

**Marketization of the Russian University:  
Origins, Features and Outcomes**

by

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*Любимой маме*

*и доброй памяти папы*

*посвящается...*





## **ABSTRACT**

The present study develops our understanding of the transformations at the Russian University happened since the fall of the Soviet Union. I chose to describe these transformations with the label “marketization”. The main research question is: *What does marketization mean in the context of the Russian University?* This study aims to contribute to developing further the marketization concept by offering a theoretical framework for analysis of the phenomenon of University marketization. Based on this framework, the study investigates the phenomenon of the Russian University marketization documenting its origins, nature, features and outcomes. The study emphasizes importance of prior understanding of the unit of analysis, the Russian University, in order to achieve understanding of the studied phenomenon. Thus, the study also provides the institutional analysis of the Russian University which contributes to clarifying the idea of the Russian University for both local and international communities.

The study reveals that, for the Russian University, marketization appeared to be a critical juncture in its institutional development. This critical juncture was accompanied by abrupt, severe and extraordinary dramatic change that appeared in the form of change in the institutional dimensions of the University and a growing University engagement in marketing activities. Marketization of the Russian University was inseparable from an overall marketization of society. It originated as a desperate move, as a need for survival, as a needed initiative from the University itself. Thus, negative social consequences are more obvious than in the cases with planned marketization. It is unlikely that the Russian University is customer-oriented and focused on satisfying needs of each particular customer. However, this might be because the Russian University still perceives marketing as alien to its institutional nature.



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Sincerely yours, Tatiana Maximova-Mentzoni

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*Marketization of the Russian University:  
Origins, Features and Outcomes*

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## **FOREWORD**

16<sup>th</sup> of November 2007 – Baltic State Technical University (hereafter called BSTU or Voenmeh<sup>1</sup>) in St. Petersburg celebrates its 75<sup>th</sup> jubilee as a higher education institution (hereafter called HEI).



**Figure 0.1** In a BSTU hall on 16th of Nov., 2007  
[Source: the official internet-resource of BSTU, [www.voenmeh.ru](http://www.voenmeh.ru)]

For the first time in many years, the celebration of an anniversary is so open, friendly, fundamental, and festive. Established in 1875 as a vocational school, Voenmeh has experienced different political regimes and state ideologies, times of war and revolutionary transformations. Voenmeh has changed its name and status several times, but has always kept its original characteristics and held on to its ideals. As a higher education institution it has provided graduation for more than 60000 engineers for the national economy and it has helped to develop the national technical-engineering school. Today BSTU celebrates its anniversary in a circle of present and former students, faculty and administrators, receiving attention and compliments from state officials, leaders of industrial enterprises and the media (Fig. 0.1). Early in the morning, hundreds of university actors came to the Alma Mater to meet up with friends and mentors, to feel the well-known aura of the buildings, to share memories and to celebrate the university's old and recent achievements. This is a day when

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<sup>1</sup> The university got the name BSTU in 1993; it was called Voenmeh (Military-Mechanical Institute [in Russian: Военно-механический институт ("Военмех"), Voенno-Mehanichesky Institut ("Voenmeh")]) earlier. Thus, in the narrative I use the name "Voenmeh" when referring to the institute in Soviet times and the name "BSTU" when referring to the later period. Permission to use the university name in the monograph has been granted by the administration of BSTU.

you can really feel the spirit of a Russian university! However, to understand the Russian University as such requires more time and effort.

I am sketching this picture from my memory of participating in the celebration. That day, after six years of studies at BSTU, and after two more years of investigating the university in the framework of the present research project, I realized something important, something that has been hidden by the routines of everyday life. It felt as though I had found a missing piece of the mosaic. Yes, since the collapse of the Soviet Union the university has been struggling to survive, to hold on to its heritage, its faculties, its internal quality standards; the university has been actively adjusting itself to function successfully in a developing market economy, in a developing market for higher education. BSTU has diversified its academic structure and educational programs; it has mobilized resources, has developed relationships with foreign HEIs and has re-established relations with the state and local industry. But, it has also been learning how to use the tools of marketing. In spite of enormous challenges, changes, and losses the university has never given up! BSTU has always made its graduates feel proud of their study years here; it has always unified all people ever related to the university in some inexplicable common spirit. Unity, faith, gratitude – all this was in the air at BSTU that day.

This foreword opens the thesis by describing one day at one particular Russian university. The idea is to tune the reader in by introducing the case and by touching upon the conception of the study, and the themes to be further investigated. The case of BSTU provides just one example of the complex phenomenon of the Russian University. One of the objectives of the present study is to reveal the nature of the Russian University as an important national institution. However, the major agenda of this thesis is to illuminate the peculiarities of the recent transformations the Russian University has been going through since the fall of the Soviet Union.

# PART I

## *Background of the Study, Research Problem and Main Concepts*

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■ *Chapter 1. Introduction*

■ *Chapter 2. Marketization of the University: uncovering the concept*

## 1. INTRODUCTION



Figure 1.1 Mikhail Gorbachev<sup>4</sup>

*“No one is in a position to describe in detail what perestroika will finally produce. But it would most certainly be a self-delusion to expect that perestroika will produce a copy of anything. Of course, learning from the experience of others is something we have been doing and will continue doing. But this does not mean that we will come to resemble others. Our [Russian] state will preserve its own identity within the international community. A country like ours, with its uniquely close-knit ethnic composition, cultural diversity and tragic past, a country with the greatness of its historical endeavors and the exploits of its peoples - such a country will find its own path to the civilization of the twenty-first century and its own place within it”<sup>2</sup>*

(Gorbachev<sup>3</sup>, 1990).

The main objective of Chapter 1 is to introduce the research issue. The present study is empirically driven, so the empirical puzzle is illuminated first. The narrative proceeds with the literature reviewing the transformations that HEIs worldwide have recently been undergoing. I emphasize some of the transformative processes triggered by the logic of the marketplace. In this study, I examine the fundamental transformations occurring at the Russian University since the fall of the Soviet Union. I argue that these changes can be summarized under the heading “marketization”. The literature review then aims to explain why the term “marketization” is employed. Chapter 1 ends by formulating the purpose of the study.

<sup>2</sup> Translated by the author.

<sup>3</sup> Mikhail Sergeevich Gorbachev (in Russian: Михаил Сергеевич Горбачёв) - the last General Secretary of the Communist Party of the Soviet Union and the last head of state of the USSR (1985 – 1991).

<sup>4</sup> Source: the official internet-resource of the Gorbachev Foundation, [www.gorbi.ru](http://www.gorbi.ru).

## 1.1 Empirical puzzle

This study is empirically driven. The impulse for the study comes from observing the dramatic transformations that took place in Russia after the fall of the Soviet Union. Political, economic, social changes in the country following the fall of communism and the inefficiency of plan economy influenced pathways of development in different national institutions by triggering revolutionary changes in their way of functioning. “The Russian University”, this particular institution, was severely damaged learning how to function in the new environment in which market logics started to rule. In this section, I would like to present some evidence of the announced statements. By doing so, I illuminate an empirical puzzle that made me anxious to initiate this study.

### *1.1.1 From totalitarianism to democracy, from plan to market*

The case of Russia is unique in many senses. The splendid history of the state; the enormous land mass (just over 17 million square kilometers); the communist regime during the period 1917-1991, far longer than in any other state, “*the close interdependence between traditional Russian culture and Russian communism*” (Zagorsky, 1993:4); prejudice and pre-judgement from Western society as a result of Soviet power and The Cold War; renovation of the country after the collapse of the Soviet Union – this is the context which provided the Russian University with dramatic rhetoric worth of being examined in depth. However, what makes the Russian case especially interesting for the present study, are the recent transformations in the country.

Oleinik argues that “*the changes that have occurred in Russia... since the end of the 1980's provide us with rich empirical data*” (Oleinik, 2005: xiii). The term “transition” is often employed to describe the recent changes in Russia; but this actually minimizes the process. In fact, it was a “*peaceful revolution*” characterized by “*the complete transformation of*

*economic, political, and social spheres*” in Russia (Wegren, 2000: 46). Thus, it offers quite a challenge to present the scope of recent transformations in Russia over just a few pages. However, I deem it crucial to specify the context of the study, in order to make it clear under what conditions the Russian University marketized itself. In the following section I provide an account of the last years of Soviet Russia and the transition to a “new” Russia<sup>5</sup>.

By the beginning of the 1990’s, Russia, being part of the USSR, had already been undergoing major transformations. Starting in 1987, perestroika – the restructuring of the economy – was well in progress, as the state had already experienced the economic and politic crisis. During the January plenum session, Mr. Gorbachev proclaimed the meaning and main features of perestroika: *“the overcoming of stagnation via the increased utilization of technology; the activization of the human factor via samoupravlenie<sup>6</sup>, glasnost<sup>7</sup> and respect for the individual; improved management based on khozraschet (profit and loss accounting); the improved use of science and its integration into industry; the alignment of social policy and social interest; ridding society of ‘deviations from socialist morality’”* (Robinson, 1992: 425). Mr. Gorbachev made it clear that *“economic reform was conceivable only in association with a far-reaching ‘democratization’ of the political system”* (White, 1990: 3) and democratization of Soviet society. To name a few outcomes, the political reform resulted in a new electoral law, new concepts of “socialist law-based state<sup>8</sup>”, “socialist pluralism of opinions<sup>9</sup>” and “the limitations of the functions of party<sup>10</sup>”, and consequently in constitutional amendments (White, 1990; Robinson, 1992). Concerning the Communist party, however,

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<sup>5</sup> For a detailed overview of the political and economical transformations Russia went through from the middle of the 1980’s see, for example, Yeltsin (1994), Åslund (1995), McFaul (2001), Gorbachev (2006), Shevtsova (2007).

<sup>6</sup> Samoupravlenie [in Russian: самоуправление] – a Russian word; a close translation is “self-government”.

<sup>7</sup> Glasnost [in Russian: гласность] - a Russian word added to the international vocabulary by Gorbachev; a close translation is “openness”.

<sup>8</sup> In Russian: социалистическое правовое государство [sotsialisticheskoe pravovoe gosudarstvo].

<sup>9</sup> In Russian: социалистический плюрализм мнений [sotsialisticheskii plyuralizm mneniy].

<sup>10</sup> In Russian: ограничения функций партии [ogranicheniya funktsiy partii].

Gorbachev's intentions were not to change the place and nature of the party, but the nature of its work (Robinson, 1992).



**Figure 1.2** Protests begin - 19th of Aug., 1991, Moscow  
[Source: BBC News, <http://news.bbc.co.uk>]

By the end of 1991, it became obvious that the reforms that had taken place, just made things worse. The state finances faltered and resulted in a precipitous fall of production, a supply crisis, a massive budget deficit (up to 30 %), a huge monetary overhang, and inevitable hyperinflation (Åslund, 1995). 19<sup>th</sup> -21st of August 1991 are the tragic days of the anti-Gorbachev coup. Tanks roll into Moscow; public opposition is led by Yeltsin (Fig. 1.2). Under pressure from the opposition and the public, the armed forces showed reluctance to support the “coup-plotters”. This predetermined theirs, as well as Gorbachev’s way out. The communist political system fell apart in the fall, 1991. By the end of the year, Gorbachev resigned as the Soviet President. The USSR had ceased to exist.

Perestroika dismantled “*much of the Soviet command system prior to establishing a new market order*” (Gregory, 1991), but the replacement, market mechanisms, had not yet been established (Gutman, 1991; Åslund, 1995). The plan economy system foundered in 1990 and 1991. Russia was close to chaos; the collapse of the state was a fundamental issue. A number of tasks needed to be resolved quickly: building a new state and democracy, implementing large-scale privatization and building a legal system – to name a few (Åslund, 1995). Building

a market economy (Åslund, 1995) and introducing “market ideology” into different sectors of society can be named as the main purpose of the transformation processes in the post-socialist countries in general (Czarniawska & Genell, 2002) and most particularly in Russia. To elucidate the range of changes Russia underwent transforming from plan to market economy, Table 1.1 presents a comparison of the key business dimensions of plan and market economies.

Criteria	Plan Economy	Market economy
<b>Decision making</b>	Highly centralized, party, government, planning bureaucracy takes economic decisions related to the macro- and micro-economic level; political-administrative dominated management of economy and companies; price regulation by the state	Autonomy of companies, limited or no interference of the state
<b>Information gathering</b>	Top down planning process, especially quantitative balancing of output and input at macro and micro level	Price-market mechanism
<b>Ownership of the means of production</b>	State-owned companies, sometimes cooperative property	Private property
<b>Motivation</b>	Moral and material incentives directed at the fulfillment of national economic plans	Maximizing of profits, development of individual personality
<b>Demand/Supply</b>	Global shortages, excess if consumer demand	Oversupply, increased consumer selectivity
<b>Pricing</b>	Fixed pricing	Liberalized prices

**Table 1.1** Contrast of planned and market economies  
 [Based on Springer & Czinkota, 1999: 30, Ennew et al., 1993]

The basic features of the plan economy of the USSR included state ownership, denial of market and competition, central planning, state pricing using the cost-based method, closeness of the economy, the lack of goods, administrative bureaucracy (Brodsky, 2005). In the Soviet Union, marketing as a firm strategy was undesirable or, perhaps more accurately, ideologically forbidden: marketing, as a capitalist idea, could harm power of the Party, as the principles of marketing were contradictory to the main principles of the political economy of socialism (Springer & Czinkota, 1999; Fox et al., 2008). So in Soviet Russia, no marketing culture existed. Due to many constraints, “*the managerial readiness and capability to use*

*marketing as a management concept did not exist*” (Springer & Czinkota, 1999: 32).

Moreover, both the psychology of consumerism and the psychology of management and labor in the Soviet Russia were highly influenced by the command-administrative system of the Soviet Union. However, companies operating under the principles of plan economy did use marketing tools - research, exhibitions, advertising, etc. - but in an unsystematic way. Since 1985, the Russians had talked about the market. However, the term “market” was often associated with “crisis” and “uncontrollability”: it was what Russians experienced when perestroika had attempted to implement some market mechanisms. So, transition to the market required not just a transformation of the economic system, but also shifts in people’s psychology.

At state authority level, expecting that the market would solve all problems was *“a delusion, a conscious delusion”<sup>11</sup>* (Gorbachev, 2006: 8). At the beginning of the 1990’s, Yeltsin characterized the situation in Russia as follows: *“We hoped for paradise on earth, but instead we got inflation, unemployment, the economic and political crisis”<sup>12</sup>* (Yeltsin, 1994: 67). The state was weak and “shocked”, so thorough rehabilitating transformations and strengthening of the state proved impossible in the short run. Macro-economic reforms implemented in Russia in the 1990’s led to an “institutional trap” in the country, *“the situation where the negative consequences of the macroeconomic decisions initially resulting from honorable intentions acquire a long-lasting character”* (Oleinik, 2005: xiii): barter, payment arrears, tax evasion, corruption, an institutional trap of post-privatization. In 1998, the scholars Polonsky & Edwards reflecting on the transformations in Russia concluded: *“there is little doubt that the transformation in Russia is taking place in an unpredictable and rapidly changing environment. There are many unknown variables, e.g., the future macro-economic framework for reform and the future political development. [...] Whatever the context, any future*

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<sup>11</sup> Translated by the author.

<sup>12</sup> Translated by the author.

*developments must be congruent with the enduring peculiar Russian characteristics and culture of the people. [...] A predicted outcome is “a market economy – Russian style”* (Polonsky & Edwards, 1998: 338). In Russia, however, this had already been clear since the beginning of the 1990's. Eliminating positive and negative sides of market, Belyaev (1992) stated, that in the Russian context, attempts to copy practices from abroad and then apply them without cardinal changes were doomed to failure. So integration of local and foreign experience was required (Gorkova, 1993).

Interestingly enough, nowadays one third of Russians still miss the Soviet Union, and one fourth of Russians long for the plan economy<sup>13</sup>. In Russia, many associate the plan economy of the Soviet Union with a period of relative stability<sup>14</sup>. Many Russians also tend only to remember the bright side, forgetting the dark side of life and the missed opportunities (Springer & Czinkota, 1999). As Russian sociologists conclude, Russians live in the past or in the future. It is one of the fundamental features of the Russian national character (Ovsyannikov, 1993). It is important to bear this in mind when conducting research in Russia in general, and when looking at the results of this present study in particular.

### *1.1.2 The Russian University in transition*

The revolutionary events described above changed *“the face of Russia in a short time”* (Wegner, 2000: 46). This of course had a crucial impact on national institutions. Since the end of the 1980's, the Russian University has kept rehabilitating itself. In the following, I would like to name just a few problems the Russian University had been facing when I started the study in 2005. Discussing the change in Russian higher education since the fall of the Soviet

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<sup>13</sup> Results of the survey conducted by The Levada-center ([www.levada.ru](http://www.levada.ru)) in September 2007. 1600 Russians in 128 settlements situated in 46 regions of the country were questioned.

<sup>14</sup> ‘Tret’ Rossiyan Toskuut po Sovetskomu Souzu (One Third of Russians miss the Soviet Union)’, *Komsomolskaya Pravda*, 25.10.2007; [www.kp.ru](http://www.kp.ru).

Union, academics, and also leaders of important Russian HEIs (see e.g. Engibaryan<sup>15</sup>, 2004; Kouzminov<sup>16</sup>, 2004; Sadovnichiy<sup>17</sup>, 2005), stressed the imbalance between the structure of Russian higher education and the demands of the labor markets. The transition period also affected the research function of the University. There was a low percentage of scientific work at Russian HEIs: approximately 60 thousand of in all 300 thousand lecturers at HEIs were engaged in research. Representatives of Russian universities also mentioned destruction of the Russian University moral, involving bribery and corruption, as running rife at Russian HEIs during the 1990's. During this period, the faculty was one of the main concerns at Russian HEIs. As from the beginning of the 1990's, there was a considerable reduction in the salaries of lecturers. This resulted in the "brain-drain" from HEIs, and also made it unattractive for young people to pursue an academic carrier. In 2005 the average salary of associated professor was about 200 U.S. dollars and the average age of University faculty staff was 55. Students experienced insufficient financing as well: the scholarship provided for a student at a state HEI was two and a half times less than necessary in order to provide living (Engibaryan, 2004; Kouzminov, 2004; Sadovnichiy, 2005). Moreover, according to the forecast, in 2013 there will be 40 % less secondary school graduates than in 2004 (Kouzminov, 2004.). Russia is experiencing a demographic decline - to some extent provoked by the revolutionary transformations of the 1990's. These problems are strongly connected to remnants of the Soviet educational system.

