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Various Approaches to Financing Russian Higher Education Institutions Integrating into the Global Educational Environment

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Abstract

During the last twenty years Russian higher education system is the subject of the permanent transformation. The target of the reforms is to obtain high level of competitiveness as a key challenge for Russian higher education institutions. One of the directions for the solution of this task is the development of integration into the global educational community. Public and private higher education institutions have different opportunities for the formation of sustainable relationships with well-known world university centers. They use various financial resources for the investment into the improvement of their own competitiveness. Most public universities use intergovernmental agreements for the development of collaboration with foreign universities within the budget allocated by the Russian state. Private universities use another way of financing integration into the global educational environment. It is characterized by the inflow of money received from the local householders for the additional international training programs and a long-term financing of the founders and charities.

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1. Introduction

During the Soviet period with the planned and closed national economy Russian higher education system was mainly financed from the state budget. Some higher education institutions belonged to the non-public sector of the planned economy indicated as the cooperative sector. That type of higher educational establishments had the financial fund owned by the Consumer Cooperation. Soviet households could choose a limited number of such institutions for training of the younger generation. Universities were mainly operating in the public sector within the national economy. At that time the problem of competitiveness of higher education institutions was not arising at all. Local higher education institutions had no competitors in the country. Local sphere of higher education was not involved into the world market of the educational services. Some local universities had partnerships with higher education institutions in Bulgaria, Hungary, East Germany, Poland, Czechoslovakia and in some other countries with planned economy.

Each local educational institute of higher education obtained a steady contract in the area of training of a planned number of students that was completely provided with the budget money. Instead of the term "competitiveness" the local researchers of the quality of soviet education used such specific term as "prestige". The most prestigious higher education institutions were allocated in the central regions. Households in planned economy had no duty to pay the tuition fees. Therefore they had no economic tools to influence the policy of higher education institutions and quality of the educational services. After graduating from the university the most part of the graduates was involved in the process of "planned distribution of young specialists to the non-occupied working place". That process can be indicated as the modified system of state purchase when the state was able to give the working place for the graduates in the regions that were intensively developing at that time (Siberia, Far East, and Kamchatka). The world labour market of high-quality specialists was closed for the overwhelming part of graduates because of the rigid administrative barriers existing in the centralized planned economy. Practically, it was rather difficult for the graduates to find a job abroad as they had to obtain special visas and an invitation from a foreign employer as well as a special permission from government agencies.

During the transition period in the Russian economy the higher education became the sphere of the market economy. Now Russian higher education institutions provide educational service as a specific type of market service. The main operators at that market are the state and the cooperative institutes of the higher education earlier being present within planned economy and some new players that represent non-state private institutions. New participants of the educational market were founded by the individuals, commercial or non-profit organizations and legal bodies. The relationships between governmental bodies, operators and student’s households are defined by the rules of marketing.

Each university is committed to improve its own competitiveness due to the attraction of educational services of the human, financial and innovative resources to the local market. The right choice of educational concepts, pedagogical methods and technology of students’ training are critically important issues for the increase of the competitiveness of higher education institution’s competitiveness. Within the local market these ways of improving competitiveness are actively applied by both public and private Russian higher education institutions.

Recently, Russian households show the growing demand for the educational services that are competitive in comparison with the services provided by foreign universities. The demand is supported by the existence of considerable amount of money which Russian households can invest into education of young people. This factor became the additional incentive for the reinforcement of the investigation into the ways of improving competitiveness of higher education institutions.

Currently one of the main and rather new for the local market ways of improving competitiveness of Russian universities is to use potential opportunities of international cooperation and integration into the global educational environment.

2. Objective, methodology and research design

The purpose of this study is to determine various approaches of public and private universities to improving competitiveness using international cooperation and integration into the global educational environment. Statistical methods, generalization, survey, interview, comparative analysis were used as the main research methods.
2.1. Research Participants

The study was done in the period started from August 2013 to January 2015. Authors’ attitudes were concentrated on the activities of the internal structure called International Relations Department which operated under two types of universities in Moscow and other regions of Russia. The first type of universities included 8 public universities operating mostly due to the budget fond. The group included some famous universities such as Moscow State Pedagogical University. The second group was represented by 10 private universities successfully working during the last ten years. In the second group private university “Synergy” was indicated as the leading one in the Moscow region. Interview and survey of the group of top managers heading university International Relations Departments were seen as the main instruments of data collection.

