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**Global Trends or Regime Survival:
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Abstract

This paper explores the link between the public policy and the survival strategies of a hybrid political regime. Using the case of higher education in Russia, I show how the Russian state elites use the policy tools widespread in Western democracies to achieve domestic political goals. Introduction of quasi-market mechanisms into higher education is used to reduce government expenditures and free up resources that can be spent for loyalty in other spheres or personal consumption by state elites. Creation and support of large research universities are ways to gain the loyalty of university administrators. They control organizational access to students and can help manage potential student protest. Quality control in higher education through state licensing and accreditation creates a perfect setting for selective law enforcement and instills self-discipline on the side of universities. I argue that higher education policy in Russia is not a case of borrowing policies from the West. Rather it is a case of using Western-looking policy tools to ensure the flexibility and survival of the hybrid political regime in the country.

Author's bio

Natalia Forrat is a PhD student in Sociology at Northwestern University. She possesses an MA in Higher Education from the University of Michigan and a Specialist Degree in Sociology from Tomsk State University, Russia. Her research interests include political and economic sociology, public policy under non-democratic regimes, post-communist transformations, and comparative social research.

Introduction

The higher education policy in Russia in the last decade resembles many of the world-wide trends. After being severely underfunded and largely ignored in the 1990s, Russian universities became the object of governmental attention in the 2000s. The declared goals of the governmental policies are improving the quality of Russian higher education and the access to it, developing efficient economic models for educational institutions, and modernizing the national economy through technological innovations and investment in the human capital¹.

The policymakers in the government structures and academic experts claim to adapt the world's best practices to achieve these goals. There are three main agenda items that the policymakers have been working on: (1) increasing the economic efficiency of state universities through stimulating competition and promoting financial autonomy; (2) creating world-class universities through the extended funding programs for the flagship national schools; and (3) elaborating on quality assurance procedures for higher education institutions.

Competition between higher education institutions in Russia changed most dramatically after introduction of the standardized state examination (EGE)² and changing the admissions process. This exam gave the prospective students a much wider choice of schools where they could apply, while universities now had to compete for the best students and the educational market share. The government has also started the process of changing the legal status of educational institutions to give them more financial autonomy, has supported emergence of endowment funds, and has mandated the creation of quality management systems in the universities to use the available money more efficiently. Just like many other governments in the world, the Russian policymakers have been trying to develop market mechanisms in higher education that would make universities more economically sustainable.

Another global trend is creation of world-class universities by either investing into the best national schools or establishing brand-new institutions. Countries like China, Singapore, Germany, Brazil, etc. have launched the programs aimed at catapulting their national schools to the top of the world university rankings (Altbach and Balan 2007; Salmi 2009; Wildavsky 2010; Altbach 2011). In the same vein, Russia has created so called Federal Universities, one in each federal district in the country, and held competitions between the

existing schools for the status of National Research University. These schools are receiving significant additional funding from the government and are expected to achieve rapid success in research.

Finally, Russia is trying to keep up with the international trends in quality assurance. Both government evaluation of universities and various types of professional accreditation have been burgeoning in the last decades in many Western countries (Power 1997; Strathern 2000; Schwarz and Westerheijden 2004; Deretchin and Craig 2007; Lampland 2009). The Russian officials express an increasing concern about the growing number of educational programs of low quality. To address this problem, the Ministry of Science and Education has significantly developed the state licensing and accreditation procedures for higher education institutions.

This quick overview of governmental policies in Russian higher education presents a quite optimistic picture. It seems that Russian universities are developing in the right direction and the policies should bring positive change sooner or later (Timoshenko 2011). Doubts arise, though, when the contrast with the general situation in Russian economy and politics is realized. The same ten years that have been marked with such progressive policies in higher education, have also been characterized by the strengthening of authoritarian political regime, rapid growth of corruption, and missing the opportunities of structural reforms in the economy, which still largely depends on resource exports. It is unlikely that higher education stayed the safe haven of progress while the rest of the country lived by different rules.

In this paper I will explore how the policies looking very similar to worldwide trends work differently in authoritarian regimes compared to democracies. Theories explaining the spread of policies across the world frequently assume that similar policies are brought into being by similar actors and produce similar effects. Many of these theories have been developed for democratic societies, and scholars often mechanically apply them to the non-democratic ones without making proper adjustments. In non-democratic countries, though, the actors who have a say in the policy-making process and their interests are very different. Using the case of Russian higher education, I will show how the elements of the new public management that are usually promoted by the business political lobby in democracies serve the consumption interests of the personalist authoritarian regime. Investment into world-class research universities that is usually explained by global economic competition in a democratic

context turns into a progressively looking way of buying the loyalty of the academic elites in the Russian case. Accreditation that in a democracy helps manage public expenditures, provides transparency or ensures the control of the field by a professional community in Russia becomes a repressive tool of the regime. Altogether, these policies are working for self-preservation of the current political regime by reducing its financial responsibility for providing public goods, ensuring the loyalty of academic administrative elites, providing the state with a repressive tool to be used in the case of emergency, and legitimizing the whole construction both domestically and internationally.

First, I will give an overview of the existing theories that account for the spread of different policies in higher education across the world and show why these theories cannot be applied to the Russian case. Then I will elaborate my argument based on the specific features of the political regime in Russia and the peculiarities of the policymaking process. Finally, I will substantiate the argument with a detailed analysis of the recent policy changes in Russian higher education.

How do higher education policies spread around the world?

There are several theories explaining how policies related to economic efficiency of higher education expenditures, global competitiveness of the universities, and quality assurance develop in other countries. Some of these theories concentrate on domestic level factors; others focus on the global ones. They also differ in how much attention they pay to economic interests, political processes, and cultural norms.

The rise of the new public management

The issue of the economic efficiency of the public sector first made its way to the political agenda in Britain in the 1980s during the tenure of Margaret Thatcher (Hood 1995; Lane 2000; Steger and Roy 2010). One of her major goals was a radical reduction of budget deficit, and her government developed many instruments, including performance-based funding, to cut excessive costs in the publicly funded services. Universities in the UK have been evaluated on a regular basis since then, and their funding is conditional on their

performance in one way or another (Trow 1998; Shore and Wright 1999; Brennan and Williams 2004; Baert and Shipman 2005). Similar processes took place in the US where the issue of cost of the public services became important in light of Reagan's policies of tax cuts. American policymakers suggested using business approaches (customer orientation, rule flexibility, decentralization, entrepreneurial initiative, etc.) to achieve greater cost-efficiency for public services (Osborne and Gaebler 1992). This approach in public administration is known as the new public management.

Some economists explain such policy turn by an objective financial necessity. According to these scholars, the governments of the developed countries had accumulated too many social responsibilities in the post-World War II period, and the money required to fulfill them exceeded the maximum tax burden that an industrial economy could bear (Tanzi and Schuknecht 2000). Therefore, the governments had to cut public expenditures, reduce budget deficit and pay a much closer attention to the efficiency of governmental spending. Later the considerations of economic globalization and capital flight also contributed to the governments' desire to cut public sector funding in order not to lose in the global economic competition.

Many other scholars see the causes of this shift not in the economic necessities, but rather in the political victory of the capitalist class, domestic or global. For example, Harvey (2007) argues that the economic crisis of the 1970s led to high inflation and unemployment, which in turn shifted the popular support in the UK and the US away from labor parties. Middle-class voters supported cuts of social welfare programs and taxes. In the US in particular the capital used its economic resources to create a powerful political lobby and undertake a massive attack on the values that were opposed to the ideology of free market (Smith 2000).

Comparative scholars who studied this conservative economic turn in Western countries have emphasized that the local peculiarities of political systems as well as the previously adopted policies greatly influence the degree to which the society favors the reduction of public expenditures. Fourcade-Gourinchas and Babb (2002) show that in Britain and Chile the distributional conflict in the society was acute, which helped the conservative political forces to gain public support, while in Mexico and France this conflict was much better mediated. Similarly, Prasad (2006) argues that the different systems of taxation resulted

with welfare being associated with the poor in the US and the UK, while in France and Germany it was seen to benefit the middle class. Additionally, the US and the UK previously adopted policies adversarial to the business which made it easy to mobilize popular support for the conservative economic agenda. These comparative studies help to draw a more nuanced picture, but the main plot is still similar: the political struggle of capital, middle-class, and labor whose interests are differently mediated by the state.