As a response to the dramatic state of affairs at the Russian University, the government launched a new reformation cycle for the period 2000 – 2010 years. The prior directions in Russian educational policy are (Colleague resolution N ПК-5, 2004): improvement of

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<sup>15</sup> Engibaryan, R. - at the time of the publication, the director of The International Institute of Management at Moscow State Institute of International Relations University (MGIMO).

<sup>16</sup> Kouzminov, Ya. - at the time of the publication, the principal of Governmental University – Higher School of Economics.

<sup>17</sup> Sadovnichiy V. - at the time of the publication, the principal of Moscow State University.

education quality, provision of affordable education and increase in education investment attractiveness. *“The role of education at a modern stage of Russia’s development is determined by the problems of its transition to a democratic and legal state, to the market economy, with the necessity to overcome a danger of lagging behind world tendencies of economic and social development<sup>18</sup>”*, - this is how the order concerning modernization of the Russian education structure starts (Order № 393, 2002). The Russian University is being reformed.

The reformation of the system of higher education in Russia is not, however, something extraordinary. Restructuring the Russian higher education system took place in almost every quarter of a century: in 1804, in 1835, in 1863, in 1884, in 1905, in 1917, in 1929, in 1958, and in 1991. The magnitude and character of reforms and their consequences were different, but substantial in each case (Mitin & Bolotin, 1998). The present study does not aim at investigating the reforms in the Russian higher education system as such. The focus is rather directed at how the Russian University, this particular national institution, has transformed itself to adjust to new market conditions in the country. In the middle of the 1980’s, an article was published elucidating negative sides of commercialization of HEIs taking place in the USA and Western Europe. The article<sup>19</sup> was entitled “You want to study? – then pay for it!” – this sounded terrifying for Soviet youth. In those days, higher education was free of charge in the USSR. In addition, all students received scholarships providing them with enough to live on; for those who needed it – free room in a dormitory; after graduation everyone was assigned to a workplace. Suddenly, it all had to change. After the adoption of a market system in the early 1990’s, Russian HEIs have been going through severe market-oriented transformations.

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<sup>18</sup> Translated by the author.

<sup>19</sup> *Za Inzhenernie Kadri*, №17 (2014) dated 01.06.1984.

At first glance, the general trends are as elsewhere: education commercialization, the prominence of fee-charging, the emergence of private educational institutions, etc. The Russian University has recently been put under pressure by the new economic model for state development: this has made higher education cheaper for the state, as financial responsibility has been transferred to families. When I started developing this research project in 2005, the statistics were as follows: in the state budget for 2005, total education costs were planned to be 8,6 % less than the previous year (Chernyshov, 2005). On average, just about 50 % of University expenses were financed by the state: in order to survive Russian universities had to earn the other 50 % themselves (Sadovnichiy, 2005). There were about 6,5 million of students in Russia: approximately one million of them studied in non-governmental commercial HEIs and about 3,5 million studied at governmental HEIs on a commercial basis (Chernyshov<sup>20</sup>, 2005). The opportunity to supply educational services for tuition fees made an impact on the development of the Russian University: it broadened students' choice of universities and educational programs, etc. and allowed universities themselves to obtain additional funding for their modernization (Zernov, 2005). In the protocol that stated the priorities of Russian education system development, it is documented that *"in terms of global competition the modern system of education is obliged to provide a formation of effective market for educational services responding to the state's demand for qualified employees<sup>21</sup>"* (Protocol №47-1, 2004). This is, however, just the beginning of the story called "Marketization of the Russian University". The present study continues telling it right up until the last chapter.

Concluding this section, it is worth putting into words the puzzle spurring me to initiate this study. As exemplified earlier, since the end of the 1980's and during the early 1990's Russia experienced severe shocks: perestroika, the fall of communism and the collapse of the USSR,

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<sup>20</sup> Alexey Chernyshov – in those days he acted as the Chairman of Education and Science for the Russian Government Duma.

<sup>21</sup> Translated by the author.

the economic and political crisis, armed conflicts, the fall of production, the supply crisis, etc. I have particularly emphasized the difficulties the state, its people, institutions and enterprises have had to overcome during the transition from the plan to market economy. The changes in the state were revolutionary. If one were to look closer at a particular national institution, the Russian University for instance, one may find evidence of revolutionary changes at the institution as well. What are these transformations? How can they be described in conceptual terms? How can they be examined methodologically? What contribution can I make into understanding the recent transformations, and hopefully into improving the functioning of the Russian University? These were the questions I was asking myself before I decided to initiate the research project documented in this thesis. I proceed with the literature review on transformations in higher education that have taken place worldwide. The literature review aims to position the study within the existing research, to introduce the key concepts of the study and to provide the rationale for the defined purpose of the study.

## **1.2 The main concepts of the study**

The University is known to be the “*one of society’s great inventions*” (Newman et al., 2004: 1). As Rüegg puts it, “*no other European institution has spread over the entire world in the way in which the traditional form of the European University has done*” (Rüegg, 1994: xix). Indeed, initiated in Bologna and Paris more than 900 years ago, the idea of the University was adopted and “translated” by other countries worldwide. In addition to the expansion and territorial diversification of the University, since the Middle Ages, the University has developed its institutional identity - influenced by territorial, political and religious factors, war conflicts, discoveries, scientific and technological revolutions, changing perspectives on what university should be, etc. (Rüegg, 1994). Thus, even if the University has appeared to be a long-lasting and rather stable institution, in different periods of its lifetime it has been subject to fundamental transformation.

During the last couple of decades, the power of transformative forces grew so strongly that universities all over the world have had to transform themselves in response to different types of pressures. In spite of rather different national identities, universities all over the world have been exposed to the same problems. Nowadays, *“the tasks which the universities are expected to perform are so multifarious, so subject to change, often so mutually contradictory, and also so immediately pressing that the universities are under unceasing pressure to deal with them and to bring them into harmony with their own traditional aims”* (Rüegg, 1994: xxi). In the light of these transformations, the idea of the University has become blurred. New missions, new roles, new establishments and increasingly changing identity have led to a growing variety of interpretations of “university”.

Thus, in this literature review I first inform the reader about the basic perspectives scholars employ to study the phenomenon of “university”. At present, there exists neither a unified vision of a university nor a unified definition. That is why it is important for the present study to clarify which of the existing meanings of “university” is in use. Having made this statement, I then go on to provide a more detailed analysis of the ongoing transformation processes at the University. The body of literature covering this issue is vast and it keeps growing. This is why I must here underline that I do not aim to name and review all different transformation trends at the University recently referred to by scholars. I illuminate some of the transformation processes that, to various extents, were triggered by the logic of the market. Further, the emphasis is put on “marketization” - this particular transformative process being the focus of this present study.

### *1.2.1 The phenomenon of University seen in different perspectives*

Nowadays, in the era of turbulent global changes, societies’ institutions, including the University, are in the grip of transforming changes. We have reached the point where

interpretation of the contemporary University is vague (Readings, 1996; Dahllöf, 1996; Gray, 1999; Barnett & Standish, 2003; Denman, 2005). Newman's simple and clear definition of the University as "*a place of teaching universal knowledge*" (Newman, 1899/1996: 3) is no longer favored. Contemporary scholars confess that Newman's expansive view of the University "*has contributed to institutional confusion and difficulty in establishing a strong sense of mission*" (Turner, 1996: 259). Nevertheless, in the era of supercomplexity when it is a jeopardy to define the University in terms of universality, when there is a saying that the University is "in ruins" (ref. Readings, 1996), when not even a universal definition of "university" exists (Denman, 2005), it is a point of honor for philosophers of education not to give up and continue speaking meaningfully of the University (Barnett & Standish, 2003). Depending on the level of analysis and theory in use, scholars refer to "university" in different ways, but mostly with regard to "organization", "institution" or "instrument". This section provides a short overview of these basic interpretations of "university".

On the one hand, the term "institution" is often used as a key word to define "university", underlining the significance and importance of the University as well as its complex nature. The institutional perspective often implies a macro, nation-state or even continental, global view on the University phenomenon. Perry & Wiewel, for instance, see the University as "*one of western civilization's key institutions*" (Perry & Wiewel, 2005: 3). In "The history of universities in Europe", scholars refer to the University as to the important European institution – "*the only European institution which has preserved its fundamental patterns and its basic social role and functions over the course of history*" (Rüegg, 1994: xix). Thus, the University is often seen as an institution reflecting "*the historical experience of a community*"; an institution that takes "*time to root*" and an institution that is "*difficult to change rapidly and radically, except under specific circumstances*" (Olsen, 2005: 6). Moreover, being a major public institution, the University can be considered an independent

institution or a sub-system of the state (Bleiklie, 1999; Kogan & Marton, 2000). In the first case, according to idealist tradition, universities share a great deal of institutional autonomy, while the state guarantees the autonomy of the University and protects it from external pressures. The second case is described within the functionalist tradition considering the University *“as a part of the cultural subsystem of the society”* (Bleiklie, 1999: 512). But, as *“we often take for granted that we know what institutions are”* (Campbell, 2004: 35), we often take for granted that the University is an institution. However, it is only vaguely explained why we synonymize “university” and “institution” so often.

On the other hand, scholars often refer to “university” as an “organization”. For instance, Denman proposes the following definition: *“a university is a complex higher education organization that is formally authorized to offer and confer advanced degrees in three or more academic disciplines or fields of study”* (Denman, 2005: 11). This is a rather individualistic perspective that is less concerned with history, traditions, territory and relations. From an organizational perspective universities used to be seen as *“loosely-coupled systems”* or, more colorfully, *“organized anarchies”* (Bartell, 2003: 53). Universities have long been seen as unique organizations as they are *“essentially different from all other organization types”* (Tiplic, 2008: 13), different *“in institutional setting, in purpose, in operation, and hence in internal organization”* (Millett, 1962: 32). However, more recently scholars have admitted to the fact that universities have become more organized. In other words, the organizational specificity of universities is subjected to doubt (Musselin, 2007). Krücken & Meier (2006) talk about *“turning the university into an organization actor”*. Ramirez compares the university with *“a rationally managed organization”* that has *“an increasingly standardized organizational identity”* (Ramirez, 2006: 241). However, supporters of the specific organizational nature of universities, while acknowledging the introduction of managerial reforms at universities, argue that *“the specificity of universities*

*should not be ignored and that change should build on their [universities'] specificities"* (Musselin, 2007: 79).

Olsen (2007) emphasizes another view of the "university" – an instrumental one. Within this perspective, the University is seen as an *"instrument for achieving the predetermined preferences and interests"* of different groups (Olsen, 2007: 25). Three basic visions of University as an instrument are then distinguished. First, the University is a tool for shifting governments and national political agendas (Barnett & Standish, 2003; Olsen, 2007; Gornizka & Maassen, 2007). Second, the University is *"an instrument for a variety of internal individuals and groups constituting a representative democracy"* (Olsen, 2007: 29; De Boer & Stensaker, 2007). Third, the University is an instrument for external "stakeholders" and *"customers" treating the University as service enterprise embedded in competitive markets"* (Barnett & Standish, 2003, Olsen, 2007: 29).

Very often though, students of higher education do not distinguish "university": it is often seen as one of the elements in the system of higher education (see e.g. Millett, 1962; Teichler, 1988; Clark, 1983). In their book "University Dynamics and European Integration" Olsen & Maassen accentuate that by "University" they mean *"the traditional European research University as well as other types of higher education institution"* (Olsen & Maassen, 2007: 3). But, national systems of higher education include different types of institutions with different hierarchies both within and across the categories (Bleiklie, 2005). In different national contexts and within different categories of HEIs, institutions are different *"because they educate students for different occupations, are rooted in different traditions and occupational training and have ties with different parts of the labor market"* (Bleiklie, 2005: 39). As for universities, during the last couple of decades the nature of "university" has become extremely complicated as universities all over the world have been exposed to a number of transformative forces. Thus, "university" has recently been entitled with such epithets as *"a*

*corporation*”, as “*a site of academic leadership*”, as “*the ideological arm of the nation-state*”, as an electronic provider of educational services that reduces costs and provides more flexible access to the university education (Inayatullah & Gidley, 2000: 6-7). In fact, Denman claims that “*at present, there is no one [single] definition of a university*” (Denman, 2005: 9), as diversified as they now are around the globe. That is why, nowadays, it is especially important to make distinctions between universities and other forms of higher education (Denman, 2005). It is important to speak meaningfully of the University (Barnett & Standish, 2003).

As emphasized earlier, there are different views concerning what the “university” is. For the purposes of my present study, I chose to employ the institutional perspective<sup>22</sup>. Thus, the Russian University is seen as a national institution with its specific characteristics and qualities. Theoretical background supporting this choice as well as deeper conceptualization is presented in Chapter 3 and Chapter 4, respectively. Further, in Chapter 6 the empirical investigation reveals the peculiarities of the Russian University.

### *1.2.2 The University in the grip of transnational transformations*

The University is not the same as it was 30 years ago. National and transnational environments have changed: in some countries - more or less smoothly, in others - dramatically. The University as a global phenomenon has been affected and pushed to change to different extents in different localities. Anyway, a number of changes and trends are common to universities worldwide. There is a growing body of literature that documents and discusses, at both institutional and organizational levels, the changes universities have recently been going through. This section briefly informs the reader of the prerequisites of recent transformations and about the ongoing trends that change the functioning of

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<sup>22</sup> In the text, “the University” written this way emphasizes the institutional view.

universities on the global scale. Further in the section, speculations concerning possible triggers of transformation processes are listed in order to determine the most influential and powerful forces.

#### 1.2.2.1 Prerequisites

Starting in the 1960's, an extraordinary expansion of the University has taken place (Teichler, 1988; Meyer & Schofer, 2007). The number of universities within and across countries has increased dramatically. As Frank & Meyer put it, "*expansion in universities and student enrollments characterizes every sort of society in the modern world*" (Frank & Meyer, 2007: 21). Such a tendency had a reasonable background: the pressure of an increasing number and diversity of students, and the necessity to match special national manpower requirements to contribute to a regional economy (Shattock, 1994; Frank & Meyer, 2007). For instance, English "new" universities got their inspiration from the innovatory inter-disciplinary programs or from a technological character with sandwich courses including industrial placement in mid-programs (Shattock, 1994). Renamed after the events of 1968, French university colleges have recently been referred to as "new" or "small" universities in order to distinguish them from the traditional universities as they only provide a limited number of dominant areas (Staropoli, 1994). In Norway it is possible to acquire a university and PhD degree in university colleges. These colleges were established because traditional universities did not satisfy the need of the Norwegian industry and commerce community in the field of more practical and vocational knowledge (Kyvik & Skodvin, 1996).

The University expansion cannot just be measured in territorial and enrollment terms (Teichler, 1988). The academic structure has also been considerably diversified. As Frank & Meyer put it, "*whole new territories of study – once forbidden, others ignored and forgotten – entered into the university's dominion*" (Frank & Meyer, 2007: 21). The recognition and

remarkable growth of the social sciences provides a good example. Frank & Meyer also point to the substantial growth of organizational structure of the University, *“which over centuries has broadened to include scores of additional organizational elements and professional staff categories”* (Frank & Meyer, 2007: 21).

On the global scale, “the elite University” paradigm was displaced by “the mass University” one. The University expansion, this particular trend, complicated the institutional nature of the University. However, the more complicated processes of change lay ahead. Olsen & Maassen note that nowadays environments are changing so rapidly *“that universities are not able or willing to respond adequately”* (Olsen & Maassen, 2007: 3). So what are the catalysts that compel universities worldwide to change?

Before looking into transformation processes at the University, we may want to try and understand changing political, economical and social landscapes. As Bleiklie & Powell put it, *“pressures for reform or change are not only generated from higher education policy makers, but stem from a number of forces inside and outside the formal higher education sector, such as perceived or real demographic, economic, and social changes”* (Bleiklie & Powell, 2005: 1). Nybom (2007) adds ideological, technological, and scientific driving forces. But, studying transformations in higher education, scholars often refer to market forces as the most powerful external forces of transformation during the last couple of decades (Newman et al., 2004; Frølich, 2006). On the global scale, *“market logics have moved in about a century from reflecting marginal ideas in a few liberal intellectual centres to becoming a structuring force of the transnationalizing world”* (Djelic, 2006: 33). The next section brings up some of the transformative trends at the University that are known to be triggered, to different extents, by market forces.

#### 1.2.2.2 Trends

During the last couple of decades, a number of transformational processes have affected the institutional development of the University. A wide range of literature exists about recent transformations at the University. Some of the studies are rather general: various trends are highlighted. These trends denote different, though in many ways intertwined dynamic processes of institutional change at the University. Depending on theoretical perspectives, these studies aim to describe, question or explain the influence of transformations on different institutional or organizational aspects of the University: the idea of the University and its missions, the resources, the organization, the governance, etc (see e.g. Trowler, 1998; Inayatullah & Gidley, 2000b; Kogan et al., 2000; Amaral et al., 2002; Bleiklie, 2002; Maassen & Olsen, 2007).

However, to understand aspects of institutional change at the University, scholars have investigated particular trends more closely. A growing amount of studies exist that emphasize one particular transformation process: organizing, managerialism, marketization, Europeanization, etc. Further, I briefly introduce the named transformation processes in order to position “marketization” as one of the trends initiated by the growing power of the market.

A vast body of literature is devoted to study the reforms aimed at ‘organizing’ the University. To compete in national and international markets successfully, universities become “*more broadly inclusive, socially useful, and organizationally flexible*” or more rational as organizations (Ramirez, 2006: 225). This process can also be called ‘*constructing of organizations*’ (ref. Brunsson & Sahlin-Andersson, 2000) or ‘*turning universities into organizational actors*’ (ref. Krücken & Meier, 2006) that are able to act strategically and position themselves in relation to their competitors.