2.2. Interim results of the study

Existing forms of international cooperation were indicated and analyzed during the study. The most popular directions and forms of international cooperation have been identified as follows:

- students’ exchange when Russian senior students participate in the training process in foreign universities and foreign students are trained in Russian higher education institutions;
- annual training of post-graduate students and young teachers at foreign universities and invitation of foreign PhD students to study in Russian universities;
- visiting professors and lecturers;
- scientific cooperation based on the project activity (mostly medium-term projects);
- new joint educational programs with the world’s leading universities;
- extension of the list of foreign languages learned at Russian universities under control of the invited native speakers from foreign universities;
- scientific and practical conferences which regularly take place in Russian and foreign higher education institutions;
- establishment of joint scientific editions in the form of abstracts and periodic journals.

The most noticeable directions of integration of the Russian higher education institutions into the global educational environment were indicated and tested by the authors. The considerable step in the direction of the integration of Russian higher education was in the line with Bologna Process (Fedotova, Platonova, 2014).

In 2010 the national system of high education in the Russian Federation accepted the three-level pattern. In accordance with the Bologna Declaration the Bachelor’s (4 years of study) and Master’s (2 years of study) degrees were adopted for the Russian educational area. At the same time the previous level of degree called “specialist” (5 years of study) was kept for some professional fields as military, medical and some other. Post-graduate study with the duration of one or two years leading to the Specialist Diploma or the Master degree has some national specific features. Scientific degrees in Russia include two levels of the doctoral degrees: Candidate of Science level (the first level equivalent to PhD) and Doctor of Science level (the second and the highest level).

Among other forms of integration into the global educational environment were indicated the following:

- borrowing and adapting complete cycles of educational programs into business education;
- usage of the mechanisms of accreditation of Russian higher education institutions by foreign accreditation agencies;
- establishment of special structural units at higher education institutions called by business schools under the patronage of the well-known foreign institutes which realize an additional program with the issue of a Diploma (for instance Master of Business Administration (MBA), ACCA professional accountant, Certified Management Accountant (CMA));
- opening of the departments for joint educational programs that on the one hand meet the Russian quality standards of higher education and on the other hand use the model of foreign educational institution being a partner with the issue of the diploma of both partners;
- joint investment into the development of distance and electronic learning allowing foreign students on the one hand to take courses of well-known Russian lectors and on the other hand attach Russian students to the groups of foreign students.

Application of comparative analysis methods and the analysis of statistical database obtained during the research allowed to show some differences in the approaches of the public and private universities to the process of international cooperation development and integration into the global educational environment using them as a tool for the improvement of own competitiveness.
3. Findings and Discussion

Recently Russian government has made considerable efforts in the field of legal regulation of the local educational market. One of the main objectives of governmental efforts was on the formation of legal conditions for the integration of Russian educational environment into the international one and European educational environment. The key documents - International Covenant on Economic, Social and Cultural Rights, Convention against Discrimination in Education and Universal Declaration of Human Rights - were fully adapted for the local legal regulation. Russian Constitution provides the state support for various forms of education. Freedom of choosing a public or private higher educational institution is guaranteed by the general laws.

Federal Law on Education in the Russian Federation (2012) has a special chapter devoted to the international cooperation in the area of education. Under the Federal Law the international cooperation in education is carried out in the following directions:

- expansion of opportunities of Russian citizens, foreign citizens and stateless persons for receiving access to education;
- coordination of interaction of the Russian Federation with foreign states and international organizations for the development of education;
- improvement of the international and interstate mechanisms of educational development.

The Ministry of Education and Science of Russia is a responsible governmental body for the coordination, implementation and financing of the intergovernmental cooperation agreements in the field of education. Russian Government has signed some international contracts with the other states on the multilateral and bilateral basis for the sake of achievement of these purposes. The main part of the contracts on the multilateral basis the government concluded with CIS countries for the regulation of the processes of the division of the earlier uniform educational environment. In the new educational environment formed by CIS countries Russia plays a key role allocating considerable quotas on training highly qualified specialist from the CIS countries.

Management of the International Relations Departments at private higher education institutions of the central and southern regions of Russia have confirmed that private universities have never participated in the state training program of highly qualified specialists according to these quotas. At the same time management of public universities have declared the fact that foreign citizens of the CIS countries are trained at the universities using governmental quotas and budget money. Management of the universities that were involved in our survey are sure that educational environment of CIS countries cannot be indicated as part of the global educational environment. They were unanimous in the opinion that the leading role of the Russian universities on CIS educational area does not facilitate the solution of the task on the integration into the global educational environment. The analysis of the answers given by the managers of International Relations Departments of the universities indicates that for them the task to enter the global educational environment is closely linked to the same one with higher education institutions operating outside CIS and Georgia.

