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## SOCIO-ECONOMIC IMPORTANCE OF RAISING TEACHERS' REMUNERATION<sup>1</sup>

*The subject matter of this article is the socio-economic outcome of teacher's remuneration reform, which made a positive impact on the quality of school education. However, the economic difficulties currently experienced by Russia could jeopardize the achieved progress. This paper is based on the results of "The Effectiveness of the School Education" monitoring study conducted by the Center for Continuing Education Economics of Russian Presidential Academy of National Economy and Public Administration (RANEPA) in 2015 in Sverdlovsk, Voronezh, and Ivanovo regions. The study included a survey of 2,800 school teachers, 2,800 households with at least one school student, and 200 principals of educational institutions, which was conducted in the form of questionnaire interview. The survey was conducted on a representative sample including both urban and rural populations. The study showed that, in 2013/2014 school year, the average salary of teachers reached the average salary in the region, which complied with the requirements of the May 2012 Presidential Decree. This ratio was maintained in the following year. Moreover, the salary of teachers fully reflected the differentiation of socio-economic development indicators in the reviewed Russian regions. The main positive effects resulting of raising teachers' remuneration include rejuvenation of the teaching corps, improvement of teachers' qualifications and their entry into the Russian middle class. The article also examines the impact of negative developments in the economy on the prospects for reproduction of socio-economic results achieved by raising teachers' remuneration. Among such effects, the authors consider the decline in income of school students' parents, which may lead to lower demand for paid educational services that are a source of extra-budgetary funding for school education. In this light, the authors review the projective educational strategies of school students' parents. Based on the analysis of economic activities of school institutions and educational strategies of school students' parents in the unfavorable economic environment, the article shows that any decrease in school funding from regional budgets (as a result of their deficit) will lead to the undermining of achieved results.*

**Keywords:** effectiveness of school education, teachers' remuneration, workforce capacity of Russian school education, professionalization of teachers, middle class, school education, educational strategies, education policy, social policy, economic crisis

### Introduction

The ongoing reforms of school education system are aimed at improving human potential as a prerequisite for the sustainable socio-economic development of Russia. In this process, a key role is played, of course, by teachers who should become its actors implementing the established tasks on the micro level and serving as a conduit for new practices associated with the accumulation of human capital. However, in these conditions, the extent of success in any changes in the area of school education is inextricably linked to the fact whether the teachers accept and support them, and how they view their role and tasks in this framework, which, in turn, depends on the status of teachers in society in general. Raising teachers' remuneration should contribute to strengthening their position in the social structure and consolidate their place at the core of the middle class. The speed and efficiency of this process, as well as the obstacles to its completion, can be assessed through comprehensive empirical analysis of information on specific aspects of the position, well-being and identification of teachers as respected members of society in the present conditions. The study conducted by the Center for Continuing Education Economics of RANEPA was aimed at addressing this task.

Raising teachers' remuneration was also constantly in the focus of attention of administrators who had the duty to implement the decrees of the Russian President signed following his inauguration. One of these decrees was about bringing the teachers' remuneration in line with average regional salary. This topic was also in the focus of attention of the experts, who tried to figure out how this measure

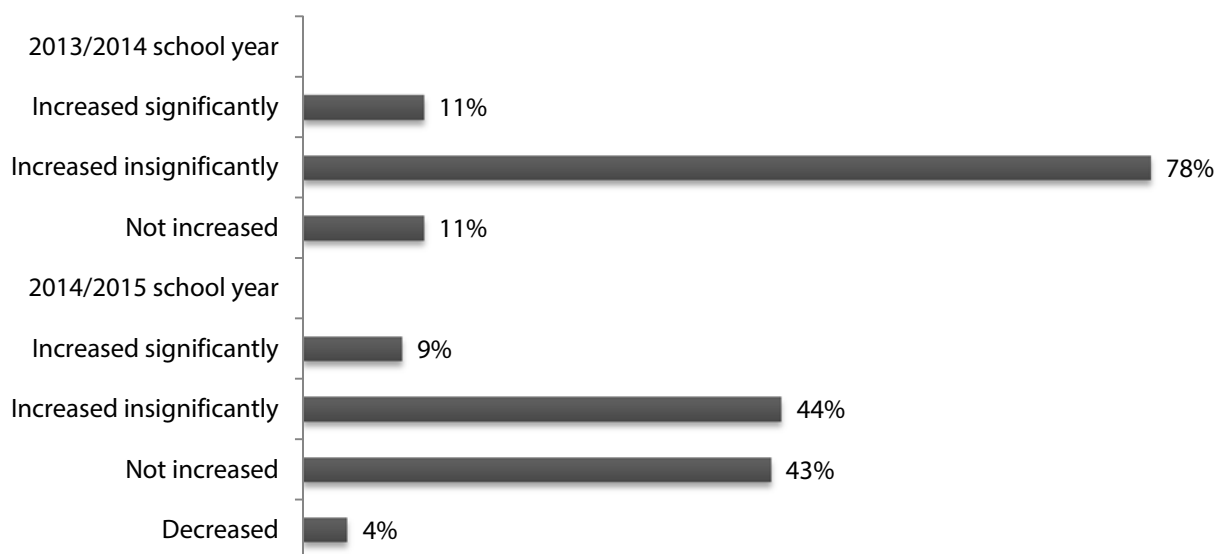
<sup>1</sup> Original Russian Text © E. M. Avraamova, D. M. Loginov, published in *Ekonomika regiona* [Economy of Region]. — 2016. — Vol. 12, Issue 4. — P. 1135–1145.