For instance, let us look at the New Public Management (hereafter called NPM) reforms. In 1980's – 1990's there was a global trend to change governance and administration of public service organizations (Hood, 1991; Sahlin-Andersson, 2001) *“to bring their management, reporting, and accounting approaches closer to... business methods”* (Dunleavy & Hood, 1994: 9). Before reformation, traditional public service organizations in many countries operated as “incomplete” or lacked some key aspects of organizations. Thus, in fact, many NPM reforms may be interpreted as ones directed on the construction of “complete” public organizations with *“clear organizational boundaries, local hierarchical control over the activities of its members, a clear idea of its own special mission and characteristics relative to other organizations (in particular those with similar tasks), goals for the organization as such rather than general external objectives, and a local management responsible for achieving organizational results”* (Brunsson & Sahlin-Andersson, 2000: 735).

During the last 20 years, reforms in public sector have turned universities worldwide into more rational organizations: *“the university proceeds as if it were a rationally managed organization attuned to those organizational goals that follow from an increasingly standardized organizational identity, university”* (Ramirez, 2006: 241). So, the process of organizing requires the leaders of universities to pay attention to effective management principles (Michel, 2004). Other scholars (Mok, 2000; Brunsson & Sahlin-Andersson, 2000; Krücken & Meier, 2006; Ramirez, 2006) see this process of the University transformation as *“a fundamental change in the philosophy and practices of its governance”* (Mok, 2000: 110). Krücken & Meier talk about *“turning the university into an organization actor”* with *“the image of an integrated, goal-oriented entity that is deliberately choosing its own actions and that can thus be held responsible for what it does”* (Krücken & Meier, 2006: 241).

Another body of literature emphasizes transformations caused by the University increasingly becoming the subject of transnational pressures (see e.g. Djelic & Sahlin-Andersson, 2006;

Krücken et al., 2007). Scholars distinguish a number of processes associated with the University crossing national borders: internationalization (see e.g. Yang, 2002; Frølich, 2006; Marginson, 2007), globalization (see e.g. Bartell, 2003; Huang, 2007; Marginson, 2007), Europeanization. I would like hereby to emphasize the Europeanization of the University. Policies and programs for higher education have been designed at European level for over 30 years (De Wit, 2003). With the growth of The European Union (hereafter called EU), development of joint educational and research programs, development of the EU's higher education policy and the establishment of the Bologna declaration, universities in Europe are expected to be unified to some extent. Coordinated reforms aimed to make different national higher education systems more transparent and convergent are in process (The Bologna declaration on European space for higher education: an explanation, 2000). Studies within the field of the University Europeanization address such issues as the changing role of nation-states (see e.g. De Wit, 2003), re-regulation of European higher education and research (see e.g. Hedmo & Wedlin, 2008), the institutional dynamics of the University (see e.g. Maassen & Olsen, 2007), reformation of the University in accordance with the Bologna declaration (see e.g. Neave & Maassen, 2007), etc.

The last couple of decades also marked a period of marketization policy introduction into sectors highly controlled by government (Mok, 2000; Jongbloed, 2003; Russell, 2005). In general, marketization is understood as a process by which non-profit organizations become *“more “market-like” in their actions, structures, and philosophies”* (Eikenberry & Kluver, 2004: 133). Nowadays universities all over the world implement market ideologies and market-oriented reforms (ref. Djelic, 2006) to compete for students, funding, staff, and above all, reputation in local and global higher education markets (Brennan & Shah, 2000; Czarniawska & Genell, 2002). Compelled by cutbacks in state funding, universities all over the world look for other sources of support reconsidering their reasons for being (Askehave,

2007). As Askehave puts it, “*universities are spending more and more time attracting fee-paying students both nationally and internationally, competing for state-sponsored research grants, conducting research that attracts corporate sponsors, and developing marketable “products” while focusing less on what used to be the civic mission of higher education: the teachers of great thinkers, human development, and creation of non-utilitarian knowledge*” (Askehave, 2007: 724).

NPM and organizing, Europeanization and marketization of the University - the reason, why these particular trends are emphasized here is that to varying degrees they were all forced by the logic of the market. The list of trends can be stretched as “*the term ‘market’ is increasingly employed to depict change in the conditions under which academic activities operate*” (Teichler, 2008: 39). For instance, “new public management reforms” can be seen as a shift in ideals away from hierarchy and the state towards the market and the business firm. Hölttä argues that the introduction of market coordination is documented as “*one of the basic features of the public sector reform*” (Hölttä, 1998: 62).

However, although market forces have recently been seen as the most significant ones, this view is also contested (see e.g. Bleiklie, 2005; Teichler, 2008). Teichler (2008) confronts this view saying that “*the new steering mechanisms could rely more on ‘evaluation’ and related strategic actions than on market mechanisms*” (Teichler, 2008: 41). Brunsson & Sahlin-Andersson also emphasize other interpretations of the NPM trend such as “*a result of new or liberal ideas or policies*”; “*the expression of a growing tendency for rationalization*”; and “*for putting a numerical value on, and accounting for, more aspects of human life*” or “*a fashion*” (Brunsson & Sahlin-Andersson, 2000: 723). The trend of “organizing” sees different initiatives being taken in different countries and at different universities within one and the same country: organizing might thus be a consciously chosen strategy at construction of organizations or as a need created by minor changes in the environment serving as a trigger

such as the development of the customer concept, etc. Brunsson & Sahlin-Andersson, however, stress that the market is also one of the incentives motivating a transformation process to construct organizations: *“complete organizations constructed as actors fit better with market than either agents or arenas. If markets are introduced, we can expect more organizations to emerge”* (Brunsson & Sahlin-Andersson, 2000: 740). The same applies to Europeanization. Several driving forces come to bear here, but developing regional (e.g. European) and global markets for higher education certainly make up one of the driving forces that push universities in Europe to get involved in these transformative processes. Nowadays, universities have to compete, not just locally, but in a global higher education market (Brown & Jones, 2007).

Marketization, however, is more directly related to market logics than the mentioned trends. The term “marketization” describes a growing interaction between university and market (Wedlin, 2008). This provides a more precise concept with which to characterize changes at the University in my present study. Transformations at the Russian University started after the fall of communism cannot be described as organizing or implementation of new public management reforms. The present study documents that for a period of time the state withdrew from the University. Even though Russian Educational Law was adapted to the needs of the developing market economy and some reforms were implemented at state level, the University itself had to make considerable efforts to learn how to function under the new conditions of the developing market economy. As for Europeanization, this “included” the Russian University in 2004, just after the period of dramatic transformations at the Russian University approaches an end. Thus, even though there are different transformative trends relating to market-oriented transformations at the University, the term “marketization” fits better in order to describe the transformations at the Russian University since the beginning of

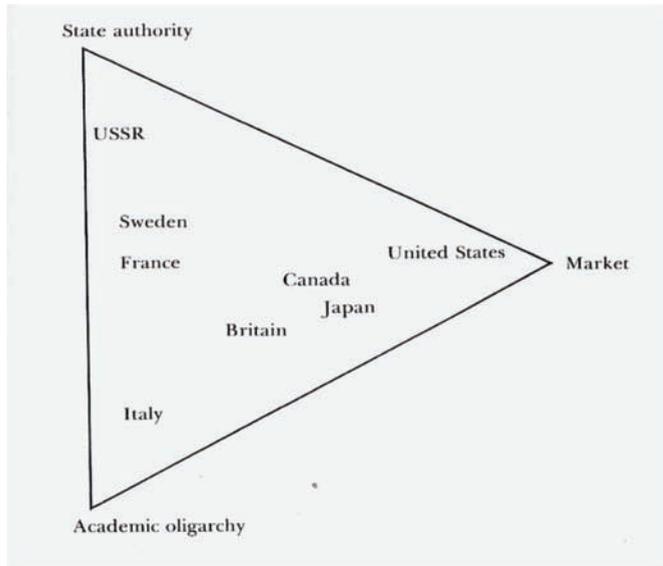
the 1990's. The next section clarifies why the recent transformative processes at the Russian University are entitled "marketization".

### *1.2.3 Emphasizing the subject of the study*

Market forces can also be seen as internal forces – forces within higher education systems. The University is not isolated, but rather a part of society, interrelated with other societal institutions: the University, thus, is responsive to the influences of government, economy, religion, etc. (Pirogov, 1963/1985; Millett, 1962; Bleiklie, 1999; Kogan & Marton, 2000). In 1983 Burton R. Clark came up with his "triangle of coordinated forces". This framework reveals that University development is shaped by "state authority", "academic oligarchy" and "market logics" (Fig. 1.3). Thus, in different national settings universities vary between dependence on exchange (market), on authority (state) or senior professors who have primary power in the state (academic oligarchy) (Clark, 1983). Taken to its extreme, national systems of higher education are coordinated by one of these forces and may thus be placed in one of the corners of the triangle. In reality, most national systems of higher education can be placed within "*a three-dimensional space by weighing their comparative combinations of state control, market-type influence and institutional self-control*" (Clark, 2004: 179). Three forces, through their interaction determine the way in which the University is regulated (Jongbloed, 2003).

Since 1983, the concept of Clark's triangle has been extensively referred to (see e.g. Hölttä, 1998; Marginson & Rhoades, 2002; Agasisti & Catalano, 2006), and also complemented (see e.g. Kogan et al. 2000; Jongbloed, 2003). Clark himself has recently doubted the justifiability of the market dimension in the triangle as markets provide "*coordination without coordinator*", thus, being abstract, market forces "*do not decide anything*" (Clark, 2004: 179). I do not intend to discuss specifically the issues of forces, governance or institutional

autonomy in the present study. The reason why I bring this concept of Clark's triangle up is to clarify the subject of the present study.



**Figure 1.3** Clark's triangle  
(adapted from Clark, 1983: 143)

Clark argues that the University has always dealt with markets: consumer markets (students), labor markets (faculty) and institutional markets (reputation). Nowadays, when the nature of the University is so complicated, the University has become “*enmeshed in many more market-type relationships than in the past*” (Clark, 2004: 180). Moreover, nowadays social expectations have moved towards the university as “*a corporate enterprise in the knowledge industry*” with quality and efficiency as fundamental objectives (Bleiklie, 1999: 520). At the same time, since the 1980's, many national higher education systems started to experience changing relationships between state and the University: “*governments have been developing models of self-regulative steering instead of direct control of universities.... [and have] directed their attention to the outputs and performance of universities instead of regulating the inputs*” (Hölttä, 1998: 55). The state has been “*redefining its function in relation to higher education*” (Bleiklie, 1999: 509). Consequently, universities in different nation states have

become more autonomous (Kwiek, 2003). The role of the academic profession has been strengthened (Hölttä, 1998). But with the new, heterogeneous staff and a growing number of administrative employees at the University, the power relationships within the University are also changing (Nybom, 2008). So scholars (see e.g. Hölttä, 1998; Jongbloed, 2003) refer to the rebalancing of “the coordinated forces” (ref. Clark, 1983).

In the case of the Russian University, involvement in market-type relationships was rather impetuous and weakening of state control was extreme. As Figure 1.3 shows, the Soviet system of higher education was strictly governed by state authorities. The notions of “market” and “marketing” were not accepted in the Soviet Union (Springer & Czinkota, 1999; Brodsky, 2005; Fox et al., 2008). In Clark’s words, the Soviet Union was *“the purest case of the triumph of the state over oligarchical and market interaction”* (Clark, 1983: 142). After the fall of the Soviet Union, the state influence on the Russian University has diminished considerably. In fact, for a period of time, the University was left by the state on its own - granted relative autonomy. The state withdrew its control, but also protection of the national institution (Wegren, 2000). The Russian University was forced to make a move towards becoming market-oriented. So the University had to learn how to function in the new state and under the rules of the developing democracy and market economy. This is further emphasized in the empirical chapters of the study.

How the market ideology was in process of spreading at the Russian University and how the Russian University was transforming itself under the conditions of state withdrawal and the growing influence of market logic, - I refer to this particular process as “marketization of the Russian University”.

### 1.3 The purpose of this study

The brief literature review documented in this chapter revealed the University in the grip of transformations. A number of particular transformation processes were highlighted in the review. However, marketization of the University was particularly distinguished. Earlier on in the chapter I briefly introduced the essence of these dramatic transformations in Russia since the fall of the Soviet Union. I also put forward some evidence of the Russian University being influenced by the changing political, economical and social landscapes. The University had to learn how to operate in the developing market economy, in the state which had collapsed. In the present study, an effort is made to develop our understanding of the recent transformations at the Russian University, the transformations that happened since the fall of the Soviet Union. I chose to describe these transformations with the label “marketization”.

Before I formulate the research questions, I need to clarify the concept of University marketization. This clarification is needed because in the context of higher education, marketization is often embodied with other transformational processes taking place at HEIs worldwide (see e.g. Whitty & Power<sup>23</sup>, 2000; Munene, 2008): globalization, privatization, new managerialism, etc. This may be interpreted as a combination of governmental competition and deregulation policies (see e.g. Jongbloed, 2003). In addition, “marketization” is often referred to as “marketing of higher education” (see e.g., Hemsley-Brown & Oplatka, 2006; Lowrie & Willmott, 2006). Hence, marketization is actually referred to as “marketingisation” (Gibbs, 2008) noticeably limiting the meaning of the phenomenon. Some scholars use the term “marketization” as taken for granted (see e.g. Scott, 1999; Lowrie & Willmott, 2006; Maringe, 2005; Munene, 2008). This all contributes to confusion regarding interpretation of the phenomenon. Chapter 2 takes this issue into consideration. It reviews the

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<sup>23</sup> This and other studies mentioned in this section actually employ the term “marketization”, but interpret it differently.

studies on marketization in higher education and works out the definition used in the present study. The next chapter also specifies the research questions in the light of the relevant literature.



## 2. MARKETIZATION OF THE UNIVERSITY: UNCOVERING THE CONCEPT

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*“It is difficult to pinpoint the extent or pace of marketization. This is partly because marketization is explicitly or implicitly defined in differing as well as overlapping ways. The difficulty is also partly because marketization is such a complex cluster of tendencies”*

*(Levy, 2006: 116).*

This chapter aims to clarify the concept of University marketization. I argue that “marketization” is “loosely defined” (ref. Witty & Power, 2000) in the existing literature: the notion of marketization has different meanings. Basing on the work of Djelic (2006), I articulate the grounding definition of marketization. Further, I adjust this definition to the context of the University. To do so, I provide an overview of the studies that have empirically examined different aspects of marketization in higher education. This discussion leads to specifying the research questions.

## 2.1 What is “marketization”?

As already mentioned, the last couple of decades were a period for introduction of market-oriented mechanisms into sectors strongly controlled by government (Mok, 2000; Jongbloed, 2003; Russell, 2005). A number of studies describe marketization of public services in the sectors such as health care (see e.g. Zolkiewski, 2004) and education (see e.g. Mok, 2000; Witty & Power, 2000; Kwong, 2000; Jongbloed, 2003). The problem is that the term “marketization” is understood differently depending on the scale (global-local) and level (state policy – institutions – organizations – individuals) of the study in question, the authors’ perspective (political, economical, institutional, marketing, etc.) and the geographical context. Thus, we build up a “bouquet” of interpretations: reaching from very simple to refined ones.

In Djelic’s study (2006), marketization is seen through a diffusion of market logics resulting in penetration of the idea of the market into countries and societies world-wide. Revealing the ontological meaning of new public management in the case of UK, Rhodes (1998) denotes marketization as a dimension of public sector reform. In his study “*marketization refers to the use of market mechanisms in the delivery of public services*” (Rhodes, 1998: 20). According to Taylor, marketization involves “*measures designed to make the public sector behave more like the private sector through the formation of quasi-markets*” that are highly regulated by means of the government control (Taylor, 2000: 154). Mok supports Taylor’s (2000) view, adding that a central notion of “marketization” is “*the evolution of “quasi-markets” whereby internal competition is introduced with the intention to enhance ‘consumer choice’*” (Mok, 2000: 110). Jongbloed defines “marketization” through marketization policies, “*policies that are aimed to establish or enhance the eight kinds of ‘freedom’ for providers and/or consumers in the higher education sector*” (Jongbloed, 2003: 115): for providers - freedom of entry, freedom to specify the product, freedom to use available resources, freedom to

determine prices and for consumers – freedom to choose provider, freedom to choose product, adequate information on prices and quality, direct and cost-covering prices paid.

Even if we narrow down our focus to the field of education, definitions of “marketization” will vary, depending on the scope of research and/or a type of educational institution. There are studies that refer to marketization in education, in general (see e.g. Kwong, 2000). Marketization of education is seen as *“a process whereby education becomes a commodity provided by competitive suppliers, educational services are priced and access to them depends on consumer calculations and ability to pay”* (Yin & White, 1994: 217). In other words, *“marketization in education refers to the adoption of free market practices in running schools”* (Kwong, 2000: 89). A number of studies examine marketization of secondary schools (see e.g. Whitty and Power, 2000; Bartlett et al, 2002; Fiske & Ladd, 2000; Adnett & Davies, 2003). Marketization of schools is interpreted as development of quasi-markets by *“involving a combination of parental choice and school autonomy, together with a greater or lesser degree of public accountability and government regulation”* (Whitty and Power, 2000: 94). Marketization also involves the injection of competition and stratification into public schools. A growing body of literature addresses the phenomenon of marketization in the context of higher education in general (see e.g. Yin & White, 1994; Scott, 1999; Mok, 2000; Jongbloed, 2003; Steier, 2003; Pritchard, 2005). Marketization of higher education is implemented by government introduction of *“market-type mechanisms (for ex., competition and deregulation policies) for coordinating national higher educational sectors”* (Jongbloed, 2003:110).