In the development of the international cooperation of Russian higher education institutions some role is played by governmental contracts on the multilateral basis which were signed by the authorities with well-known international organisations (United Nations Educational, Scientific and Cultural Organization, European Commission, Shanghai organization of cooperation).

According to the obtained data approximately 65 % of the public surveyed universities are involved in the implementation of several programs under that type of the contracts. A more detailed examination revealed that one or two faculties of these public universities maintain regular communication and have active programs with similar faculties of foreign universities. One of ten private universities has confirmed its participation in the international cooperation using governmental agreements with international organizations.

Russian public and private universities are actively involved in international cooperation based on the bilateral agreements. The analysis of answers given by the management of International Relations Departments of both public and private universities shows that bilateral cooperation with foreign universities is the most widespread type of international cooperation for Russian universities. Thus, public universities are most often involved in the implementation of intergovernmental agreements. The Ministry of Education and Science of Russia publishes the list of the countries with which bilateral contracts on cooperation in education are signed periodically (Federal'nyy
zakon ot 29 dekabrya 2012 goda № 273-FZ "Ob obrazovanii v Rossiyskoy Federatsii", 2009). Private universities lined up cooperation based on direct contracts with foreign universities.

The assessment of the universities’ management role and different types of agreements is given in Table 1. Data was generalized on the basis of calculation of the average estimates received after the survey of 2 management groups of university International Relations Departments during the research (maximum assessment – 10 points, minimum - 1 points).

Table 1. Assessment of the universities’ management role and different types of contracts in the development of international cooperation

<table>
<thead>
<tr>
<th>Type of agreements</th>
<th>Cumulative average assessment of public universities’ management</th>
<th>Cumulative average assessment of private universities’ management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental agreements on the multilateral basis with foreign states</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Governmental agreements with international organisations</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Governmental agreements on the bilateral basis with foreign states</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Direct agreements on the bilateral basis with foreign universities</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>

High assessment of the role of intergovernmental agreements done by the management of public universities can be explained by the financing allocated with the state budget. Management of private universities is looking for the market mechanisms of using international cooperation and integration. This conclusion is confirmed by the analysis of the most popular forms of cooperation used by the public and private universities (Table 2 and Table 3).

Table 2. Evaluation of the role of international cooperation forms

<table>
<thead>
<tr>
<th>Forms of cooperation</th>
<th>Management of public universities</th>
<th>Management of private universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting lectors</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Student’s transfer</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Joint educational programs</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Scientific and practical conferences</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Scientific cooperation</td>
<td>8</td>
<td>3</td>
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</tbody>
</table>

Table 2 shows the evaluation of the role of the most frequently used forms of cooperation done by the management of International Relations Departments of the observed universities (maximum - 10 points, minimum is 1 point). Figures reflect an average evaluation of the role of each existing form of international cooperation calculated as the sum of all estimations done by the management and divided into the number of observed in each group of universities.

Table 3. Evaluation of the role of integration forms

<table>
<thead>
<tr>
<th>Forms of integration</th>
<th>Management of public universities</th>
<th>Management of private universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing and adapting complete cycles</td>
<td>3</td>
<td>9</td>
</tr>
</tbody>
</table>
of educational programs

Usage of accreditation mechanisms of the Russian higher education institutions 4 7
Establishment of special structural units 5 8
Development of distance and electronic learning 4 8

Private universities are aimed at international integration more than public higher education institutions. Management of private higher education institutions seeks to use limited financial source rationally.

4. Conclusion and recommendations

The main directions of international cooperation for public universities with foreign universities are seen in the sphere of scientific cooperation within several projects on the medium-term basis and periodic invitation of foreign lectors. Private universities use some sophisticated methods of international cooperation and integration into the global educational environment. The main directions of these processes have to be indicated as follows. The first step is implementation of complete cycles of educational programs of training and the second step is adaptation of the strategic development models close to the development model of the western universities. At the same time both private and public universities are to work out a new national model of integration into the global educational environment. Budgetary resources for the implementation of this model have to be distributed among public and private universities on a competitive basis.

References