million "deposit" before they are allowed to operate. In the wake of 9/11, stricter U. S. visa requirements curtailed the number of foreign students at American universities. Nevertheless, it is revealing that Russia enrolls about the same number of foreign students as Singapore, a city-state with a population of about 3 million.

While it will require massive changes to make Russia a magnet for the creative class, nothing genetic or cultural prevents Russians from doing well in the global knowledge economy. Some 40,000 individuals of Russian descent work in Silicon Valley; Sergey Brin was a founder of Google. If "*mentalitet*" is the problem, it is the mentality of officials at all levels for whom bureaucratic control and personal enrichment are higher priorities than a vibrant national economy. And it is the mentality of professional communities convinced that their traditions are the best and are threatened by the very competition that might allow them to prove this assertion. This is good news: Russia's problems can be addressed through incentives, institutions and professional associations.

Implications

What does this mean for Russian higher education in the coming decade? There will likely be fewer institutions, fewer students at most of the surviving institutions, and a growing disparity between the 40 or so flagship universities and the rest. There may be a "middle range" of 100–200 universities supported by regional governments, though the quality and funding of these institutions will vary depending on the wealth and competence of local governments. The group of flagship universities is likely to expand slightly, as regions lobby to include their best institutions and new schools like Skolkovo receive priority. Significant funding will not guarantee high quality: Asian and Latin American countries spend about the same share of GDP on education, with vastly different results. If the Russian government follows through with proposals to charge fees for secondary education, it will be impossible to sustain the network of universities. Unless incentive structures are changed and the institutional climate improves, especially with regard to corruption, Russian universities will continue to lag in the global competition. And unless the economy is diversified, the best Russian graduates will continue to seek opportunities abroad.

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ANALYSIS

Corruption and Informal Payments in Russia's Education System

By Eduard Klein, Bremen

Abstract

Since the collapse of the Soviet Union, corruption in Russia has increased significantly. Numerous studies suggest that petty corruption—particularly between ordinary citizens and low-ranking officials—is widespread. The education system is one public sphere where corruption seems to be endemic. Starting as a phenomenon characteristic of higher education, it is increasingly affecting secondary and even primary education. This article focuses on corruption in the educational process and provides a level-by-level overview of current corruption problems in Russia's education system.

Introduction

Following the collapse of the Soviet Union, Russia's education system changed fundamentally. In addition to several positive effects, such as the abolition of ideology and introduction of knowledge-based curricula, the emergence of private education establishments and a general expansion of the higher education system, most educational institutions faced serious problems. Among these was a significant increase in corruption.

Education corruption is not a new phenomenon in Russia. It already existed in Soviet times: In 1963 Nikita Khrushchev charged that "bribes are given … for admission to higher educational establishments, and even for the awarding of diplomas." However, in comparison to

the situation in the Soviet Union, education corruption during the last two decades achieved a new quality and quantity.

One of the main reasons for this development was the lack of state funding for educational institutions—while the Soviet Union had spent 9.6% of its GDP on educational purposes in 1986, Russia's expenditures for education declined to a nadir of 2.9% in 2000. These budget cuts forced institutions and their employees to develop alternative revenue mechanisms, both legal and illegal. When tuition fees were allowed in the early 1990s for the formerly tuition-free education system, the share of students paying for their studies reached more than 50% by 2000. Other legal sources of income included leasing educational buildings and other facilities to private entrepreneurs or private tutoring. But, according to estimates, even with this supplementary revenue the higher education institutions had only about 15–40% of the funds they actually needed. The necessity of filling this gap opened the door to corruption. A poorly defined legal framework, hybrid state and opaque admission procedures facilitated embezzlement, nepotism and other forms of corruption. Bribery and informal payments were widely viewed as a legitimate way to halt the collapse of the education system, providing underpaid educational staff the additional revenues they required to survive. Although the financial situation has improved in recent years, there has not been a corresponding reduction in corruption. On the contrary, it has grown continuously, leading to a situation in which education corruption is considered highly institutionalized.

Consequences of Education Corruption

Education corruption is understood as the "(systematic) use of public office for private benefit, whose impact is significant on the availability and quality of educational goods and services, and, as a consequence, on access, quality or equity in education." (Hallak & Poisson 2007). Corruption in this sphere is particularly harmful because it misallocates financial resources and causes serious social problems. If kindergarten, primary and secondary school or university admissions are based on informal criteria, such as bribery or kinship, children from poorer families become disadvantaged. Such an outcome undermines the opportunity for social mobility, the provision of which is a crucial function of education. The result is a vicious circle in which elites reproduce themselves and social and educational deprivation pass from one generation to the next.

