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Household Spending on Preschool Education and Upbringing

Scenarios of preschool upbringing

In contrast to basic secondary education, preschool education (the zero level) is not compulsory in Russia, and it is not guaranteed by the state. However, when a child enrolls in a primary school (the first level) he is supposed to have mastered certain skills. The responsibility for this rests with the family. A household can channel two types of resources into preparing its child for school, internal and external resources. The latter are provided by the public on the basis of market or nonmarket exchanges. Their use depends on the household's social status. However, the possibility of entering into relations of exchange is determined not only by the family's material condition and readiness to make use of professional services, but also by the level of development of the market of services (the level of supply).

A household can choose one of three scenarios to get their child

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ready to obtain a compulsory (guaranteed by the state) education: (1) go to a state (municipal),¹ departmental, or private preschool educational institution to obtain services; (2) decide not to use the services of a preschool educational institution in favor of hiring a professional nanny, a tutor, or a teacher; or (3) provide upbringing in the home using the resources of the household.

This latter scenario requires, first of all, that the parents (or other adult family members) have a level of professional competence that they have acquired or “have by nature” and is sufficient to prepare the child to go to school; and, second, certain necessary factors such as enough free time and basic tools. Confidence in parents’ natural competence is in conflict with the existence of a number of areas of professional training (including specific areas such as speech therapy) that relate to preschool education and upbringing.

The empirical base for this article was provided by the results of two surveys of households of regional and Moscow samples, conducted by the Public-Opinion Foundation in September and October 2004. The surveys were carried out in the framework of the Russian Federation Ministry of Education Project “Formation of a System of Monitoring of the Economics of Education,” implemented by the Higher School of Economics State University. For a more detailed description of the sample and the methods used see (Galitskii and Levin 2005, pp. 6–13; Oberemko 2004, p. 4). From the sets, subsamples of households were singled out that had children age four and above who did not go to school in the 2003–4 school year (the Russian subsample was $N = 772$, and the Moscow sample was $N = 284$). We will focus on a description of the regional survey, and will use the Moscow data as an example of a more developed market of educational services.²

Among the scenarios of preschool education in our survey, the services of state and departmental preschool educational institutions were used more widely, while the services of private institutions were used by fewer than 5 percent of households (see Table 1).³ The coverage of preschoolers attending preschool educational institutions was more extensive in Moscow than in the regions: an average of 21 percent were not attending kindergarten in the regions;⁴ in Moscow, the figure was 13 percent.

Table 1

Prevalence of Strategies of Preschool Upbringing and Education
(% of respondents)

Strategies	Regions N = 772	Moscow N = 284
Attended a state kindergarten	70.8	76.1
Attended a departmental kindergarten	5.4	5.6
Attended a private kindergarten	2.2	4.6
Find it difficult to answer what kind of kindergarten my child attended	0.7	0.7
Did not attend a kindergarten	20.9	13.0
Made use of paid services of nannies and tutors, including:	2.5	8.8
children who attended a state kindergarten	1.7	6.0
children who did not attend a kindergarten	0.6	2.1

Even though Moscow households were 3.5 times more likely than rural inhabitants to use private nannies and tutors, the private education scenario was not widely prevalent. Only in a very few cases was a child's nonenrollment in a preschool educational institution made up for by hiring the services of private specialists. A combined strategy of upbringing turned out to be more widespread: the parents who were more likely to engage the services of private specialists were those whose children were attending state preschool educational institutions. In what follows we will attempt to determine which factors condition a household's choice of one of two main scenarios: (1) making use of the services of a preschool educational institution, and (2) providing upbringing in the home using the household's resources.⁵

Enrollment in a preschool educational institution

Depending on their end purpose, expenditures having to do with enrollment in a preschool educational institution were subdivided into three categories: the expenses of enrolling in kindergarten, the official fee to attend, and the fee for supplementary classes organized in the kindergarten.

Enrollment expenses include [transaction] costs that are neces-

sary to receive the right to master the zero level of the basic educational program: the official enrollment fee; and informal payments and gifts necessary to be admitted. The formally set official fee to attend the institution partially or completely pays for the costs of organizing and implementing the upbringing process itself. In addition to the official fee, there are contributions for repairs, security, the purchase of equipment and tools, and so on; the fee for supplementary classes in the kindergarten; compulsory collections for celebrations and collective gifts to teachers, as well as informal payments and gifts to obtain special treatment for a child.

Hence, within the category of transformation costs are formally set fees, voluntary (or “voluntary-compulsory”) contributions, the amounts and regularity of which are the topic of open, collective negotiations between representatives of the educational institution and its clients, and individual informal payments and “gifts” that are not necessarily a topic of public negotiation.

Supplementary educational services are not provided for in the State Educational Standards. They include classes that supplement the basic program. Because preschool education in Russia is not guaranteed by the state and does not constitute a necessary condition for enrollment in school, the administrators of a preschool educational institution have considerable leeway when it comes to construing differences between “compulsory” and “supplementary” services.

