGOs

Respondent ID	Location	Gender	Education level	Level working in education sector
Respondent #1	Ulaanbaatar	Male	PhD	Education Sector researcher
Respondent #2	Ulaanbaatar	Female	Master	NGO officer
Respondent #3	Rural	Male	Master	NGO officer
Respondent #4	Ulaanbaatar	Male	Master	NGO officer
Respondent #5	Rural	Male	PhD	Senior teacher
Respondent #6	Ulaanbaatar	Female	Master	NGO officer
Respondent #7	Ulaanbaatar	Male	Master	NGO officer
Respondent #8	Ulaanbaatar	Male	Master	NGO officer
Respondent #9	Ulaanbaatar	Female	PhD	Education sector researcher
Respondent #10	Ulaanbaatar	Female	PhD student	Education sector researcher
Respondent #11	Ulaanbaatar	Female	PhD	NGO officer
Respondent #12	Ulaanbaatar	Female	Master	NGO officer
Respondent #13	Rural	Female	Master	Education sector researcher
Respondent #14	Ulaanbaatar	Male	PhD	Education sector researcher
Respondent #15	Ulaanbaatar	Female	PhD	Education sector researcher
Respondent #16	Ulaanbaatar	Male	PhD	Education sector researcher
Respondent #17	Ulaanbaatar	Female	Master	Veteran teacher

Information on respondents representing vendors bidding in response to procurement notices of education institutions

Respondent ID	Location	Gender	Education level	Date established	Key activity areas
Respondent #1	Ulaanbaatar	Female	Bachelor	2013	Construction design and blueprinting
Respondent #2	Ulaanbaatar	Female	Bachelor	2007	School uniform production
Respondent #3	Ulaanbaatar	Female	Bachelor	2000	Publishing and development of school books
Respondent #4	Ulaanbaatar	Male	Bachelor	1991	Publishing and development of school books
Respondent #5	Rural	Male	Bachelor	2010	Catering for school tea break
Respondent #6	Rural	Male	Vocational	2008	Construction
Respondent #7	Ulaanbaatar	Male	Bachelor	2010	Construction

Respondent #8	Ulaanbaatar	Male	Master	2014	Construction design and blueprinting
Respondent #9	Ulaanbaatar	Male	Bachelor	2010	Construction and building repair
Respondent #10	Ulaanbaatar	Female	Master student	2003	Catering for school tea break
Respondent #11	Ulaanbaatar	Female	Bachelor	2009	School uniform production
Respondent #12	Rural	Male	Bachelor	2011	Catering for school tea break
Respondent #13	Rural	Male	Bachelor	2004	Food production and sales

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