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De Boeck Supérieur | « Journal of Innovation Economics & Management »

2008/1 n° 1 | pages 155 à 184

Article disponible en ligne à l'adresse :


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ENTREPRENEURIALISM OF RUSSIAN UNIVERSITIES IN EUROPEAN AND INTERNATIONAL PERSPECTIVES

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INTRODUCTION

At first glance the state of the Russian university system is often characterized as chaotic. On the contrary, the system has adapted to extraordinary social and economic turmoil with considerable vitality and offers new models and structures forged out of circumstances which have no parallel. Some of these models and structures are genuinely original and deserve consideration. Some institutions are in the process of radically remodelling themselves in very interesting ways. What is remarkable are the survival routes that different universities have taken, the new organizational forms that have been created, and the new approaches to institutional development based on financial diversification.

1The EUREK research project was developed by the Institute of Education, London for the European Commission Sixth Research and Technological Framework Programme. The main objective was to examine in 2004-2007 the organizational and financial trends and transformations which have taken place in a sample of Western and Eastern European universities over the last ten years. The research consortium was formed by the Institute of Education (University of London, the UK), consisting of the Stockholm School of Economics (Sweden), the University of Turku (Finland), the Polytechnic University of Valencia (Spain), the Adam Mickiewicz University of Poznan (Poland), the Higher School of Economics (Moscow) and the Moldova State University (Moldova), and the International Institute for Educational Planning of UNESCO (Paris). This paper has largely benefited from the findings of the project, notably the contributions by Prof. M. Shattock, Prof. G. Williams, Dr. P. Temple, Prof. R. Rinne, Dr. J. Koivula and Prof. M. Kwiek. More data and analysis about the EUEREK are available at http://www.euerek.info/
Entrepreneurialism, as Shattock and Sandgren (2004) suggest, has been more a survival mechanism in Russia than a way of developing the “self reliant” or the “stand up” university described by Clark (1998). Regional/industrial collaboration between universities and public and private enterprises has been more a lifeline for regional economies than competitive boosters for regional economic activity as envisaged in most Western countries. Not all Russian universities have taken such steps and some large-scale classical universities have declined in quality. A key element in whether universities succeed in these new conditions is their commitment to “permanent investigation of the external and internal environments”.

As market conditions in Russia change and become more mature, as enterprises refocus their activities, and as regional and global economies recover, it will be important for universities to re-emphasize their sensitivity to changes in the environment; in particular, to pay more attention to internal management structures.

**OVERVIEW OF RUSSIAN HIGHER EDUCATION SYSTEM**

Over the last ten years, the system of higher education has undergone considerable change in the following areas:

- **Goals** – with an orientation towards the needs of the market, society, and individuals;
- **Structure** – decentralization (in contrast to Soviet centralized planning);
- **Autonomy** of higher educational institutions - introduction of private higher education; four- and two-year programs in parallel with the traditional five-year program; elimination of a bias towards engineering specialities;
- **Financing** – diversification of financial sources instead of a reliance solely on state financing;
- **Content** – increasing the humanitarian components in the curriculum, and diversifying programs and courses

Following the provisions of the 1992 Law on Education and responding to the rising demand and the need to generate revenue, the state educational institutions acquired more autonomy, opened new programs and started enrolling commercial students. New non-governmental universities and institutions have been set up. By 2002 their number reached a total of 384. At the same time the Russian higher education system remains relatively
centralized: the Federal Government provides no less than 50% of all higher education institutional budgets and keeps all state-owned institutions’ funds under strict control through a special system of treasury accounts; it provides accreditation, attestation and licensing of all institutions, private or public; it establishes considerably detailed unified standards of HE programs defining the curricular and content for all disciplines and it keeps monopoly to issue diplomas confirming higher education degree.

**Key data**

Currently, the Russian HE community consists of over 1000 HEIs and their branches, 655 of which are state institutions. In 1990 there were only about 700 institutions. During the last 10 years, both state and non-state HEIs have created more than 2000 branches. Of these, 64% are registered as state institutions, and 36% as non-state HEIs. As for the distribution of students over these two types of institutions, out of the total of 6 million students, about 5.2 million or 87% are registered at state HEIs. Thus, 36% of non-state institutions enrol about 13% of students. This means that many of the private institutions are fairly small and have mainly local importance in their respective regions. Private institutions were principally opened to serve the professions demanded by the labour market: lawyers, managers, accountants, ICT specialists.

A large number of faculty members at private universities are full-time employees at public universities. They are employed as part-time staff in private institutions to teach general courses that every university is expected to offer. Many private institutions are established by individuals or businesses, but others are closely linked to central governmental structures. The latter, for instance ministries and committees of the State Duma, have been involved as founders and co-founders of institutions. The public sector has also contributed by physical infrastructures, or financial support to the private institutions, many of which are closely linked to governmental structures.

Russia has four types of institutions:

- **Universities**: responsible for education and research in a variety of disciplines. There are “classical” and “technical” universities with special attention paid respectively to social sciences and humanities, or natural fundamental and applied (engineering) sciences. Unofficial ratings also distinguish old “classical” universities and “new” universities, former pedagogical or technical institutions which have acquired their university status only recently.

- **Academies**: responsible for education and research. They differ from universities only in that they restrict themselves to a single discipline;
• Institutes: multi-discipline oriented. They can be independent structural units, or part of a university or academy and usually specialize in one field. However pedagogical institutes are responsible for the whole spectrum of disciplines taught at schools.

• Private institutions: these are present in increasing numbers. They offer degrees in non-engineering fields such as business, culture, sociology and religion.

Degree structure

There is a new degree structure, which follows a three-tier pattern, three levels, and uses U.S./British nomenclature. Currently there are only two types of diploma (degrees) which officially recognize a completed higher education – these are diploma of specialist and diploma of a Master level (magistr). The Bachelor diploma and the certificate of “incomplete higher education” are not regarded as high education degrees. In some cases a bachelor degree suffices to start a career. At any rate bachelors (or undergraduates) are not allowed to take positions where higher education is obligatory by labour law or by custom, they are unable to obtain the research degree of Candidate of Sciences, male graduates are drafted as soldiers and must serve for two years while specialists and magistrs have half a year shorter conscription period. It should be noted that Russia has signed the Bologna Declaration and by the year 2010 transition to a two-tier degree structure should be completed; the objective is specified as one of the ultimate goals of the country’s educational reforms.

Below can be found a more detailed description of programme organization:

Level I Programs at this level are organized into two stages:

• Stage 1 consists of two years of course work, upon completion of which students are awarded a “certificate of incomplete higher education”.

• Stage 2 is devoted entirely to one to two years of intensive professional training. Upon completion, students are awarded a diploma of incomplete higher education (o nepolnom visshem obrazovanii).

These are not distinct programs but rather credentials awarded upon partial completion of study leading to a diploma of higher education, as either bachelor or specialist. Students with a Level I certificate or diploma have not completed their higher education. However, they can seek employment in jobs that require some higher education, but not a full degree.
Level II Bachelor (bakalavr): Awarded upon completion of four-year programs in the humanities, economics and natural sciences, as well as some practical professional training. It represents the completion of “basic academic education”.