affected the quality of education. [1–10]. However, despite the fact that this topic is rather adequately represented in the specialized literature, today, in our view, there are reasons to review it again. The first reason is related to the worsening economic situation and growing budget deficits in some regions, which puts in question the ability to maintain teachers' remuneration at the achieved level. The second reason is related to frequently asked questions about the effectiveness of this measure. The monitoring of the effectiveness of school education conducted by RANEPA<sup>2</sup> helps clarify some aspects of the development of school education in the context of raising the teachers' remuneration in general and regional projections.

This study is based on the data collected following the monitoring in 2015. The regions involved in the study were selected in such a way as to reflect the socio-economic differentiation of Russian regions. To this end, we selected Sverdlovsk, Voronezh, and Ivanovo regions, which differ in terms of their socio-economic development. The survey of 2,800 school teachers and 2,800 households with at least one school student was conducted in the form of questionnaire interview, and the in-depth interviews were conducted with 200 principals of educational institutions. The survey is implemented with a random multi-stage sampling covering a population of regional centers, urban and rural communities in selected regions (57 territorial survey points), which ensured that collected sociological information was indeed representative (statistical data error of no more than 4 %).

### Dynamics of Teachers' Remuneration

The level of average salary in the region was achieved in 2013/2014 and maintained in 2014/2015. As shown by the data presented in Figure 1, the main increase in salaries of the teaching corps took place in 2013/2014 school year, though in the opinion of school principals it wasn't significant.



**Fig. 1.** The dynamics of teachers' salaries in 2013/2014 and 2014/2015 school years as assessed by school principals

As shown in Table 1, the amount of remuneration fully reflected the level of socio-economic differentiation of Russian regions [11, 12].

Table 1

**The school teachers' salaries and incentive bonuses in different regions, rubles/month**

Indicator	Region		
	Sverdlovsk region	Voronezh region	Ivanovo region
Average salary in the region*	29,492	24,001	20,592
Average salary of school teacher	30,273	23,631	18,812
Average amount of incentive bonuses for school teachers	6,255	3,804	3,222

\* The average monthly nominal accrued salary of employees of organizations [13].

<sup>2</sup> The monitoring has been conducted by the Center for Continuing Education Economics of RANEPA since 2013. It includes an annual set of sociological surveys, where respondents are principals of educational institutions, school teachers, and households with at least one school student.

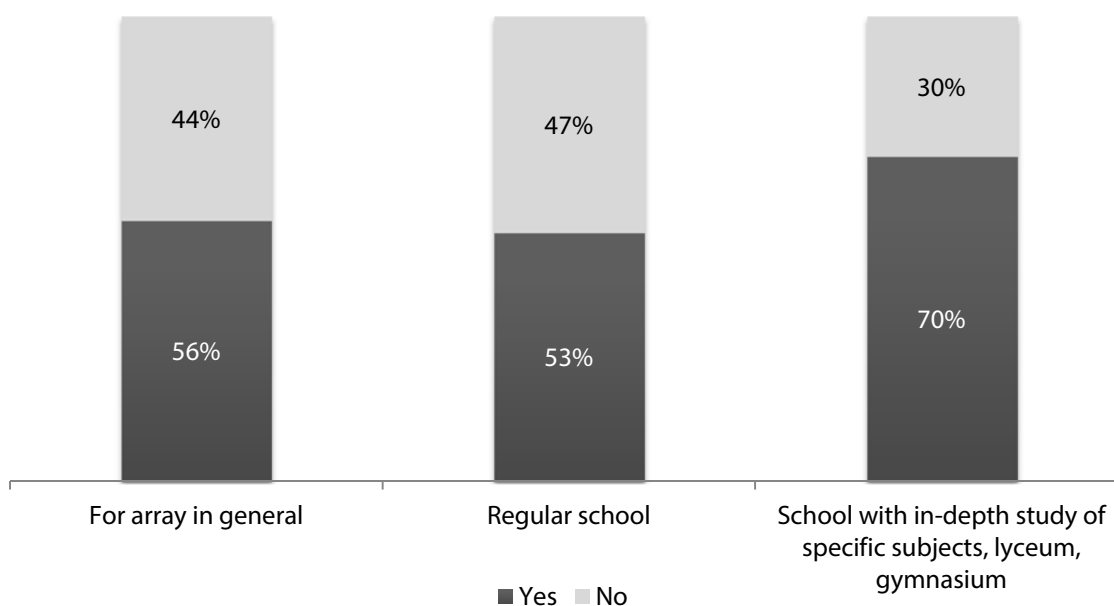
An equally marked regional differentiation can be found in the dynamics of salaries. In all three studied regions, about 55 % of principals reported a salary increase in 2014/2015 school year. However, in Sverdlovsk region (the most developed in socio-economic terms), a significant increase in salaries was mentioned by 18 % of principals; in Voronezh region, by almost half as many; and in Ivanovo region (judging from the responses), there was no significant increase at all (Table 2).