The overview of definitions presented above visualizes the variety of interpretations of “marketization”. In each of the studies mentioned, whether marketization is an object of the study or an incidental variable, the scale of research, the level, the perspective and the context determines what marketization actually is. As Witty and Power (2000) claim, even if the term

“marketization” is nowadays frequently used, it is, however, “loosely defined”. In many studies the term is used as taken for granted, without any clarifications. In some studies, the definition of “marketization” is just borrowed and applied to a new context - without any theoretical debate on what “marketization” really means. Only a few studies really look into the ontological aspects of the phenomenon (see e.g. Eikenberry & Kluver, 2004; Williams, 2006; Djelic, 2006).

## **2.2 The grounds for understanding**

In the present study, marketization is seen as a critical juncture in the institutional development of the Russian University. In order to examine its peculiarities, I chose to keep to a rather broad definition of marketization. The inspiration comes from the work of Marie-Laure Djelic (2006) in which the phenomenon of marketization is historically traced and revealed from the macro-economic perspective. Marketization is seen as a powerful trend that, since the early 1980’s, has grown fast and diffused all over the world. Djelic (2006) argues that “marketization” should be understood through “market ideologies” and “market-oriented reforms”. This definition of “marketization” serves as the grounding for my present study.

According to Djelic, *“a market ideology reflects the belief that markets are of superior efficiency for the allocation of goods and resources”* (Djelic, 2006: 53). This being assumed, markets are better than bureaucracies or governments in producing wealth. The belief in the power of markets has its liberalist inspiration with roots dating back to the 18<sup>th</sup> century. Until the 1970’s, however, the belief was held in a “sleeping mode”: *“during those years, the prophets of free markets had not disappeared, but they were a minority with scant influence on policy-making”* (Djelic, 2006: 59). For instance, in the Soviet Union as well as in other communist countries, authoritarian ideology prevailed.

The liberalist revival was pioneered in the 1970's by such countries as Chile, the USA and Great Britain. Since then, global diffusion of the market ideology took place. Again, in the former communist countries, marketization was characterized by an ideological revolution: the victory of capitalism over communism – *“an ideological U-turn... towards the “all-market” mantra”* (Djelic, 2006: 67). Parallel to the diffusion of market ideology, market-oriented reforms were launched. From the macro-economic perspective “market-oriented reforms” refer to *“policies fostering the emergence and development of markets and weakening, in parallel, alternative institutional arrangements”* (Djelic, 2006: 53). Djelic names such reforms as macroeconomic stabilization, privatization, deregulation, liberalization of foreign trade. New Public Management reforms have also reinforced this marketization trend (Djelic, 2006).

The conceptual model for the present study departs from the interpretation of the marketization phenomenon given by Djelic (2006). In this study, I investigate the marketization of one particular national institution: the University. Thus, both dimensions of marketization as defined by Djelic, market-oriented reforms and market ideologies, need to be utilized in the particular institutional context of the University. Djelic (2006) emphasizes that, even if marketization phenomenon has traveled globally, ideas and normative categories behind this phenomenon have been going through *“the local decoding process”* (Djelic, 2006: 69). This may well apply not only with regard to geographical, but also to institutional borders. This means that the set of market-oriented reforms, as well as the ways in which the market ideology has diffused within a particular national institution, may be specific or different from the ones at state level in general. In order to make adjustments and develop a working definition of the concept of University marketization, I turn to the literature focusing on different aspects of higher education marketization.

### 2.3 Marketization of higher education: the literature review

Reviewing the literature devoted to the marketization of higher education, I have particularly singled out the following aspects of the marketization process: the origins and nature, the features and the pros and cons. According to these themes and in order to inform the reader about the recent studies of marketization, this section provides examples of University marketization from different countries.

#### 2.3.1 *Origins and nature*<sup>24</sup>

First, I address the origins and nature of the phenomenon of University marketization. This in fact reflects upon the first part of the definition of marketization as introduced in Section 2.2 – diffusion of the market ideology at the University. In 1965 Kotler & Levy wrote: *“As other types of organizations recognize their marketing roles, they will turn increasingly to the body of marketing principles worked out by business organizations and adapt them to their own situations”* (Kotler & Levy, 1969: 13). Prophetic words indeed! Nowadays, the higher education market, as a global phenomenon, is established (Hemsley-Brown & Oplatka, 2006). Competition between universities increases at both local and global levels, forcing universities to adapt new managerial practices. Scholars state that *“we have reached the stage where universities start to operate as if they were ordinary businesses”* (Askehave, 2007: 725). As a result, universities worldwide have become more market responsive; universities worldwide are gradually applying marketing concepts that have been effective in business (Hemsley-Brown & Oplatka, 2006). Universities intensify their efforts to attract fee-paying students both nationally and internationally, they compete for research grants, attract sponsors, and develop “marketable” products (Askehave, 2007). One can safely say that the market ideology has diffused to universities worldwide. In the following, I provide a brief

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<sup>24</sup> Hereafter the term “nature” implies the essential characteristics of the phenomenon.

overview of how the marketization wave started to gather strength in different countries worldwide.

In the USA, for instance, the system of higher education has always been market-oriented: *“the dollar has always greased the wheels of American higher education”* (Kirp, 2003: 3). Nowadays the system is the most market-oriented in the world (Dill, 2003): *“each department is a “revenue center”, each student a customer, each professor an entrepreneur, each party a stakeholder, and each institution a seeker after profit, whether in money capital or intellectual capital”* (Kirp, 2003: 4).

In many Western European countries, governments introduced market-type mechanisms into higher education to strengthen students' choice and liberalize markets in order to improve the quality and variety of higher education services. The same trends appear in Australia as well: the government attempted to establish market mechanisms in the public education (Scott, 1999; Baldwin & James, 2000) believing *“that only the free market can ensure both quality and efficiency, and that the hand of government on the tiller of the ship of state should be light and used only for occasional adjustments”* (Baldwin & James, 2000: 139-140). As Jongbloed puts it, the origins of higher education marketization were due to *“disappointment among the general public with respect to government policies”* (Jongbloed, 2003: 113). Thus, “government failures” in satisfying the expectations of citizens were triggers for market-oriented reforms at governmental level. This served as a point of departure for University marketization.

Czarniawska & Genell (2002) bring up another good example worth mentioning here. It is taken for granted that, while Eastern European universities were forced to marketize, Western European and Scandinavian universities embarked on a change of their own. Comparing “ways to the market” for Polish and Swedish universities, scholars reached the following

conclusion: it turns out that, in the case of Poland, both universities staff and students wanted the changes, whereas in Swedish universities the market-oriented changes *“felt forced on the schools by political and commercial pressure groups”* (Czarniawska & Genell, 2002: 462). However, the scholars conclude that in both cases *“the changes can be interpreted as an isomorphic tendency, a drive to become similar to and comparable with other actors in the knowledge-production field”* (Czarniawska & Genell, 2002: 464). So, universities’ renewal and adaption to the requirements of the market embodied a prior idea of marketization there. Marketization in Germany is experienced as *“entstaatlichung”* [“de-etatisation”] which refers to *“a decreasing reliance on state power, regulation, funding and steering in higher education”* (Pritchard, 2005: 452). While in Great Britain, it is experienced more like privatization *“accompanied by an increase of regulation ostensibly in order to control quality and promote the process of globalization”* (Pritchard, 2005: 450).

In China, for instance, marketization was gradual, controllable, and needed, as the state alone was not able to meet people’s pressing demand for education. However, the state played an important role in education marketization in a form of *“active encouragement, strong support, proper guidelines, and sound management”* (Mok, 2000: 114). Anyway, as Yin & White put it, *“to a considerable degree, the marketization of higher education has represented a spontaneous response of institutions to an increasingly commercialized economic environment”* (Yin & White, 1994: 217).

In underdeveloped countries the expansion of market practices into higher education is seen as a function of two global institutions, the World Bank and the Organization for Economic Cooperation and Development, that encouraged adopting the American model of higher education advocating privatization and diversification of the revenue base (Munene, 2008). In fact, these and other meta-organizations played an important role *“in the global move towards market logics”* (Djelic, 2006: 68).

As exemplified in this section, the origins, triggers and nature of the University marketization vary around the globe. This is either a governmental (Scott, 1999; Baldwin & James, 2000; Jongbloed, 2003) or an academic initiative (Czarniawska & Genell, 2002; Dill, 2003; Kirp, 2003). Marketization is also seen as being promoted by powerful international organizations (Djelic, 2006; Munene, 2008). Phenomenon of the University marketization can be traced on different continents and in different countries. However, marketization does have its limits: political, ideological and cultural resistance, local translations, a long way from discourse to implementation, etc. (Djelic, 2006). Thus, the phenomenon of University marketization needs to be studied in the cases of individual countries and, perhaps even at individual universities.

### *2.3.2 Features of marketization*

Elements, forms, characteristics (Levy, 2006), aspects and changes (Czarniawska & Genell, 2002), dimensions (Yin, 1994) – these are just few examples of the variety of notions used by scholars when they discuss what characterizes the marketization of HEIs. No naming/generalization at all actually seems to be the most common practice. In the present study a term “features” is used, as Mok (2000) brought it up in his in-depth analysis of marketizing higher education in post-Mao China. Thus, hereafter “features of University marketization” means articulating and summarizing the characteristics of University marketization in a particular geographical setting.

Studying marketization of higher education in China (Yin & White, 1994; Mok, 2000), in England, the USA, Australia and New Zealand (Whitty & Power, 2000), in Poland and Sweden (Czarniawska & Genell, 2002), in the UK and Germany (Pritchard, 2005), Australia (Scott, 1999), in the USA (Kirp, 2003), Kenya (Munene, 2008), Zimbabwe (Maringe, 2005), and worldwide (Steier, 2003), scholars accentuate different features of marketization as summarized in Table 2.2.

<b>Features of University marketization</b>	<b>References: see, for example</b>
<b>Shift of state responsibility in educational provision to families and individuals</b>	Yin & White (1994), Scott (1999), Mok (2000), Steier (2003), Pritchard (2005)
<b>Massification: “acceleration and expansion of higher education and increased access to it” (Munene, 2008: 1)</b>	Munene (2008)
<b>Introduction of internal competition between educational institutions</b>	Scott (1999), Mok (2000), Steier (2003), Munene (2008)
<b>Strengthened student motivation to study since the adoption of the “self-paying” principle</b>	Mok (2000)
<b>Re-packaging of courses into more “marketable”</b>	Yin & White (1994), Mok (2000), Czarniawska & Genell (2002), Munene (2008)
<b>Adapting a customer-oriented approach</b>	Scott (1999), Mok (2000), Kirp (2003), Maringe (2005), Munene (2008)
<b>Changes in regulations and assessment of the University; reinforcing quality control</b>	Yin & White (1994), Mok (2000), Czarniawska & Genell (2002), Steier (2003), Wedlin (2008)
<b>Revenue generation activities: commercialization of the University and the science</b>	Mok (2000), Steier (2003), Wedlin (2008)
<b>Increased autonomy in institutional policies</b>	Yin & White (1994), Steier (2003)
<b>Negative effect on equity: affordability of higher education for students belonging to different social groups, growing disparities in financial resources between public and private universities, the mounting salary gap, etc.</b>	Yin & White (1994), Steier (2003)
<b>Emergence of image production: labelling of courses using buzzwords, rituals, etc.</b>	Czarniawska & Genell (2002)
<b>Growing partnership with industry</b>	Yin & White (1994)
<b>Reforms/changes in the personnel system</b>	Yin & White (1994)
<b>Transformation of the University identity: new aims and new visions</b>	Yin & White (1994), Mok (2000), Wedlin (2008)

**Table 2.1** Features of University marketization as emphasized in the existing literature

The features of University marketization as addressed in the literature may be seen as market-oriented transformations. These transformations may be grouped into two broad categories. For instance, new roles and missions, changing relations with the state and industry, massification of the University, etc. might be seen as institutional change at the University in response to market pressures. On the other hand, adapting a customer-oriented approach, emergence of image production, re-packaging of courses all represent examples of employing different marketing mechanisms at the University. Thus, the literature review on features of

marketization suggests that the phenomenon of University marketization needs to be studied as market-oriented transformations at the University. The transformations though should be investigated from both angles: as institutional change at the University and as increasing use of marketing mechanisms.

### 2.3.3 *Pros and cons of marketization*

Finally, benefits and disadvantages of University marketization are discussed. Nowadays, it is more or less taken for granted that market forces “*offer the promise of improved performance in meeting public services*” (Newman et al., 2004: 43). Because in many countries, marketization of the University was initiated by the government and considered necessary, the planned outcomes of marketization were seen as positive. For instance, we can name increasing the accessibility of higher education and a broader choice of institutions and study programs (Scott, 1999). The advocates of education marketization stand for the fundamental idea of making the system more efficient, responsive, productive and high-quality by introducing market mechanisms into it (Oplatka, 2004). In China, for instance, marketization of HEIs benefited through “*improved institutional efficiency and personal productivity, increased accountability and, above all, greater responsiveness to socio-economic changes*” (Yin & White, 1994: 233). The University in the USA benefited “*enormously*” from marketization, as it helped to promote “*autonomy over dependence upon government while spurring initiative and innovation*” (Levy, 2006: 120).

As Yin & White put it, “*while market forces have breathed new life into the higher educational system, they have also brought new problems*” (Yin & White, 1994: 218). For instance, some universities lower entrance standards to attract more applications. The University professors are pressured by the administration to teach “*more pleasing and entertaining classes*” (Hugstad, 1976: 311), to soften grading practices – all in order to satisfy

students. Thus, a conflict of interests arises, it being problematical for the University to satisfy students and faculty needs simultaneously. Scholars name quite a number of “serious dangers” (ref. Yin & White, 1994) such as the creation of an increasingly inegalitarian society, an increase in transaction costs through the imposition of overly detailed systems of performance evaluation, a potential decline in the quality of teaching and research and the possibility of new forms of back-door practices arising (Yin & White, 1994).

Discussing marketization in the context of the University is not complete without bringing up a caveat that arises from the unique social character of the institution: *“there are significant tensions and problems inherent in the conceptualization of higher education as an industry governed by market processes, particularly in a public system”* (Baldwin & James, 2000: 147). Not all, but some of the marketing methods *“can be transferred to serve the ends of higher education”* (Hugstad, 1976: 304) as there exist inherent institutional differences – most significantly the ones regarding goals and operating climate – between business and educational structures. As Gibbs argues, *“under the influence of the technological orientation of the market(ing), education risks losing the intrinsic worth of development, challenge, imagination and exploration by treating the simulacra of education – awards, resources and research rankings – as education itself”* (Gibbs, 2008: 271). Both Hugstad (1976) and Gibbs (2008) claim that marketing, as practiced in business and then transferred to the University, is a short-run concept. Engaging in marketing activities, the University aims to satisfy short-term customer requirements. This might turn out to be a time bomb, as it does not correspond to a long-term perspective on what society needs. Kranchenberg (1972) refers to the same issues considering them in a framework of ethics. *“Marketing decisions”*, the scholar argues, *“encompass manifold ethical dimensions. A university’s decision about a new degree program can literally change the course of society. It can influence career choice, role in life, level of income, indeed, the whole life style of countless numbers of individuals”*

(Kranchenberg, 1972: 379). Thus, the University should include long-term social and ethical concerns into its marketing decisions: it *“must weigh the needs and preferences of students while preserving the institution’s academic reputation and other institutional goals and commitments”* (Kotler & Fox, 1995: 10). So, the University should learn how to balance between values of marketing and institutional and social values, how to maximize the benefits and minimize risks of academic marketing (Kranchenberg, 1972; Litten, 1980; Gibbs, 2008).

Studying marketization of the University, it is important to understand how marketization has affected the institutional development of the University. This might be seen as known or possible outcomes of the diffusion of the market ideology. Hence, according to the definition of marketization given by Djelic (2006), emphasizing the outcomes of marketization is an important part of the study of marketization.

#### *2.3.4 Marketization of the University: a working definition*

In Section 2.2 I stressed that the roots of the concept can be found in the work of Marie-Laure Djelic (2006): marketization should be understood both through market-oriented reforms and market ideology. I also argued that applying this interpretation of marketization to the context of the University may need some adjustments, as the specific nature of the institution should be taken into consideration. So I went on to look at the existing research on marketization in higher education.

Djelic (2006) emphasized that to understand marketization we first need to address the spread of market ideology. In the case of the University, we need to reveal the origins and nature of marketization. Section 2.3.1 exemplified this. On the other hand, as argued in Section 2.3.3, it is important to look into the outcomes of the process of University marketization. Studying outcomes improves our understanding of the spreading of market ideology at the University, in turn developing our understanding of University marketization.

According to Djelic (2006), market-oriented reforms should also be examined in order to complete the understanding of the marketization phenomenon. But, in the context of the particular institution, the University, we may want to look not into reforms as such, but into internal, institutional transformations. In the introductory chapter, I argued that universities worldwide are exposed to a number of transformation processes. As marketization is focused on in the present study, market-oriented transformations at the University should be scrutinized.

Further, in developing the analytical framework it will be crucial to explain how market-oriented transformations can be studied. The literature review in this chapter suggests that two issues should be especially looked into. The empirical studies in marketization of higher education referred to in Section 2.3 provide examples of institutional change at the University. Another issue highlighted is an increasing use of marketing practices at the University. The discussion of Section 2.1 also reveals that the process of marketization implies the increasing use of marketing mechanisms in the day-to-day functioning of different public institutions. But, in order to become more market-oriented, public institutions need to transform their institutional identities to some extent. So, in studying market-oriented transformations at the University, it is important to highlight both these issues.

Adjusting the general definition of marketization (Djelic, 2006) to the context of the University, I chose to study University marketization by exploring:

- Origins of marketization in the context of the University
- Market-oriented transformations that imply both institutional change and increasing use of marketing mechanisms
- Outcomes of marketization

2.3.5 *Why study marketization of the University?*

The literature review on higher education marketization also provides a rationale for the necessity of research within the field of marketization. So why study the phenomenon of the University marketization? First, as argued earlier, because the term “marketization” is still “loosely defined” (ref. Witty & Power, 2000): explicitly or implicitly, but “*in differing as well as overlapping ways*” (Levy, 2006: 116). In the case of each study, whether marketization is the main object of the study or an incidental variable, it is a scale of research, a level, a perspective, a context that determines and interprets both marketization, its nature, features and outcomes.