Latin American countries present another case of class struggle. There the reduction of public sector expenditures in the 1980s happened as a result of the pressure from the international financial organizations such as the IMF and the World Bank. Strict austerity policies were one of the conditions of loans from these organizations to the financially troubled countries. There is a consensus among scholars who studied these processes that the global capital was the main driving force behind them (O'Donnell 1988; Harvey 2007; Posner 2008; Grugel and Ruggirozzi 2009; Silva 2009). The difference with European countries and the US is that in Latin America the capitalists had to ally with the military dictators rather than utilize the democratic system in order to promote the policies favorable to the capital. The reduction of public expenditures and the general shift in economic ideology affected the universities in Latin America in the same way as the universities in other countries adopting neoliberal policies. Torres and Schugurensky (2002) analyze the political economy of higher education in Latin America and show that “concerns about equity, accessibility, autonomy or the contribution of higher education to social transformation, which were prevalent during previous decades, have been overshadowed by concerns about excellence, efficiency, expenditures and rates of return.” (p. 429). Business-style management, performance evaluations, differential salary, and privatization of costs became common in Latin American universities (Kent 1993; Mollis and Marginson 2002).

The various policies aimed at increasing the economic efficiency of higher education institutions across the world are a part of the new public management paradigm in public administration. Performance evaluations, competition for governmental funding and students, quality management, public-private partnerships, etc. are all examples of how market logic is introduced into the higher education realm. The rise of the new public management is attributed by scholars either to the objective economic necessity or to the political victory of the capitalist class interested in the reduction of public expenditures.

Competition on the global educational market

The purposeful creation of world-class universities by the governments is another trend that can be traced in many countries. Higher education in this case is treated not as a part of the public sector that requires governmental subsidies and resource redistribution in the society, but rather as an investment that can give a boost to the economy. As the world economy becomes knowledge-based, research activities and concentration of human capital provided by the universities become more and more important for the economic performance of the countries (Wildavsky 2010; Balzer 2010). New technologies developed in the university laboratories not only help produce better goods and services, but also bring the revenue from the intellectual property. The most talented students are attracted to these research universities and become a great pool of specialists for an innovative economy. In addition international students bring the best world universities significant financial revenue.

The appearance of world educational rankings gave the governments the means to evaluate the performance of their national universities at the world educational and knowledge market. At the moment the world university rankings are dominated by the US universities, while many countries are aspiring to see their institutions at the top. The governments of such countries as Germany, China, Korea, India, Mexico, Brazil, Argentina, and Chile have launched the programs aimed at creating the world-class research universities (Altbach and Balan 2007). Although this is an expensive enterprise, the global economic competition is pushing the governments to invest more money in the universities not to fall behind the competitors.

The international initiatives of quality assurance in higher education can also be seen as a part of the university competition at the international market. Accreditations that can be obtained from professional associations in different fields, from university associations, or from professional quality managers may serve to improve the position of an institution on the educational market. Developing common standards for quality assurance and increasing transparency of educational systems are also the goals of the Bologna process – an initiative of European countries aimed at harmonizing their educational systems.

According to the existing literature, the primary reason of the purposeful creation of the world-class universities is the competition in the global knowledge and educational

market. Countries that have different political and economic arrangements are still adopting similar policies of investing in research universities because their governments see it as an investment in the future economic prosperity. Government officials in Russia voice similar concerns when justifying financial support of a small number of the best national schools³.

Adopting the institutionalized norms

The introduction of market mechanisms into higher education, creating research universities, and elaborating quality assurance in Russia can also be viewed as adoption of organizational forms and norms that are gradually institutionalized at the global level. Organizational studies provide a number of examples of how organizational forms spread across the world leading to isomorphism. The famous studies of John Meyer and his students on the global spread of education show that schooling has been growing for at least several decades in all countries regardless of their economic, political, and social differences (Meyer et al. 1977; Schofer and Meyer 2005; Frank and Meyer 2007). Similar processes have been studied in geological science (Schofer 2003), environmental policy (Frank, Hironaka, and Schofer 2000; Schofer and Hironaka 2005), and educational testing (Kamens and McNeely 2010).

The scholars in this tradition argue that the spread of similar policies is the result of institutionalization at the global level of the Western ideal of rationality and science. The ideas about higher education as a necessary prerequisite for contemporary workforce, scientific rationality as the best way to make decisions, and organizations as rationally manageable entities are increasingly taken for granted in the world society. Various international organizations are the sites where this institutionalization takes place. They can exercise a coercive pressure on the governments to adopt certain policies or simply serve as a source of information and professional norms and best practices. For example, the coercive strategies of such international organizations as the IMF and the World Bank in the public sector policies in many countries are well known. At the same time, the experts of the World Bank frequently consult policymakers in different countries even if no financial assistance is provided (see Salmi (2009) for an example of the World Bank recommendations on creation of world-class universities). Studies show that the closer the country's ties to the world society through

international organizations, the more likely it is to adopt globally institutionalized norms and policies.

Although the international studies conducted by Meyer and his students explain the diffusion of policies through adoption of certain values, namely Western science and rationality, in his other famous work Meyer argues that formal organizational structures are largely ceremonial (Meyer and Rowan 1977). Their primary function is maintaining legitimacy, not changing the internal processes in the organization. This thesis can be used as an alternative explanation of policy diffusion: countries are implementing the policies accepted at the international level primarily to signal their belonging to the club. These changes may be ceremonial, but they provide legitimacy in the international educational community.

A somewhat similar argument is developed by DiMaggio and Powell (1983), although their theory is less applicable to the international scene. They also talk about institutional isomorphism, and one of the diffusion mechanisms they discuss is the normative one. As a field gets professionalized, norms develop in the expert community regarding the methods of work and professional training. These norms guard professional autonomy from multiple non-professional parties (bosses, clients, officials, etc.) who constantly try to compromise it. There are two main mechanisms of how norms diffuse in the field: training and professional associations. Training socializes the future professionals into the field and communicates to them the professional norms that subsequently spread to different organizations. Professional associations frequently establish the norms and control compliance with them.

Why these theories cannot explain the transformation in Russian higher education

The aforementioned theories provide a wide range of explanations for policy spread. These explanations vary from rational economic interests to norms that are taken-for-granted, from national level to global level factors. I will argue, though, that none of them can fully account for the processes that take place in Russian higher education. For some of these theories there is direct counterevidence. For others their incompatibility with the Russian case lies in the assumptions that these theories make regarding the structure and political arrangements in the society.

The hypothesis about the economic necessity of the new public management policies can easily be dismissed in the Russian case. The reforms aimed at increasing the efficiency of state expenditures for higher education did not start at the time of the economic crisis and the growth of budget deficit in the 1990s. At that time higher education was simply severely underfunded and left to survive on its own. The new public management discourse and policy projects appeared only in the 2000s, when oil prices went up and the Russian government obtained financial resources it had not had in the previous decade. While in the US and the UK the rise of the new public management policies can potentially be explained by the economic crisis of the late 1970s and 1980s, such a theory clearly does not work for Russia.

The possible pressure of the IMF and the World Bank acting in the interests of the global capital is not supported by the empirical evidence either. A widespread misconception is that after the collapse of the Soviet Union market reforms in Eastern Europe and Russia were shaped by the economic advisors from the US through conditions on international loans (see, for example, Gowan 1995; Wedel 2000; Nesvetailova 2005; Steger and Roy 2010). This argument extrapolates the relationships of the Latin American countries with the IMF to the Russian case. However, IMF loans did not have the same influence in Russia as in Latin America. The financial aid from the West came after the most radical market transformations took place and was much less than needed (Sachs 1995, 61). Soviet external debt was never restructured (Aslund 2007b, 297-300). Even for the loans Russia took in the 1990s IMF had never succeeded in enforcing their conditions because the US supported Yeltsin's presidency as the only viable alternative to the communists (Shevtsova 2010). Finally, in the 2000s Russia had not borrowed any more from the IMF and had repaid the whole debt by 2006⁴. The international financial organizations and the interests of the global capitalists, therefore, could not have had any significant influence on the public sector policies in Russia.

The explanation dealing with the competition on the international educational market seems to have more ground. Russia's share on the international educational market is not negligible and had been consistently falling through the 1990s and the 2000s. In 1990 the USSR hosted about 11% of international students in the world; this number fell to 5% in 1996, 2.5% in 2001⁵ and 2.2% in 2007⁶. Strengthening the research component and strong attention to the educational quality could have attracted more students from abroad and improved the position of Russian universities. Some other facts, though, cast doubts on how much priority

the task of attracting international students has for the Russian government. International students comprise a little over 1% of all enrollments in Russia⁷ and do not constitute a significant source of income for Russian universities. It is also recognized that the major obstacles for expanding international enrollments are the language barrier, poor living conditions in the university dorms, and racist attitudes in Russian society⁸. These factors are not specifically addressed in the current reforms. Even the Russian officials do not mention increasing international enrollments among the justifications of higher education policies, so it is unlikely to be the reason for such major changes as have happened to Russian universities in the last 10 years.