Table 2

**The assessment of dynamics in teachers' salaries by school principals in different regions, % of responses**

Response	Distribution of responses by region		
	Sverdlovsk region	Voronezh region	Ivanovo region
Increased significantly	18	10	0
Increased insignificantly	38	45	50
Not increased	41	43	43
Decreased	3	2	7

At the same time, it should be noted that in about 40 % of cases in every region no increase of salary was observed, which is apparently associated with the absence of paid educational services in the relevant schools (such services represent the main source for an extra-budgetary payroll fund). Overall, the share of school students attending supplementary paid classes exceeds 50 %, and varies greatly by type of schools, which can be viewed as a differentiation factor of teachers' remuneration (Fig. 2).

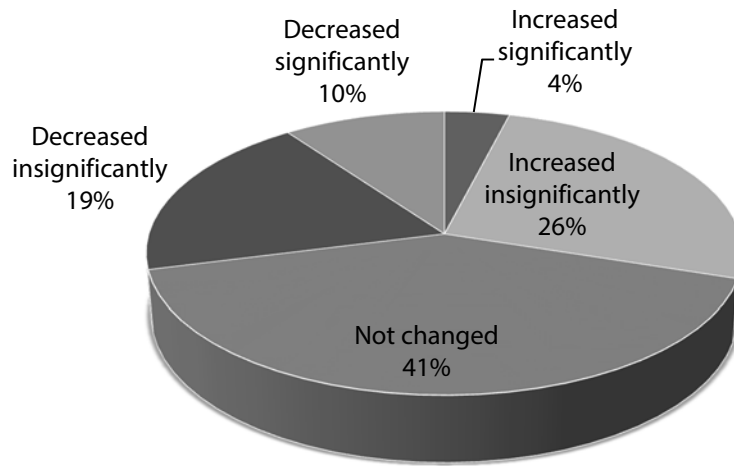


**Fig. 2.** The share of school students attending supplementary paid classes

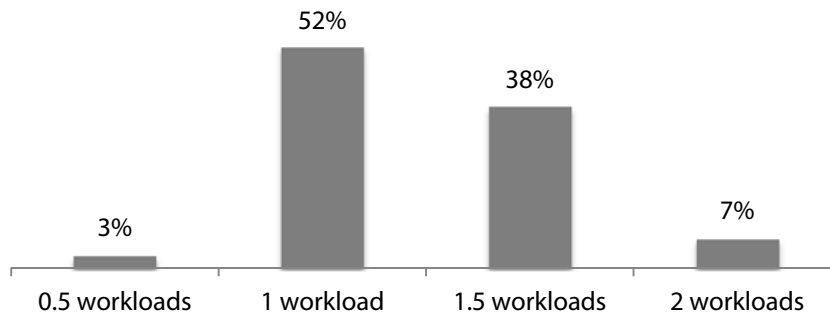
The assessments of salaries' dynamics provided by the teachers are much more reserved compared to those made by the school principals (Fig. 3). Only 30 % of the representatives of the teaching corps reported an increase (significant or insignificant).

In our opinion, the contradiction between the assessments made by the schools' principals and teachers can be explained by the fact that the principals were assessing the final payments, while the teachers were assessing the ratio of salaries and workload which, in almost half of the cases, exceeds the full-time workload (Fig. 4.).