The argument “for” studying University marketization also comes from experience many nations have gained when, for instance, health services became marketized: market forces, left to themselves, do not necessarily serve society well (Newman et al., 2004). “*While market forces have breathed new life into the higher educational system, they have also brought new problems that do not seem to be receiving due attention in policy circles*” (Yin & White, 1994: 218). Without proper attention, these problems may transform into severe troubles for the University.

By now, even in the cases of the most marketized universities, such as American ones (Dill, 2003), the process of marketization is not yet over. As Kirp puts it, “*American higher education is being [not “was”, not “has been”(!)] transformed by the power and the ethic of marketplace*” (Kirp, 2003: 2). Marketization is an on-going process, even there, where it is considered to go on “at the highest level”. Observing new turns and outcomes of University marketization in a long-term perspective may be vital for successors, for the states that preserve this process.

Another argument for studying this subject is that marketization of the University has not been sufficiently studied in different geographical contexts (Levy, 2006). For instance, the phenomenon of marketization in the context of Russian higher education was barely touched upon by scholars (see e.g. Hare and Lugachev, 1999; Lukashenko, 2003).

Finally, I have not found a study summarizing the theoretical debate on University marketization, its features and outcomes. Existing studies lack classification: findings are not schematized, and not modeled. Thus it is difficult to make cross-cultural comparisons. The present study contributes both empirically as a study of marketization in the new, poorly investigated, but extremely interesting context of the Russian University, and also theoretically, as it contributes to developing the concept “University marketization”.

### **2.5 Specifying the research questions**

Concluding this chapter, I would now like to specify the research questions. In the introductory chapter, I argued that the transformations the Russian University has undergone since the fall of the Soviet Union have been dramatic. As the state and the society moved towards market economy, so also did the University. The University was indeed forced to make a move towards becoming market-oriented. I describe these transformations as “marketization of the Russian University”.

However, Russia is not the only country that has been recently marketized: similar trends were in progress at about the same time in many other countries: China, Vietnam, Poland, Hungary, the Czech and Slovak Republics, and other countries of the former Soviet Union. Hence, the starting point of market-oriented transformations at universities in these countries was in fact fairly similar: the state’s adoption of the market system. So, why should the Russian case be examined?

Even though global forces are very powerful nowadays, local practices and local “translations” of global trends should not be neglected. As Hansen & Lauridsen state, *“when institutionalized models, legitimized within a rationalized world culture, are confronted with and implemented in various local contexts, the outcome is likely to vary. An understanding of significant peculiarities of local tradition and history is indispensable when explaining variations of adoption”* (Hansen & Lauridsen, 2004: 496). Thus, studies examining local features of transformative trends at HEIs are needed. Even though the transformation from plan to market economy is a worldwide phenomenon, the transformation process *“may pass through various interim stages which vary from country to country according to historical background, concept, speed, and acceptance of transformation”*, as all the countries started the transformation without *“an accepted and comprehensive theory of system change”* (Springer & Czinkota, 1999: 29). Researchers (see e.g. Kwong, 2000; Daun, 2002; Kozma, 2003) studying educational structures and policies, witness that educational systems in Eastern Europe have been going through a specific transformation process after the fall of communism and the special traits inherent in the process are dramatic. But, even though the starting point for reforms was similar, the countries chose their different directions and ways. This is why researchers (see e.g. Kozma & Polonyi, 2004; Brennan & Shah, 2000) suggest that characteristics of the transformation processes need to be discovered in the case of each country. Hence, the research question for the present study is:

*What does marketization mean in the context of the Russian University?*

Moreover, *“the reality of university change comes in very detailed items”* (Clark, 2004: 6). Clark argues, *“without some footing in the intermingled details of inescapable features, analysis readily slips into soggy analyzed abstractions, easily contested conclusions appropriated for detached theorizing and commencement-day speeches. The truth is in details, the details of university infrastructure and the accretion of small changes that*

*cumulatively lead to major change. Specifying change in specific sites is what gives credence to any induced generalizations”* (Clark, 2004: 6). Thus, investigating cases of individual universities is also important when developing understanding of institutional transformations at the University. In the present study the main research question is complemented:

*What does marketization signify for a particular Russian university?*

To be more precise about the outcomes of the research project, I would like to clarify the research questions and set borders around the studied phenomenon referring to the working definition of the concept “marketization of the University”. First, this concerns the origins and nature of Russian University marketization. The examples given of the different origins and different nature of University marketization in different geographical contexts prove that peculiarities of marketization need to be revealed “individually” as generalizations without detailed research may result in wrong conclusions and misunderstandings. The case of the Russian University deserves particular attention, as the nature of its marketization seems to be extraordinarily dramatic. Exploring the origins and nature of marketization in the case of the Russian University will show how market ideology spread. Second, the study aims to be more specific about the features of the investigated phenomenon. Hence, market transformations at the Russian University are to be studied. This will be described as institutional change at the University. However, emphasis will also be given to the increasing use of marketing practices. Finally, to contribute to the existing discourse on benefits and potential losses, it is also important to accentuate the outcomes of University marketization in the context of the Russian University. This will improve our understanding of the diffusion of market ideology at the Russian University.

Summarizing, it is worth emphasizing again that the idea of the thesis is dual. First, it is to investigate the phenomenon of the Russian University marketization documenting its origins,

nature, features and outcomes. However, the prime goal is to contribute to developing further the marketization concept by offering a theoretical framework for analysis of the phenomenon of University marketization.

## **2.6 An outline of the study**

The thesis is structurally divided into five parts consisting of in all thirteen chapters.

Part II presents the theoretical and the analytical frameworks of the study, and reflects on the methodological issues. Chapter 3, first, justifies the choice of the historical institutionalism paradigm emphasizing its main features. Further on in the chapter, the notion of “institution” is defined in the light of historical institutionalism. Moreover, particular emphasis is given to the theoretical tools historical institutionalism scholarship uses in order to understand institutional development. Here “path dependence” and “critical juncture” are the key concepts. The chapter ends by positioning the present study in historical institutionalism literature and responding to possible criticism of this theoretical approach. Chapter 4 specifies the analytical framework of the study. Based on the previous discussion of the concepts “marketization”, “institution”, “path dependence” and “critical juncture”, I derive an analytical model which further guides the empirical work revealing the phenomenon of Russian University marketization. Chapter 5 reflects on the methodological and philosophical issues arising from the study. The research is positioned as qualitative and historical. These characteristics of the study influenced the choice of methods for data collection and data analysis. Particular attention is given to a case study method used to gain a deeper understanding of the investigated phenomenon. The hermeneutical approach is introduced as a philosophy to interpret the data and the studied phenomenon.

Part III includes two chapters and they are both intended to draw a picture of the context of the study and to start a debate on the main research question: “*What does marketization mean*

*in the context of the Russian University*”? Chapter 6 is aimed at presenting the Russian University as a national institution. The study argues that marketization of the Russian University has its unique traits. To reveal this uniqueness, one needs to present the object of the study realistically and in considerable detail, thus the historical approach is used. The chapter ends with an interpretation of the Russian University and a presentation of its history via the institutional criteria. Chapter 7 opens a discourse on how marketization of the Russian University was triggered and started moving forward: the study focuses on both market-oriented transformations of the University and diffusion of the market ideology at the Russian University. The chapter begins by telling a story about how market ideology was diffused at the University. Further, it accentuates how the University missions were influenced, and what market-oriented transformations had to be implemented in terms of running the University internally and externally.

Part IV continues examining these same issues, but in the context of BSTU, a particular Russian university. The case study method is used to deepen our understanding of the investigated phenomenon. The chapters of Part IV respond to the complementary research question: “*What does marketization signify for a particular Russian University*”? According to the analytical model of the study introduced in Chapter 4, the missions, internal and external functioning, but also the diffusion of market ideology at BSTU is of the utmost importance in order to grasp the nature of the studied phenomenon.

Part V concludes the thesis. Chapter 12 summarizes and analyzes the findings of the study. Both the Russian University and the characteristics of its marketization are focused on. Chapter 13 discusses the findings using historical institutionalism theory and existing knowledge in higher education marketization. A discussion of the main findings is followed up by suggesting the contribution and implications of the study. The last chapter also suggests how the results can be used in further research.

## PART II

### *Theoretical Grounds, Analytical Framework and Methodology*

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- *Chapter 3. Theoretical foundations: historical institutionalism*
- *Chapter 4. Analytical framework*
- *Chapter 5. Methodological and philosophical issues*



### 3. THEORETICAL FOUNDATIONS: HISTORICAL INSTITUTIONALISM



Figure 3.1 Robert Frost<sup>26</sup>

*“... I shall be telling this with a sigh  
Somewhere ages and ages hence:  
Two roads diverged in a wood, and I--  
I took the one less traveled by,  
And that has made all the difference”*,

(Robert Frost, “The Road Not Taken”<sup>25</sup> 1915)

Institutional theory or, to be more accurate, the historical institutionalism school of thought provides the theoretical foundations for the present study. Chapter 3 first justifies the choice of the historical institutionalism paradigm emphasizing its main features. The chapter continues by defining the notion of “institution” in the light of historical institutionalism. Moreover, particular emphasis is attached to the theoretical tools historical institutionalism employs in order to understand institutional development. Here “punctuated equilibrium” and “path dependence” are the key concepts. The chapter ends by positioning the present study within historical institutionalism literature and responding to possible criticism of this theoretical approach.

<sup>25</sup> “The road not taken” is frequently quoted by historical institutionalists, thus can be referred to as an inspirational hymn of this scholarship. In terminology of historical institutionalism, Frost wrote about critical junctures and their legacies (Collier & Collier, 1991).

<sup>26</sup> Source: Harvard Square Library, [www.harvardsquarelibrary.org/poets/frost.php](http://www.harvardsquarelibrary.org/poets/frost.php).

### 3.1 Introduction: choice of the paradigm

Institutional theory “*taps taken-for-granted assumptions at the core of social action*” (Zucker, 1987: 443). So if a researcher resolves to use institutional theory with its variety of approaches and, hence, its many ambiguities, to study the social phenomenon referred to as “institution”, he or she gets involved in disputes on the problematical issues of institutional analysis, for instance different interpretations of the notions “institution” and “institutional change” (Campbell, 2004). In the present study, however, the intention is not to join the debate, but to use institutional theory as a helpful instrument, first, to define the object of the study, and later moving on to outline the research and explain the studied phenomenon. Enlisting the support of one of the major institutional analytical approaches allows taking sides in the institutional battle, thereby guiding conceptualization of the study. Further, I give a very short overview of the main institutional schools of thought; I also argue for a particular institutional approach adapted for the study.

#### 3.1.1 Institutionalism in variety of approaches

It has now become conventional to distinguish between the three major streams or paradigms in institutional analysis with the “old” and “new” versions, as applied in sociology, political science and economics (Thelen, 1999; Campbell, 2004). Even if Peters (2001) distinguishes between six approaches, he notes that the other three approaches (“empirical”, “international” and “societal”) remain more remote in relation to institutionalism. Thus, the basic streams of insitutionalism are (ref. Hall & Taylor, 1996; Thelen, 1999; Peters, 2001; Campbell, 2004; Steinmo, 2008):

- Organizational (also called normative or sociological) institutionalism
- Rational choice institutionalism

- Historical institutionalism

Herewith, I give a brief account<sup>27</sup> of each school, accentuating the main distinctive features. This overview forms the background to my choice of a historical institutionalism framework.

Organizational institutionalists place strong emphasis on “*the norms of institutions as means of understanding how they function and how they determine, or at least shape, individual behavior*” (Peters, 2001: 19). So normative and cognitive ideas are in focus; the distinction between normative and cognitive factors is an important issue for the discussion amongst the paradigm’s followers (Campbell, 2004). “*The logic of appropriateness*” is crucial for organizational institutionalists as “*a means of shaping the behavior of the members of institutions*” (Peters, 2001: 19). Studies within this paradigm are rather focused on organization fields, than on individual organizations within an institutional environment (Campbell, 2004).

Rather than norms and values that guide organizational institutionalists “*behaviors are the functions of rules and incentives*” for rational choice institutionalists (Peters, 2001: 19). This school of thought is oriented towards rational choice and economizing. The individualist approach is shared: studies concerning how individuals build and modify institutions to achieve their interests are common to research within this paradigm (Campbell, 2004).

In the field of historical institutionalism “*the basic point of analytical departure is the choices that are made early in the history of any policy, or indeed of any governmental system*” (Peters, 2001: 19). The focus is usually on broad societal and state structures, not on organization. Thus, studies within this paradigm are usually conducted at macro level (Campbell, 2004). Long-term institutional developments are central to the agendas of historical institutionalists (Thelen, 1999; Pierson & Skocpol, 2002). Historical institutionalists

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<sup>27</sup> For more detailed comparison see e.g. Hall and Taylor (1996), Peters (2001), Campbell (2004), Peters (2005).

pay particular attention to how nations or particular national institutions respond to new challenges.

Each institutional paradigm has its strengths and weaknesses. But, the approaches to institutional analysis share the same issues crucial to institutional theory, such as the nature of institutions and institutional change, mechanisms and processes by which institutional change occurs, effects of ideas - norms, paradigms, frames - and globalization on institutional change. However, these issues are still ambiguously interpreted (Campbell, 2004). Thus, since the late 1990's, a second movement in institutional analysis has been launched, opening up a discourse on the possible combination of paradigms due to the similar problems they share (Hall & Taylor, 1996; Campbell, 2004). Very recent discussion of issues prior to institutional theory also questions the necessity to distinguish between distinct varieties of institutionalism (see e.g. Greenwood et al., 2008).

On the other hand, there are supporters of the distinctive approach to institutional analysis (see e.g. Hay & Wincott, 1998; Thelen, 1999) who vote against incorporating the paradigms. They advocate that *“rather than a full-fledged synthesis, we might instead strive for creative combinations that recognize and attempt to harness the strengths of each approach”* (Thelen, 1999: 380). Sharing this view, I chose in favor of historical institutionalism and let this paradigm influence the framework of the present study. Why? This is explained further on in this chapter.

### *3.1.2 Arguments for historical institutionalism*

The arguments for the historical institutionalism paradigm presented in this section are derived from the studies of institutional approaches carried out by Hall & Taylor (1996), Campbell (2004) and Peters (2005), but also from studies of historical institutionalism done by Thelen (1999), Pierson & Skocpol (2002), and Steinmo (2008).

According to Campbell (2004), a macro level of analysis is an important issue that defines historical institutionalism. Pierson & Skocpol extend this view claiming that *“historical institutionalists likewise analyze macro contexts and hypothesize about the combined effects of institutions and processes rather than examining just one institution or process at a time”* (Pierson & Skocpol, 2002: 3). The holistic approach used in my study in order to analyze how a national institution transforms itself under the pressure of dramatic global and local challenges, is in line with studies carried out by historical institutionalists and developed at macro-level. A historical institutionalist researcher *“either sees interests as structurally generated in one way or another or stays at the level of aggregations”* (Thelen, 1999: 377). By choosing this path, I focus on a broader societal and state structure than, for instance, organizational institutionalists do; I focus on the institutional development. Even when looking deeply into the case of an individual university, I search for an illustration of how the marketization process has been going in one of the parts of the Russian University, which, within the project, is considered at the level of aggregations. So the macro level of the study is a first argument for adapting historical institutionalism.

Another argument for the historical institutionalist perspective comes from the observation that scholars who use this perspective frequently begin with *“empirical puzzles that emerge from observed events or comparisons”* (Thelen, 1999: 373). Studies of historical institutionalists are usually empirically driven and the analytical point of departure is in comparison of cases unified in space and/or in time. As underlined in Chapter 1 of the present work, this research project was inspired by dramatic revolutionary changes that recently took place in the social, economic and political life of Russia. Thus, the starting point of this study was an observation of the change in the University functioning in different historical periods: before perestroika, post perestroika period and contemporary Russia. However, even if a study within historical institutionalism is empirically driven, its objective is not *“only to*

*explain the cases at hand, but also refine the theory*" (Thelen, 1999: 373). This statement is true for the present study as well, because the study aims to contribute to further development of the concept of marketization.

The third argument for adopting the paradigm of historical institutionalism is the historical perspective of the study. The central notion of historical institutionalism is that institutions reflect historical experience: the legacy of the past (Campbell, 2004; Peters, 2005; Steinmo, 2008). As Pierson & Skocpol put it, "*historical institutionalists take time seriously, specifying sequences and tracing transformations and processes of varying scale and temporality... to develop explanatory arguments about important outcomes or puzzles*" (Pierson & Skocpol, 2002: 3). Historical institutionalists have developed a distinctive vision of institutional development associated with the concept of "punctuated equilibrium". This concept is further looked into in the remaining part of this chapter. The present study is a historical one: the object of the study – the Russian University - and the studied phenomenon - Russian University marketization are investigated by observing through a "prism" of history and historical development.

The final argument justifying the use of historical institutionalism in the present study is preference of context. For historical institutionalists, the context of a study has always been of major importance (Thelen, 1999). As Pierson & Skocpol claim, "*the focus is on explaining variations in important or surprising patterns, events, or arrangements – rather than on accounting for human behavior without regard to context or modeling very general processes presumed to apply at all times and places*" (Pierson & Skocpol, 2002: 4). As emphasized in Chapter 1, the research documented in this manuscript becomes interesting particularly because of the context. It is because of the specific traits of the transformational processes in the country the case of Russian University marketization needs to be examined.

Further on in the chapter, the concept of “institution” is examined under the influence of the accepted paradigm.

### **3.2 Defining institution**

“What constitutes an institution?” is one of the basic issues in institutional theory, and debates on this issue have been going on for more than half a century (Hoffman, 1999; Campbell, 2004). The term “institution” is loosely used in social sciences *“to mean everything from a formal structure like a parliament to very amorphous entities like social class, with other components of the socio-political universe such as law and markets also being described as being institutions”* (Peters, 2001: 19). March & Olsen (1998) prove that in the contemporary literature a definition of institution is vague, i.e. it means different things in different contexts. Hence, there is no institutionalized definition of institution. That is why, conceptual exercise in defining institution (ref. Streeck & Thelen, 2005) for the means of the study should not be avoided.