Another reason why increasing the competitiveness of the Russian higher education is unlikely to be the primary cause of the reforms in question lies in the assumptions of this explanation. Countries here are seen as players whose goal is to occupy a bigger share of the market, and the assumption is that the government policies are in line with the national interests. The question of whether this is true and the mechanisms of making governments pursue the national interests are left aside. Meanwhile, in the case of Russia, the distinction between the goals of the state elite and the national interest is the key to understanding the motivations behind not only the higher education policy, but many other governmental initiatives on the domestic and international scene. The Meyer-esque explanation about the institutionalization of the norms of Western science and rationality makes a similar assumption: once the governments believe that the organizational practices based on Western rationality are the necessary element of a contemporary higher education system, they will implement those principles in their countries to align them with the most progressive vision of the world. Whether such an alignment is the priority for the state elite is not questioned. As I will show below, the Russian case does not comply with this assumption about the interests of the government.

Finally, if the global level explanations fall short of accounting for the causes of reforms in Russian higher education, what about the domestic class interests? The theory linking the rise of the new public management policies and quality assurance in higher education with class politics also has a number of assumptions making it inapplicable to Russia. These assumptions are that (1) conflicting class interests exist in the society, (2) these interests clash in the realm of public politics, and (3) the public policies reflect the results of

this political struggle. None of these three elements are present in Russia due to the peculiarities of the political regime in the country.

The personalist power in Russia and the consequences for social policy

The political regime in Russia is hard to classify using the existing typologies. Although it has the formal attributes of democracy like elections and parties, in practice the real opposition of the regime is effectively kept away from public politics. Oppositional parties and candidates are refused registration and do not have access to the major mass media outlets, while a well-orchestrated quasi-opposition in the parliament imitates democracy for domestic and international audience. Election results are frequently falsified, and, in general, the formally democratic institutions become subversive to democracy (Gel'man 2010).

At the same time corruption in Russia in the 2000s skyrocketed. According to Transparency International Corruption Perception Index⁹, in 2001 Russia occupied 79th place. By 2010 it fell to 154th place, sharing it with such countries as Cambodia, Central African Republic, Laos, Papua New Guinea, Tajikistan, etc. Even the official governmental newspaper recognized that corruption has reached half of Russian GDP¹⁰. Numerous investigations by journalists and politicians from “non-systemic” opposition indicate that the most profitable enterprises in the country are controlled by a limited number of top government officials, their friends, and family members¹¹. Large businesses do not constitute a separate group with specified interests, but rather are merged with the state elites since this is the only way to protect their property rights.

Such political regime clearly does not qualify to be a democracy, but it is hard to find a place for it even among authoritarian regimes. It is not a single-party dictatorship (Ezrow and Frantz 2011) because it doesn't have a dominant ideology. It is not a military dictatorship, because the state elites are recruited from multiple backgrounds. Some authors categorize it as a hybrid regime of a kind (Colton and McFaul 2002; Diamond 2002; Balzer 2003; Shevtsova 2004). It is close to personalist dictatorships in many respects (Ezrow and Frantz 2011, 133) except that the core of state elite is not connected to each other by family ties, but rather by personal loyalty and the common interest of the corporation. Another huge

exception in the case of Russia is that the country is a member of G8 and the Council of Europe which indicates its acceptance in the camp of democratic countries and the particular need to keep its democratic legitimacy. Although the full analysis of the peculiarities of the Russian political regime may be an exciting scholarly task, it lies beyond the scope of this paper. Here it is important to distinguish the features necessary to understand the higher education policies and the interests behind them.

Ezrow and Frantz (2011) point out that in dictatorships, which they define as “non-democracies”, “policies essentially require the tacit support of two actors: the dictator and the dictator’s elite support group” (p. 114). Rather than being the result of political bargaining between the different interests in the society, for example, class interests, in non-democracies policies should be viewed as reflecting the interests of the state elites. In his analysis of the political economy of dictatorships, Wintrobe (1998; 2009) used the maximization of the personal consumption as the main interest of the dictator and the state elites. Taking into account the scope of corruption in Russia, this framework is much more useful than the one of the class struggle. Wintrobe puts the personal consumption into the same equation as the expenditures on repression and loyalty, which allow the dictator to stay in power. In other words, the dictator has to spend resources for either repression or loyalty, but it is in his interest to minimize those expenditures since everything that remains can be spend on personal consumption. In the Russian case it is more appropriate to talk about a dictator-corporation rather than a single person, but the interests of this corporation still stay the same: maximization of consumption through minimization of expenditures on loyalty and repression.

Applying this framework to the analysis of higher education policies in Russia would draw a picture very different from the one outlined in the introduction. Rather than being the indication of the world-wide trends, those policies reflect the interests of the state elites and serve the preservation of the authoritarian regime. Achieving the economic efficiency through the new public management policies minimizes the expenditures in the social sector necessary to keep the large segments of the population loyal to the regime. It is important here that minimization is achieved through the means that are widely recognized in the world as the best practices of public administration. This allows the Russian government to legitimize this political agenda inside the country through the references to the experience of the developed

Western nations. The programs of targeted funding for large schools serve to ensure the loyalty of the politically important group – the top administrators of the large universities. These people not only have administrative access to students, a potentially active political group, but they also provide the government with expert support in formulating social and economic policies. Although the possibilities for corruption embedded in these programs are high, loyalty will be achieved even if the money is not stolen. Finally, the quality assurance mechanisms, namely state licensing and accreditation, serve as a constant threat to the universities becoming an effective repression tool of the regime.

In the following section I will substantiate the argument with a more detailed description of higher education policies. I will use a variety of data sources to investigate my case. They include legislation, statistics, public media and publications of other researchers about public policy in Russia. In addition to that, I will use some evidence from the interviews I conducted with administrators and faculty members of two regional universities in Russia. Twenty four interviews took place in May 2007 and two additional ones – in September 2010. One of these institutions is a classical (i.e. liberal arts) university and another one is a polytechnic university. Both are considered to be top national schools.

New public management in Russian higher education

In the USSR higher education institutions¹² were a part of a centralized system of the socialist economy. Different ministries in the government (mostly the Ministry of Education) were the founders of these institutions; the government provided full funding for them. The number of students was determined by the predicted demand of national economy for the specialists in certain fields. The content of educational programs was geared towards the workforce requirements, and university students were assigned jobs after graduation. This system was largely demolished after the collapse of the Soviet Union in 1991.

Creation of the market

On July 10, 1992 the Russian parliament passed the federal law “On Education”¹³. Among other things, this law allowed founding educational institutions by non-governmental

and private organizations as well as individuals, effectively making it legal to create private educational institutions. Also, this law stated the right of all educational institutions to use funding sources other than the state budget, including donations and tuition fees. These two legal changes opened the door for the market: educational services could now be bought and sold. New providers of educational services could enter the market, which increased competition.

In the next years the number of so called “non-state” educational institutions grew rapidly. By 2000 there were 358 non-state higher educational institutions, and this number increased to more than 450 by 2010 (see Figure 1). These new institutions were small in size, educating a few hundred students¹⁴ and specializing in easily marketed disciplines that did not require large investments into research infrastructure (law, economics, marketing, management, psychology, etc.). Non-state universities heavily relied on part-time faculty from state institutions and frequently rented rooms or buildings necessary to hold classes (Suspitsin 2003).

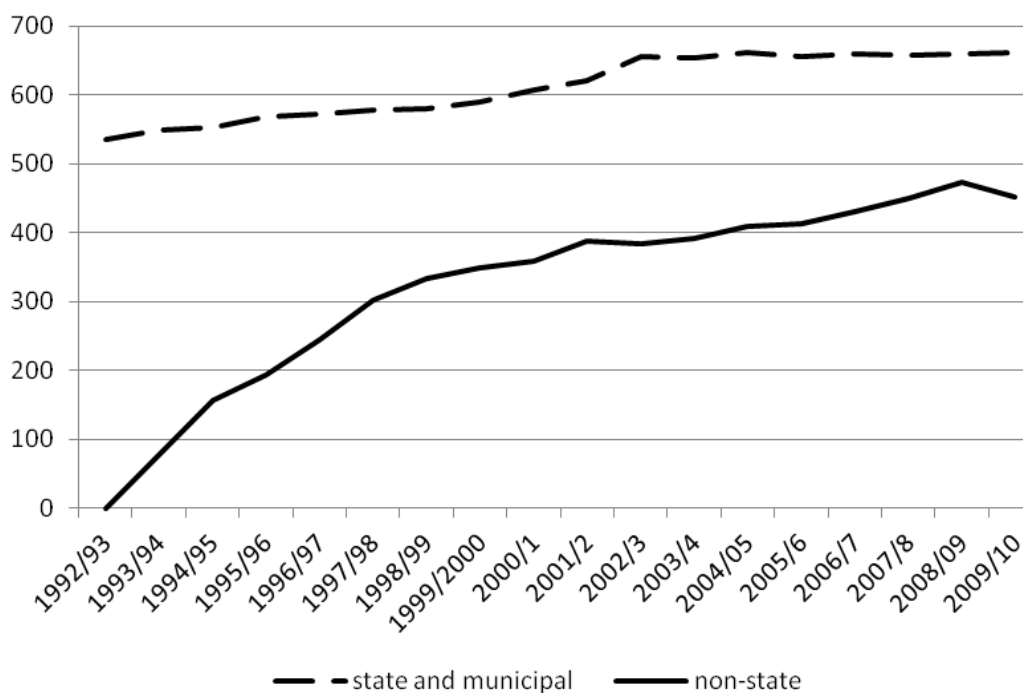


Figure 1. Number of state and non-state higher educational establishments
 (Sources: Goskomstat Rossii 2001; Rosstat 2005; Rosstat 2010a)

The demand for higher education services grew just as impressively. In the 1990s the number of students paying for their education was growing, but this growth was slow because of overall economic difficulties in the country. After the economic recovery due to high oil prices in the 2000s, the flow of private money to higher education significantly increased. In 2008 the fee-paying students constituted 62% of all students in higher education institutions in Russia (see Figure 2).