Level III There are two options after the second level – master and specialist. Both degrees allow access to doctoral study.

Master (magistr): This is an academic degree designed for students who wish to pursue a career in academia and research. It takes 2 years after obtaining the bachelor degree. The field of study must be the same as for the bachelor. (Because most students continue after the bakalavr at the same institution, they may not receive the actual bakalavr diploma).

Specialist: This is a professional training programme designed for students who choose to pursue the practical applications of their specialization. The degree can be earned in one of two ways:

a. Upon completion of at least 1½ years of study after the bakalavr (students who earn the diploma of specialist this way often do not get their actual bakalavr diploma);

b. Upon completion of four to six years of study after the attestat o srednom polnom obschem obrazovanii (this is the unchanged Soviet diploma of specialist). The degree grants professional qualification in engineering, teaching, economics, etc. Bakalavr, magistr and specialist diplomas are awarded by the State Attestation Commission.

The Law on Education does not address any changes to the Soviet model of graduate education (the kandidat nauk [Candidate of Science] and doktor nauk [Doctor of Science]). A database of higher education institutions in Russia can be found on the following Website: www.informika.ru/eng (choose the “databases and references” option). Information provided for the institutions includes address, fields of study offered and legal status (state, private, accredited, etc.).

Admission system

Many students wishing to enter a university need additional preparation to gain admission. Only one-third of students are estimated to enter university relying only on the knowledge acquired in school. Another one-third takes special preparatory courses. Others either hire private tutors or educate themselves. The cost of preparing for entrance examinations is a heavy economic burden for Russian students and their families. For the HEIs the problem is that many students do not have the qualifications considered necessary for entry to higher education.
Currently the Certificate of Secondary Complete General Education *attestat o srednem (polnom) obshchem abrazovanii*, and the successful passing of university-matriculation exams are required for admission to all kinds of higher education institutions. The Education reform programme aims to promote equity of higher education. The proposed schemes, a unified national test and government individual financial obligations, which operate in conjunction, are described below in the section on the education reform program.

**Tuition fees**

The Russian Constitution (article 43, para 3) guarantees everyone the right to get higher education free of charge on a basis of competition. Adhering to the law, the Government allocates funding to pay the tuition fees within an established quota / number of students for each state institution. Traditionally the size of quota varies from institution to institution and from one field (discipline) to another. It depends on the share of the state in the institution’s budget, demands from state bodies in a region, social programs and other, sometimes rather subjective estimates. Last year nearly 50% of graduates paid no tuition fees. On top of the quotas described above, the universities are free to enrol students on a fee-paying basis and have the right to define the fee for their programmes according to the market price and demand. There is a strong pressure to increase the share of fee-paying students while fees and charges become more diversified and related not only to tuition.

**Legal framework**

- Decrees and orders of the President of the Russian Federation.
- The Regulations on Higher Education Establishments provide institutions with more details of how national plans should be fulfilled at the same time as they incorporate the autonomy and other rights of HEIs.
- The Law on Higher and Post Tertiary level professional education approved by Duma in 1996.
- In 2001 the Government approved the Concept of the Modernization of Russian Education for the Period until 2010. This document has become the framework for all innovations, experiments and reforms enacted in Russia in the education field.
Authorities and organisations

The Ministry of Education is the central body of the federal executive authorities responsible for implementing state policy at all level of education. At the regional level, the education management structure consists of the pertinent authorities: committees (departments or ministries) of education, public council organisation and associations, etc. They define and execute regional educational policy. The Subjects of the Federation is an organisation, which is involved in co-ordination and budgeting of various kinds of institutions and education under regional jurisdiction. The recent governmental reform brought in noticeable changes in the structure of the Cabinet. The Ministry of Education is now replaced by the Ministry of Education and Science.

The concrete structure and full remit of the newly established Ministry are not finalized at the moment. However, it is stated that the Ministry will be responsible for policy elaboration whilst implementation of the strategy will be delegated to the federal agency with monitoring and control function assigned to the federal service. The cohort of 655 State HEIs is split into 572 federal institutions, 55 institutions established by regional authorities (oblasts) and the remaining under local / municipal authorities. It should be noted that among the 572 federal institutions some are established by and administratively belong to different federal bodies. For example the State University – Moscow Institute of International Relations falls under the Ministry of Foreign Affairs, the Moscow Technical University of Communication and Informatics was founded by the Ministry of Communication and Industry; and the Moscow State University is a unique institution as it financed directly from the federal budget. However, as it was mentioned in the foreword, all issues related to the content of HEI programmes should be agreed and handled in compliance with the governmental educational standards.

Structure of Governance

The individual universities have gained much more autonomy than they enjoyed in the previous system, but still, present day autonomy can be circumscribed for many reasons and is dependent on factors such as: financial stability, leadership and management, political linkage, and institutional culture. The 1992 Law delegated to the republics, provinces and local education authorities the responsibility for curriculum, textbooks, teaching methods, budgets, construction and equipment. HEIs gained the right to seek income from non-government sources and to engage in commercial activity. The law also confirmed the possibility for private institutions to be established.
At institutional level, the management is usually performed by an elected representative body, the Council. As described in The Reform of Education in New Russia (2), “Election procedures are determined by the Charter of the institution which defines the distribution of powers between the Council and the administration; day-to-day management of the institutions is performed by its administration. The management of non-state education institutions is performed directly by the founder of the institution or, if stipulated by the founder, by a board of trustees named by it. In both cases, the board is responsible for material and technical support for the educational process and for organising the supply of teaching materials. Education management has considerably increased in institutions given their new, significant independence. Today an educational institution can choose how to organise its educational process, select and hire its own staff, and organise its own research, financial and economic activity.”

Institutions’ Boards of Trustees and HEIs themselves usually maintain relations with all levels of authorities, business (industry) and communities to diversify their sources of income generate revenue and/or get financial and other kinds of support. Whereas the education process is aimed at awarding state diplomas, and the research process is connected with awarding research degrees, they are required to comply with the State standards approved by the Federal Government and the demands of Russian Academy of Sciences.

**Systems of financing of HEI**

Reduced state funding has meant that HEIs themselves have to find other sources of income. Two such sources are letting out facilities and provision of fee-based education. Over a short period, public universities have substantially diversified their funding sources.

Relative HEI autonomy from the Government is based on diversified sources of finance. On average a Russian state university gets 50-70% from the Federal Budget directly or through the main founder - government structure; 10-20% are generated through research activity (fundamental if the contractor is the State or applied in case of industry); 5-10% as grants and overheads; 10-20% from tuition fees and about the same amount from different types of educational services, renting out of facilities and additional services provided for the local population. Proportions vary from university to university; however, the state share is rarely lower then 40%. This share is the main source for renovation of facilities, equipment, library funds and maintenance of buildings. Income from other sources is used to increase the salaries of professors and other staff, purchase of computers and software.
Quality assessment

Accreditation of HE institutions is an ongoing process which is the responsibility of the State Committee (SAC). As described in The Reform of Education in New Russia, “The evaluation of educational results, i.e. ensuring the conformity of training levels and quality with the requirements of state educational standards, is performed through a complex evaluation of attainment levels of each higher education graduate by the State Attestation Committee (SAC) and then through a decision on the attestation made by the State Attestation Service (SAS). The SAS will be responsible for establishing the conformity of the content, level and quality of graduate students' training and state educational standards. Until the SAS is created, these functions are being performed by the State Inspection of the Certification of Education Institutions of Russia”. This is an ongoing process, and until it is completed, the state institutions are presumed to have accreditation. In addition, some municipal and non-state institutions have been accredited. After the governmental reform the quality assessment will be provided by the Federal Agency for Control and Supervision over Education. It will obviously inherit from the Ministry existing authority and quality control tools: accreditation, attestation and licensing.