Payment to enroll in and attend a preschool educational institution

Enrollment in a kindergarten

The concept of the entrance fee (sponsoring fee) has become a familiar one. In the capital city, the amount varied from 300 [\$10] to 30,000 [\$1,000] rubles; two-thirds of the amounts ranged between 1,000 [\$33] and 3,000 [\$100] rubles. In the regions, the amounts were more modest. The practice of charging an entrance fee was widely prevalent, particularly in commercial kindergartens⁶ (see Table 2).

Table 2

Expenditures on Attendance of Preschool Educational Institutions of Different Forms of Ownership (% of respondents)*

Expenditure items	Types of institutions in regions			On average in:	
	State	Departmental	Private	Regions	Moscow
Enrollment fee	15.0	11.9	52.9	15.9	18.8
Gifts, fee to be admitted to kindergarten	10.6	—	23.5	10.2	14.7
Fee to attend preschool institution	89.0	92.9	94.1	89.4	88.6
Fee for repairs, security, books, utilities, etc.	67.8	73.8	29.4	67.1	68.2
Collections to pay for celebrations, gifts to teachers, etc.	66.8	69.0	41.2	66.3	82.9
Fee for supplementary classes	16.1	11.9	17.6	15.9	35.5
Pay for "special treatment"	14.3	14.3	29.4	14.7	31.8
No outlays made on these items	3.5	2.4	0.0	3.3	2.9
Absolute figure of all who attended preschool institution	546	42	17	605	243

*Some parents found it difficult to answer what kind of kindergarten their child attended.

About half of the respondents in the regions who paid for their child to enroll in a preschool educational institution reported that they paid only the official sponsoring contribution; the rest either gave only "a small gift" or combined a "gift" with the official fee. Informal payment was predominant among the "major investors": in the range of 3,500 [\$117] to 25,000 [\$830] rubles paid for enrollment, the ratio of cases of "under-the-table" and combination contributions to "over-the-table" cases stood at 16 : 3. For a number of respondents, paying a fee to enroll in a preschool educational institution exempted them from paying additional fees for attendance. The survey findings indicate that under-the-table payments to enroll in a departmental kindergarten did not occur.

Attendance in a kindergarten

The reduction in the proportion of commercial preschool educational institutions, as indicated above, was made up for by the spread of fee-charging services in state and departmental kindergartens. In the 2003–4 school year, attendance in a kindergarten was officially on a fee-charging basis for almost 90 percent of the households. A similar item-by-item structure of expenditures took shape in the regions and in the capital city, and the only differences found were in their combinations: the overwhelming majority of the households in the regions made payments for two to four items of expenditure; in Moscow, for three to five.

The most common items of expenditure were collective gifts to the school personnel to organize celebrations. In the capital city, it was more than twice as likely that payments would be made for supplementary classes in a kindergarten, or to prompt “special treatment” for someone’s child. According to the regional survey, the practice of mass collections to pay for the institution’s needs and for collective gifts to staff (a practice that is characteristic of state and departmental kindergartens) has migrated to a number of private preschool educational institutions, where it affected 30–40 percent of the clients.⁷ Further, it seems clear that the routine and practices of a private institution are more conducive to measures to ensure individual prompting of “special treatment” for a child. The data do not enable us to state whether collective gifts predominated over individual gifts or vice versa.

Payments to attend preschool educational institutions of different forms of ownership (the regional sample)

On the average, minimum investments were required by state kindergartens; the total expenditures of 20 percent of the clients of state institutions did not run higher than 1,360 [\$45] rubles, less than 120 [\$4] rubles per month, which enables us to classify the services received as nonmarket services. For a number of expenditure items, however—attendance, supplementary classes, and “gifts” in order to be admitted—the clients of state preschool in-

Table 3

Expenditures to Attend Preschool Educational Institutions of Different Forms of Ownership, in the Regional Sample (thousands of rubles)

Expenditure items	State institutions		Private institutions	
	Average	Maximum	Average	Maximum
Fee to attend	3.1*	48	14.9*	40
Enrollment fee	1.1*	7	7.9*	25
Repairs, security, books, etc.	0.4*	5	1.4*	5
Collective gifts	0.3*	5	1.5*	7
Supplementary classes	1.4	18	3.0	5
Gifts to pay for special treatment	0.4*	3	2.2*	9
Gifts to pay for admission to kindergarten	1.3	9	2.6	5
All items	3.8	48	20.9	45

*The asterisk is used to indicate significant differences (where $p < 0.01$) between fees for state institutions and private institutions.

stitutions did not spend less than the clients of other types of kindergarten (see Table 3).

It seems evident that in the former state sector, a system has been established in which differentiated fee-charging services are offered to consumers who have different financial and social resources. High average aggregate expenditures for the services provided by private preschool educational institutions (over four to five times higher than that in state institutions) were paid by half of the parents, with annual expenditures over 25,000 rubles [\$830]. For a number of items, even the minimal costs for private preschool educational institutions exceeded the average expenditures for attending other types of preschool.