In addition to the growing social disparity, corruption becomes increasingly socialized and normalized. Students who have positive experiences with corruption internalize the belief that informal practices are legitimate and more effective than formal ones. Since students generally do not have to fear any consequences from paying bribes, the likelihood that they will repeat corrupt patterns of behaviour later in life increases. Furthermore, it is likely that corruption affects the quality of education negatively and reduces not only the graduates' skill set but also the significance of diplomas. One of President Dmitry Medvedev's key goals, Russia's modernization, will be difficult to achieve without a well-educated populace.

In May 2010 Viktor Panin, vice president of the "Russian Consumer Rights Protection Society of Educational Services (OZZPOU)," concluded that corruption in the education system has become the norm "from kindergarten to dissertations." Despite a lack of reliable figures, he estimated the 2010 corruption volume to be $5.5 billion, calculated from "average expert assessments," which he does not explain further. But, since corruption is usually a "hidden" transaction, its actual extent is hard to determine. In this respect, Panin's estimates should be regarded with caution. According to him, $1.5 billion of the sum is spent on university admissions. This number is consistent with the findings of the Department of Economic Security of the Ministry of Interior (DEB MVD). Other sources, like UNESCO, estimate that the amount being spent on corruption for university admissions is $0.5 billion. Panin guesses that another $1.5 billion goes for corruption during the teaching process, for example on examinations, grades etc. He does not explain where the rest of the money ends up.

Corruption and Informal Payments in Pre-School Education

In pre-school education an alarming development took place during the last decade: parents were increasingly compelled to pay bribes to secure kindergarten places for their children. The reason for this development included social uncertainties caused by rapidly changing demographic trends and slow institutional responses to them. There has been a drastic decline in births since the mid-1980s: while in 1987, the birth rate peaked at 2.2 children per woman, the low point came in 1999, when women had an average of only 1.2 children. Subsequently, nearly 50% of the Soviet pre-school establishments closed in the 1990s. With the consolidation of the state beginning in the new millennium, the fertility rate slightly increased to 1.5 births per woman in 2008. Currently the demand for kindergarten places exceeds the supply. Long waiting lists have formed and parents frequently must wait up to three years for a free place. To avoid these problems, several informal mechanisms

have been established, resulting in an increase in corruption. In Moscow, for example, opaque "funds" for parents who want to donate money to elude the waiting list were established. The "donation" per child varies between 30,000 and 60,000 rubles (ca. $1,000–$2,000). The "fund managers" distribute the money among the kindergarten staff who administer the waiting lists and ensure that children of paying parents are admitted. The whole procedure can be seen as a highly formalized pattern of corruption including a bribe-giver, a bribe-taker and an intermediary.

The Higher School of Economics (HSE) regularly conducts an "Education Monitoring" project, which samples information on informal payments for educational goods and services. Its data show that in the 2007/08 academic year about 10% of the parents paid bribes (between 5,000 and 9,000 rubles or ca. $170–$320) to receive a place at the kindergarten of their choice. The share of parents bribing nursery school teachers to ensure that their children do well is also 10% (in Moscow 8%). Other forms of informal expenditures are even more common: for example, virtually every second family contributed either physically or financially to the renovation or maintenance of kindergartens.

The non-transparent procedures of indirect and direct bribes as well as other informal practices means that most parents have to pay for pre-school education, which is a violation of the constitution.

Corruption and Informal Payments at Schools

The shortage of places has also reached the first grades. According to the Federal Service for State Statistics, some 12,000 schools were closed during the past four years. Especially in bigger cities, waiting lines emerged at prestigious schools and parents pay "voluntary donations" to receive a place for their kids. Although the prohibition of school entrance examinations was confirmed officially, an increasing number of schools established informal admission tests. Most likely this opened the door for bribery during admissions.

Similar to kindergartens, informal payments and services are common at schools: Parents have to contribute to renovations, maintenance, security issues etc., and are promised good grades for their children in return. The above-mentioned HSE Education Monitoring found that 63% of parents (in Moscow 77%) participate in such services. One explanation for the popularity of these informal practices might be that it is harder to define them as "corruption" as the direct *quid pro quo* is missing.