KEY FEATURES OF THE RUSSIAN PROGRAMME OF MODERNIZATION OF EDUCATION

This ongoing programme takes root in the reform of 1990-1992, reflected in the Law of the Russian Federation of 1992; however, it should not be regarded as a response to the challenge of uncompleted historical action, but as a strategy for building the human capital for a knowledge economy. Policy makers, researchers and practitioners in Russia share the view that education supports innovation and helps to speed the diffusion of technology. The common platform for modernization programmes is that education quality and access are fundamental to sustainable economic growth.

In 2000 the Government of Russia approved the National Doctrine on Education. In the same year a five year programme on educational development was approved by the Federal Law. The resolution of the Government to take a leadership role in the reform was made explicit in 1999, 2000, and 2001 when the federal budget allocations to education grew by fifty per cent annually; similar positive changes have taken place in the subjects of the Russian Federation. Allocations for education in the 2002 consolidated budget exceeded the previous year's expenditure by 64% and comprised 4.11% of the Federal budget expenditure and 0.73 % of GDP. In 2003 the
equivalent figures were 4.16 and 0.75 % respectively; the 2004 plan was for 4.47 and 0.76%, with 33% of the GDP for tertiary education. However, the conundrum of how to build a sustainable system of financing promoting equity, quality and efficiency, is especially complex in a scarce resources framework such as found in a country like Russia. Before presenting the two most controversial tools adopted by the Modernization programme as elements of financial governance, it is necessary to highlight some of the cornerstones of the past twelve years’ development.

The centrally regulated and financed system in the USSR rested on the “one work for life” principle. The choice of profession made at the vocational or higher education institutions level defined the individual’s professional career, the upgrading institutes developed further the skills and competencies the person acquired in the previous levels of education. All institutions were financed through the federal budget. The quotas of specialists to be trained were defined by the respective Ministries. The total education expenditures amounted to up to 8% of the GDP and permitted the retention of a widely accessible system of relatively high quality.

Consequent on the shock therapy reform and the industrial recession of the early and mid nineties the state budget expenditures on education were cut down significantly, both in nominal and relative terms. For more than ten years the needs of the secondary schools and tertiary education institutions have been underfinanced by more than two thirds, with the expected result of uncompetitive salaries for the teachers, depreciation of equipment, obsolete teaching materials etc. In 2000 the rational budget of educational institutions (calculated by the Ministry of Economy and Ministry of Education as the sum of minimal competitive salary equal to the average in the industrial sectors, to prevent the drain of staff from schools, and twice the amount for tertiary education institutions, plus overheads, current and capital expenses) was covered by less than one third of the norm.

At the same time the demand for education, especially higher education services, continued to grow. Following the provisions of the 1992 Law on Education and responding to the rising demand and the need to generate revenue, the state educational institutions opened new programs and started enrolling commercial students. New non-governmental universities and institutions have been set up. By 2002 their number had reached 662. Thus, there has been a steady tendency for educational services’ market development. So far, so good. Not so good, though, if the phenomenon is analyzed in more detail.

The consequences of under-funding, the relative withdrawal of the Government from the system, (and, in view of the absence of independent quality control institutions, often inadequate quality of education), lack of
reliable information on the quality of education, and on the current and forecast labour market needs, resulted in distortions in the educational services market, the diversion of substantial amounts of funding into shadow flows, and consequently a low quality of education of millions of university graduates. More than 3 million economists, managers and lawyers graduated from more than 600 universities over the nineties. The often inadequate quality of their received education has resulted in their unemployability and subsequent need for further education. The process regenerates itself.

Without considering here either the societal consequences of the above or the human waste, we will focus on further financial losses for the education system itself. The households of both average and low income groups co-finance the education of their children in secondary schools at the level of about $200-400 and $100-120 a year respectively. The expenses born by the average-income family for access of their children to tertiary education typically amount to $800-1500 a year. These amounts often do not flow into the educational institutions, but are paid for individual tuition of children directly to the teachers of the respective institutions. The practice is justified by the currently radically individualized and diversified entrance exam requirements for tertiary education institutions. The amounts are lost to the formal education system.

Low-income families not able to afford spending more than $250-400 for preparation of their children for tertiary education, have to accept the low-priced and low-quality programmes offered by for-profit higher education institutions, thus leakage of funding diverted from effective institutions amounts to almost one billion USD. The total loss resulting from the diversionary financing described above, the low quality of graduates and their unemployability is estimated at $3–3.5 billion. About 70 percent of graduates find jobs not corresponding to the courses they studied; the mismatch between the conservative state of Russian higher education and the dynamic labour market is a great problem for the external efficiency of the sector.

The modernization strategy aims to establish a system ensuring effective operation and use of resources, independent quality monitoring and control, and efficient information flow to the learners. The Government must guarantee 1) adequate and free-of-charge information to the education institutions and control of the trustworthiness of the information; 2) independent and public control of the education quality, validation of the education programmes, unified national tests at the secondary to tertiary education threshold; 3) subsidization of education. The two mechanisms presented are further targeted to enhance the choices of the learners, increase effectiveness of the expenditures, and promote equity. The proposed schemes operate in conjunction with one another.
The Unified National Test is an instrument for assessment of school leavers’ knowledge administered at their graduation from secondary education, and an external quality control tool of the secondary schools education. The UNT results are used for application and enrolment into the tertiary education institutions. More important, the Government Individual Financial Obligations (GIFO) amount the university entrant receives depends on the individual’s performance in the test. GIFO is an innovative subsidization mechanism allocating resources on an outcome-based principle. It can be compared to the Danish voucher system for tertiary education. However, being performance-based it shares the responsibility for investment with the learner; administered at the national level the UNF enhances the access opportunities for school leavers. Enrolment on the basis of UNT results serves to eliminate corruption, granting to tertiary education institutions freedom to set up their own level of requirements to entrants within the UNT score and to price their services. The GIFO system encourages the universities to compete for the best students.

There are a lot of heated discussions about the UNT and GIFO. Opponents argue that the test system does not allow for assessment of all aptitudes and knowledge, and that it is difficult to guarantee confidentiality of the materials and security of the tests administration. These concerns are not groundless; at the same time the truth is that the tests designed and piloted in the past three years do allow a transparent and fair assessment, and also that the transition period should provide for setting up a federal/regional infrastructure of the test administration and public control over its transparency. This would allow diminution and hopefully elimination of malpractice, and guarantee the validity of the test. In 2003, 630 school leavers from 47 regions of the Russian Federation and 575 Higher Education Institutions participated in the experiment. UNT was due to become compulsory in 2006.