Expenditures for attending preschool educational institutions and household incomes

Both samples of households are broken down into two approximately equal parts: those with incomes above the average for the sample and those with incomes below that figure. In the case of

many items, Moscow households with incomes above 4,000 rubles spent 1.7 to 2.1 times more than did those with incomes up to 4,000 rubles. The exceptions were the amount of the entrance fee (sponsoring) fee, which was 4.6 times higher, and the amounts of contributions to pay for repairs, security, and so on, which were 2.7 times higher. A similar pattern was also observed in the regional survey.

In both of the samples, the average figures reflecting “above-the-table” and “under-the-table” payments to enroll are about the same, whereas the cost of “tokens of attention” to ensure special treatment for one’s child is substantially lower than the official expenditures to attend a preschool. It seems clear that having to pay to enroll is a function of the limited supply of preschool services in a given territory, either in general or in regard to services of the desired quality. In other words, a higher level of competition among clients “at the entryway” can be accounted for by the shortage of services, the lack of adequate development (in both quantity and quality) of the system of preschool institutions.

Nonattendance in preschool educational institutions in the regions

Survey participants were asked, “Why wasn’t the child attending kindergarten?” This enabled the researchers to single out two types of obstacles that make it impossible to attend preschool institutions: (1) “it was not possible,” owing to the lack of a preschool educational institution or lack of financial resources; (2) “it was not necessary or desirable,” because the child could be left with a family member at home or the quality of the services offered by a preschool educational institution was unsatisfactory. In settling the child in the kindergarten and becoming adapted, the family had to mobilize various resources each time. Overcoming the first obstacle requires institutional changes or a rise in the family’s income. Overcoming the second obstacle requires a reevaluation of available ways to take care of the child.⁸ I.V. Seliverstova proposes dividing unequal access to a preschool education into direct and relative inequality. The first kind reflects “a complete lack of

Table 4

Reasons for Decision Not to Make Use of the Services of Preschool Educational Institutions in the Regions (*N* = 161) (% of respondents)

Obstacles	%
First obstacle: no opportunity	44.1
there is no kindergarten	20.5
shortage of money	17.4
other external circumstances	6.2
Second obstacle: neither the necessity nor the desire	51.6
there is someone at home to leave the child with	28.6
frail health	10.6
too young	3.7
“things are better at home,” “things are bad in kindergarten”	8.7
Other	4.4

opportunity,” while the second kind reflects “the impossibility of having access to an education of the desired quality, or the fact that the available forms, types, and . . . quality of the services are not in keeping with the needs of the consumer” (Savitskaia 2004, p. 96).

According to the respondents, 44 percent of the households that did not make use of the services of a preschool educational institution were not able to overcome the first obstacle of objective circumstances (see Table 4).

Kindergarten included the following situations: the actual absence of a preschool educational institution in a population center (in rural communities and small urban-type settlements); the distant location of the kindergarten and the lack of convenient transportation, or no family member available to take the child to kindergarten on a regular basis; the lack of vacancies in the kindergarten near the place of residence, and a slow-moving waiting list to get into a new vacancy; limited operation of the preschool educational institution owing to an undermanned teaching staff. Another insurmountable obstacle in the path of a child’s attending a preschool educational institution was the lack of funds necessary to pay for kindergarten. Some respondents did not even try to

get their child into a kindergarten (“I sit at home with my child, I don’t have any money and I don’t have a job”). Others reported that they used to take their child to kindergarten, but that they had to give it up because of the increased cost or because they were not able to be transferred to a budget-funded group. Other external obstacles included statements (without further explanation) about inability or “tragic circumstances,” and cases in which an older child did not go to kindergarten because he had been kept at home to take care of younger siblings.

One essential condition when it comes to overcoming the second barrier, in addition to external resources, is that the parents must be aware that the services of professional teachers are useful and desirable; parents should know the role that children’s collectives play in the development of a child; and they have to have trust in the preschool educational institution as a social institution. In addition, the family should not have alternative options such as a family member who is able and willing to take care of a child. Most often it was reported that grandmothers served as upbringers in the home, or, a little less often, mothers, housewives who were unemployed or on maternity leave to take care of another child. In a few cases, grandfathers and fathers served as babysitters and “teachers.” Depending on the amount of aggregate resources, the respondents accounted for their decision not to make use of preschool services by reference to the lack of the necessity or desire to place their child in a kindergarten.⁹

Another essential resource that was mentioned was the child’s state of health, sufficient to pass the “test of the kindergarten.” The respondents referred to the child’s overall susceptibility to illness, the fact that children come back from kindergarten with chicken pox and German measles, that in general they were more likely to get sick when they went to kindergarten, and so on. The prevalence of such motives is often explained by the low quality of services provided in a preschool educational institution that does not provide the “necessary care” for children who are ill. There can be no doubt that for a child who is “susceptible to illness” on the basis of medical indicators or seems to his parents to be unable to attend a preschool educational institution, the family should have

a minimum of freedom of choice: there should be someone in the family who is able to provide “the necessary care.” In some cases, however—for example, if a child is handicapped—frail health is, by necessity, comparable to the actual lack of a preschool educational institution, or comparable to extreme poverty that makes it impossible to pay for kindergarten. In this connection, I.V. Seliverstova is even more categorical in her judgment. According to the findings of a survey by the Center for the Monitoring and Statistics of Education (CMSE) in 2003, the state of children’s health in eight regions of Russia was the third factor of inequality characterizing access to preschool education (Savitskaia 2004, p. 96).