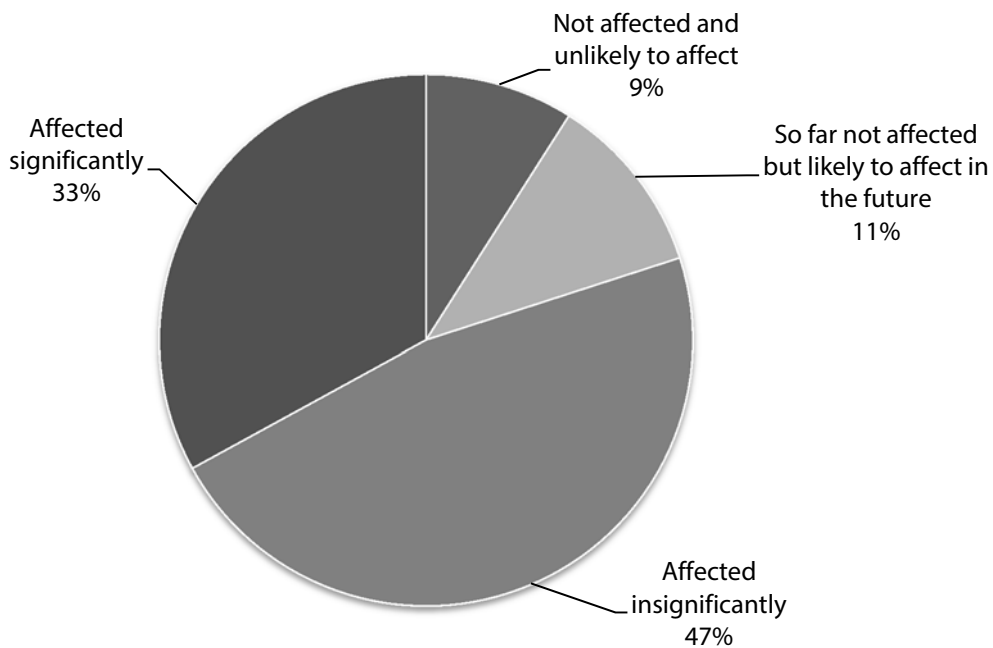
The development of the paid educational services segment and the fact that, for some of the teaching staff, the real workload exceeds the full-time workload show that, concurrently with the increase of regional budget subsidies, the school (as an economic agent) makes its own efforts to maintain (if not increase) the amount of remuneration. However, currently, the attainment of this goal is complicated by the unfavorable economic situation. For example, the data collected during "Social Well-Being of the Russian Population" monitoring study show the overall decline of remuneration in



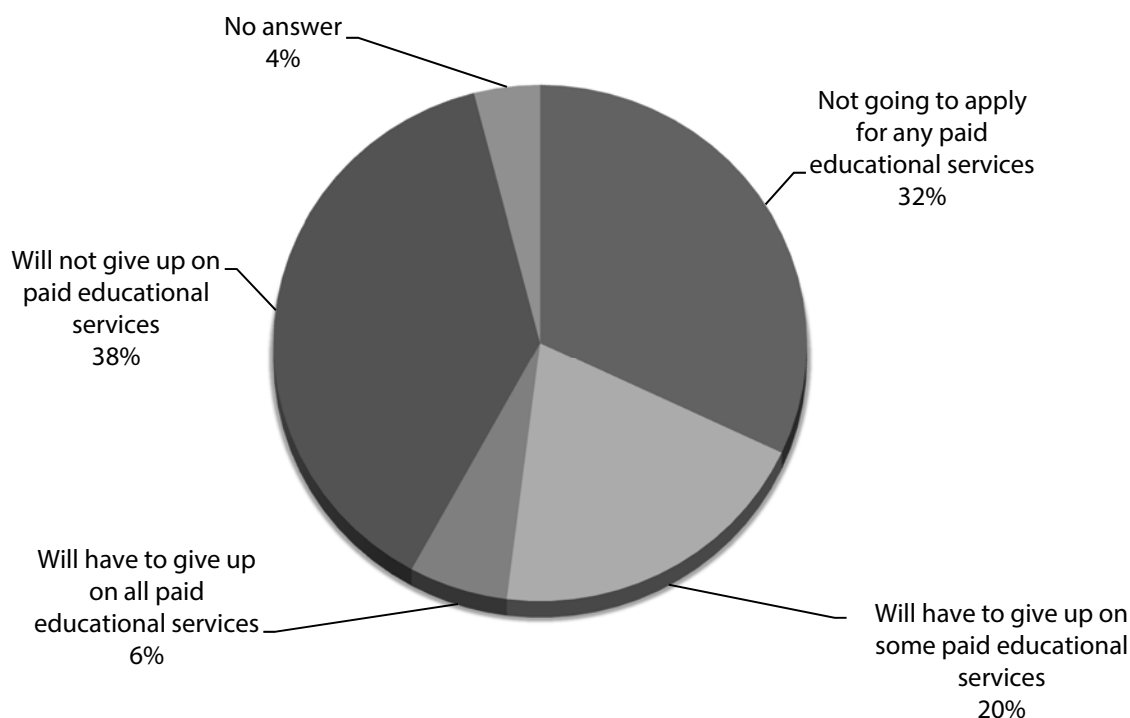
**Fig. 3.** The changes of monthly salaries compared to the previous school year, as assessed by the teachers, % of response option



**Fig. 4.** The workload of teachers in the educational institutions covered by the survey, % of response option



**Fig. 5.** The impact of economic developments in Russia on households according to self-assessment of respondents, % of response option



**Fig. 6.** The results of survey on the impact of worsening financial situation of the families on the possibility of providing additional paid education for their children, % of response option

Russia<sup>3</sup>, which affects the average regional salary. As a result, the teachers' remuneration tied to this indicator may fall without affecting the implementation of the Presidential Decree. At the same time, a decrease in incomes of the population, in particular, the parents of school students, leads to lower demand for paid educational services.