Another alleged danger voiced by the GIFO opponents is that it will deepen the gap between the urban and rural school leavers, as the latter do not receive the same quality of secondary education as the former. True, the level of quality differs; at the same time we have to accept the fact that the rural and remote oblasts school leavers currently have little chance of entering central city universities, and the UNT will permit assessment of their level of performance against the other applicants and enable them to apply to a tertiary education institution without relocation, thus increasing their chances of mobility, not diminishing them.

Transition to GIFO will facilitate alleviation of the burden on the household budgets, more importantly it will enhance the consumer’s freedom of choice. Having passed the UNT and receiving a certain score and the appropriate GIFO amount, the applicant has the choice of either entering the ter-
tiary education institution with a matching price for tuition, or supplementing the amount, and applying to a university with a higher tuition fee. The essential feature of the mechanism is the dependence of the GIFO amount on the level of UNT performance, which serves as an incentive for the tertiary education institutions to compete for the best students. Whereas under the current system both a bright and a mediocre student studying on a non-commercial basis generate the same amount of revenue, a poorly performing student paying a commercial fee for the degree programme permits the universities to survive and reach the notorious one-third of the above-mentioned rational norm. GIFO will increase the chances of the low-income families for better quality education, cut the flow of financing of the low-quality tertiary education institutions, and channel the redirected flows to more efficient institutions.

Thus, to summarize the expected results of the described mechanisms:
effectiveness - a better targeted and more cost effective system of education financing for the efficient functioning of which the Government bears responsibility; equity – a shared responsibility of the education process stakeholders; access – enhanced horizontal and vertical mobility through administration of the UNT; quality – external and market driven quality control through the NTF and enhanced freedom of choice for consumers. In 2003, 630 school leavers from 47 regions of the Russian Federation and 575 Higher Education Institutions participated in the experiment. UNT should become compulsory in the future, but is experiencing many delays and impediments.

The proponents of the reform are far from declaring the proposed mechanism a panacea, the scheme is a part of a systematic programme and is to be introduced alongside the other measures, some mentioned above, and with great prudence. It does not eliminate the need to increase resource allocations for education by 15% from the federal budget and 10% from the territorial budgets in real terms for the ten forthcoming years. The synergy of all components is critical for the education modernization programme success and will allow approximate estimation of the required level of financing by 2010.

The recent years have seen a considerable shift in the public’s opinion on how many people with university diplomas and degrees Russia needs. A nationwide survey was conducted in 44 regions of Russia in 2007 to examine this shift. Today, one-third of all adult Russians (35%, up eight percent from 2001) believe that the country has “more people with higher education than it needs”. On the contrary, 22% (compared to 36% in 2001) believe there are “too few” educated people in Russia. In the opinion of 24% of those surveyed, the country currently has “as many educated people as it needs”. Another 19% are undecided on this account.

Assessments of the quality of higher education in Russia are changing, too, with a noticeable downward trend. Today, 28% of respondents think
that Russia’s higher education meets or exceeds international standards or even beats them (7%), while 41% share a more critical view and say higher education in Russia is not up to the mark. The differences from the results of a similar poll conducted in 2001 are striking. At that time, 39% of respondents rated Russian education as equal to or better than that in other countries, while the percentage of those who thought it was worse only amounted to 35%. Graduates of Russia’s education system have changed the most dramatically: in 2001 most Russian graduates ranked Russian universities as at least equal to most foreign universities, and only 29% believed that education abroad was superior. However, in early 2007 50% of Russian university diploma holders believed that the quality of higher education is better abroad.

In the view of 53%, there are few educational institutions in Russia that provide “very good” higher education resources. Graduates of Russian institutions agree even more frequently (73%), and 2% think that there are no Russian institutions offering a solid higher education. On the contrary, one in five respondents believes that Russia has many good universities, while 22% had difficulty answering the question. Interestingly, people are more optimistic when assessing education in their own region, and 32% of those surveyed said there are “many” good educational institutions in their region (44% still insist there are “few”). The reason is probably that different criteria are applied, and local educational institutions are likely judged by domestic rather than international standards. A 65% majority of those surveyed believed it is possible to get a good education in provincial cities, as well as in large and well-established centres such as Moscow, St Petersburg, or Novosibirsk. On the other hand, 24% of Russians (and 41% of Muscovites) are convinced that a potential student has to go to metropolitan cities to get really a good education.

When asked What is a good education?, most Russians said that it is specialized training that helps the student master his or her trade (31%). Another 15% said that a good education presupposes bona fide learning and is incompatible with bribery, cheating and purchased diplomas ("when you have actually studied and knowledge is obtained with hard work, not money"). Nine percent of Russians emphasized that a good education transforms a student into a worker who is in high demand in his or her market. In the opinion of 8% of respondents, a good education is one that is closest to practice, allowing a graduate to quickly join his or her profession. Some 7% say that instructors and professors who use modern teaching methods make all the difference, and another 4% say a good education is one that is free and state-sponsored. Just 3% think that a good education has to meet international requirements and another 3% say it should produce cultured, knowledgeable and highly ethical individuals.
When asked what disciplines taught at Russian universities and other higher education institutions best meet the criteria for “a good education”, respondents most often (21% of the time) named engineering and sciences. Only 4% of those surveyed think that technical and scientific disciplines are weak in Russia. In the opinion of 12% of respondents, economics is taught well in Russia, and 6% believe otherwise. Another 6% think that Russian law schools are weak, while 9% disagree and believe Russia provides generally very strong legal educations. Medical training is rated poorly by 16% and positively by 7%. Medicine tops the list of professions in which Russian students are commonly believed to acquire the worst training. Teachers are believed to have poor training by 7%, while 4% believe they receive solid preparation for their profession. As far as the humanities are concerned, opinions are divided equally, with 4% of respondents supporting both positive and negative views (http://bd.english.fom.ru/report/map/ed070421).

The capacity to engage in self-reform is not spread evenly throughout the system. Universities are increasingly competing with each other, offering studies that exist in other institutions. Governors of the Russian regions have realized that having even universities of bad quality in their region is important for social and demographic policy. Instead of going to universities in Moscow and St. Petersburg, young people would stay in the region for their studies, marriage and future jobs. Thus regional universities fight against the “brain drain” of bright young people from the regions to the two capitals.

Many universities began opening departments for trendy disciplines – management, business administration, law, and medical sciences – even if they had no background in these subjects. The result was an overproduction of managers and law experts at the expense of engineering professions. The universities are increasingly competing with each other, offering studies that exist in other institutions. Moscow State University (MSU) opened 10 new departments in recent years (compared to 17 already in existence). Among these new departments, the highest demand is for public administration, medicine and political science. However, many graduates are employed in jobs that do not correspond to their education and need retraining or a second higher education. The MSU wants to double its enrolment to make sure that the block grant from the government is not reduced.