Dissatisfaction with the quality of services in preschool educational institutions is especially prominent in the answers given by respondents who decided not to make use of the services—not because it was forced on them or “the lesser of two evils,” but in the interests of the child. The judgments that they expressed came down to two formulas: “things are better at home” and “things are worse in kindergarten.” They made mention of the low quality of the services, the bad treatment of children, the fact that the child’s feelings are hurt in kindergarten, that he does not like it. A number of the respondents reported their desire to provide their child with a better-quality upbringing in the home, emphasizing the active role played by family members in the development of the child or purposeful preparation of the child for school. All of the judgments in this category presuppose that the household has the necessary resources to make use of the services of a preschool educational institution; obviously, for example, not all families are able to give consideration to the fact that the child does not want to go to kindergarten. In addition, it might not be the preschool educational institution itself that is “at fault” when a child does not want to go to kindergarten; the parents might also be responsible if they have failed to teach the child how to adapt to a children’s collective or to other adults. The parents’ decision not to make use of the services of a preschool may also be influenced by their own attitudes such as “we did not have this child just to send him to kindergarten.”

City dwellers accounted for their children not attending a preschool by saying that they are able to keep them at home, the child is in frail health, or the high cost of the services. The rural inhabitants, for the most part, made reference to the lack of a kindergarten, and to the high cost of one. In the cities, one-quarter of the families were not able to overcome the first obstacle; in the countryside the figure was 58 percent.

The results that were obtained in our survey are in agreement with the findings of the CMSE: the overwhelming majority of the respondents (93 percent) live in the same community and walk their children to kindergarten. The rest of the children are delivered to kindergarten from population centers not more than five kilometers from the kindergarten. At the same time, only 34.4 percent of the rural inhabitants of Russia live in population centers where the size of the permanent population is over 100 people; in most rural communities there never have been kindergartens, and as a result of the “optimization” of the network in the 1990s, great numbers of rural preschool educational institutions were closed down. Even in the cities, where the average indicators of children’s preschool coverage is higher, the distribution of the network of preschool educational institutions is very far from optimal. In particular, in half of the million-population cities surveyed by the CMSE, the kindergartens were overloaded (*ibid.*, p. 100); this was especially true of the “cheap” kindergartens.

In the countryside the problem can be attributed to the physical lack of access to a kindergarten; in the cities, on the other hand, it is the limited “possibility of choice and enrollment in a preschool educational institution that is chosen by the parents” that is the most essential factor. For example, in spite of the fact that in Novosibirsk as of late 2002 there were 73 children for every 100 places, only two-thirds of the parents indicated that they felt they had the ability to choose a preschool. On the whole, the CMSE survey singled out two key factors that influence access to a preschool educational institution: the place of residence and the socioeconomic status of the households (Seliverstova 2005, pp. 96, 100).

Preschool attendance and the social and status characteristics of the family (the regional sample)

In one way or another, the decision not to make use of the services of preschool educational institutions has to do with their cost: about 70 percent of the households that have a low average per-capita income (up to 1,400 rubles) were not able to overcome the first obstacle, and just about the same proportion of households that had higher incomes (more than 1,400 rubles) were not able to overcome the second obstacle (see Table 5).

Inasmuch as state-run preschool educational institutions, on the average, imposed the most democratic requirements on their clients, the minimum differences in material condition, as between those who do or do not take part in the market of fee-charging services of preschool education, are discernible when comparing the incomes at the disposal of the clients of state preschool educational institutions who decided not to make use of their services. For the most part, it is poverty that constitutes the reason for the decision not to make use of a preschool. In households with minimum incomes we find the lowest level of preschool attendance, including at state-run institutions (see Table 6). The same dynamic is not observed in Moscow. It is not to be ruled out that with the current costs of preschool upbringing, and given the labor market situation, placing child in a kindergarten remains an attractive option.

This is confirmed indirectly by the fact that in the households where the reported breadwinners (those having the maximum incomes) were unemployed, retired, or housewives, over 40 percent of the children were not attending a preschool, a figure that was twice that of the average indicator. In the countryside, where the proportion of inhabitants with low incomes is higher than in the cities, over one-third of preschool children were being taught at home (see Table 7).