This market of educational services grew spontaneously with little purposeful action by the state other than providing the initial legal framework. In the rapidly transforming and fluctuating Russian economy people considered education a necessary investment, even though the quality of education varied considerably. The developments in educational policy in the 1990s were minimal, and they were mostly concerned with the new contents of educational programs in a renewed Russia¹⁵. One of my informants recalls that when he became a vice rector in 1994, no mail was coming from the Ministry: “live as you want” (Interview 22).

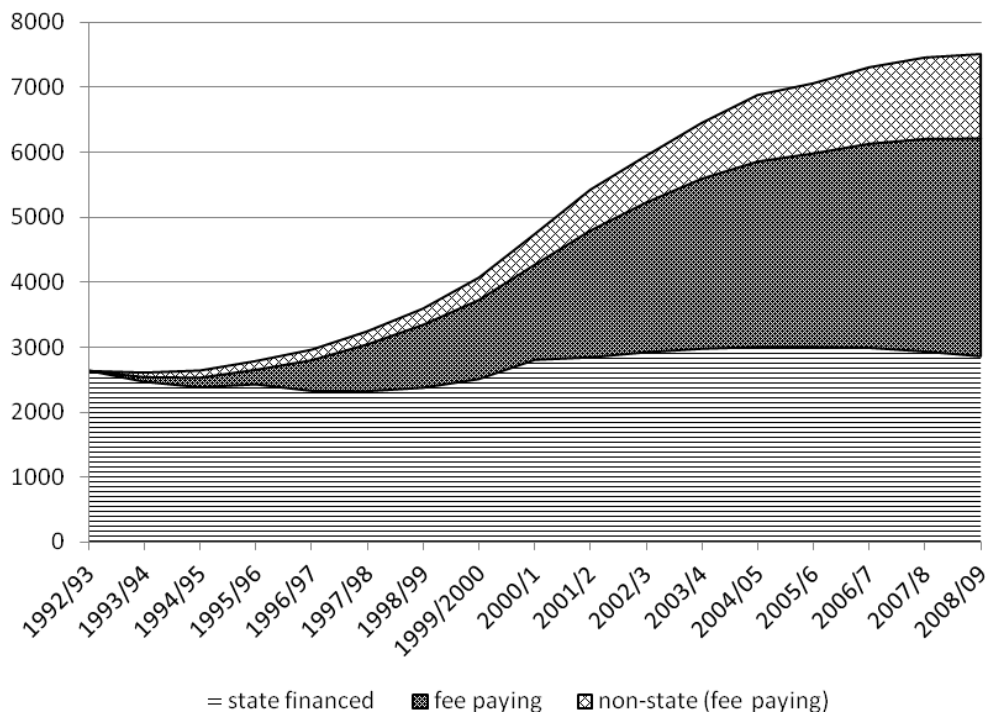


Figure 2. Number of students (in thousands)

(Sources: Goskomstat Rossii 2001; Goskomstat Rossii 2003a; Goskomstat Rossii 2003b; Rosstat 2005; Rosstat 2010a).

By contrast, in the 2000s we observe the development and implementation of a relatively coherent policy in higher education and the public sector in general. It was aimed at reducing state expenditures by either increasing their effectiveness, or privatizing the costs of public goods, or both through introducing market principles into the delivery of public services.

New public management agenda in the 2000s

In their influential book “Reinventing Government”, David Osborne and Ted Gaebler (1992) formulated the principles of a market-driven, entrepreneurial approach to public services. They argue for introducing competition into service delivery, greater flexibility of internal rules, the priority of outcomes over the procedures, creating financial stimuli for all parties, decentralization, and partnerships with communities and the private sector. The Russian state in the 2000s implemented, or at least attempted to implement, many similar policies. I will describe the reforms primarily in higher education, but I will also occasionally use examples from secondary education and health care to show the systemic character of the new public management policy agenda.

Introducing competition into service delivery. While the fee paying students were real customers since they appeared in 1993 and could choose where to bring their money, state funds were still distributed between the universities according to the Soviet type planning procedure. The Ministry of Science and Education decided how many students with state funding would be admitted to certain programs, and then students competed for those already distributed spots. In the beginning of the 2000s the government attempted to tie state funding to the student and make universities compete for state funds by attracting more and better qualified students. To do that, a group of policymakers from State University – Higher School of Economics¹⁶ proposed a combination of National Standardized Examination (EGE in Russian abbreviation) and Individual State Financial Obligations (i.e. educational vouchers; GIFO in Russian abbreviation) (Shishkin et al. 2004; Maleva 2007).

EGE was aimed to supplant traditional examinations in high school and entrance examinations in the universities. The exam would have standardized format and questions for all subject areas (languages, history, literature, chemistry, physics, biology, etc.) and would be centrally administered in all high schools nationwide. Universities would be obligated to

accept EGE results as the main criteria for admissions. EGE would allow prospective students to apply to multiple universities without the need to pass entrance examinations in person in each school, and, therefore, would increase student mobility and competition between the universities (Shishkin et al. 2004, 50-54).

GIFO, or educational vouchers, were designed to link funding to the student rather than to the university. Every student would receive a funding certificate that could be used towards paying tuition in a higher education institution. The amount of funding for each student would depend on the results of EGE, so that better performing students would get more money and would have to pay nothing or a very small amount themselves for their higher education. When students choose a university, they would bring state funding with them (Shishkin et al. 2004, 54-100).

In select Russian regions the EGE experiment started in 2001, and the GIFO one – in 2002. Starting in 2009 EGE became mandatory nationwide: now all higher education institutions must accept its results. The GIFO experiment, however, was abandoned in 2005. Tatiana Klyachko, one of the experts who developed GIFO reform, points at the resistance of university rectors as one of the reasons for not continuing the development of this policy (Maleva 2007, 107). GIFO would lead to redistribution of state funding between the universities, and quite a few of them would experience financial losses.

University rankings are another instrument of increasing competition that burgeoned in the 2000s. The very first ranking of Russian universities was done by Kar'era magazine in 1999¹⁷. The Ministry of Education issued its first public ranking in 2001 and has produced them every year until 2009¹⁸. In 2009 the government contracted out the development of rankings for Russian universities to the independent media – Interfax Group and Radio “Ekho Moskvyy”¹⁹. By 2010 a great variety of rankings developed by media, professional associations, student organizations, and the universities themselves were available for the public²⁰.

Increasing the effectiveness of state funding. One of the policies aimed at increasing the effectiveness of state funding is the introduction of quality management systems in the universities²¹. In 2000 the Ministry of Education organized the first competition for the best quality management systems between the universities. It also ordered the university rectors to implement “objective measurements of the work of faculty and students”²². In 2003, when

Russia joined the Bologna declaration, the Ministry of Education formed a Coordination Council on Quality Provision where different models of quality management were discussed²³. In 2005 the Ministry issued recommendations on creation and implementation of quality management systems in the universities²⁴ and made the effectiveness of a quality management system one of the accreditation indicators²⁵.

Another group of policies designed to increase the effectiveness of the budget expenditures is related to funding outcomes rather than inputs (Osborne and Gaebler 1992). This agenda is most visible in secondary education: secondary schools in most regions are now financed according to the number of students, and the teachers' salaries depend on the student achievement²⁶. EGE is a convenient measure of output, although funding is not yet linked to EGE results. The Ministry officials also claim that EGE for higher education institutions will be developed in the next 2-3 years in order to evaluate the quality of education of the university graduates²⁷.

Decentralization of funding and financial autonomy of organizations. Increasing financial autonomy of organizations and decentralization of funding is another piece of neoliberal agenda in the public sector. Although throughout the 2000s about 95% of public funding of higher education institutions in Russia came from the federal budget, the decentralization tendency is apparent when looking at the educational system in general. By the beginning of the 2000s preschool and secondary general education were almost completely financed by regional and local budgets. Primary vocational education was largely transferred to regional budgets in 2005 (Maleva 2007, 79) and the share of the federal budget in funding those institutions fell from 68% in 2004 to 13% in 2005. Secondary professional education experienced gradual decline in federal funding from 54% in 2003 to 37% in 2009²⁸.