As a matter of fact, conceptualization of institution often depends on a version of institutionalism scholars position themselves within. In spite of this, Peters (2001) produced a core binding all approaches to institutional analysis together. According to the scholar, four elements of institution “should be” (ref. Peters) common to the interpretation of the term under any of the institutional paradigms:

- Structure: formal (such as a legislature and a legal framework) or informal (such as a set of shared norms and a network of interacting organizations)
- Existence of some stability over time
- Constraints, formal or informal, to individual behavior
- Shared values and meaning among the members

A summary of these features present “institution” as a rather stable structural element of society that, on the one hand, unifies its “members” as they all, to some extent, share the same institutional values or accept the same institutional meaning; and on the other hand, constraints, again to some extent, featuring the individual behavior of its “members”. To impart some degree of piquancy of historical institutionalism to this definition, I would also like to refer to the interpretation of the term within this school of thought and emphasize some peculiarities of institutions, as seen through a prism of historical institutionalism. Distinguishing historical institutionalism features such as macro level, historical perspective, and the importance of context also distinguish interpretation of institutions within the historical institutionalist school of thought.

Generalizing, Campbell states, “*historical institutionalists take institutions to be the formal and informal rules and procedures that structure conduct*” (Campbell, 2004: 4). Steinmo (2008) shortens the definition of “institution” to the one word: “rules”. This fits well with the general definition of institution formulated above. However, Peters claims that historical institutionalists define “institutions” more vaguely than supporters of other institutional approaches do: “*they define institutions by means of examples [rather than by their fundamental, denotative characteristics], ranging from formal government structures (legislatures) through legal institutions (electoral laws) to more amorphous social institutions (social class)*” (Peters, 2005: 74). Historical institutionalists distinguish origins and nature of different institutions; they consider institutions at macro (state or nation) level as broader societal and state structures than organizations, for instance. In this sense, historical institutionalists have to be determinant and have to clarify “institution” by exemplifying it.

The important and the most significant feature of institutions as interpreted under the historical institutionalism paradigm is that institutions are considered to be “*the legacy of concrete historical processes*” (Thelen, 1999: 382); institutions “*are seen as relatively*

*persistent features of the historical landscape*” (Hall & Taylor, 1996: 941). Among supporters of this school of thought, “institution” is viewed to be *“the product of concrete temporal processes”* (Thelen, 1999: 384). So from an historical institutionalist point of view, the unit of analysis referred to as “institution” may not be fundamentally understood without thorough historical investigation.

Another distinctive feature of institutions within historical institutionalism is that *“institutions emerge from and are sustained by features of the broader political and social context”* (Thelen, 1999: 384). Institutions are not and have not been isolated. On the contrary, institutions are affected by other institutions. Thus, it is important to reflect on the relational aspect of institutions and overriding institutional contexts when studying institutions as a historical institutionalist. As Pierson and Skocpol put it, *“historical institutionalists look at the forest as well as at trees”* (Pierson & Skocpol, 2002: 15).

Accentuating peculiarities of “institution” within historical institutionalism, allows articulating the notion of institution as understood within the present study:

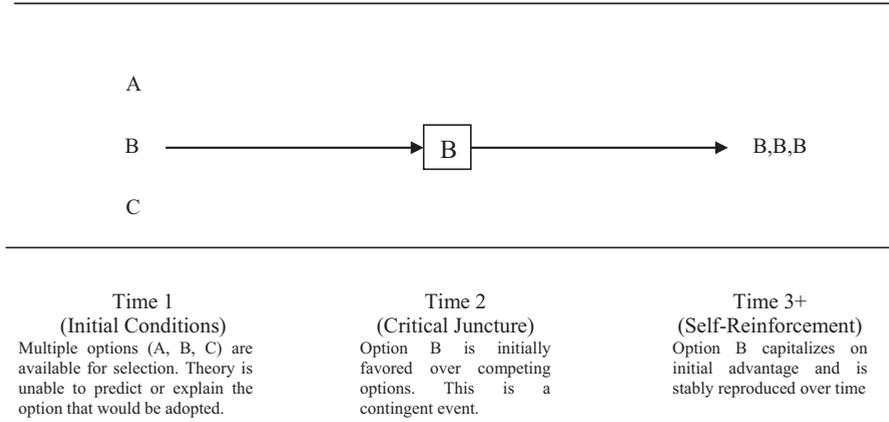
*“**Institution**” is a rather stable structural element of the society that reflects its own history and impact of overarching institutional contexts, but also “rules” its actors unifying them by means of common institutional values or the similar institutional meaning and, at the same time, constraining their individual behavior.*

The given definition of “institution” is further used in Chapter 4 to conceptualize the University in institutional terms. This chapter proceeds by identifying the theoretical tools for analysis of institutional development. These theoretical presuppositions are used in the study to both introduce the Russian University as an institution and explain the process of University marketization.

### 3.3 Understanding institutional development

Until recently, historical-institutional scholarship has not prioritized the issue of change: the emphasis has been on institutional continuity (Thelen & Steinmo, 1992; Thelen, 2002) and tracing historical processes (Pierson & Skocpol, 2002). The notion of institutional development dominates within this paradigm. In fact, historical institutionalists have developed a distinctive vision of institutional change associated with the concept of “punctuated equilibrium”. According to the historical institutionalist school of thought, institutional change tends to be a path-dependent process. This means that institutions tend to be rather stable, tend to be in “equilibrium” for considerably long periods, slowly evolving along a path with a particular, historically formed pattern.

However, periodically an institutional path comes to a point of “punctuation” or “critical juncture” when massive exogenous impulses provoke an abrupt institutional change. “Critical junctures” are ‘branching points’ *“from which historical development moves onto a new path”* (Hall & Taylor, 1996: 942). What precipitates such critical junctures? Historical institutionalists generally stress the impact of economic crisis, military conflict, etc. (Hall & Taylor, 1996) or conjuncture of a variety of external forces. Thus, critical junctures are often seen as “formative moments” (Pierson & Skocpol, 2002) when a number of decisions and a number of transformations should be made for the institution to adjust to new environmental challenges, to develop a new path and to reach a state of equilibrium. These junctures are referred to as ‘critical’ *“because, once a particular option is selected, it becomes progressively more difficult to return to the initial point when multiple alternatives were still available”* (Mahoney, 2000: 513). More specifically, a critical juncture *“is a period of significant change, which typically occurs in distinct ways in different countries (in other units of analysis) and which is hypothesized to produce distinct legacies”* (Collier & Collier, 1991: 29).

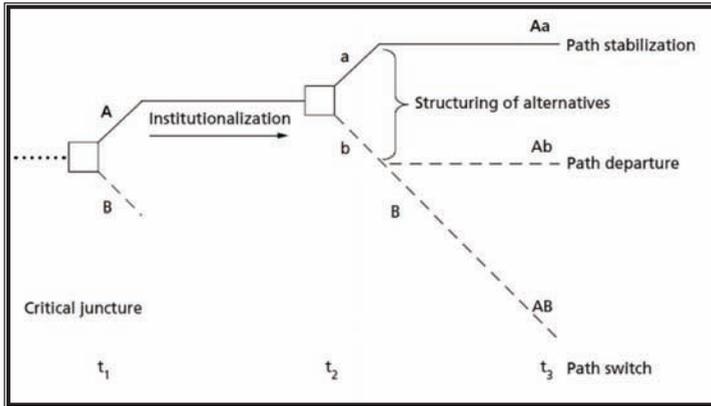


**Figure 3.2** Institutional genesis  
(adapted from Mahoney, 2000: 514)

In analyzing institutions and explaining institutional development from a path dependence perspective it is crucial, first, to examine the genesis of an institution. Mahoney (2000) suggests the modeled version of institutional genesis (Fig. 3.2). Here, the historical sequencing of events around the genesis of an institution is important in order to understand how the initial institutional pathway was formed. Once the institutional pathway is adopted, *“with increasing returns... [it] delivers increasing benefits with its continued adoption, and thus, over time, it becomes more and more difficult to transform the pattern or select previously available options, even if these alternative options would have been more ‘efficient’”* (Mahoney, 2000: 508).

Even in the periods of critical junctures, institutions trigger mechanisms of reproduction self-reinforcing the recurrence of a historically formed institutional pattern into the future (Thelen & Steinmo, 1992; Mahoney, 2000; Pierson & Skocpol, 2002): *“institutions tend to remain ‘sticky’ even when the political or economic conditions in which they exist have changed dramatically”* (Thelen & Steinmo, 1992: 18). Moreover, self-reinforcing mechanisms *“foster the stabilization of institutions”* (Ebbinghaus, 2005: 20). In other words, the concept of path-dependency recognizes the importance of existing institutional templates to processes of

institutional creation and institutional change (Hall & Taylor, 1996). Thus, institutional stickiness to historically formed patterns prevents institutional forms from replacement or seizing existence.



**Figure 3.3** Path dependence: branching pathways  
(adapted from Ebbinghaus, 2005: 16)

However, at critical junctures, and forced by endogenous factors, institutions are rather expected to adopt “a particular institutional arrangement from among two or more alternatives” (Mahoney, 2000), for instance, by adding new institutional layers or by turning into different uses by newly ascendant groups (Pierson & Skocpol, 2002). Ebbinghaus (2005) presents three scenarios of institutional path development (Fig. 3.3). After going through a critical juncture, the institution transforms itself and further develops along one of the following pathways: “path stabilization”, “path departure”, and “path switch”.

“Path stabilization” implies that institution goes through “*marginal adaptation to environmental changes without changing core principles*” (Ebbinghaus, 2005: 17). This is the most likely scenario for an institution that is severely entrenched: self-reinforcing processes lead the institution to so called “lock-in inertia”. However, in the real world marginal adaptation might be insufficient, thus “path stabilization” might be a temporary or interim

institutional pathway that might develop into “path departure” or even “path switch”. “Path switch” is another extreme pathway of institutional development as it presupposes *“intervention that ends self-reinforcement of an established institution and may give way to a new institution in its place”* (Ebbinghaus, 2005: 17). Such a radical transformation is the less likely scenario. On the contrary, “path departure” is the most common scenario for the institutional development with a critical juncture provoking significant environmental changes and with self-reinforcing mechanisms of institution providing sufficient resources for change. Then, the institution goes through *“gradual adaptation through partial renewal of institutional arrangements and limited redirection of core principles”* (Ebbinghaus, 2005: 17). According to Ebbinghaus, path departure *“entails various forms and often occurs through a variety of simultaneous processes”* such as “gradual changes”, “functional transformation” and “layering” (Ebbinghaus, 2005: 17). Ebbinghaus concludes that it is crucial to *“go beyond a crude fixation on path dependence as persistence and instead help us to explore the potential for path departure that is institutional change in its proper sense”* (Ebbinghaus, 2005: 25).

Finally, what is an explanatory power of the path-dependence concept? Pierson & Skocpol (2002) claim that path dependence arguments:

- Draw attention to critical junctures
- Help to understand *“powerful inertial “stickiness”* (Pierson & Skocpol, 2002: 7) that characterizes development of some of the institutions
- Highlight the role of *“‘historical causation’ in which dynamics triggered by an event or process at one point in time reproduce themselves, even in the absence of the recurrence of the original even or process”* (Stinchcombe in Pierson & Skocpol, 2002: 7)

Further, I argue on how the present study might be positioned in the stream of research that employs the concept of “path dependence”.

### *3.3.1 Framing the present study*

As a punctuated equilibrium model represents a sum of developmental paths and critical junctures, historical institutionalists devoted a good deal of attention to understanding both parts of the model. Thelen (1999) distinguishes two streams of literature: analyses of critical junctures and analyses of feedback effects. Having mentioned this I need to emphasize that the present study is positioned within critical junctures literature, as the major theme of the present study is dramatic transformations at the Russian University due to the conjuncture of political, economic and social collapses in Russia in the 1990's. A great deal of the studies carried out within the school of historical institutionalism document macro-historical analysis of critical junctures. This is “a venerable tradition” (ref. Thelen, 1999): research within this field contributed to our understanding of sequencing and timing of historical processes and events, looking specifically at the different patterns of interaction between ongoing political and economic processes “*in formation and evolution of institutional arrangements*” (Thelen, 1999: 388). Pierson & Skocpol refer to sequencing and timing as to “*a second [after “path dependence”] important rationale for focusing on historical processes*” (Pierson & Skocpol, 2002: 7).

However, as Thelen argues, studies of critical junctures generally lack emphasis on how “*the outcomes of the critical junctures are translated into lasting legacies*”; “*they neglect the mechanisms for the “reproduction” over time within a particular country*” (Thelen, 1999: 390). Various legacies of national institutions are sustained by different mechanisms of reproduction peculiar to a particular national institution. “*These considerations are crucial to understanding differences in duration of the various legacies, but also – maybe more*

importantly – they are crucial to understanding what kinds of events or processes have the capacity to undermine the legacy in different countries” (Thelen, 1999: 392). The basic emphasis of the present study is, however, on how the Russian University as an institution has developed a new institutional pathway during the marketization process.

According to Ebbinghaus it is important to explore “the potential for path departure that is institutional change in its proper sense” (Ebbinghaus, 2005: 25). Thelen herself criticized excessive focus on institutional continuity in studies of historical institutionalists. In fact, until recently, the concept of “punctuated equilibrium” has been the dominant explanation of institutional change within historical institutionalism paradigm (Steinmo, 2008). The new stream of research within the historical institutionalism paradigm (see e.g. Streeck & Thelen, 2005b) broadened the research focus setting understanding of institutional change per se on the research agenda. Basing on previous studies in the historical institutionalism tradition, Streeck & Thelen (2005) distinguish between the processes of change (abrupt or incremental) and the results of change (continuity and discontinuity), and identifying four types of change (Table 3.1).

		Result of change	
		Continuity	Discontinuity
Process of change	Incremental	Reproduction by adaptation 2	Gradual transformation 4
	Abrupt	Survival and return 3	Breakdown and replacement 1

**Table 3.1** Types of institutional change: processes and results (adapted with minor changes from Streeck & Thelen, 2005: 9)

According to Streeck & Thelen, from the perspective of punctuated equilibrium, type 1 refers to “real” institutional change, “that results in discontinuity taking place through abrupt institutional breakdown and replacement” (Streeck & Thelen, 2005: 8). Scholars that employ the model of punctuated equilibrium also acknowledge institutional change marked as type 2:

incremental, *“fundamentally reactive and adaptive”* change that serves to protect institutional continuity. Type 3 – *“considerable continuity through and in spite of historical break points”*. Type 4 – *“dramatic institutional reconfiguration beneath the surface of apparent stability or adaptive self-reproduction, as a result of an accumulation over longer periods of time of subtle incremental changes”* (Streeck & Thelen, 2005: 8). As Streeck & Thelen (2005) show their interest in the type of change marked as number 4, they do not provide empirical or analytical evidence of other types of change presented in Table 4. Taking into consideration both the concept of punctuated equilibrium and our recently gained understanding of institutional change, how then can we describe the process of Russian University marketization? This question is to be further examined in the study.

### **3.4 Conclusion: standing up to criticism**

Concluding the discussion, I would like to mention some of the main critics of the historical institutionalist approach. Historical institutionalists are sometimes viewed as “story-tellers”, no more than this (Thelen, 1999; Pierson & Skocpol, 2002). Peters, for instance, refers to historical institutionalism as to *“the most surprising of the schools of institutional theory”* that has *“some difficulties in distinguishing itself from other approaches”* (Peters, 2005: 85). Moreover, excessive focus on institutional continuity in studies of historical institutionalists have often been criticized both by advocates (see e.g. Thelen & Steinmo, 1992; Thelen, 2002) and by opponents of this institutional approach (see e.g. Peters, 2005). Historical institutionalism is also criticized for having *“little or no capacity to predict change”* (Peters, 2005: 77).

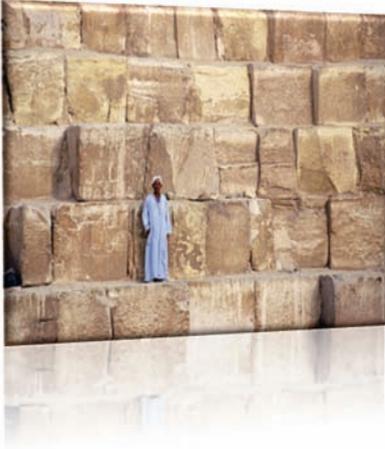
However, *“because historical institutionalism focuses our attention on important events, takes history seriously, looks for the interdependence of related variables and places them in context, it allows for an evolutionary view of human institutions. It thus explicitly rejects a*

*deterministic view of human behavior ... and as such accords much more closely to a realistic and honest understanding of the view the world actually works”* (Steinmo, 2008: 19). Pierson & Skocpol claim that historical institutionalism is *“a coherent and fruitful research strategy”* (Streeck & Thelen, 2005: 8). Hay & Wincott (1998) state that historical institutionalism offers a great potential for researchers. In fact, the new stream of research within the historical institutionalism paradigm (see e.g. Streeck & Thelen, 2005b) broadens the horizons of research, putting understanding of institutional change at the forefront of the research agenda. This new stream of research has both exemplified the strengths of historical institutional analysis (Steinmo, 2008) and also its potential. Immergut & Anderson estimate the newly developed framework as *“a major step forward for historical institutionalism because it provides the conceptual tools for analyzing and categorizing different types of institutional change”* (Immergut & Anderson, 2008: 356).

My present research project has been strongly influenced by historical institutionalism - an approach traditionally used by political scientists. This study exemplifies that the scope of historical institutionalism can certainly be extended: historical institutionalism can be used more widely by social scientists.