Faced with falling government funding, universities have had to apply a number of measures, such as introducing tuition and user fees, renting/leasing space to businesses, applying for support to local and foreign donors, private tuition and other income-generating activities. The introduction of tuition fees became legally possible in the early 1990s as a result of the collapse of central government funding at the beginning of the market reforms. The measure was designed to admit children from wealthy families who
could not pass the entry exams, but had the money to pay. However, universities tend not to show the true number of fee-paying students. In Moscow State University the number of graduates in 2003 was 5,000, including 1,000 fee-paying students. Their share is steadily increasing and is bound to grow. The driver in this growth is not solely the need for additional funding, but the appreciation that a partnership between a university and companies and enterprises, both private and public, forms the key to the future careers of graduates and their performance.

On average, 50% of enrolment is fee-paying, but in reality it can be much higher. Even official statistics say that the share of fee-paying students (in both public and private universities) is growing, up from 46% of enrolment in 1999, to 51% in 2000, and 53% in 2001. Research shows that only 30% of Russian families can afford to pay fees, but many more have to do so.

Non fee-paying students are called “budget” students, meaning that the Ministry funds their studies. Examining the files of applicants helps university managers to decide, on the basis of family status and projected income, who should become a fee-paying student. Applicants from wealthy backgrounds have practically no chance of passing the exams successfully and become “budget” students even if they are well prepared and qualified. This is one of the signs of the systemic deficiencies of the present pattern of higher education in Russia: when teachers are led to make judgments based not on academic merit but on financial needs.

Implicitly, the charging of various fees is applied to all students, both fee-paying and non-fee-paying. All sorts of excuses are used. Recently one of the prestigious Moscow universities – Moscow State Linguistic University (INYAZ) – began charging an extra US$300 for teaching a second foreign language. Setting up a chain of steps leading to a particular university is another popular measure for the leading universities, usually through a specialized fee-paying lycée or college leading to preferential treatment for entry exams in the partner university. Another milder form is so called fee-paying preparatory courses, but the degree of certainty is less. Well-known Russian universities send recruiters (head hunters) to other parts of the country and more and more often to the republics of the former Soviet Union, for example, Central Asia and the Caucasus.

Many universities exaggerate the number of applicants to display high demand which in reality can be below one per cent. The highest demand is for universities teaching creative arts, finance and economics. Some 1.1 million out of the 1.3 million graduates of secondary education are admitted to higher education institutions annually but the demographic balance is getting worse.
Private tuition is not legally allowed but in reality is a thriving business. Due to low salaries, teachers are motivated to take bribes at the entry (and all other) exams. The volume of the “black market” in Russian higher education is estimated at billions of US dollars. On sale on the internet and in subway and bus stations are questions and answers to tests and examinations, theses, dissertations and other learning instruments. Many universities, in particular private universities, sell their degrees and diplomas for “life experience” for $US1,000 – 5,000. Campaigns to fight corruption in education have not been successful because the vested interests of families and examiners coincide.

The central Ministry of Education has had to return to manpower forecasting and planning (goszakaz) because labour market movements are still chaotic due to the lack of awareness by the population of projected jobs and incomes. The Ministry insists on a return to narrow specializations in the industries where Russia has a competitive advantage, i.e. oil production, geology, mining, energy, aerospace and aviation, chemistry, and applied mathematics. There are labour shortages for these disciplines but an over-production of managers and lawyers with low qualifications.

If universities wish to receive government funding they must submit a budget proposal based on the number of student places according to specialties prioritized by the Ministry. The projections are that the central Ministry should aim at a target of 170 university students per 10,000 of the Russian population, funded from the government budget. The Ministry insists that at least 50% of university enrolment should be non-fee-paying, although this would be difficult to control. At present there are 185 students in public universities per 10,000 of population, but receiving higher education of sometimes dubious quality. If private universities are taken into account, the figure is 340 students per 10,000 of the population. This is more than the “record” of the former Soviet Union – 220 students per 10,000 of population. So the ministry strategy is to fight against the proliferation of universities in terms of their number, and enrolment for the betterment of quality through competition. This strategy will be reinforced by the demographic crisis in Russia. The population was decreasing by 1 million per year in the 1990s due to the low birth rate, declining longevity, collapsing family budgets, social and financial problems affecting lifestyle, and a large migration.

Does this mean that schools and universities in regions with low population density will be closed? This recommendation has repeatedly been made by the World Bank and other donors, transmitted in a softened manner by successive ministers of education, and repeatedly torpedoed by the Russian Parliament and regional and local legislative bodies.
Nevertheless the concept of so-called federal universities is gaining ground. The concept assumes universities with special status enjoying freedom in their economic and financial activities and in determining educational programs. Nor will they be subject to educational standards set by the State. The government pledges to increase the level of state financing for such universities. Their budgets will be doubled and additional funds will be allotted for development – the building of new dormitories and reconstruction of teaching facilities, for example. The MSU budget for 2007 is 5,580,000,000 roubles, and over 3 billion roubles for SPSU. Budgets for other Russian higher education institutions range from 500 million roubles in the regions to 1.5 billion roubles in the capital, for a total of 214,049,000,000 roubles nationwide. A more reasonable scenario - merging several small institutions – is taking place now in Siberia and Southern Russia.

The federal universities will have the right to form subsidiary organizations and enterprises for innovative projects. Today, higher education institutions are limited by the Budget Code. They cannot form subsidiaries. The federal universities will also receive property and profits tax reductions or exemptions. The federal universities will have the right to issue their graduates with their special diplomas. As Russian higher education institutions offer different qualities of knowledge different diplomas are justified. In addition, the rectors are proposing to the government that the universities form their own attestation committee to allow them to grant their own degrees. At present higher attestation committees are subordinate to the federal Ministry of Education and Science.

Thus the Russian government is establishing a new system of financing by assigning higher education institutions their own unique status. MSU and SPSU make up the top league. In time, the Siberian (Krasnoyarsk), Southern (Rostov-on-Don) and Far Eastern national universities, which are being founded as part of the Education national project, may join their ranks. The first league will consist of the 55 institutions that have received presidential grants in the last two years in competitions for innovative projects. The remaining institutions in the country can be considered only the second league. The expansion of the budgets of the leading institutions will come at the expense of these outsiders.

RESEARCH FUNCTION

It has been said that research is “a blind date with knowledge”, and all of us who conduct scientific research understand that the ultimate results of research can be difficult to predict in advance. In the United States, combining the research and education functions in research universities has generated important synergies that have contributed greatly to America’s scientific and
economic progress. The Inter-Academy Council, a distinguished association of the world’s academies of science, has published a study on the subject. That report, entitled “Inventing a Better Future”, stated the following: “The role of universities in the development of [science and technology] capacities cannot be overstated. Universities educate and train new generations of S&T talent, perform research and development on issues of importance to the nation, and provide an independent source of information on such topics as economic development, agriculture, health, and the environment.”