Not only does the Russian government decentralize the funding of education, but it also increases the financial autonomy of educational institutions. In 2010 the Russian parliament adopted a law that turns public sector organizations into autonomous providers of public services. Once the transition is complete, the government will no longer be responsible for the organization as a whole, but will only pay for the services delivered to the citizens. At the same time, the organizations are allowed to keep any additional revenues they may earn and spend them as they please²⁹. The same group of policymakers that developed EGE and GIFO reforms has issued recommendations on the transfer of higher education institutions

into the autonomous status (Klyachko 2009). This law concerned not only education providers, but also organizations in the other areas of the public sector, for example, health care, where the government's intention to attract private funding has been in place for a long time (Maleva 2007, 63).

Another mechanism of gaining financial autonomy supported by the government is the creation of endowment funds. The very first endowment fund for a Russian university was established by European University at St. Petersburg in 2004 and was registered in Ann Arbor, MI, USA³⁰. In 2006 the business community, including the head of Interros Company Vladimir Potanin, suggested creating endowment funds in Russia, and in few months a federal law declaring tax exempt status of endowment funds was adopted³¹. Between 2007 and 2010 about 50 endowment funds were created³².

Although the measure of success of all the policies described above is a matter of debate, the intentions of the Russian government are quite clear: it is increasingly shedding itself of the direct responsibility of funding educational institutions. The state funding of education was growing during the 2000s even adjusted for inflation³³, but it is mostly the consequence of the very low base of the 1990s. In 2007 Russia was spending less public money on tertiary education than OECD countries, while the number of people with higher education degrees was double the OECD average³⁴. The analysis of policies shows that the government is eager to attract private money, give the organizations more financial autonomy and introduce market-like competition for the state funding – all with the ultimate purpose of reducing the budget expenditures.

Bargaining with the big universities

Nowhere in the world are the new public management policies welcomed by the organizations in the public sector, and Russia is not an exception. There are a lot of debates about the effects of EGE on the quality of secondary education, and a large part of teachers are against this reform. However, despite all the resistance of the professional community, the Ministry of Education was able to implement many new policies in secondary education. In higher education this policy agenda was less successful. Maleva notes that the big universities

in Russia have significant political leverage and have successfully resisted the reforms affecting them³⁵.

In this section I will describe the opposite trend in the state funding of higher education, namely the redistribution of state funding towards the bigger universities starting in 2005. I will argue that these policies are the result of bargaining of the Russian state with the bigger universities where preferential funding is exchanged for political loyalty.

Demographic crisis and the market of higher education

An important factor that impacts not only higher education, but also all socio-economic trends in Russia is the demographic crisis. The population of the country has declined from 148 million in 1991 to 142 million in 2010³⁶. The low birth rate is one of the contributors to this decline.

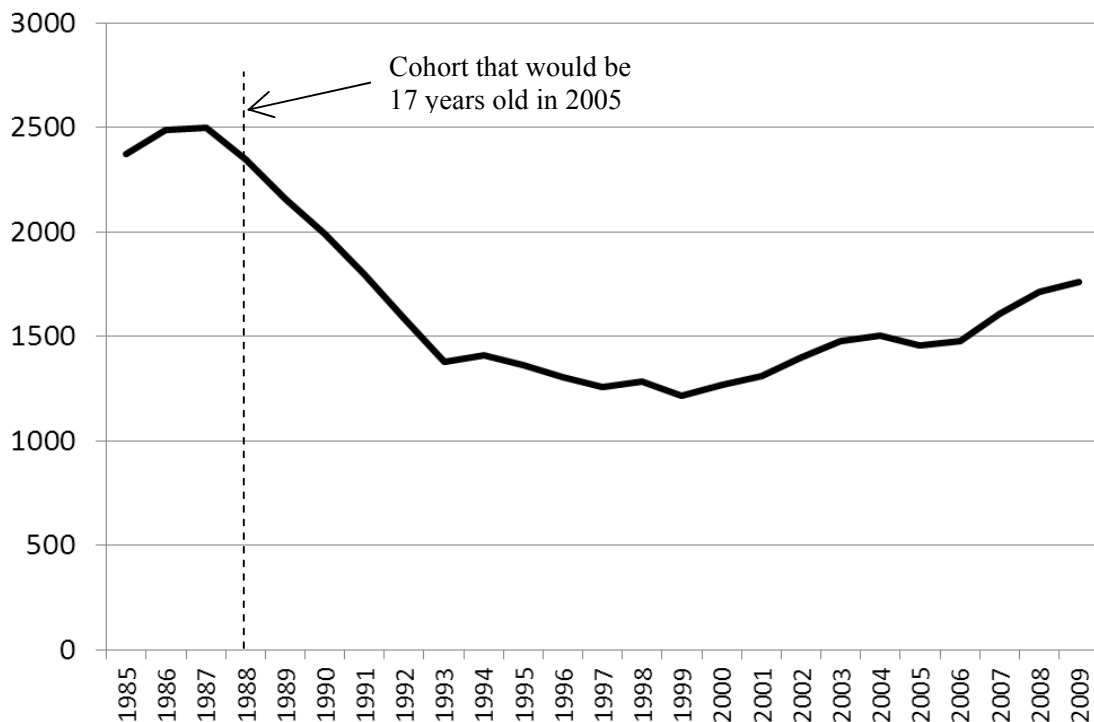


Figure 3. Number of live births in Russia (in thousands)

(Source: Rosstat 2010b, p. 128)

Figure 3 shows the birth rate in Russia over the last two decades. The decline in the number of births started in the late 1980s, and the birth rate stayed low through the 1990s and

the 2000s. Although it looks like it showed tendency towards recovery in the last years, many demographers are certain that it is about to go down again, and it will not recover in the next few decades³⁷. For educational institutions it means that the number of potential students has significantly dropped over just a few years and the situation will not get better in the foreseeable future.

In the 1990s and the beginning of the 2000s most universities in Russia survived by increasing the enrollment of fee-paying students³⁸. Although the number of students entering the usual college age plateaued around the year 2000 and started to decline in 2004, admissions were still growing accommodating students coming from the job market, secondary professional institutions, and those getting several degrees. In 2002 the number of admitted students has surpassed the number of secondary school graduates (see Figure 4). In 2005 Russia had the third largest percentage of people with higher education in the workforce in the world³⁹. These figures show that the potential for market revenues for Russian universities was exhausted by the mid-2000s.

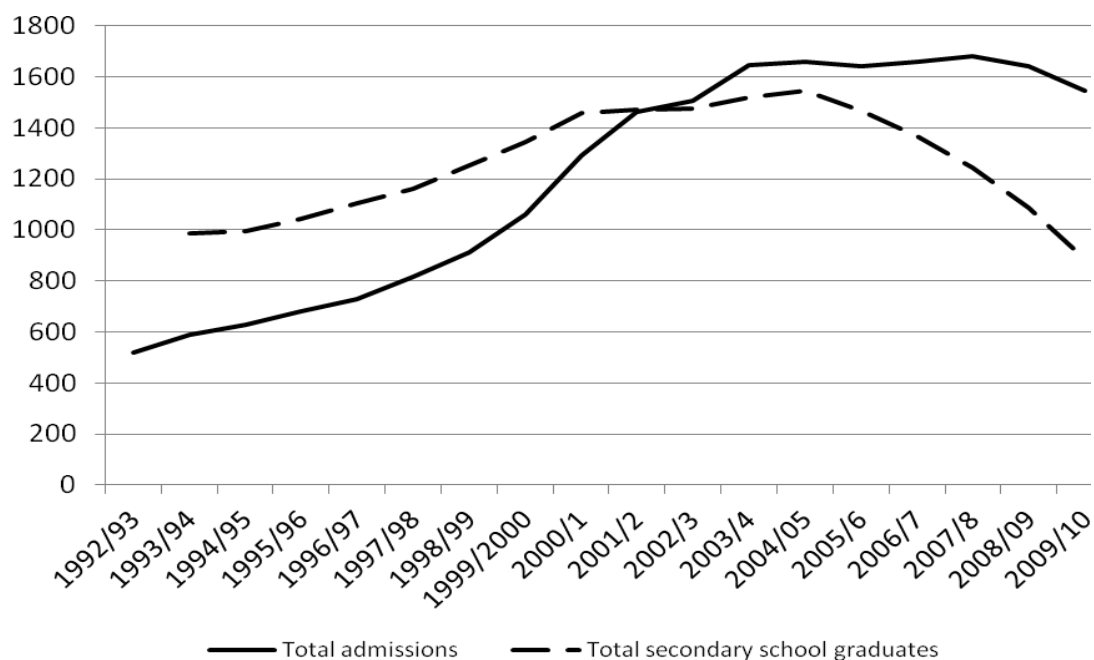


Figure 4. Number of admissions in higher education institutions and number of secondary school graduates (full secondary education certificate) in Russia (in thousands)

(Source: Goskomstat Rossii 2001; Rosstat 2005; Rosstat 2010a)

Changes in state funding: targeted funding programs for the big universities

Starting in the year of 2005 state funding of higher education underwent significant changes. Between 2000 and 2004 the funding from the state budget was almost equal to the amount of money that universities received from tuition fees. By 2008 state funding more than doubled the revenues from the fee-paying students⁴⁰. This increased funding, however, was not distributed evenly between higher education institutions: few large schools attracted much more money than many smaller ones. These two groups of institutions represented different economic models: a relatively small number of leading national universities increasingly relied on state funding with increased expenditures per student and reduced the number of fee-paying students, while smaller and less prestigious state schools maintained a high percentage of fee-paying students together with low tuition fees⁴¹. Private schools as always did not receive any funding from the state.