The negative developments in the economy over the past two years have affected a variety of groups [14, 15], including the households with school age children. This is evidenced by the data presented in Fig. 5—only 9 % of parents say that they are not affected and are unlikely to be affected by economic developments. At the same time, 80 % of respondents have been slightly or severely affected by the crisis.

In this situation, parents will inevitably revise educational strategies for their children towards the reduction of additional paid classes. More than a quarter of families consider the possibility of giving up on all or part of the paid educational services (Fig. 6).

Given all circumstances, we should apparently expect a decline in the teachers' remuneration, which would be in line with the decline in the average regional salary. The schools can respond to this challenge in only one way—by cutting the number of teachers and increasing the workload of those who are left to work. It would be desirable that this does not cut short the emerging positive trends in school education, which can be viewed as a result of reforming the remuneration system.

### Results of Reforming the Teachers' Remuneration System

The positive results should definitely include the changes in the staffing situation. Today the teaching corps with the age ranging from 30 to 50 years old is dominant at school (Fig.7). This means that the problem of personnel aging (a real issue not so long ago) has been generally resolved.

42 % of principals say that, over the past few years, their schools hired 1–2 young teachers, 49 %—that more than two, and only 9 % of the principals do not report any influx of young teachers. In the context of territorial differences, the rejuvenation of staff varies greatly not on a regional basis but by type of communities (Table 3). Although the rejuvenation of staff affected all territorial entities, including villages, the massive influx of young teachers occurred in the regional centers.

At the same time, there is a definite shortage of staff (Fig. 8), which is likely to help the school principals to dampen the negative effects associated with the reduction in the number of teaching positions, the possibility of which we mentioned above.

<sup>3</sup> The study was conducted in the form of a monitoring survey by questionnaire interviews in 2015–2016 (8 waves per year). The sample size was 1,600 respondents in each wave. The data are representative for the Russian adult population.

The replenishment of the teaching staff by young teachers over the past year or two in different types of communities, according to the survey of school principals, %

Response	Distribution of responses of school principals by types of communities				
	Regional center	Large city	Small city	Urban type settlement	Village
1–2 young teachers hired	30	50	54	50	50
More than 2 young teachers hired	67	45	39	17	21
No young teachers hired in the last year or two	3	5	7	33	29

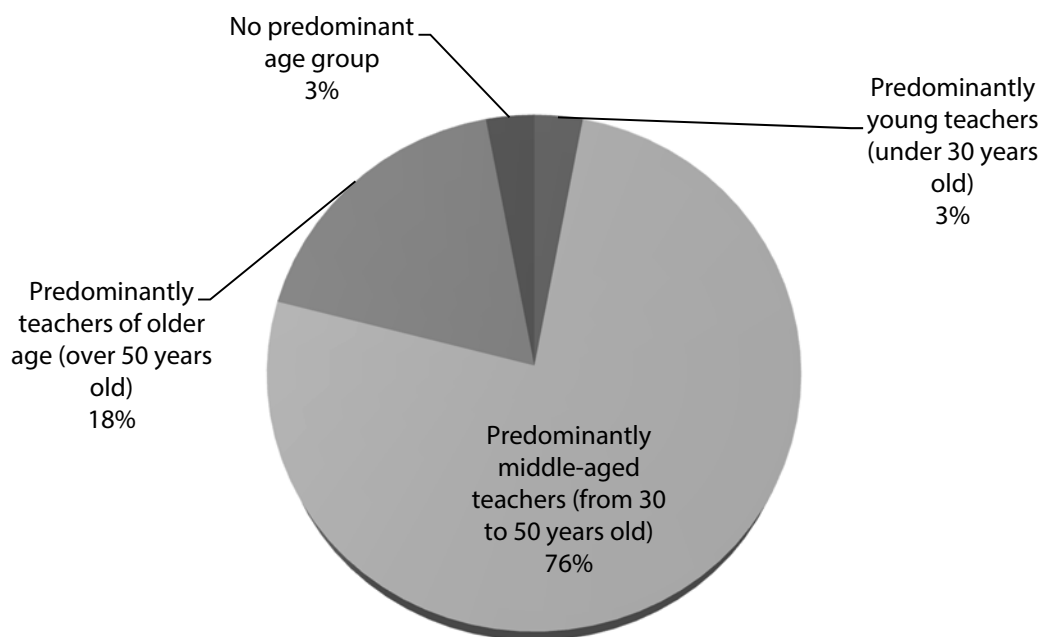


Fig. 7. The age structure of school teachers as assessed by the principals, % of response option