Let us take another look at Table 6. As incomes rise to 2,999 rubles, the proportion of clients of state-run kindergartens goes up owing to a decline in the proportion of children who are not attending a preschool. The reverse dynamic is observed in groups

Table 5

Families' Overcoming of Obstacles to Placing Their Children in a Preschool Educational Institution, in Two Income Groups (regional survey, %)

Obstacles	Average per-capita monthly income of the family, rubles	
	Under 1,400 (<i>N</i> = 68)	Over 1,400 (<i>N</i> = 76)
First obstacle	69.1	23.7
Second obstacle	30.9	68.4
Intend to go to kindergarten	—	3.9
Found it difficult to answer	—	3.9

Table 6

Attendance at Preschool Educational Institutions by Children from Households with Different Levels of Average Per-Capita Income (regional survey, %)

Attendance at preschool institution	Average per-capita income, rubles				
	Under 1,000	1,000–1,999	2,000–2,999	3,000–4,999	Over 5,000
Did not attend a preschool institution	35.6	24.3	11.0	16.3	21.3
Type of preschool institution attended:					
state	57.6	67.1	80.1	76.9	67.0
departmental	5.9	5.8	6.2	4.1	4.3
commercial, private	0.8	1.7	0.7	2.7	7.4
Found it difficult to answer	—	1.2	2.1	—	—
Number of respondents	118	173	146	147	94

The difference in the nonattendance and attendance of state-run preschool educational institutions between the first and second groups of households is significant in terms of the χ^2 criterion where $p < 0.05$; between the second and third groups of households where $p < 0.01$; between the third and fourth groups of households, close to significant ($p = 0.053$).

that have high incomes (3,000 rubles and above): as incomes go up, the level of attendance at state-run kindergartens goes down and, at the same time, there is an increase in the proportions of

Table 7

Attendance at a Preschool Educational Institution as a Function of the Type of Population Center (regional survey, %)

Attendance at a preschool institution	City under federal jurisdiction	Oblast and republic centers	Small towns and communities	Villages
Did not attend	21.7	17.8	18.3	35.8
Attended	78.3	82.2	81.7	64.2
Number of respondents	60	185	289	173

Note: The differences between the countryside and the other types of communities are significant in terms of the χ^2 criterion where $p < 0.000$.

those who have decided not to make use of a preschool and those who prefer commercial institutions. Consequently, an average per-capita monthly income of 2,000–2,999 rubles yielded the level of financial security in which the usefulness of a state-run kindergarten was maximum in the 2003–4 school year.

The decision not to make use of the services of a kindergarten: adaptation or self-determination

According to official data, since 1992 available slots in kindergartens have not been filled by more than 90 percent at any time. In 2003, 88 percent of the slots were in demand—95 percent in cities and 69 percent in the villages. At the same time, the preschool coverage of children of the appropriate age¹⁰ was 62.1–68.1 percent in the cities from 1991 through 2003, whereas in the villages it went down from 53.3 to 38.3 percent (Oberemko 2004, p. 157). Is it reasonable to assert that the choice of upbringing in the home for over 30 percent of urban preschool-age children and 60 percent of rural preschool-age children was the result of rational self-determination?

The aggregated results of a national survey ($N = 1,600$) by the Levada Center in June 2004 yield an answer that is not clear cut. In response to the question “Where is the best place to bring up

children before they go to school?” one-third of the respondents cited home upbringing, and only two-thirds chose the option of kindergarten (Gal’perin, Ignat’ev, and Morgunov 1994, p. 61). E.V. Savitskaia has proposed a number of arguments in favor of the surplus number of kindergartens (*Education in the Russian Federation* 2005, pp. 263–66). In the first place, the declining attendance at preschools is accounted for by reference to “the overall decline in economic activity in the country”: “young mothers and fathers who were out of work, and who because they had low incomes taught their very young children themselves.” In the second place, families with high incomes can hire nannies or female tutors, so “the child does not end up in the sphere of system education.” The author refers to a similar survey by the Public-Opinion Foundation of the preceding wave (2003), according to which about 8 percent of families hire a nanny or a tutor through a company, about 9 percent use private nannies, and about the same number hire private teachers. Third, there has been a decline in the quality of the services offered by preschool educational institutions, or there is increased dissatisfaction with the quality of the services; this is a leading reason for changing institutions. Hence, declining attendance would seem to result from a rational choice made by households.

Meanwhile, the above analysis shows that, first of all, a family’s low income limits its freedom of choice. Upbringing in the home as a matter of necessity tends to perpetuate poverty, inasmuch as it makes it hard for parents to enter or return to the labor market. Second, the data of the 2004 survey do not enable us to speak of any stable “golden” 8–9 percent stratum of clients who prefer private preschool schooling over “system” schooling.¹¹ As we can see, the more prevalent scenario is the one in which the option of private services does not constitute an independent alternative but, instead, is combined with a preschool educational institution (see also Tables 9 and 10 on pp. 57 and 58). Third, E.V. Savitskaia connects the decline in the quality of the services of preschools to the poverty of fixed assets, the low level of pay, internal differentiation into a provisionally privileged stratum (up to 30 percent) and the majority of employees, and the miserly budget financing

of other items (in 2002, for example, an average of 166 rubles per month were allocated for meals served to a child in a preschool) (*ibid.*, pp. 263, 268–72). In light of these factors, any superfluity of the network of preschool educational institutions must be viewed from the standpoint of an austere financial policy that pursues the goal of turning social institutions into profit-making enterprises. In particular, in spite of people's restrained evaluations of the quality of preschool services, in 2002 about 405,000 children were on waiting lists to enter kindergartens (Savitskaia 2004, p. 100).