In contrast, direct bribes for grades and notes at schools are rather uncommon. According to the HSE, only 7–8% of parents paid bribes (on average 2,000 rubles = ca. $70, in Moscow twice the sum) in the 2007/08 academic year.

Corruption during University Admissions

The pre-2009 university admission system was prone to corruption for several reasons: The entrance examinations were non-uniform, allowing standards to vary widely; some universities had oral, some written exams; some used so-called "dean" or "rector" lists, allowing top officials to approve "their" favourites (often the applicants paying the highest sums); and admission committees often were highly corrupt. In short, the system offered plenty of loopholes for bribery, nepotism, and other informal practices. To enter a prestigious university and receive a "budgetary" college place, one frequently had to pay several thousand dollars. The HSE estimated a total corruption sum of $520 million spent on the 2007 admissions.

In 2009, after a six-year testing phase, the Unified State Exam (EGE—*Yediniy gosudarstvenniy ekzamen*) was implemented to replace inconsistent and opaque procedures and to guarantee harmonized, transparent and fair admissions. The successful completion of the computer-based (and therefore objectively "fair") exam, similar to the American SAT, entitles the examinee to enter a higher educational institution. The exam became mandatory for all graduates of the 11th class.

One of the declared aims of the reform was the reduction of corruption during admissions. However, preliminary assessments indicate that the exam's capacity to function as an anti-corruption tool is rather weak (in contrast, other goals of the reform, for example the harmonization of curricula, were reached to a certain extent). In spite of the changes made, the volume of corruption during university admissions rose: While in 2009 between 30,000–60,000 rubles (ca. $1,000–$2,000) were paid to pass one of the eleven partial examinations of the EGE with a "very good" score, in 2010 an average of 100,000–150,000 rubles (ca. $3,500–$5,300) had to be offered. For financially disadvantaged families this sum is hardly affordable. The fair and open access to institutions of higher education promised by the reform did not materialize.

"Tutoring" is another field in which informal payments are widespread. Approximately one third of Russian parents (but only 9% of muscovite parents) engage such help. Previously the tutors' job was to prepare their pupils for the entrance examinations; nowadays they prepare them for the EGE. At least some of them work in a "grey" sphere of informality and use their contacts to place their students at a certain university or faculty. According to HSE's "Education Monitoring" project,

in 2007/08 parents paid on average 28,000 rubles (ca. $1,000) for tutoring.

In 2007 the independent *Levada Centre* conducted an opinion poll asking members of the public what they thought the main criteria for entering a university was. Two thirds of the respondents reported that they believed illegitimate financial means to be the decisive factor. Another 13% thought that personal relations were crucial. Only 17% were convinced that academic qualifications were the principal element. In light of these results, it is not remarkable that most Russians have a sceptical or even negative view of the EGE. The Public Opinion Foundation examined attitudes toward the EGE and found that during the pilot phase in 2005 29% of the population rejected the reform, while in 2010, after its implementation, the share of those with a negative attitude increased to 56%.

Corruption and Informal Payments in the Higher Education System

Corrupt practices occur not only in conjunction with access to institutes of higher education but also during studies. According to the HSE data, students and their parents spent a total of $98 million on bribes during studies in 2007. Since then the amount of corruption has increased considerably, but Panin's estimation of about $1.5 billion still seems questionable. Students, and quite often their parents (in some cases even without the knowledge of their children), bribe teachers to obtain grades, buy their way out of classes (e.g. Physical Education or "Basics of Life Safety" are unpopular compulsory subjects) or to change their field of study. In most cases students or their parents take the initiative, but there are also situations where teachers extort bribes. According to the HSE Monitoring in 2007/08 one out of ten families paid a bribe (the average annual sum being 3,000–4,000 rubles = ca. $75–$100).

Gifts to university employees are more popular than direct cash payments: one third of the surveyed families tried to influence the academic success of their children in this way. Since gifts to education personnel, often regarded as a polite form of bribery, are legal up to five times the value of the minimum wage, the threshold for this form of bribery is relatively low.

Another informal practice is accepting payment from students who want to repeat a failed exam: the first exam is deliberately designed to be hard in order to increase the number of failing students who afterwards have to register for the repeat test, which is usually fee-based. Students report that some tests are impossible to pass in their original form. Teachers justify the fee taking with their additional work expenses but de facto this practice is a form of extortion. In 2007/08 the yearly average expenditures for families affected was 6,600 (15,200 in Moscow) rubles ($160/$370 respectively).