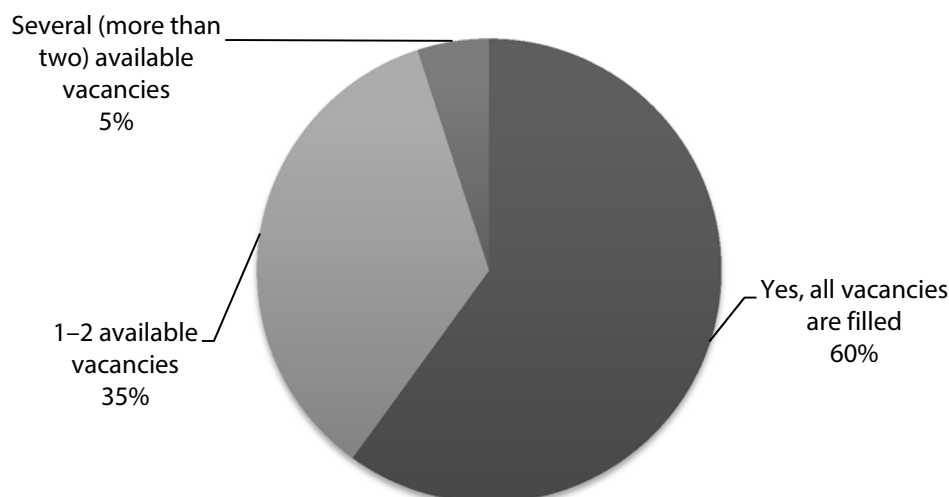


Fig. 8. Filling of school vacancies, according to school principals, % of response option

The changes, some of which can be considered as positive, include the growing professional responsibility of teachers (Table 4) and their greater involvement in extracurricular activities, on which a number of incentive bonuses depend. But there was also an increase of bureaucratic burden and a significant part of the teaching corps complains about it.

The increase of remuneration occurred simultaneously with the improvement of teachers' competencies and professional growth of teachers. It is necessary to mention the involvement of teachers in the use of new information technology which, in the recent years, has reached a sufficiently high level (Fig. 9). In this case, we should mention the fact that such innovation as the maintenance

of electronic roll books and electronic assignment books is used by 85–90 % of teachers in all types of communities, including those in the rural areas.

Table 4

The changes occurring at school over the recent years as assessed by the teachers, % of response option

Change	Response			
	Yes	Rather yes	Rather no	No
Teachers prepare better for their classes	36	52	9	3
Teachers have become more involved in extracurricular activities	34	46	16	4
Teachers have become more involved in administrative work	30	38	22	10

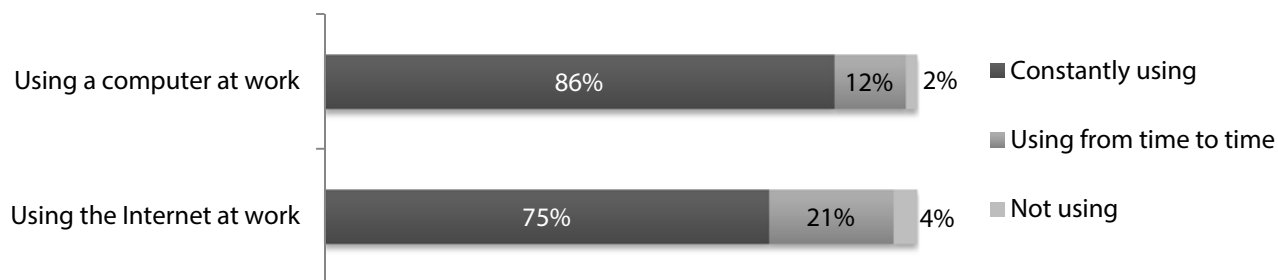


Fig. 9. The use of information technology by teachers in their work, % of response option