The results of the CMSE survey give us reason to conclude that "parents' idealistic notions about the upbringing and teaching of their children are substantially different from the actual state of affairs." Between 5 and 7 percent of the parents of rural preschool-age children favored providing their children with upbringing and education using only the resources of family members. About two-thirds would like to have their children spend the full day in kindergarten. The survey found a lower level of unsatisfied demand in cities (*ibid.*, pp. 98, 101–2).

In consideration of the decline in the preschool coverage of preschool-age children and the fact that a considerable number of households are forced to decide not to use their services, the issue of the quality of home schooling that is imposed by necessity merits attention. On the basis of the data from the Levada Center survey, commentators have concluded that the model of Russian home schooling "is not in any way oriented toward the child himself, the development of his abilities and the determination of his future," especially in "the strata that are the most socially vulnerable, those that are the least well educated, the aged, the inhabitants of villages, who hope . . . to guard themselves against the misfortunes and unpredictability of the world around them" (Gal'perin, Ignat'ev, and Morgunov 1994, p. 66). Perhaps this conclusion seems too harsh, but it indicates that families with very few resources give preference to the upbringing function over the educational function. The performance of the educational function requires that family members have professional skills and special equipment that poor households might not have at their disposal. It seems clear that in the current situation, the development of the market

of services of preschool educational institutions is hampered by the disparity between supply and demand: for some potential consumers, having to pay “at the front door” is beyond their capabilities; in the case of others, the correlation between the cost and the quality of the services offered is unsatisfactory. The situation is exacerbated by the unequal territorial development of the infrastructure of preschool education.

Expenditures on supplementary and private education

The market of supplementary fee-charging services in the capital city is more developed and is more strongly segmented than the regional market is. The services of institutions offering supplementary education were used by 15 percent of families with average per-capita incomes of up to 4,000 rubles (see Table 8). At the same time, differences in the level of satisfied demand on the part of half of the households with incomes that are minimum and maximum for the subsample are statistically insignificant. This absence of significant differences can be accounted for by the fact that the average outlays of the second group of households (5,700 rubles, with a maximum of 24,000 rubles) exceeded the expenditures of the households in the first group by only 1.3 times (4,400 rubles with a maximum of 12,000 rubles).

The most costly services were those provided by private nannies, tutors, and subject teachers, but even here the market in the capital city offered certain advantages to families with moderate incomes. The average yearly cost of this item for families of the first income group came to 6,800 rubles (with a maximum of 11,000 rubles); in the case of families of the second income group the figure was 3.5 times greater—24,400 rubles (with a maximum of 100,000 rubles). The hiring of tutors, nannies, and teachers through a company was not widespread in the 2003–4 school year, even in the capital city.

The main contingent of clients of institutions offering supplementary education and private teachers was made up of households whose children were going to state preschool educational institutions. In other words, alternative upbringing in the place of

Table 8

Household Expenditures on Supplementary Education of Preschoolers (Moscow, %)

Expenditure items	Average per-capita income (rubles)			
	Under 4,000 (<i>N</i> = 107)	Over 4,000 (<i>N</i> = 93)	No answer (<i>N</i> = 83)	All households (<i>N</i> = 283)
Official fee for an institution of supplementary education	14.8	24.7	27.7	21.9
Private services of a nanny, etc.	3.7	15.1	8.4	8.8
Under-the-table payments for a supplementary education institution	5.6	6.5	4.8	5.7
Pay to a company to provide services of a nanny, etc.	2.8	3.2	2.4	2.8

kindergarten upbringing, with professionals hired to come to the home, did not become widely prevalent even in Moscow. Only for an extremely low proportion of households was the decision not to send a child to kindergarten made up for by private teaching or attendance at an institution of supplementary education. Out in the regions, the services of private and supplementary education were used even more rarely.

Summary of outlays on the upbringing of preschoolers

In the 2003–4 school year, the overwhelming majority of households that had children of the appropriate age were spending money on preschool education and upbringing. However, 13 percent of the households in the regions and about 4 percent of those in Moscow did not spend any money at all (see Table 9).

The most common expenditures were for parents to send their children to kindergarten: for these purposes about 75 percent of households in Russia spent an average of 4,100 rubles per year; the average expenditures of 84 percent of households in Moscow were 1.8 times greater. Enrollment in a kindergarten or transfer to

Table 9

Households' Expenditures on Preschool Education (%)

Regions, <i>N</i> = 772			Moscow, <i>N</i> = 284		
Special-purpose expenditures	% of households	Expenditures (thousands of rubles)	% of households	Expenditures (thousands of rubles)	Expenditure ratio between Moscow & regions
Attendance at a preschool	75.9	4.1	84.2	7.3	1.8
Enrollment in a preschool	17.1	2.0	23.6	4.5	2.3
Private teaching	3.8	5.9	10.9	20.0	3.4
Supplementary education	9.5	2.8	23.2	5.6	2.0
Preparation to attend school	24.5	2.3	26.8	8.6	3.7
No expenditures	12.5	—	3.9	—	—

a different kindergarten of about one out of six preschoolers of Russia and one out of four preschoolers in Moscow cost households, on average, another 2,000 and 4,500 rubles, respectively. About one out of every four families paid to prepare their child for school: in Russia as a whole, on the average, the expenditures added up to 2,300 rubles; in Moscow the figure was 3.7 times higher. For supplementary education, about 10 percent of families in Russia spent 2,900 rubles; almost one-quarter of Moscow households invested twice as much for this purpose. Without taking into account the most costly (private) services, the average household in the regions had to spend 6,900 rubles annually on the developmental upbringing of a preschooler; in the capital, the figure was 12,900 rubles. Households in which one child enrolled in a kindergarten in a year's time (or transferred to a different one) and was at the same time being prepared to enroll in school spent an average of 4,300 rubles in the regions, compared to 13,100 rubles in the capital city. To be sure, these amounts do not include other costs, including the cost of supporting the children.