In the US experience, technological advances generated by university research have proved a powerful engine for the American economy. Studies have shown that at least 50% of U.S. economic growth in the past 50 years has been due to technological innovation, the greatest part of which comes from research universities. Research universities also exert a powerful effect on the local economies in which they operate. A 2003 study showed that the eight research universities in the Boston area together provide a $7 billion annual boost to the regional economy. Likewise, California’s Silicon Valley has flourished in the backyard of Stanford University and not far from the University of California at Berkeley; the three points of North Carolina’s thriving Research Triangle consist of Duke University, the University of North Carolina and North Carolina State University. That 2003 study called research universities “an enduring and stable economic engine, constantly changing and developing as new knowledge is gained and new technologies and industries are created.”

This experience suggests that, aside from contributing to economic growth, conducting research in the university setting greatly enhances the educational process. Students at research universities have the opportunity to participate in research, introducing them early on to a culture of innovation and discovery, and helping them to understand the interplay between scientific theory and its applications. Students benefit greatly from participating in research under the guidance of accomplished professors, while their education is enriched by the introduction of research findings into the classroom. This marriage of education and research has produced graduates who are ready to make important research contributions of their own. This explains why the U.S. Government has steadily increased the portion of R&D funding going to universities, colleges and university R&D centres over the past 50 years – from 10% in the early 1950s to over one-third today (and two-thirds of the funding in the case of basic research). Russia is now at a crossroads in the integration of its scientific institutes and its universities. Creating institutions that excel in both research and education is a crucial area of reform for Russia, one involving government ministries, the State Duma, universities, and the Academy of Sciences.
The existence of bureaucratic hurdles to the creation and support of research universities is also a sad reality. As the Russian authorities seek to facilitate the creation of research universities, they will need to resolve confusion over key legislative provisions regarding science policy and intellectual property rights for government-funded research. A transparent, stable and consistently enforced legislative base is crucial for scientists and researchers to get the financial rewards they deserve, and to encourage the implementation of scientific discovery and technological advancement to the benefit of society.

As Russian society is becoming more and more divided by income brackets (i.e. the Gini co-efficient for Russia is close to Latin American records), so is access to higher education and its internal efficiency. Higher education in Russia has become an industry with prices (not costs) rising faster than inflation and perhaps any other item on the market. In Russia, the prevailing thinking is that, while a good number of universities and research centers have succeeded in becoming innovative and entrepreneurial, much more remains to be done. Russia’s higher education system would benefit from a coherent strategy to build on the inherited strengths of the system while developing incentives for all institutions to adapt to the demands of a knowledge society. The main objectives of this strategy should be to improve access to tertiary education through the provision of more equitable financial aid to students, external participation in governance, and measures to increase the efficiency of university administration. Other options could be the introduction of more flexible curricula and shorter programmes and courses, the liberalization of the rigid regulatory framework, and the introduction of public funding methods that encourage institutions to respond to market demands for quality and diversity. Increased public investment is needed to boost academic and management innovation, to offer a wider range of courses taught at individual institutions, and to create new programmes that cater for new demand-driven areas of learning.

A new role for European universities has emerged. It is described variously as third mission, third stream, third flow, third leg, third task, third way. European universities are discovering a third major function, similar, though not identical, to one that has been prominent in the United States. There are certainly overlaps between third mission and regular teaching and research. Jonkoping University College (Sweden) is an example of a private institution run as a corporate foundation, organised in several branches. Each may have different areas of specialisation but the common characteristics are tight links with business and industry in research, consultancy, and customised training programmes through contracts. In Finland, recommendations were made to use professionals in business administration to increase
Another reform copied from the private sector is a new merit-based wage system started in 2005. Its rationale is to develop managerial and results-oriented staff policies. In Spain, university management is still very conservative. But gradual changes are taking place: professors have become members of a university and can only move to another institution by open competition. The most tempting trait of the academic profession in Spain is the combination of status (a civil servant at university and a professional on the free market). In all of the countries taking part in EUEREK universities have shifted, over the past twenty years, from being relatively protected public sector institutions to having greater financial autonomy, and this has meant greater uncertainty. Uncertainty is the climate that promotes entrepreneurship and it has increased nearly everywhere in the past decade.

It is diversification rather than the expansion in itself that has stimulated entrepreneurialism, as institutions jockey for position in league tables and the like. At the level of post-consumerist society reached by Western Europe, and being fast approached by the transitional economies, knowledge has acquired or is acquiring more value than material goods and services. While the latter are plentiful and this situation should continue for a long time, breakthroughs in new technologies have made many areas of knowledge more complex. Whilst prices are growing slowly, are or stagnant or declining for material goods, the price tags for knowledge-related services and products are increasing rapidly.

In all countries and contexts it is observed that large classical universities experience more difficulties in adapting to a highly competitive environment than smaller, more specialised institutions who update their profiles and knowledge bases faster. For example, Oxford University or the Technical University of Valencia are losing money on their core activities, but supplement their income from auxiliary but highly attractive and well marketed activities.

The most common examples are various types of schools of business administration, fee-paying specialised courses in management, distance education courses with clientele all over the planet, seminars, with leading personalities as presenters, foreign language studies, computer classes, sports and cultural events, events with alumni, fund-raising events in association with corporate businesses, etc. The importance of all the above-mentioned activities is that in the knowledge society the potential target groups of universities far exceed the traditional student body only. They increasingly extend beyond residential learners only and attract new on-line students overseas. They address the needs of students beyond the core curriculum. They increasingly address the needs of various age-groups as a mode of continuing lifelong learning and postgraduate education.
Internationalization of Russian higher education

Although there is no pan-European policy for higher education development – and the national policy for higher education is the responsibility of each government – the converging trends in Europe are obvious via the Lisbon-Bologna-Bergen processes. The various communications and reports on higher education from the European Commission confirm this. The internationalisation of European higher education takes place in many forms, such as joint programmes, courses and diplomas, presence of foreign universities offering studies in English, student mobility, research consortia and so forth. Expansion of student numbers has led to vastly bigger education systems and also to their diversification.

In Russia, internationalization of higher education is a vivid reality in the central Ministry and most universities. The Russian higher educational institutions have at their disposal much less money than universities in the developed countries. Can they compete with the best universities in the world and provide high quality education on a permanent basis? This is a serious challenge to the Russian education community, e.g.:

- How to achieve sufficient and permanent financing of universities and to ensure effective use of funds;
- How to ensure autonomy and professionalism in educational and managing issues;
- How to ensure equity of higher education;
- How to direct sufficient amounts of resources to support high quality of education and to create conditions that will allow universities to maintain this quality;
- What is necessary for universities better to satisfy local and regional needs;
- How to ensure closer cooperation between universities, businesses and enterprises to improve distribution and application of new knowledge in the economy and in society as a whole.

Achievement of these objectives is impossible without cooperation with other countries, and in the first place with European countries. Thus there is another issue linked to this, of how effectively to ensure the integration of the Russian higher school into the European higher education area, launched by the Bologna Declaration, as well as into the European research space; what is the role of the university in this process, which strategies of universities are the most effective? Russia began the process of joining the common higher education area somewhat later, four years later after the Bologna
Declaration was signed. The Bologna process seems to be considered by the majority of university rectors as a reform agenda one should work with. Having signed the Declaration, the Russian Ministry of Education made explicit its commitment to the aims of integration to the All-European higher education space:

- introduction of two-tier system of education,
- creation of a credit system similar to the European Credit Transfer System as a means of raising mobility of students, teachers, researchers and administrative staff of universities,
- adoption of the common framework approach to qualification of the Bachelor and Master levels, provision of "comparability" of diplomas, separate courses, credits,
- creation of an integral system of education quality assurance and organization of information support and exchange,
- increase of mobility of students, teachers and researchers,
- development of cooperation in quality assurance with a view to instituting comparable criteria and methodologies.