Redistribution of state funding towards big universities was a result of new governmental policies. As I already mentioned above, GIFO experiment was abandoned in 2004 at least partially because of the resistance of the rectors' community. Instead of tying state funding to the student and allowing customers to redistribute the money among the institutions, a number of targeted funding programs for big universities were implemented starting in 2005: (1) The federal universities program, (2) Support of innovative educational programs, and (3) National research universities program.

Federal universities were to be established in each federal district of the Russian Federation⁴², usually by merging several smaller schools into one large institution. In 2005 the Ministry of Education created an expert group to plan the whole process⁴³. In 2007 the first two federal universities appeared, followed by five more in 2009-2010⁴⁴. All these schools are among the most lavishly funded by the government.

The competition of innovative education programs took place in 2006 and 2007. The expert commission of the Ministry of Education chose 57 institutions as the winners (17 out of 200 applications in the first year, and 40 out of 267 applications in the second year). These schools received generous governmental funding for the purchases of equipment and software, renewal of the resource base, and additional training of faculty and staff⁴⁵.

The National Research Universities competition was following the same logic as innovative educational programs, but concentrated state funding in an even smaller number of

institutions. A total of 27 schools were chosen in the 2009 and 2010 competition to receive additional funding from the state budget in support of their mission to become world level universities⁴⁶. 21 of those schools had been the winners of innovative education program competition in the previous years.

The winners of both the innovative education and the National Research Universities programs were all large state schools. Irina Abankina⁴⁷ writes that the amount of funding per student that the 28 largest universities received in the last 5 years has been growing even when adjusted for inflation. This way the biggest national universities shielded themselves from the financial consequences of the demographic crisis.

Political loyalty in exchange for preferential funding

Given the policy agenda described earlier in the article and the intentions of the government to relieve the state budget from the burden of funding universities, the shift in the policy in the second half of the 2000s may seem surprising. The explanation of this shift that both government officials and the leaders of big universities voice relates to the quality of education as the priority of policy agenda⁴⁸. According to this explanation, the majority of Russian universities are providing education of low quality, and the state resources should not be wasted to support such schools. The governmental funding should be focused on a smaller number of leading universities, which would use this money to realize their potential for generating world-level research and teaching. They would represent Russia in the international arena and contribute to the urgently needed modernization of national economy.

While it might be true that Russia is falling behind other countries in terms of quality of education and the Russian economy truly needs serious restructuring, some details about the funding programs raise doubts about the actual goals of the government and university administrations. Fedyukin and Frumin (2010) say that a document clearly stating the goals and performance indicators for federal and national research universities is nonexistent. A vague description of federal universities program was provided by the Ministry of Education two years after the first two of them were established, and their development programs were written after, not before, getting the new status and funds. The choice of national research universities also lacked a transparent criteria and procedure. Although the extra resources that the universities received were supposed to improve teaching and research, universities did not

spend them on the most crucial component of these activities – faculty and graduate students. Abankina⁴⁹ shows that faculty salaries at the leading universities did not grow during these years, although it is widely recognized that low faculty compensation results in the most talented graduates leaving either academia or the country. Schools are not allowed to spend money for research support, which is supposedly their major goal. The bulk of resources coming from these targeted funding programs stays in the hands of university administrators to be used to improve the university infrastructure. Comparison with similar policies of governmental support in other countries leaves the academics wondering about the reasons of the many inconsistencies in the Russian case⁵⁰.

Another, and more plausible, explanation of why the government changed the policy agenda deals with the political loyalty of the universities to the administration of Vladimir Putin. The “color revolutions” of 2003-2004 in Georgia and Ukraine spurred the regime’s fears of popular unrest in Russia. The year of 2005 was not only the start of the rapid increase of funding for the leading universities, but also the year of creation of several pro-Kremlin youth movements: Rossiya molodaya (Young Russia), Molodaya Gvardia Yedinoy Rossii (The Young Guard of the United Russia), and Nashi (Ours). These organizations are funded by the government⁵¹ and have been actively absorbing and promoting the young political activists. They express unconditional support for the presidents of Russia and the United Russia Party.

While the funding programs for the largest national schools lacked academic performance indicators, the governmental oversight of these programs was enormous even for the Soviet-trained university administrations. Fedyukin and Frumin (2010) write that the first-wave national research universities were required to submit weekly reports to the Ministry of Education about their progress. A faculty member I interviewed in 2007 said the same about the innovative education programs⁵². Weekly reports to the government are unlikely to improve the quality of teaching and research, but they effectively signal to the administrations of the largest national schools that they are being watched. Creating federal universities also looks like a logical step in building the vertical power structure. While in most Russian universities rectors are elected by a faculty conference, rectors of the federal universities are appointed by the government⁵³. The faculty communities and administrations of federal universities are unlikely to be highly consolidated to resist the pressure from the Ministry

because each federal university is a conglomerate of several schools artificially combined into a single institution. Federal universities, therefore, comprise a chain of large schools strategically located in each federal district with heavy financial and administrative dependence on the Ministry of Education.

I believe that separate actors both among the state officials and academics may have a sincere desire to improve higher education and science in Russia. Examples of concrete results of these funding programs can be found in many schools (Fedyukin and Frumin 2010). Here I am mainly concerned about the institutional setting that allows those intentions to turn into efficient policies or not. While the government of Vladimir Putin might not mind education and science in Russia becoming better, the primary concern of the regime is its own survival and consumption interests. The government puts the need of political control prior to the need for modernization, and the inconsistencies of educational policy in the second half of the 2000s can be explained by this fact. Although the idea of universities trading their political loyalty for the preferences in distribution of state funding needs further study and elaboration, it is very plausible as a hypothesis.

Gatekeeping and selective law enforcement as mechanisms of political control

Trading extra funding for the political loyalty of the universities is not the only way to control them. Another, repressive, mechanism is related to controlling access to the market and is not as contingent on the availability of financial resources. While the state is interested in introducing the market and relieving itself from financial responsibilities, the role of gatekeeper remains the crucial element of self-preservation strategy.

Licensing and accreditation

Licensing and accreditation is the main tool that allows the state to determine which institutions can operate in the market. On the surface, these procedures seem formally similar to what is found in other countries. However, several peculiarities should be noted.

First, the state has a complete monopoly over both establishing licensing and accreditation rules and executing them. Professional associations are very weak and public

oversight is almost non-existent. Unlike in some other countries, for example, in the UK and the US, the Russian Ministry of Education does not officially recognize any public or professional accrediting bodies. Licensing and accreditation are concentrated in the Federal Control Service which is a part of the Ministry of Education⁵⁴. The whole procedure is determined by the officials in this service. Academics participate in accreditation as area experts only during campus visits. In a democratic setting the power of the state officials in this situation would be alleviated to some degree by their accountability to the public. In an authoritarian country like Russia, officials are only accountable to higher officials, which means the latter can easily use licensing and accreditation as a repressive tool. One of my informants confirms the intention of the Federal Control Service to monopolize quality evaluation:

The Ministry doesn't want public bodies to shape educational policy, to evaluate educational quality. This is very serious. There is an Association of Engineering Education in Russia, just to bring in a particular example. It is a public national organization ... Within this association we are trying to create a system of public and professional evaluation of educational quality and accreditation of educational programs related to technology. And we are trying to do things similar to what is happening in Europe right now. ... So, the Federal Service [the governmental body accrediting the universities - NF], although it is formally supporting us, it is constantly trying to trip us up. They are afraid we are taking over their business. They want to monopolize it all. (Interview 22)

Second, the results of the accreditation are connected to legal sanctions rather than funding. State accreditation gives an institution the right to issue "a state-standard diploma", which means its graduates can take jobs in the government, public sector, and state-owned enterprises. Studying at an accredited institution also gives the right of military deferral to male students of draft age, which is very important given the bad conditions of service in the Russian army. The absence of state accreditation effectively means that no students will be willing to study at such an institution, and therefore it will be out of the market. Private

institutions have to obtain state accreditation as well although they do not receive any funding from the state.