Table 10

**Year's Investments in Preschool Education and Upbringing in
Average Per-Capita Monthly Incomes of a Family (%)**

Regions					
Average per-capita monthly income					
No. of invested average per-capita monthly incomes	% of all households (<i>N</i> = 550)	Up to 1,500 rubles (<i>N</i> = 189)*	1,500– 3,000 rubles (<i>N</i> = 223)	Over 3,000 rubles (<i>N</i> = 138)	Average outlays per line, thousands of rubles
Less than 1	29.8	14.3	29.6	51.4	2.1
From 1 to 2	29.6	24.3	33.6	30.4	3.9
From 2 to 3	17.5	16.4	23.8	8.7	5.5
From 3 to 4	7.3	12.2	5.4	3.6	6.0
More than 4	15.8	32.8	7.6	5.8	11.2

Moscow					
Average per capita monthly income					
No. of invested average per-capita monthly incomes	% of all households (<i>N</i> = 173)	Up to 1,500 rubles (<i>N</i> = 57)	1,500– 3,000 rubles (<i>N</i> = 73)	Over 3,000 rubles (<i>N</i> = 43)	Average outlays per line, thousands of rubles
Less than 1	37.0	21.1	41.1	51.2	4.9
From 1 to 2	24.9	26.3	23.3	25.6	9.0
From 2 to 3	11.6	21.1	5.5	9.3	12.7
From 3 to 4	8.1	7.0	13.7	—	13.4
More than 4	18.5	24.6	16.4	14.0	35.0

*The unequal number of respondents in the columns is due to the fact that the respondents who did not answer the question about the total amount of their outlays relating to their child's attendance of a preschool educational institution fell out of the contingency table. In addition, the disproportionately large number of respondents in the second column with the regional data is due to the higher prevalence of incomes of 3,000; this was the point where the boundary between the first and the second tercile occurred. The situation was similar in the Moscow survey.

Let us assume that a family received the average per-capita income in the month preceding the survey, as reported by the respondents, equally over a whole year. Having the data reflecting its income and yearly outlays on preschool upbringing, it is possible to calculate how many average per-capita monthly incomes a family has invested in the upbringing and education of a single preschooler during the 2003–4 school year. In Table 10, the data have been grouped on the basis of this indicator. The dimension of the scale of incomes in both of the samples yields an approximate reflection of the sample tercile distribution.

Seeing this data as a reflection of socially essential family outlays on the upbringing of a preschooler, for over two-thirds of relatively well-off families (an income no lower than 1,500 rubles in the Russian sample or 3,000 rubles in the Moscow sample), yearly outlays added up to as many as two average per-capita monthly incomes. Consequently, the overwhelming majority of families are characterized by this functional relation: the proportion of outlays on preschool education and upbringing goes down as the average per-capita income rises. This may indicate that the correlation between the cost and quality of fee-charging services approaches the limit of usefulness. Also, households with high incomes could obtain services of high market value free of charge (or on nonmarket terms) thanks to their social capital.

An educational service as a commodity with specific properties may represent an essential commodity for those in the exact same income groups (the demand goes up more slowly than rising income), a secondary commodity (the demand goes up proportionately to rising income), and a luxury item (the demand has no saturation point) (Gal'perin, Ignat'ev, and Morgunov 1994, p. 187). Viewing educational services as a luxury item can be expected among families who have spent on preschool upbringing a sum that exceed the family's average per-capita income in a single quarter. Such households include over 40 percent of the inhabitants in the regions and 30 percent of those in Moscow that have the lowest income levels, with corresponding figures of 13 percent and 30 percent of families with medium incomes, and 6 percent and 4 percent with the highest incomes, respectively.¹²

* * *

The scenarios of the financial behavior of households permit several conclusions to be drawn. For the overwhelming majority of families, the services of basic preschool upbringing and education require paying a fee. The accessibility of professional services is linked directly to the level of urbanization of a community. In the large cities, the market of such services is strongly differentiated, and moreover the greatest differentiation has been formed in the system of state-run preschool educational institutions, which enjoys a monopoly position. Any further development (expansion of the size and diversification) of the market of services of basic preschool education is hampered by the gap between supply and demand. A substantial factor that tends to raise the level of unsatisfied demand for the services of institutions providing basic preschool education is the discrepancy between the cost and the quality of the services, a factor that is especially characteristic of urban communities.