Globalisation has slowly but surely started to affect even conservative university systems in Europe, both Western and East, and now Russia. A concern to have universities that are able to compete with any in the world has been an explicit driver of higher education policy and change in such countries as France, Finland, Sweden, and the United Kingdom. The potential for student mobility across the globe is increasing exponentially; foreign students have become a lucrative market, in particular for universities with English language as media. Students from China, India and other Asian and East European and former Soviet Union countries already bring a considerable income to British universities. “Educational fairs” are becoming an essential tool for marketing higher education studies and other learning opportunities by many universities.

The still wide cost differentials between the developed and transitional countries (such as Russia, Poland, Moldova) allow the latter to attract many students from Asia, Africa and the Arab countries, in particular for courses in medicine and engineering disciplines. Foreign student numbers in Russia have fallen since the Soviet times because government funding is focused on staff salaries and local student fellowships. The Bologna Process will act as a marker for the development of the Russian higher education system if the system is to derive the benefits of a closer integration in the future with European higher education.
Russia educates some 100,000 foreign students a year and its share of the international market in terms of foreign students is 5% at most. Its annual returns from this are $150-$200 million, a mere 0.5% of the global market for education services. Of the above 100,000 foreigners, 70,000 pay for their education and the rest study on federal grants. Russia mostly trains students from China, India, South Korea, the Commonwealth of Independent States (CIS) and the Baltic countries, as well as young Russians who live permanently in Europe. All of them are eager to get a Russian education, primarily in natural sciences, where Russia’s traditions of education have long enjoyed the status of a brand. Russian physicists, chemists, biologists and some medical specialists easily find well-paid employment abroad. This is also true of software and programming specialists, especially since the leading Russian universities have launched tuition in information technologies. Inevitably, the countries that have traditionally sent students to Russia, in particular China and India, have found their own bearings in the world education system. The number of foreign students in China has increased tenfold to 50,000 since 1990. In addition, Chinese and Indian young people now prefer to study in the United States, although a year of tuition would cost them $2,000-$5,000 in Russia, $15,000-$25,000 in the US, and $12,000-$20,000 in UK.

Fundamental education is the main asset of Russia. It must maintain its high standards if it wants to promote education exports in conditions of tough competition. Five years in a Russian university are enough to study a speciality thoroughly and become an expert in the chosen field (medics, physicists and members of some other professions study longer). A bachelor's degree abroad does not provide such a scope. Russia joined the Bologna process of harmonising European higher education degree systems in 2003 and since then has been adjusting its education to the Western Bachelor/Master system. The rectors of many Russian universities are deeply worried that this might erode the Russian system of fundamental education and hence its competitiveness. Adjusting a five-year tuition programme to four years (for a bachelor’s degree) means simplifying it or even excluding several major subjects. The purpose of education to a bachelor degree is not to train a specialist but to provide a general education in a subject, which the student may wish to improve by studying two more years for a master’s degree. Russia started experimenting with two-level education in the early 1990s. The innovator was the Department of Economics of Moscow State University.

Experts say that Russia should introduce the “four plus two” system more extensively because it needs specialists as soon as possible and wants Russian degrees to be recognised abroad. The conversion to the Bachelor/Master system might prove difficult, but Russia badly needs to modernise the education system and adjust it to the requirements of potential clients. Russia is
only now introducing one new technology to the university system – distance education. Free access to the internet is still a luxury for many universities that do not have enough computers. The IT branches of Russian universities abroad (both Moscow-based and regional universities which are opening them now) have not taken a firm stand on the market. Expansion is a task to be tackled in the future.

Medicine is the most popular specialty for foreigners in Russia (19.2%), while 17.5% study economics, finance and management, and 15.6% humanities and social sciences. Also popular are engineering and technical subjects, natural sciences and mathematics. According to the Ministry of Education and Science, foreign students prefer to study engineering and medicine in Moscow, St. Petersburg and other universities of the European part of Russia. They obtain humanities degrees mostly in regional universities and acquire the professions of manager and economist in Moscow universities. The right to receive free education is granted only to the young foreign winners of various competitions in the Russian language and country studies.

In line with international treaties, 170 Russian universities of the Education and Science Ministry trained foreigners from 98 CIS and non-CIS countries using federal money and their countries’ grants in 2005. Fifty universities in Moscow and 14 in St. Petersburg are involved in the programme. The universities that are not incorporated into the Ministry’s system of education, such as Moscow State University, the Finance Academy of the Russian government, and universities of other ministries and departments (about 20 in all), also train foreign students on federal grants. There have been positive changes in the interest in studying the Russian language abroad. The number of Russian language students in China has nearly doubled this year, and now about half a million Chinese speak Russian. The leading Russian universities have preparatory Russian language courses for foreigners who do not speak Russian but plan to study there. After entering university, they continue studying the language at special departments.

Moscow State University has special departments where Russian is taught as a foreign language to foreign humanities and science students. They issue specialised literature and recommend attending daily lessons on different aspects of the Russian language. Most students there are Koreans, Chinese, Japanese and Arabs, although some are Europeans and Americans. Moscow State University also has summer language courses for those who would like to study Russian for travelling around the country. However, language courses for foreigners should be promoted more energetically and teaching materials on CD-ROMs should be produced in foreign languages. Since there are foreign students in every big city in Russia, the education infrastructure should be improved too, with students’ residences modernised or overhauled. Experts
say that new subjects, such as information technologies, bio-engineering and biotechnologies, will attract more foreign students to Russia. The state universities of Nizhni Novgorod, Moscow and St. Petersburg, as well as Moscow State Institute of Electronics and Mathematics (MIEM), which has a distance learning centre, are evolving standards for IT bachelor’s and master’s degrees.

Russia and India launched a joint comprehensive long-term programme of research and technical cooperation in 1987. In 2000, an autonomous non-profit Russo-Indian Centre of Computer Studies was established in line with intergovernmental documents. The Centre is to become a multi-level "bridge" facilitating Russo-Indian research, technological, economic and humanities cooperation. In particular, it should promote Russian and Indian scientific achievements and advanced technologies in the two countries and in other countries of the world, and encourage the educational communities to take up new technologies. Educational cooperation with the Commonwealth of Independent States (former Soviet Union countries) has always been one of Russia’s opportunities. The market of education services in the CIS is easily accessible for Russia. While Western universities are only exploring options for cooperation with Russian universities, exporting Russian higher education to the CIS has become a viable business opportunity.