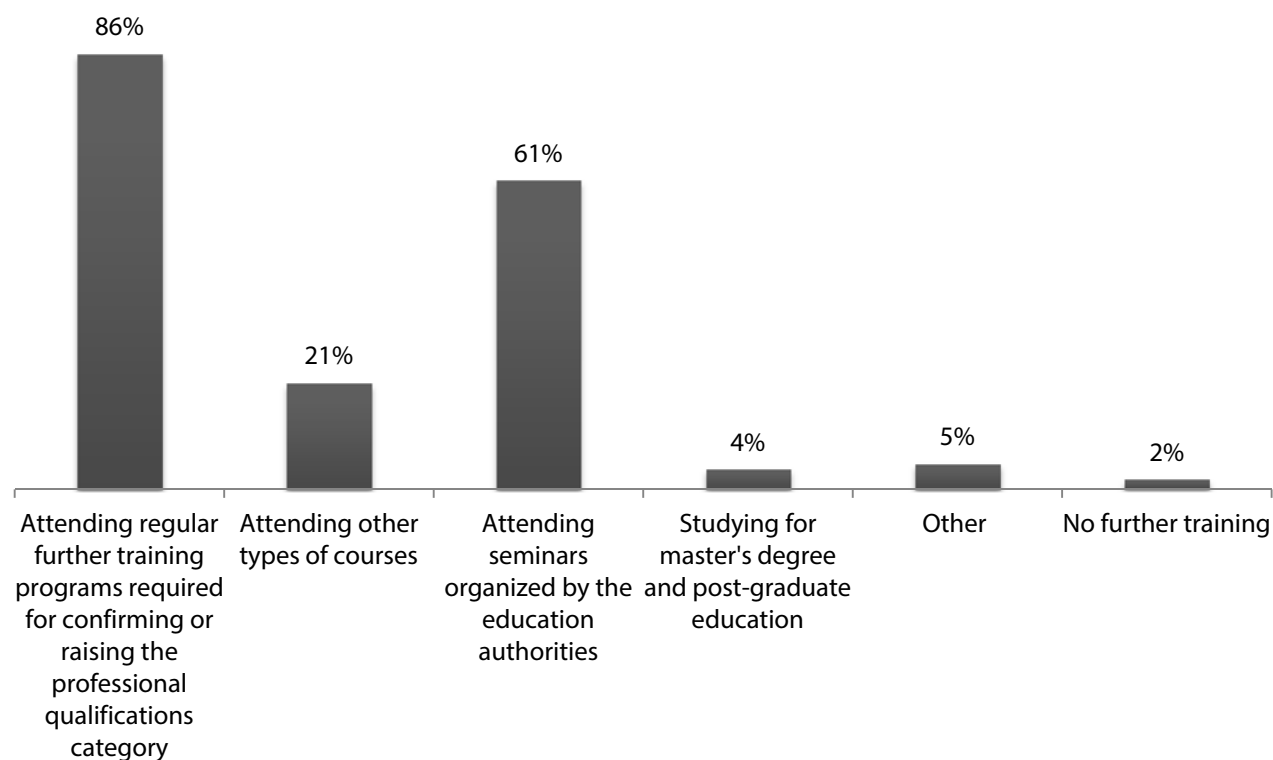


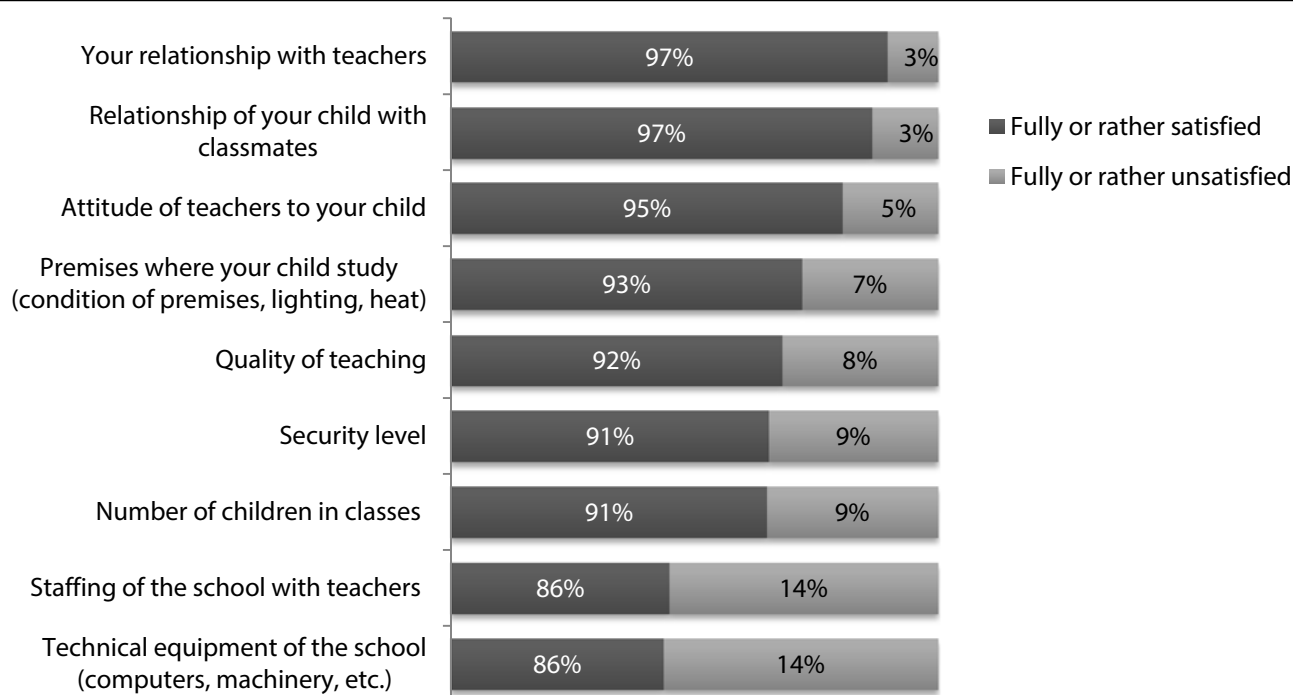
Fig. 10. The results of the survey on further training of teachers (multiple responses allowed), % of response option

According to the survey, in the last 2–3 years, 19 % of teachers received individual or collective research grants, and 37 % of teachers wrote articles that appeared in specialized publications.

Teachers regularly attend the programs of further training, but they also go beyond that (Fig. 10). More than 20 % of teachers take courses outside the standard programs of further training. Moreover, 15 % of teachers are willing to pay for their training, and 37 % are considering doing so in certain circumstances.