## 4. ANALYTICAL FRAMEWORK



<sup>28</sup> *“The concept of critical junctures has been applied to a striking variety of topics... However, the emphasis of most of this literature is on the mechanisms of reproduction underpinning path-dependence, rather than on the genetic phase of the critical juncture itself. Most scholars invoking critical junctures have been rather casual users, simply referring to the concept as a model of change but not probing its meaning or developing methodologies associated with it”,*

*(Capoccia & Kelemen, 2007: 345-346).*

Chapter 4 specifies the analytical framework for the present study. Basing on the previous discussion of the concepts “marketization”, “institution”, “path dependence” and “critical juncture”, I derive an analytical model that theoretically guides further the study of marketization of the Russian University. The overall idea is that, in the case of the Russian University, marketization can be seen as a critical juncture in the development of the institution. In order to reveal the concept of critical juncture, and from there apply this to understand marketization, three issues are important: the unit of analysis, the time horizon and change. Chapter 4 illuminates these issues.

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<sup>28</sup> The building blocks of the Great Pyramid, Giza, [http://www.sacredsites.com/africa/egypt/great\\_pyramid.html](http://www.sacredsites.com/africa/egypt/great_pyramid.html).

#### 4.1 Introduction

I would like to start by bringing up the basic concepts of the study as defined in the previous chapters. In Chapter 2 I articulated that marketization of the University can be seen through market-oriented transformations and the diffusion of market ideology at the University. Further, in the tradition of historical institutionalism, I emphasized that, in the context of the present study, “institution” is seen as a rather stable structural element of society that reflects its own history and the impact of overriding institutional contexts. I also shared the belief that institutional development is path-dependent: it is characterized by a sequence of critical junctures and pathways. In turn, “critical juncture” *“is a period of significant change, which typically occurs in distinct ways in different countries (in other units of analysis) and which is hypothesized to produce distinct legacies”* (Collier & Collier, 1991: 29). Chapter 4 makes use of these concepts in order to specify the analytical framework for the study of marketization of the Russian University.

My argument is that the period of marketization when most radical changes took place can be studied as a critical juncture in the institutional development of the Russian University. This claim will be further empirically supported. The question now arises how to analyze this critical juncture. In order to operationalize the concept of the critical juncture, and hence to elaborate an analytical framework for the study of Russian University marketization, three shortcomings of the concept need to be borne in mind: the unit of analysis, time horizons, and change (Capoccia & Keleman, 2007). By the unit of analysis a particular institutional setting is meant. The scholars argue that identification of the unit of analysis is crucial in studies of critical junctures as *“a historical moment that constitutes a critical juncture with respect to one institution may not constitute a critical juncture with respect to another”* (Capoccia & Keleman, 2007: 349). Thus, one of the sections of this chapter highlights the unit of analysis.

Time horizons are also important in understanding a critical juncture. Historical institutionalist study considers critical junctures not to be instantaneous events, but rather phases that may last for several years (Capoccia & Keleman, 2007). The duration of critical junctures varies from “*relatively quick transitions – for example, “moments of significant structural change” – to extended periods that may correspond to one or more presidential administrations*” (Collier & Collier, 1991: 32). In the following pages I specify the periodization for the historical analysis of the Russian University and set the time borders around the critical juncture period.

Finally, change is an important issue in a study of a critical juncture. Scholars argue that change is, in fact, not an obligatory outcome of a critical juncture: “*some critical junctures may result in re-equilibration of an institution*” (Capoccia & Keleman, 2007: 352). Acknowledging this fact, I proceed with an assumption widely shared within the historical institutionalist school of thought: critical junctures are defined on the basis of their outcome – change (Capoccia & Keleman, 2007). In fact, Collier & Collier (1991) state that significant change occurring in the case analyzed is an important constituent of the concept of critical juncture. To study institutional change, identification of the institutional dimensions is important (Campbell, 2004). Thus, at the end I turn to the concepts of university and marketization in order to derive the dimensions necessary to study a revolutionary institutional change at the University.

The overall aim of this chapter is to specify these three areas in the analysis of critical juncture. The analytical framework developed in this chapter theoretically guides the empirical study and discussion of its results.

#### 4.2 The unit of study

In order to make use of the definition of institution formulated previously in Chapter 3, the University should be seen within a historical perspective and in a particular context. Indeed, initiated in Bologna more than 900 years ago, the idea of the University was adopted and “translated” by other countries worldwide. Some countries adopted the idea of the University earlier than others, thus contributing to the development of the University as an institution and providing the rest of the world with different university models to follow. However, having chosen a model “follower nations” were modifying it by adjusting to the local needs: *“once the model is chosen, [it] is the product of complex processes of imitation and innovation that are shaped both by the society’s own resources and by its access to the resources of other societies”* (Westney, 1987: 9). Traditionally imitation has been understood as copying or reproducing the original: it is a diffusion model. Sahlin-Andersson & Sevón see imitation as *“a process in which something is created and transformed by chains of translators”* (Sahlin-Andersson & Sevón, 2003: 253). This is a performance definition which proposes that an individual, an organization or an institution seizes an idea and translates it into something suiting its own ends, so to carry it out. This interpretation suggests that imitating is not just the process of becoming similar, but also a process of becoming different, innovative (Hedmo et al., 2005). So being imitated in different geographical contexts with their history and traditions, the University acquired specific “flavors”, different sorts of set-ups and different institutional characteristics. So the University should be first of all seen as *“a creature of time and place”* (Duke, 2004: 298).

Since the 1960’s, as Baldini et al. point out, universities have been considered as *“institutions devoted to the creation and diffusion of knowledge as a public good, mainly through research and education, thus performing a key role for their countries’ economic and scientific growth”* (Baldini et al., 2006: 518). In the Magna Charta Universitatum the University is

defined as “*an autonomous institution at the heart of societies differently organized because of geography and historical heritage*” (Magna Charta Universitatum, 1988: 1). Thus, the University is treated as an element in a system of state institutions (Nyborg, 2003). In fact, when we study or teach at a university, we come to an edifice that is situated in a definite city and in a definite country, which runs according to rules, norms and traditions developed in an educational / university system of this country, and with an identity which is part and parcel of the cultural identity of the country. Metaphorically speaking, the University is “*the homely service station which everybody needs;*” it is “*the lighthouse which illuminates for its society; and the people’s cathedral there, like Notre Dame in Paris*” (Duke, 2004: 311).

Hence, at the present time of complexity and globalization, we may want to interpret the University as a national institution. Thus, hereafter,

*The University is considered as an institution that is an element in a system of state institutions, an institution that has its own history and is situated in a context of a particular nation, a structural element that unifies and limits its members by a set of formal and informal rules and beliefs as it “produces, examines, appraises and hands down culture by research and teaching<sup>29</sup>”.*

However, the unit of study is more specific: the Russian University. What then is the Russian University? How was this national institution established and developed? What are its special traits? The answer is not given right here and right now. These issues will be examined in the empirical chapters of the present study. That is why clarifying the idea of the Russian University as an institution is seen as one of the outcomes of this study.

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<sup>29</sup> The part of the definition that is in quotation marks belongs to Magna Charta Universitatum (1988: 1).

### 4.3 Time horizons

When a researcher looks back on history and is challenged to recollect events, he / she often faces a problem of periodization. *“Many historical institutionalists ... divide the flow of historical events into periods of continuity punctuated by “critical junctures”, moments when substantial institutional change takes place thereby creating a “branching point” from which historical development moves onto a new path”* (Hall & Taylor, 1996: 942). As Hall & Taylor (1996) note, it is rare that historical institutionalists carefully explain such critical junctures.

For instance, in the case of the Russian University, one may rely on periodization proposed by Utkin<sup>30</sup> (1997) who distinguishes five basic periods (Table 4.1):

Basic periods in history of the Russian University	Description
18 <sup>th</sup> century	First steps in the establishment of the University
19 <sup>th</sup> century – 1917	The system of the University education develops the missing elements
1918 – 1955	Period of contradictions – breaking old traditions and creating a plan for total modernization of the whole educational system
1956 – 1984	The period is bound up with the needs of the scientific-and-technical revolution
1985 – present (1997)	The contemporary period

**Table 4.1** Utkin's periodization of the Russian University development

Utkin does not just skip explaining critical junctures, he just does not focus on them. On the other hand, in order to study the development of the Russian University in detail, then the periodization offered by Utkin is not enough as each of the periods can be studied more deeply and, hence, more periods can be determined. For instance, the new University Regulations of 1863 considerably influenced Russian University development. Moreover, Utkin introduced the periodization in 1997. In 2008, we have more evidence and may

<sup>30</sup> Periodization was presented in the thesis of the 6th All-Russian distant scientific conference “History of higher education in Russia (1997).

consider the last two decades differently. In addition, the periodization presented in Table 4.1 does not respond to the major concerns of the present study.

Periods in history of the Russian University accentuated in the present study	Description
<b>The Imperial period: 1725-1917</b>	The rise of University culture in Russia: the import of the idea of University, its adoption to the local context and its development for the needs of Imperial Russia
<b>Critical juncture: Socialist revolution, 1918-the 1920's</b>	Radical reconstruction of the University into the institution that serves the practical and ideological goals of the revolution and communism
<b>The Soviet period: 1930-1991</b>	The University is directed, supported and controlled by the state serving the needs of the planned economy and communist ideology
<b>Critical juncture: the Post-communist / transition period, 1992-2003</b>	A revolutionary turn: left by the state on its own, the University is forced to marketize itself
<b>The modern period: 2004-present (2007<sup>31</sup>)</b>	New, more stable period in the history of the Russian University: the state turns back to the University; the University itself has learnt how to function under market conditions.

**Table 4.2** Periods in the history of Russian University development as emphasized in the present study

For the means of the present study, periodization as presented in Table 4.2 is used. I emphasize four main periods in the history of the Russian University punctuated by critical junctures. In this study, the University is understood as a national institution with its history and traditions, as the key institution of society reflecting its major transformations and adjusting in order to serve the needs of society at the given time. The main focus is on the marketization of the Russian University which, as argued here, was launched simultaneously with larger transformations in the country at the beginning of the 1990's. It was time for the revolutionary changes in the country, the changes having a crucial impact on Russian University development. This is, in fact, a critical juncture in the institutional development of the Russian University. The institution experienced similar stress after the revolution of 1917, when the tsar's family was dethroned and the new state with "new people" and new

<sup>31</sup> To implement this study I had to limit the period to apply up until the year 2007, thus it does not mean that 2004-2007 is a definite period in the history of the Russian University. On the contrary, it is ongoing.

institutions were created. The USSR was not an heir of the Empire but a very new imperial project (Miller, 2008). After 1991 Russia again started to build a new state with “new people” and new institutions.

Thus, I study the Empire and the Soviet periods as pathways of the institutional development of the Russian University, as I am more interested in understanding the object of the study to find out its specifics and institutional features peculiar to major periods of state development, than in writing a detailed history of the Russian University. Moreover, if the Empire period is needed to understand the genesis of the Russian University, the Soviet period is also important in that the Soviet model was the departure point for Russian University marketization - the subject matter of my present study. The post-communist period, or as further referred to in the study, the transition period, is empirically determined. Up until 2004 the Russian University was in a very unstable situation: left on its own by the state, it struggled to survive. As the study shows, since 2004 the Russian University entered a new stage of its development, and this I call the modern period.

The transition period sets out the time borders around the critical juncture focused on in the present study. However, to introduce the object of the study and be able to draw thorough, reliable conclusions, the way the University functioned in other periods of its development also needs to be reflected upon.

#### **4.4 Change**

In Chapter 2 I argued that examining market-oriented transformations is important in order to grasp the understanding of University marketization. I also articulated that, in the case of the Russian University, the study of market-oriented transformations can be implemented as a study of institutional change at the University. However, marketing activities at the University

should be emphasized because the increasing use of marketing practices at HEIs is often seen as marketization.

As Campbell puts it, *“if we want to better identify patterns of institutional change... then we need to unpack the critical dimensions of an institution and track them over time”* (Campbell, 2004: 57). Thus, to examine marketization of the University as change, I need to identify dimensions for the analysis. According to Campbell (2004), a scholar should specify criteria for the institutional analysis based on the chosen institutional perspective, the issue of salience and the level of analysis. These issues are interrelated. *“Identifying relevant dimensions is especially important insofar as institutional change is a lumpy and uneven process where change in one dimension may lag change in another”* (Campbell, 2004: 37). The present study is implemented from the historical institutionalism perspective and at macro level. The salience of the institutional dimensions is also based on the conceptual understanding of the unit of analysis, the University, and the subject of analysis, marketization of the University. To find out what market-oriented transformations the Russian University experienced during the defined period of critical juncture, I chose to determine a set of dimensions for the institutional analysis of the University and then used these dimensions to compare the institutional pathways of the Russian University. This study particularly focuses on the Soviet pathway and the Post-Communist period. What then are the criteria to be used for an institutional analysis of the University?

The thorough study by Cabal (1993) named “University as an institution today” provides valuable inspiration. Cabal’s study recounts the history of the university, analyzes it by way of “a theory of the university<sup>32</sup>” and considers the internal and external areas the University functions. As to the criteria for the institutional analysis of the University, Cabal’s manuscript offers no direct answer. However, Cabal’s study of the University as an institution does

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<sup>32</sup> In terms of Cabal (1993).

provide a reason to determine institutional dimensions of the criteria within three major fields (Cabal, 1993):

- Missions of the University
- Internal functioning of the University
- External functioning of the University

The institutional dimensions are further briefly covered in light of the relevant literature. I do not intend reviewing the existing literature: it is voluminous and embraces many different issues. I focus here on the aspects of the institutional dimensions to be closer examined in the present study.

#### *4.4.1 The purpose of the University*

Cabal claims, “*the University should not be defined quantitatively by the number of faculties, departments, laboratories, ...[but] it should be defined qualitatively by the clarity of its missions, its vigour in carrying out its functions, and the roles that win it recognition and esteem*” (Cabal, 1993: 50). According to Cabal, missions are “*the institution’s goals and objectives*” (Cabal, 1993:22). The University’s missions determine, but are also performed by means of functions interpreted as “*activities that the University carries out*” within society (Cabal, 1993: 22). Finally the roles of the University result from the University’s “loyalty” to its missions and the “quality and responsibility” with which the University carries out its function to perform its missions. The terms “missions”, “roles” and “functions” may easily be, and indeed often are, confused, substituted as synonymous, and explained by means of each other, in Cabal’s (1993) study as well. There is a reason for this. In their entirety, they describe the University’s purpose, hence some of the particular institutional characteristics of the University. So to avoid misunderstanding and confusion of terms, I assume that the

“missions”, “roles” and “functions” of the University are understood in general as “the University’s purpose”, so I may use the terms interchangeably, but the term “mission” is used for the most part from now on. Universities are engaged in research and teaching: these functions of the University are often seen as the most important (Ben-David, 1972/1991; Cabal, 1993; Scott, 2006). Further, some of the features of these missions are highlighted.

Regarding the education mission, several important issues form our understanding of how the University fulfils this mission. The University education is aimed to *“form the student’s understanding of the discipline of intelligence and the discipline of an intellectual life, without limiting it to the learning of a “science” detached from its repercussions”* (Cabal, 1993: 102). Education at the University is not limited to the mere study of a profession, as the University aims *“to produce students with a high level of personality development”* (Cabal, 1993: 103). Educational function of the University also includes developing a person’s learning e.g. learning how to learn, learning to understand, learning to create, learning to coexist with others and with nature, learning to adapt, etc. Cultural development of students is an important feature of University education. In general, the University provides the highest level of education, so the education function of the University should always be directed towards higher objectives (Cabal, 1993). The mission “to educate” will be considered by observing through a prism of the named postulates. From studies of marketization, we know that quality control of University education has recently been reinforced in different countries worldwide (Yin & White, 1994; Mok, 2000; Czarniawska & Genell, 2002; Steier, 2003; Wedlin, 2008). This is also an important issue to look at in the context of the Russian University.

Students of higher education conclude that, until the end of the 18<sup>th</sup> century, the education mission of the University dominated over the research one. After the Humboldt university reform during the early 19<sup>th</sup> century, the research university model started to spread around

the world (Ben-David, 1972/1991; Teichler, 1996/2007). As Teichler puts it, since then “*research and scholarship became the core dimension of the professional identity of the academic profession*” and “*the high prestige institutions of higher education put strongest emphasis on research*” (Teichler, 1996/2007: 56). However, nowadays research plays different roles in different countries (Teichler, 1996/2007), but also in different universities within countries. For instance, Denman (2005) claims that research does not always play a critical role and may not serve as a basic function at every university. So the importance of the research mission at the University changes over time and over geographical borders. While looking into the research mission at the University, it is interesting to investigate how research is planned and financed, how it is organized, and how it is integrated with teaching (Ben-David, 1972/1991).

Scholars suggest that the missions of the University are better understood as the historical destiny of the institution within its national borders (Cabal, 1993; Teichler, 1996/2007). The present study employs this perspective to reveal the missions of the Russian University and track them over time, emphasizing the period of critical juncture when marketization of the University took place. In addition to the named missions of the University, other missions will be investigated in the study of Russian University marketization. These are the missions that have historically been important to the Russian University, the missions that have been transformed during the studied period of marketization.

#### *4.4.2 The internal functioning of the University*

The second category of criteria used for institutional analysis of the University is the organization and internal functioning of the University. Here, the academic structure and the basic resources of the University should be highlighted (Cabal, 1993).

Academic structure may be named as one of the important criteria within this category. As Cabal puts it, *“academic structure is related to the total concept of the university. These relations are concerned with all areas and all levels of authority and should serve the academic function because it is there that research, teaching and educating are carried out every day”* (Cabal, 1993: 41). Thus, when talking about academic structure, one should focus on the structural academic elements of the University: units, institutes, centers, faculties, sub-faculties, departments, divisions, etc. and their development. Some of the University structural elements have a long history - faculty, for instance, has medieval origins; while others, like institutes, units, centers are recent (Cabal, 1993). The new elements are also more autonomous elements of the University academic structure - both financially and administratively. These elements have been established at the University in response to the pressure of transformative forces. Extension of certain fields of studies, such as social sciences for instance, and changes in course programs are also important to investigate while studying changes in academic structure (Teichler, 1988; Frank & Meyer, 2007). In the present study, it is important to emphasize how different institutes and departments at the University reacted to the spread of the logic of the market. The University was recently encouraged to extend a spectrum of activities in order to attract external funding. However, different parts of the University *“interact with different kinds of markets and different kinds of external actors”* (Askling & Henkel, 2000: 124), and hence, have different “earning” capacities. Increased market dependency resulted in internal tensions at the University and illuminated imbalance between financially successful and unsuccessful departments. As Askling & Henkel put it, *“behind the façade of the institution as an entity, the economic power is unevenly distributed”* (Askling & Henkel, 2000: 124).