Since 1992, Russia has signed 14 multilateral agreements and cooperation programs in the CIS on nearly all educational aspects. They include adult education, exchange of information in the sphere of education, training specialists in radiation safety, procedures for the establishment and operation of branches of universities, the coordination of licensing and certification of schools, and mutual recognition of degrees. In 2003, the Russian Ministry of Education and Science approved the admission rules to Russian State universities, which stipulate social assistance to the citizens of the former Soviet Union who have problems with access to higher education. The Russian government instructed Russian universities to admit citizens of the CIS countries on the same conditions as Russians. In 2004, about 60,000 students from 14 CIS and Baltic countries were enrolled in Russian universities within scholarship quotas and international agreements (24,000 received scholarships from the Russian federal budget). The number of state scholarships for foreign students admitted within specified quotas grows every year. A special admissions commission analyzes documents for the selection of future students, including those within the quotas of public organizations (based on the recommendations sent to Russian foreign offices in the CIS and Baltic countries).

Russia's joint universities with other countries provide education modelled on Russian educational standards. Tuition in such universities is usually based on a combination of educational principles of the two co-founding
states. Such joint universities were established under intergovernmental agreements in Kyrgyzstan (Russia-Kyrgyzstan University), Tajikistan (Russia-Tajikistan University) and Armenia (Russia-Armenia University). The total number of students enrolled there is over 7,000. Differences in national legislation are a barrier to the establishment of branches of Russian universities in the CIS. However, this problem is not insoluble. In 2001, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia and Tajikistan signed an agreement on the procedure for the creation and operation of branches of Russian universities in the CIS countries. The Russian Ministry of Education drafted documents for opening two Russian universities in Kyrgyzstan, three branches in Armenia and ten branches in Kazakhstan. According to Russian embassies, 78 structural units of Russian universities have been registered in the CIS and Baltic countries.

Moscow University of the Economy, Statistics and Information, the Modern Humanitarian University (SGU) and the Slavic University are promoting distance education in the former Soviet Union. Experts say that the number of students in a CIS country depends on its policy towards Russia. For example, SGU has no students in Georgia, and Turkmenistan and is not very popular in Ukraine, but Russian-language education is rather popular in Belarus, Kazakhstan and Armenia. The cost of tuition differs. Latvia has shown a degree of interest in distance education in Russia.

According to the Russian Ministry of Education and Science, foreign students prefer to get engineering and medical degrees at the universities of Moscow, St. Petersburg and other schools of the European part of Russia. They get degrees in humanities mostly in regional universities, while future managers and economists train in Moscow schools. Under the concept of creating a common educational space within the CIS, Moscow State University has the most important school for training professionals in fundamental natural sciences, while St. Petersburg University has a better reputation for social studies, economics and humanities. Moscow State Linguistic University is the best-known school for languages and cultural education in the CIS. The citizens of the CIS and other former Soviet states can seek admission to Russia's most prestigious school, Moscow State University (MGU). All applicants who pass the examinations and stringent entrance criteria are admitted on the same conditions as Russians. Naturally, young people from the CIS countries can also be admitted to the University on a par with foreign students and pay for the education. Similar schemes are practised by other higher educational establishments.

Russia has allocated over 250 million roubles for promotion of Russian language studies abroad. The programme stipulated the establishment of distance education courses and educational radio and television programmes in
the Russian language, and the promotion of Russian-language programmes on the Internet. Eventually, this will expand the range of educational services offered to CIS citizens and facilitate the export of Russian education. The Internet programme includes 100 lessons in the Russian language, the history of Russia, biology, ecology and visual arts for distance students. There is a Russian language Internet portal for subscribers from the CIS. In 2004, Russia supplied 500 sets of teaching aids and multimedia publications to Russian-language schools in four CIS countries. This year it should supply reference materials, teaching aids, literature and multimedia textbooks in Russian to 400 school libraries and joint Russian (Slavic) universities in nine CIS states. Computer equipment is to be provided to 400 schools in nine former Soviet states by the end of the year.

A satellite television education channel was added to the programme in 2005. It provides for the installation of satellite dishes for receiving the Russian satellite education channel Shkolnik TV, broadcasting to the CIS in more than 250 schools in nine CIS countries. There are special programs for those who study Russian or want to apply to Russian universities. The core of distance education in Russia and the four member states has been established at the Slavic universities. There is a system of advanced distance training for the teaching staff of Russian-language schools and universities. They participate in Internet forums to exchange experience and information about training sessions and teaching aids. Experts say that these informal Internet discussions are a crucial element in the progress of distance learning. Russian language radio quizzes, competitions and programs will be held in the CIS, and the operation of Russian-language distance education centres at the CIS universities will be promoted. Plans also include many educational and scientific seminars and conferences on the Russian language and on teaching it in the CIS, competitions, festivals, and educational and book fairs.

Several major educational sessions, research conferences and competitions for school students are held every year. The winners from the CIS high schools receive scholarships and are accepted at universities to study the Russian language and literature, on the orders of the Ministry of Education and Science. The winners in the international competitions of students from Russian-language schools in the CIS include children from Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Moldova and Ukraine. These competitions are held in Moscow by the Ministry of Education and the Pushkin State Institute for the Russian Language with the assistance of the Council for the Russian Language under the Russian government and Foreign Ministry. Specialists from the Pushkin Russian Language Institute usually hold seminars for delegation leaders – for example Russian language teachers from the former Soviet republics, providing training in methodology. There are student exchange programs with 30 states, including Estonia, Latvia and Belarus.
CONCLUSIONS

The transitional countries of what is sometimes called “New Europe” (Eastern Europe and the former Soviet Union) are still very different from the “Old Europe” (Western Europe) in terms of higher education traditions and management. Russia with its large territory and population, conservative bureaucracy and classical universities and polytechnics, still stands alone in many respects as any change or reform takes more time and efforts than in smaller countries.

The entrepreneurialism in Russian higher education took extreme forms in the beginning of market reforms and a system of “checks and balances” from which it is only emerging with great difficulties. Many features of the “Wild West” type of problem-solving still persist in university management in many cases, in particular as regards financial, space and staff management. In such countries as Poland, Moldova and Russia the university rectors and top management are often the same people who were there before the transition started. The old well-established classical universities in these countries continue to rely on their past reputation and image. They are resistant to change, and to new ideas and practices in university management because their “place under the sun” as national pan-systemic institutions remains undeterred.

Newly-established higher education institutions are able to compete with them for students only if they have strong government backing and aggressive marketing for attractive courses. Even if they find such a niche, families and students lack trust as there are still many cases of “fly-by-night” institutions. In the beginning there were numerous cases when such institutions were operated without government licence and accreditation, or their licences were withdrawn by the ministry of education. There is also powerful lobbying of governments by the “old” universities against the newly created ones. In spite of these efforts in Russia the number of higher education institutions has doubled since the beginning of market reforms in mid-1980s to about 1,000 at present, which is sign of continuing demand.

Previous top-down efforts by the central Ministry of Education to fight against the proliferation of universities were not successful. Hence, the present policy is to promote more competition between them via more liberal legislation, i.e. universities get status of “autonomous institutions” with an opportunity of earning more extra-budgetary funding, but receive only limited financial support from the State. The Bologna process and globalisation are external driving forces for bringing Russian universities into the European and international common education area, and foreign advice is appreciated for university management in Russia due to its previous lack of competence in higher education management under liberal reforms and market conditions.
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