The aforementioned and generally positive changes in school education led to high level of satisfaction among the parents, most of whom said that the schools fulfill their tasks, which cannot be reduced only to the transfer of knowledge. The tasks that the parents set for the schools include





**Fig. 11.** The satisfaction of parents of school students with various aspects of school education, % of response option

education, socialization, introduction to arts, sports, tourism, and the absolute majority of surveyed parents believe that the schools successfully handle these tasks. The parents demonstrate a high level of satisfaction with various aspects of school education (Fig. 11). It may seem that these data are contrary to commonly voiced an opinion about the declining quality of education, but this opinion is probably often expressed by people who are not directly involved in school education process.

Raising teachers' remuneration and related positive changes in their activities pose a question of the social positioning of modern teacher.

### Teachers as Representatives of the Russian Middle Class

The problems of the middle class are traditionally included in the series of studies aimed at understanding the social structure of society. The authors consider the problem of the formation of the middle class within the framework of contemporary theories of stratification [16–20], in which the middle class is identified at the intersection of such basic identification criteria as financial status and social well-being. This study helps to analyze the extent, to which the teaching corps can be included in the relevant identification space.

In the opinion of teachers, despite the changes for the better, the prestige of the teaching profession is not yet raised to the appropriate level. Only 53 % of teachers believe that their profession is respected in the society. The larger is the territorial entity, the lower is the prestige given to the teaching profession within it (Table. 5). This is not only because of strong traditionalist orientation, which is typical for small communities, including those in rural areas, but also because large population centers display other models of professional careers that are more financially successful than careers of teachers.

Table 5

**The perception of teaching profession in different types of communities, % by the column**

Response	Distribution of responses by type of community				
	Regional center	Large city	Small city	Urban type settlement	Village
Yes	44	59	57	62	67
No	56	41	43	38	33

These studies give an idea of how contemporary teachers see themselves as viewed by other people (Table 6).



Table 6

**The distribution of responses to the question "On the part of whom the teachers feel the lack of respect for their profession", % of teachers experiencing this feeling (multiple responses allowed)**

Response	%
On the part of the pupils' parents	61.4
On the part of other people not associated with the school education system (acquaintances, etc.)	61.3
On the part of the pupils	31.5
On the part of the school administration	11.4

According to this study, the teachers often experience discomfort in dealing with parents. The attitude of parents is determined rather by common socio-cultural mindset than the comparison of their own financial and social status with that of the teachers (Table 7).

Table 7

**The opinion of parents with different socio-economic status on whether the teachers are representatives of the middle class, % by line**

Subjective assessment of their own socio-economic status	Teachers can be categorized as belonging to the middle class		
	Yes	Rather yes	Rather no / no
<i>Level of well-being</i>			
Above average	23.4	52.2	24.4
Average	16.8	59.2	24.0
Below average	18.6	53.0	28.4
<i>Social status</i>			
Above average	23.4	52.0	24.6
Average	16.5	59.8	23.7
Below average	19.0	47.5	33.5
<i>Housing conditions</i>			
Above average	25.0	49.1	25.9
Average	15.2	61.1	23.7
Below average	20.3	55.5	24.2
<i>Higher education in the family</i>			
All adults	17.2	56.0	26.8
Not all adults	18.5	59.7	21.8
None of the adults	25.2	54.6	20.2
Total	18.4	57.1	24.5

The ambiguity of the link between the social status of teachers, their financial position and quality of education is highlighted by Global Teacher Status Index, an international study conducted in 2013 by Varkey Foundation, a non-profit organization<sup>4</sup>. The study addressed the issue of socio-economic status held by the teachers in 21 countries. The researchers have shown that the social status of teachers virtually does not depend on their salary level and depends little on the rank held by the national education system in international education rankings. The social status of teachers varies, primarily, depending on national cultural traditions and historical characteristics of the country. As for the situation in Russia, it is characterized by the erosion of traditional cultural norms, under which the prestige of teaching profession was rather high, and the lack of new status hierarchies recognized by the society. By a number of objective characteristics, Russian teachers are members of the middle class. However, by subjective characteristics, they are not there yet.

<sup>4</sup> Varkey GEMS Foundation Global Teacher Status Index October 2013 by Professor Peter Dolton and Dr Oscar Marcenaro-Gutierrez. Retrieved from: <https://www.varkeyfoundation.org/sites/default/files/documents/2013GlobalTeacherStatusIndex.pdf> (date of access: April 1, 2016).

## Conclusion

Summing up, we can say that the increase of teachers' remuneration to the level of average regional salary made a positive impact on the entire range of indicators that determine the effectiveness of the school education. A start was given to a chain of reforms related to improving the quality of the teaching corps, establishing the interactions between the teachers and other subjects of school education, and setting the prospects for the entry of Russian teachers into the middle class. The implementation of the Presidential Decree paved the way in this direction and, as we hope, it will not be interrupted as a result of unfavorable economic environment.

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