On the one hand, while the correlation between the cost and the quality of fee-charging services has come close to the limit of usefulness in the case of consumers who have high incomes, a further increase in the prices in this segment does not portend a dramatic increase in the size of the market. On the other hand, given the current situation of having to “pay at the front door” in order to enroll in a kindergarten, it is beyond the capabilities of a substantial proportion of households. In addition, having to pay for services of basic education reduces the demand for supplementary services.

The measures to “optimize” the network of preschool institutions has increased the inequality of access to preschools. This is especially true of the countryside, where the mass closings of preschools did not go hand in hand with the development of special programs—for example, programs to organize the delivery of children to kindergartens. Strategies of private upbringing, alternative to attending preschool institutions, have not become widely prevalent even in the big cities, where households that have high incomes are concentrated.

Notes

1. The respondents were not very good at drawing a distinction between state-run and municipal kindergartens. Differentiating between them, evidently, is not always worth the trouble even in official statistics (see, for example *Education in the Russian Federation* 2005, pp. 47–52). In what follows we will use the term “state-run” in application to institutions of both forms of ownership.

2. In our analysis, we operated on the basis of the arithmetic mean values of end-purpose and item-by-item expenditures by households, without weighing them by regions; both nonanswers and zero outlays were omitted from the calculations.

3. To some extent, figures that are this modest can be accounted for by the fact that between 1995 and 2003 the proportion of private preschool educational institutions fell from 9.1 percent to 2.6 percent (*ibid.*, p. 159).

4. This figure can be trusted, inasmuch as the preceding national survey in September 2003 yielded a similar figure—22 percent; the difference of 1 percent does not exceed the sample error (Logingov, Petrenko, and Petrenko 2004, p. 31). The results of the surveys are not to be compared with the data of official statistics representing preschoolers’ coverage by the system of preschool educational institutions, because in the latter case preschool children age one and older were taken into account. Given that calculation, the proportion of nonattendance of preschool educational institutions turns out to be higher, because the overwhelming majority of parents are placing their children in kindergarten at the age of four years. In 2003, for example, 57.6 percent of preschoolers age one and above in the Russian Federation were attending kindergarten; in Moscow the figure was 53.1 percent (*Education in the Russian Federation* 2005, p. 168).

5. In the process of analyzing the first scenario, we operated on the basis of subsamples (regional, with $N = 611$, and Moscow, with $N = 247$) of clients of preschool educational institutions of all forms of ownership. The second scenario was analyzed on the regional subsample of households whose children were not attending preschool educational institutions in the 2003–4 school year ($N = 161$).

6. Differences in the prevalence of the sponsoring fee, as between private and departmental, and private and state-run preschool educational institutions, are significant in terms of the χ^2 criterion ($p < 0.001$).

7. The differences in the prevalence of the first type of payments among private and departmental and among private and state-run preschools are significant in terms of the χ^2 criterion where $p < 0.01$, while in the second type of payments the figure is $p < 0.05$.

8. The characteristics of these obstacles can be contrasted with D.L. Konstantinovskii’s proposed distinction between adaptation (a passive, forced reaction to unfavorable external conditions) and active self-determination (Konstantinovskii 2003, pp. 128–29; Oberemko 2004, pp. 34–39).

9. It is also necessary to keep in mind the category of parents whose behavior is due not so much to their desire to reduce costs but rather their lack of “interest in taking advantage of . . . the opportunities that are afforded by the system of education” [in this case, preschool education—O.O.] (Zorkaia and

Leonova 2004, p. 127). However, the design of the survey did not enable us to draw a systematic distinction between the motive of austere economizing and “lack of attention” to available opportunities.

10. Adjusted for the number of six-year-olds who are enrolled in school (*Education in the Russian Federation* 2005, p. 211).

11. “Not more than 7.8 percent of the families in which preschool-age children are not attending a preschool are, in their own opinion, having problems in terms of having access to preschool education, inasmuch as no matter what changes may take place in their external circumstances, they prefer to teach their child at home” (Seliverstova 2005, p. 101). This figure is substantially smaller than the 8 to 9 percent of households with high incomes mentioned by E.V. Savitskaia who, it is to be assumed, have decided on their own not to use the services of a preschool. In an article by other authors based on the same data, different figures are given: 9 percent of the respondents in the Russian sample (and only 1 percent in the Moscow sample) mentioned “the fee paid to private individuals in order to attend play groups”; the result can be 8 to 9 percent if we add the percentages of all the respondents who mentioned paying for “the private services of a tutor,” “the private services of a nanny,” paying “a company that offers the services of play groups,” and paying “a company that offers the services of a nanny” (Galitskii and Levin 2005, p. 15). Inasmuch as the use of these services does not constitute an alternative, the families that are the most well off were able to pay for a number of different kinds of services at the same time.

12. The fact that educational services can end up in the category of essential commodities is indicated indirectly in an official publication that presents the results of quarterly national surveys. In 2002 and 2003, in response to a question about the purposes of savings among the first quartile group in terms of average per-capita incomes, “education” was given first place ranking by 40 percent to 46 percent of the respondents; in the tenth decile group (those with maximum incomes) the figures were 28 to 35 percent (see *Education in the Russian Federation* 2005, p. 70).

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