Future Prospects

The current Russian education system is in a "corruption crisis" which has reached a critical stage in the view of many experts. The social consequences of education corruption primarily affect children from financially disadvantaged families who face declining possibilities to receive a good education. In its present form the EGE seems not only to be ineffective in reducing education corruption but, on the contrary, creates the impression that it is facilitating new kinds of abuses. This outcome proves that it is not sufficient simply to reform test procedures. A "reform of the reform" is needed as well as a wider approach to the problem, which addresses several spheres of education corruption and not just the admission system.

Part of this approach should be abolishing the practice of selectively applying sanctions: punitive measures must apply not only to a small group of unpleasant teachers but to *all* participating actors, including students, parents and intermediaries. Admittedly, this outcome might be hard to achieve since the judiciary itself is often corrupt. Furthermore, the financial situation of educational institutions must be improved, in particular the low wages that sometimes still do not even cover fundamental living costs. Information campaigns, which sensitize the public to the problematic of corruption, might be helpful, too. They are necessary to develop a general *mens rea*, which seems to be absent in the sphere of education corruption. Initiatives of other countries, namely the Lithuanian "Education Against Corruption" project, might serve as an example. Not only politicians but also educational institutions and civil society must play an active part in the fight against corruption. They all have a vital interest in solving the problem and should intensify their efforts. Institutes of Higher Education, for example, could engage ombudsmen who monitor corrupt activities and might also serve as contact persons for cases of corruption. Independent NGOs and the (local) media could support these actions and report not only about concrete incidents but also about the indications and consequences of corruption in general.

President Medvedev has acknowledged that his modernization program is only feasible on the basis of a corruption-free and intact education system. In 2008 he said: "The Russian education system should play a decisive role in shaping a new generation of professionals. Its previous successes were once recognised around the world. Today, despite some positive developments, the situation in education leaves much to be desired. Let us be frank: we were once in the vanguard and have now

fallen behind. This has become a very serious threat to our competitiveness."

Only time will tell whether this statement was just a rhetoric manoeuvre or will lead to real changes.

About the Author

Eduard Klein is currently writing his doctoral thesis on "Academic Corruption in Russia and Ukraine" at the University of Bremen with a grant from the Heinrich Böll Foundation.

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ANALYSIS

Higher Education Reforms and Global Geopolitics: Shifting Cores and Peripheries in Russia, the Baltics, and Central Asia

By Iveta Silova, Bethlehem, Pennsylvania

Abstract

When the Soviet Union collapsed in 1991, Russia and the newly independent republics of the Baltics, Central Asia, and the Caucasus engaged in redefining their political, economic, and social relationships vis-a-vis each other and the world. In the Baltics, the main impetus for reforms was "a return to Europe," which was reflected in the efforts to replace Soviet education policies and practices with European ones. In other parts of the former Soviet Union (for example, some countries of Central Asia), the intent was to hold on to the educational structures and practices introduced by Russian authorities during the Soviet period, while restoring some of the pre-Soviet traditions. And yet in other parts of the former Soviet Union (for example, the Caucasus), the desire was to explore alternatives by pursuing new educational alliances (for example, partnerships between Turkey and Azerbaijan). In most cases, education reforms became a part of the broader reconfiguration of the post-Soviet education space, including the re-definition of power relationships between the newly independent states, Russia, the European Union, and the world.

Different Visions, Similar Reforms

Despite vastly different visions of post-Soviet transformation trajectories, education reforms assumed striking similarities across the region. As Heyneman (2011) points out, higher education reforms included a move toward standardized testing as a criterion for admissions, a restructuring away from sector ministerial control, a diversification of provision, as well as a decentralization of governance, salary, and tuition structures. Taken together, these reforms constituted a part of the "post-socialist education reform package" that was transferred to the newly independent countries after the Soviet Union collapsed (Silova & Steiner-Khamsi, 2008, p. 1). In some cases, this "package" was imposed through the structural adjustment policies introduced by the World Bank and the Asian Development Bank. In other cases, however, it was voluntarily borrowed out of fear of "falling behind" internationally. Generally, the changes were perceived as necessary to "correct" the inefficiencies of the Soviet higher education system, while modernizing the system to meet the needs of market economies. Given the contextual diversity of the post-Soviet education space and the wide variety of geopolitical visions, why were post-Soviet education reforms so strikingly similar? More importantly, how and to what extent did these higher education reforms affect geopolitical re-