The connection of accreditation with funding for state universities is vague at best. An administrator dealing directly with licensing and accreditation at one of the top national schools told me that he did not know for sure how state funding for higher education institution was distributed. He guessed that accreditation results were somehow taken into account when determining the number of state financed students in each institution, but university funding is not directly related to the number of students⁵⁵. Given that the state accreditation is the only evaluation that all universities have to go through, not having a transparent connection to state funding would not make sense within the new public management framework. In the UK, the motherland of the new public management, accountability measures are intrinsically connected to austerity policies, to the more efficient spending of public funds (Brennan and Williams 2004). In the US students are allowed to use federal student financial aid funds only in the institutions accredited by the recognized agencies, and many changes in accreditation were spurred by the concerns of the efficient use of public dollars (Brennan, Vries, and Williams 1997). If the Russian government used accreditation in the same way, the links to funding would have been clear to all parties involved. Not emphasizing the connection between accreditation and funding makes sense, though, if both of them are meant to be used at the discretion of state officials.

State accreditation was introduced in the second half of the 1990s⁵⁶ and significantly elaborated in the 2000s. Unlike the new public management policies discussed above, it was not a consequence of austerity. Rather it burgeoned when oil prices went up, the state grew stronger financially and administratively, and Vladimir Putin began to build vertical power structure:

The Ministry ... of course, wants to dominate the universities. Because we can see the creation of these “verticals” everywhere, starting from the federal government. The same situation occurs in the Ministry. In other words, all is being centralized and the universities have less and less academic freedoms, although there are a lot of conversations about that.
(Interview 22)

As I wrote in the introduction, the rise of auditing and accreditation is a worldwide trend (Power 1997). In higher education it takes the forms of either voluntary quality assurance or state evaluation. Quality assurance initiatives are undertaken by the universities themselves to prove the credibility of the institution to the students, employers, and other institutions, particularly at the international educational market. State evaluations are developed by state authorities to assess the quality of public services and allocate financial resources more efficiently. These two forms may be combined, but they still correspond with these two basic motivations.

State accreditation in Russia does not follow either of these models. It is not initiated by the institutions or professional associations; in fact, professional community is weak in most disciplines and unable to resist the state regulation. Accreditation is not really used to redistribute state funding or justify this redistribution. The only apparent trend in the development of licensing and accreditation policies in the 2000s is a rapid increase of the number of formal requirements that the universities have to comply with. The number of the documents requested by the Ministry for license or accreditation renewal has grown tremendously over the last decade:

Since the time this complex evaluation⁵⁷ started, sometime in the 1990s, there has been only one difficulty. When we did it the first time, ... we brought a folder this small [shows a folder]. The last time we had to bring 32 kilograms of documents. (Interview 11)

Now we must bring a full set of documents for all educational programs in the university. But the funny thing is that it is six boxes this huge, 72 kilograms, if I remember correctly. They are heavy to transport, but, ok, it is still possible. But who is going to look at them? They are just going straight to the archive. (Interview 17)

Gatekeeping: mandatory state approval as the basis of regulation

The contents of the accreditation and licensing requirements imposed by the Russian Ministry of Education is very close to the contents of similar requirements in other countries.

Adopting the best practices from Western countries is frequently used by state officials as justification for new policies. Despite this divergence of policies, though, the Ministry of Education always keeps the right of the final approval. In the same way as it resists sharing the accreditation authority with professional organizations, it also does not officially recognize the authority of any parties abroad. I will further look at the two examples of this: (1) curriculum contents and international degrees and (2) quality management certificates.

Educational programs in Russia have to comply with the state standards of curriculum to be accredited by the state. The first generation of standards was developed in 1994-1995 instead of more rigid curriculum plans that were in place in the Soviet Union. One of the purposes of the first standards was to set the minimum quality threshold, especially for the newly appeared private institutions⁵⁸. In 2003 Russia joined the “Bologna process”⁵⁹ and started active transition to the system of 4 year baccalaureate and 2 year master’s level programs. By 2011 the curriculum standards of the third generation were developed that fully accommodated this transfer.

Even though the Ministry of Education is making higher education degrees more and more similar to the degrees in other countries, credentials from foreign institutions are not automatically recognized in Russia. Before a person with a Western PhD can be hired as a faculty with a doctoral degree and enjoy the rights of advising students and being on dissertation committees, he or she has to go through a complicated procedure of “nostrification” (approval of the degree by the Russian Ministry of Education, which requires translating the dissertation into Russian). The response of the Ministry of Education to the obvious contradiction of this arrangement with the goals of creating the world-class universities is the suggestion to create a list of foreign institutions whose degrees will be automatically recognized⁶⁰. The list, of course, is approved by the Ministry and can be changed at any time. As Vladimir Putin said to the Minister of Education, Andrey Fursenko, “these Western rankings are used as a tool to increase their [Western universities – NF] competitiveness on the market. We should be very careful with them and develop our own, objective method to evaluate the quality of education that the graduates of these institutions receive”⁶¹.

Another example of a parallel and seemingly unnecessary evaluation system comes from the realm of quality management. As I have already mentioned when describing market

reforms, in 2005 the Ministry of Education made the effectiveness of institutional quality management systems one of the accreditation indicators. The scale of this indicator runs from the mere presence of quality management system in the institution to “the winner of the competition in quality management”⁶². Although some institutions possess international quality management certificates (for example, issued by the International Standard Organization), they do not count towards accreditation requirements. Instead, the government organizes a separate competition⁶³ of quality management systems and issues certificates which are not recognized by anyone except by the government itself:

The government of the Russian Federation organizes a competition with certain requirements to the enterprises that try to enhance the quality [of services, products - NF] ... At the same time, the organizations that maintain international quality standards, they can't understand it and always oppose it. This is not a worldwide practice; here we are really different. There shouldn't be any requirements [regarding quality - NF] set by the governmental officials that we are supposed to meet. (Interview 6)

Self-discipline and the conditions for selective law enforcement

Creating complicated regulations and monopolizing the role of the gatekeeper by the state is the third policy trend together with the new public management and bargaining with the big universities. Given the absence of democratic accountability of the government to the public, this arrangement is perfect for selective law enforcement. The complicated and sometimes contradictive formal regulations effectively force everyone to break the law in one or another way, and the absence of alternative sources of authority (public, professional, or international) allows violations of the spirit of law while applying the rule of law. Selective law enforcement is already widely used by the state officials in Russia to control business. Fire and tax inspections are particularly helpful in this regard, with the assault on the Yukos Oil Company being the most glaring example. The threat of revoking licenses is also a common tool to either extract rents from businesses or make them behave in the way the state officials want.

An example of revoking a license from an educational institution for a political reason is the case of the European University in St. Petersburg – one of the very few internationally recognized graduate schools in social sciences in Russia. In 2008, just before the presidential election in Russia, this institution's license was suspended for six weeks, during which the university had to close, allegedly because of fire safety concerns. There are at least two unofficial versions of the story. One connects this sudden attention of fire inspectors with the interests of the local raiders who tried to appropriate the university building. Another one links it to the international research project on electoral monitoring with which one of the faculty members was involved. The university was reopened after the project was discontinued.

The fact that such incidents do not happen frequently can be interpreted in two ways. It is possible that, unlike in business, in higher education licensing is not used for the purposes of political control, and we need to find another explanation for why the state values the role of the gatekeeper so much. No instances of enforcement can also be the indicator of the extreme effectiveness of the controlling mechanism. Knowing that the state can impose sanctions at any time, universities discipline themselves, and no state intervention is necessary on a regular basis. Some pieces of indirect evidence speak in favor of the second interpretation. Fire inspection has already been in play when universities and politics were involved. For example, in 2005 Tomsk State University did not allow Egor Gaidar, the famous liberal economist and market reformer of the beginning of the 1990s in Russia, to speak to the students about his new book. University administration broke the agreement with the organizers two days before the talk, and the official explanation referred to the fire training exercise that was scheduled on the day of the talk. Unofficially, though, the university rector told the journalists that he is not going to mix education with politics⁶⁴.

Licensing and accreditation procedures, despite the idea that they simply insure the minimum quality threshold, are burdensome even for the top national schools. I asked my informants if there is a realistic chance that educational programs in their institutions, which are top national universities, would not be accredited for the full term of 5 years. They did not hesitate to say that it was “absolutely realistic” and it might happen to any institution⁶⁵. The leaders of the top universities argue that the best schools should not be subject to accreditation requirements and constrained by the state standards of curriculum “because they are ahead of them”⁶⁶. They also say that state standard diploma (the major stimulus for getting

accreditation) should be abandoned, and each university should issue its own credentials⁶⁷. Interestingly, there are two schools that in 2009 received the right to issue their own diplomas with all the privileges of state standard ones – Moscow State and St. Petersburg State Universities⁶⁸. Not surprisingly, though, the same decree that released these institutions from the necessity to obtain state accreditation also established that their rectors will no longer be elected by the faculty conference, but rather directly appointed by the government.

Finally, the recent developments in the licensing process are making selective law enforcement even easier. Before 2011, each institution had to renew the license on a fixed schedule – every 5 years. Starting in 2011, educational licenses for postsecondary institutions will be unlimited, but the Ministry of Education can initiate an inspection at any time⁶⁹. The university administrations, therefore, should always be ready to be checked by the state officials. This situation looks very much like a classic case of panopticism.

Conclusion

Educational policies in Russia in the last decade have followed the worldwide trends. Competition of service providers for public funds and the increased concern about the effectiveness of public services is common for many countries. The targeted support of leading universities can be found in the countries as different as Germany and China. Tightening of the regulatory framework usually accompanies market transformations in the public sector as well. In the Russian case, though, all these policies are driven not by the global forces, but by the interests of an authoritarian regime primarily concerned with the maximization of its economic consumption and its political survival.

I have argued in this article that the implementation of the market reforms in the public sector facilitates the continuation of the authoritarian regime in Russia. By introducing market mechanisms, the state elites partially relieve themselves from the responsibility for provision of the public goods, thus minimizing the resources needed to ensure loyalty. Controlling potential political opposition is driving to a large extent the targeted funding programs for the major Russian universities and the elaboration of licensing and accreditation procedures. Preferential funding keeps the top administrators of the biggest universities loyal to the regime

and licensing and accreditation work as a repressive tool ready to be selectively applied when needed.

More comparative research is needed to better understand the connections between the different political regimes and the global spread of market-driven policies in the public sector. On the one hand, policy-related literature rarely discusses public policies in authoritarian countries. On the other hand, scholars studying political regimes are not very much involved with public sector policies, while a lot of research is currently concentrated on the symbiosis of authoritarian states and markets in the business sector. As I have demonstrated in the case of Russia, public sector policies may also shed light on the ways authoritarian regimes maintain themselves with the help of the market.

Notes

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² The experiment started in 2001; the exam became mandatory in 2009.

³ Murav'eva, Marina. "Kak popast' v set' issledovatel'skikh universitetov?" (How to get into the network of research universities?) *Nauka i tekhnologii Rossii*, December 15, 2008. http://www.strf.ru/organization.aspx?CatalogId=221&d_no=17080.

⁴ International Monetary Fund. Transactions with the Fund, Russian Federation. http://www.imf.org/external/np/fin/tad/extrans1.aspx?memberKey1=819&endDate=2011%2D07%2D23&finposition_flag=YES. Access date: June 30, 2011.

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⁶ UNESCO Institute for Statistics. 2009. *Global Education Digest 2009. Comparing Education Statistics Across the World*. Montreal, Canada: UNESCO Institute for Statistics. P. 43.

⁷ Institut statisticheskikh issledovaniy i ekonomiki znaniy GU-VShE. 2010. *Obrazovanie v Rossiiskoi Federatsii: 2010*. (Education in the Russian Federation: 2010.) M.: Gosudarstvennyi universitet – Vysshaya shkola ekonomiki. P. 478.

⁸ Sheregi, F.E., N.M. Dmitriev, and A.L. Aref'ev. 2002. *Nauchno-pedagogicheskii potentsial i eksport obrazovatel'nykh uslug rossiiskikh vuzov (sotsiologicheskii analiz)*. (Scientific and educational potential and the export of educational services of the Russian higher education institutions (sociological analysis).). M.: Tsentr sotsial'nogo prognozirovaniia. P. 63.

⁹ Transparency International. 2011. Policy and Research. Surveys and indices. Corruption Perception Index. http://www.transparency.org/policy_research/surveys_indices/cpi.

¹⁰ "Ob'em korruptsii v Rossii dostig poloviny VVP". (The size of corruption in Russia has reached half of GDP.) *Rossiiskaia Gazeta*. August 17, 2010. <http://www.rg.ru/2010/08/17/vvp-anons.html>.

¹¹ See, for example, Leppard, David, and Mark Franchetti. "Kremlin bribery whistleblower flees to UK." *The Sunday Times*. May 30, 2010. <http://www.timesonline.co.uk/tol/news/uk/article7140175.ece>; Nemtsov, Boris, and Vladimir Milov. 2010. *Luzhkov. Itogi-2. Nezavisimyi ekspertnyi doklad*. (Luzhkov. Bottom line – 2. An Independent Expert Report). Moscow; Anin, Roman. "Putin still can use the palace". *Novayagazeta*. March 4, 2011. <http://en.novayagazeta.ru/data/2011/023/01.html>; Gessen, Masha. "Valerii Morozov: Ia ponial to, chego ne

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¹² I will use “higher education institutions”, “higher education establishments” and “universities” interchangeably in this article, although not all higher education establishments in Russia are called “universities”. The distinction between the different types of them, however, is not important conceptually for this paper, so I will leave it out.

¹³ Federal law of the Russian Federation N 3266-1 “Ob obrazovanii.” (On education.) July 10, 1992. <http://base.garant.ru/10164235/>.

¹⁴ The average student body of a non-state educational establishment grew from about 900 in 1993 to about 2800 in 2009 (Goskomstat Rossii 2001; Rosstat 2005; Rosstat 2010a).

¹⁵ The first generation State Standards of Curriculum for higher education were developed in 1994-1995.

¹⁶ This institution is one of the major think tanks working for the Russian government and developing economic and social policies.

¹⁷ Trushin, Aleksandr, Svetlana Budanova, and Maya Chaplygina. “Sto sposobov prigotovleniya slivok obschestva, ili 100 luchshikh vuzov Rossii.” (100 best higher education institutions in Russia.) *Kar’era*. March, 1999. <http://www.kariera.orc.ru/03-99/Almam054.html>.

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¹⁹ Natsional’nyi reiting rossiyskikh vuzov. (National ranking of Russian higher education institutions.) Interfax, and Radio “Echo Moskvu”. <http://www.univer-rating.ru/default.asp>. Access date: May 30, 2011.

²⁰ See, for example, “Reiting kachestva priema v rossiyskie gosudarstvennye vuzy – 2010.” (The ranking of Russian higher educational institutions based on the quality of admitted student body – 2010.) *RIA Novosti and NRU-HSE* (National Research University – Higher School of Economics). September 2, 2010.

http://rian.ru/ratings_multimedia/20100902/271380235.html; “Reiting nauchnoy i publicatsionnoy aktivnosti rossiyskikh vuzov.” (The ranking of Russian higher educational institutions based on research and publication activity.) *RIA Novosti and NRU-HSE*. January 17, 2011. http://rian.ru/ratings_multimedia/20110117/322629147.html; Rossiyskiy opyt sostavleniya reitingov: Ssylki resursov. (The Russian experience of creating rankings: Links to resources.) *Interfax and Radio “Echo Moskvu”*. <http://www.univer-rating.ru/txt.asp?rbr=47>. Access date: May 30, 2011

²¹ These quality management systems are based on the widespread family of standards ISO 9000, which stems from the managerial philosophy of total quality management (Deming 1986).

²² Decree of the Ministry of Education of the Russian Federation N 3222 “O problemakh kachestva realizatsii gosudarstvennogo obrazovatel’nogo standarta v vuzakh Rossiyskoy Federatsii.” (On the problems of implementation quality of the state standard of curriculum in higher education institution of the Russian Federation.) November 9, 2000. http://edc.pu.ru/doc_nor1/ind917.htm.

²³ Interview 22.

²⁴ FEA (Federal Educational Agency), and LETI (St. Petersburg State Electrotechnical University “LETI”). 2005. *Metodicheskiye rekomendatsii dlya vuzov i ssuzov po proektirovaniyu i vnedreniyu sistem kachestva obrazovatel’nykh uchrezhdeniy*. (Recommendations on development and implementation of quality management systems in educational institutions.) St. Petersburg.

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- ²⁹ See Federal law of the Russian Federation N 83-FZ “O vnesenii izmeneniy v otdel’nye zakonodate’lnye akty Rossiyskoy Federatsii v svyazi s sovershenstvovaniem pravovogo polozheniya gosudarstvennykh (munitsipal’nykh) uchrezhdeniy” (On the changes of some legal acts of the Russian Federation concerning the improvement of the legal status of governmental and municipal organizations.) (with changes and additions) May 8, 2010. <http://base.garant.ru/12175589/>; “Medvedev podpisal zakon o reforme byudzhetnykh uchrezhdeniy.” (Medvedev has signed a law about the reform of public sector organizations.), *RIA Novosti*. May 8, 2010. <http://www.rian.ru/politics/20100508/232057095.html>.
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Interviews with administrators and faculty members at two Russian universities

Interview 1 – administrator, University A, May 2007

Interview 6 – administrator, University B, May 2007

Interview 11 – administrator, University A, September 2010

Interview 15 – administrator, University A, May 2007

Interview 17 – administrator, University B, September 2010

Interview 22 – administrator, University B, May 2007

Interview 23 – faculty member, University A, May 2007