If the academic structure of the University is considered as the basis of the University, then efficiency of the University functioning depends directly on availability of the needed

resources. Cabal (1993) distinguishes between three main groups of University resources: human, material and financial. For the purposes of the present study I choose to emphasize professional and student resources. In the empirical chapters I also describe the material resources of the Russian University. In the present study, “material” is understood in a broader sense and includes both physical layout, financial resources, availability and the quality of laboratories, libraries, technology, etc. The reason for my concentrating on these three groups University resources lies primarily in their vital importance for the internal functioning of the University, but also in the impact on availability and the quality of resources the University experiences in transition periods. Further, this claim is supported by evidence from the existing studies.

By “professional resources” I mean the faculty. The faculty is “the key element in the academic process” (Millett, 1962: 65). Clark (1987) argues that the academic profession is socially shaped: the prominent social settings are national, disciplinary and institutional. Students of higher education refer to the fact that during the last couple of decades the academic profession has experienced considerable structural changes (Høstaker, 2000). The evidence from Post-Communist countries varies a lot more. In his study of transformations in the Polish academic profession that took place after the fall of communism, Kwiek concludes that the academic profession in Poland “*still does not know where it is heading*” (Kwiek, 2003: 474). The scholar points to worsened working conditions and salaries, frustration and discontent, poor career opportunities at the University (Kwiek, 2003). Thus, the status of the profession, the faculty’s welfare, the quality of instruction are all aspects to emphasize in the study of transformation in professional resources.

Students may also be seen as one of the important resources of the University. Student resources increased and got diversified with the expanding diversity of the University. Nowadays, students entering the University have a wider range of social and educational

backgrounds, a wider range of motivations and expectations, a wider range of future destinations, etc., than students from the 1980's (Brennan & Shah, 2000). From studies of marketization (Table 2.1), we know that in some countries there was a negative effect on equity in the affordability of higher education for students of different social groups (Yin & White, 1994; Steier, 2003) as more and more educational programs are fee-financed. This also applies to Eastern Europe, including Russia, where tuition fees were introduced without accompanying student financial aid mechanisms (Steier, 2003). Scholars refer to strengthened students' motivation to study since the adoption of the "self-paying" principle (Mok, 2000). There is also evidence of growing internal competition for students amongst educational institutions (Scott, 1999, Mok, 2000, Steier, 2003; Munene, 2008). In the light of these observations, it is important to highlight the issue of the quality of the student resources being closely related to students' selection and admission (Cabal, 1993; Ahola & Kokko, 2001). With the spreading of the mass education paradigm, "commercialization" and "professionalization" of the University, the question of "*whether the university should be open to everyone or whether students should be selected for their superior ability*" (Cabal, 1993: 75) became more urgent. Research carried out on university students is voluminous (Tam, 2002) and keeps growing. In the present study, in examining the student resources of the Russian University I will emphasize basic grounding, admission to the University, welfare and zeal in relation to studies.

#### *4.4.3 External functioning of the University*

Finally, the last category of the criteria for the institutional analysis of the University is the external functioning of the University. In the present study the University is seen as a national institution, as "a sub-system of the state" (ref. Kogan & Marton, 2000) that interacts, affects and is affected by other institutions. Hence, the external functioning of the University is investigated via inter-institutional relations. The University is involved in three main types of

inter-institutional relations (Cabal, 1993): University-State relations, University-Industry relations and inter-University relations of an international nature. These relations are briefly discussed in the light of the existing literature.

In the introductory chapters I emphasized that, since the 1980's, a substantial change has occurred in relations between the University and the state. In different countries, governments redefined their functions in relation to higher education (Bleiklie, 1999; Kogan & Marton, 2000). Governments developed models of self-regulative steering instead of direct control of universities. Governments redirected their attention to the outputs and performance of universities instead of regulating the inputs (Hölldt, 1998). Scholars note shift of state responsibility in educational provision to families and individuals (Yin & White, 1994; Scott, 1999, Mok, 2000; Steier, 2003; Pritchard, 2005). As noted in Chapter 1, in the case of Post-Communist Russia, University – State relations changed dramatically. In a very short period of time the authoritarian control, but also support of the national institutions turned into state withdrawal from the functioning of its public institutions. Investigating this aspect in the context of the Russian agricultural sector, Wegren concluded that *“by examining the nature of state withdrawals, we are able to comprehend better the impact of marketization”* on national institutions (Wegren, 2000: 50). This is why it is so important for the present study to look into University-State relations.

Another aspect of inter-institutional relations is University-Industry relations. Students of higher education emphasize the growing partnership between the University and industry (Yin & White, 1994; Turk-Bicakci & Brint, 2005; Krücken et al., 2007). Bertrams (2007) finds the roots of co-operation between university professors and industry in the late 19<sup>th</sup> century. However, “self-conscious involvement of the university as a whole into establishing more institutional relations with industry” originated rather recently (Krücken et al., 2007: 14). Scholars note the complex and heterogeneous character of University-Industry relations

(Fontana et al., 2003; Inzelt, 2004). The interactions between universities and industry happen on different levels, individual or institutional, and include many different types of research and development co-operation, consultations and investment (Inzelt, 2004).

Finally, looking at inter-University relations the emphasis in the present study is put on international inter-university relations. As described in the empirical chapters, the idea of the Russian University was imported from Europe. Historically, the Russian University enjoyed rather close ties with the international academic community. However, during Soviet times the international relations of many national institutions were limited. After the fall of the Soviet Union, international inter-University relations started to thrive. On the global scale, international or border-crossing relations at the University are a rather old phenomenon dating back to the first universities (Huang, 2007; Yang, 2002). Nowadays, the intensity of internationalization activities varies enormously (Yang, 2002). The internationalization process is either seen import-oriented or import- and export-oriented or as export-oriented depending on how universities are engaged in internationalization processes. They may be more focused on accepting or sending abroad students, faculty staff, etc. (Huang, 2007). As Frølich (2006) summarizes, students of higher education investigate the phenomenon of University internationalization at three levels: macro, meso and micro. At macro level, internationalization refers to “changing environments to both research and higher education policy making, to research and HEIs and to research and teaching activities” (Frølich, 2006: 405). At meso level, “internationalization refers to attempts to integrate in an international dimension in the activities of research and HEIs”. At a micro level, “internationalization refers to activities such as international cooperation and publications and student mobility” (Frølich, 2006: 405). In the present study, international inter-University relations, as well as all other institutional dimensions of the University are examined at both macro and micro levels.

The criteria for the institutional analysis of the University	
<b>Missions of the University</b>	To educate
	To be engaged in research
	Other
<b>Internal functioning of the University</b>	Academic structure of the university
	Professional resources
	Student resources
	Material resources
<b>External functioning of the University</b>	University-State relations
	University-Business / industry relations
	International inter-university relations

**Table 4.3** Criteria for the institutional analysis of the University

Criteria for the institutional analysis of the University discussed above are summarized in Table 4.3. These criteria are further used to both implement the historical institutional analysis of the unit of the study, and to examine market-oriented transformations at the Russian University during the period of marketization.

#### *4.4.4 Emphasis on marketing activities*

In the introductory chapters, I already mentioned that marketization is often confused with marketing of higher education (see e.g. Hemsley-Brown & Oplatka, 2006; Lowrie & Willmott, 2006). “Marketingisation” (ref. Gibbs, 2008) might be seen as a part of market-oriented transformations at the University. Thus, while studying marketization of the University, we also need to examine the engagement of the University into market activities. This is why emphasis on marketing activities is singled out as one of the dimensions to look into when analysing market-oriented transformations at the Russian University. In this section I would like to refer to some studies that have put marketing of higher education in focus. This allows us to discuss key elements worth investigating through studying marketing activities at the Russian University.

The stages of marketing evolution at HEIs	Description
<b>Marketing is unnecessary</b>	HEIs assume that the value of education is obvious, hence, those who value it will enter and study. Curriculum changes slowly, no need for marketing.
<b>Marketing is promotion</b>	HEIs experience a lack of students or a lack of good students, and thus establish a recruitment function – an admission office that operates as “sales unit”, making “sales calls” and sending out publicities.
<b>Marketing is segmentation and marketing research</b>	HEIs start using an admission office more efficiently, developing its research capability to understand students and potential students better.
<b>Marketing is positioning</b>	HEIs search for and formulate their distinctive characteristics to communicate them to potential students, thus positioning themselves for a particular segment of students and distinguishing themselves from competitors
<b>Marketing is strategic planning</b>	HEIs are sensitive to external transformations: they respond to new challenges of the time aligning their efforts with new trends in society. A planning function is intensified.
<b>Marketing is enrollment management</b>	HEIs start treating students as valued partners in a relationship that continues through the period of enrollment to graduation and years after that. This requires significant changes both structurally and ideologically as a student is now treated as a customer whose needs and wishes have to be satisfied.

**Table 4.4** The stages of marketing evolution at HEIs according to Kotler & Fox (adapted with changes from Kotler & Fox, 1995: 11)

We know that universities worldwide are engaged in marketing activities. There is evidence from some countries showing that marketing is not a new thing for higher education institutions. For instance, Kotler & Fox (1995) stress that American colleges and universities turned to advertising, publicity, lobbying, fund raising, as student recruitment activities as early as in the 1850’s. It is the perception, the understanding of importance of marketing that has been re-evaluated recently: *“the acceptance and focus of educational marketing has evolved”* (Kotler & Fox, 1995: 11). Table 4.4 summarizes the stages of marketing evolution at HEIs as they are formulated and described by Kotler & Fox (1995) with reference to the American context.

The studies referred to in this section point to the fact that increasing university emphasis on marketing activities can be explained by the need to attract external financing. Pritchard states that *“in a marketizing system, universities need to widen their sources of funding”*

(Pritchard, 2005: 437). Universities and other HEIs all over the world, to varying extents, experience diminishing financial support from state. Simultaneously, universities in some countries experience the growth of money-making opportunities (Bok, 2003). Examples of University money-making vary from taking fees for educational and research services to making profits on consulting, athletic teams, developing a university's bookstore network, etc. (Bok, 2003). As emphasized in studies focusing on market activities referred to in this section, attracting external funding is one aspect of market-oriented transformations. Thus, in the empirical part of the study I investigate how the Russian University has attracted financial resources during the analyzed period of marketization. Further in the text, the term "commercialization" is used to refer to the University's efforts to earn money from educational programs, research, etc.

Another aspect of marketization emphasized in several studies is customer orientation. This involves responsiveness to students' needs, differentiation of student groups, treating students as customers, more sophisticated approaches to admissions, etc. (Baldwin & James, 2000; Mok, 2000; Svensson, 2001; Kirp, 2003; Maringe, 2005). Referring to a student as to a customer is, however, often seen alien to the work of universities because students "*can't just be given what they want. They don't passively consume their education: they actively co-produce it*" (Sharrock, 2000: 150). This makes customer orientation as applied to the context of higher education "a problematic concept" (ref. Sharrock, 2000). In the present study, an attempt is made to find out whether the Russian University has become more customer-oriented since Soviet times. I look into how marketing activities have been organized, who has dealt with marketing at the University, and how students and faculty have perceived marketing efforts at the University.

Practically and in terms of marketing, the marketing process implies designing offerings, pricing, communicating and delivering them. It has been argued, however, that the language

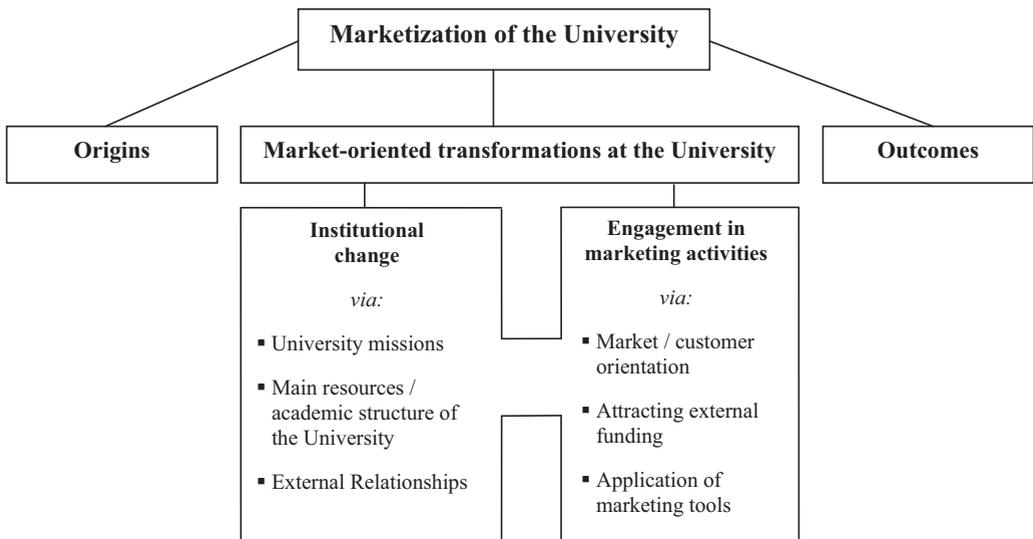
of marketing “*doesn’t translate well to the work of universities*” (Sharrock, 2000: 149). As shown in Table 4.4, HEIs have been involved in marketing activities for a long time. They were, however, given different names (Kranchenberg, 1972) and were less intensive than nowadays (Kotler & Fox, 1995). In the present study I employ some marketing terminology, such as “product”, “communication”, “delivery of services”, in order to emphasize growing university commitment to marketing activities.

As for “product”, from the studies of marketization (Table 2.1) we know that universities have been re-packaging courses into more “marketable” (Yin & White, 1994; Mok, 2000; Czarniawska & Genell, 2002; Munene, 2008) and labeling courses using buzzwords, rituals, etc. to make them look more attractive (Czarniawska & Genell, 2002). Besides designing, HEIs decide when and how to “deliver” their offerings. Many universities use “*complex and many faceted*” (Hugstad, 1976: 309) modes of delivery to reach out to the market: for example, branch campuses, extension centers (Kranchenberg, 1972), distance education and the use of intermediaries. “Pricing” is one of the most difficult components of the marketing program. However, as universities offer different products/services with different costs, sometimes at different locations, pricing is an important marketing tool for universities commercializing their offerings (Kranchenberg, 1972). The University also communicates with the public. The means of communication mostly used by the University is public relations (e.g. news, events, speeches, written material such as annual reports, newsletters, alumni magazines, etc.), marketing publications (e.g. posters, catalogues, brochures that support public relations and admission campaigns), and advertising (in newspapers, on TV, outdoor displays and in other types of media, direct mail, novelties, etc.) (Kotler & Fox, 1995). However, the importance of personal communication is also important. For HEIs this may for instance take the form of visits by faculty and admission offices to secondary/high schools (Kranchenberg, 1972).

Summarizing the discussion in this section, I would like to state that the study of marketization should include the emphasis on marketing activities at the University. Reviewing the literature in the marketing of higher education I articulated three issues: customer orientation, attracting external funding and marketing in practice that involves designing offerings, their pricing, delivery and communication. These issues will be further reflected upon while analyzing the marketization of the Russian University.

**4.5 Conclusion**

Chapter 4 aimed to develop an analytical framework for use in the present study in order to investigate the phenomenon of Russian University marketization. In terms of historical institutionalism theory, marketization of the Russian University can be seen as a critical juncture in its institutional development. It is argued that in order to analyze a critical juncture and hence, the marketization of the Russian University, three aspects of the concept of critical juncture are important.



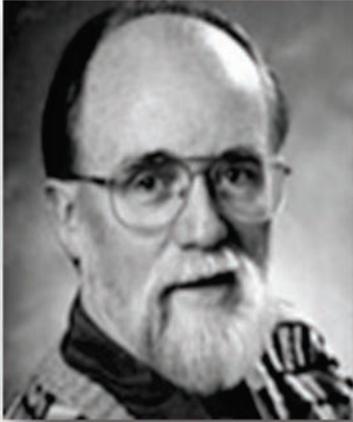
**Figure 4.1** 'Marketization of the University': analytical framework

The first one is the unit of analysis. In the present study the Russian University is seen as a national institution with its history and traditions. Before delving deeply into the analysis of marketization, the Russian University as the unit of analysis needs to be revealed. The second shortcoming needing mention involves the time horizons. Three pathways punctuated with critical junctures were identified in Section 4.3 of this chapter. Finally comes the change investigated in the present study as market-oriented transformations. I argued that, to understand market-oriented transformations, we have to look into the institutional change happening at the University during the period of critical juncture, but also examine the University's involvement in market activities.

In Chapter 2 I concluded that in order to understand marketization of the University one should uncover its origins, analyze market-oriented transformations and look into the outcomes of marketization for the University. Chapter 4 contributed to deriving the dimensions to be used for examining market-oriented transformations. Referring to these discussions, Figure 4.1 shows in figures the analytical framework of the present study.



## 5. METHODOLOGICAL AND PHILOSOPHICAL ISSUES



**Figure 5.1** Michael Q. Patton<sup>34</sup>

*“Systematic and rigorous observation involves far more than just being present and looking around. Skillful interviewing involves much more than just asking questions. Content analysis requires considerably more than just reading to see what’s there. Generating useful and credible qualitative findings through observation, interviewing, and content analysis requires discipline, knowledge, training, practice, creativity and hard work”*

*(Patton<sup>33</sup>, 2002: 5).*

*“Methodology refers to a design whereby the researcher selects data collection and analysis procedures to investigate a specific research problem”* within a systematical and purposeful approach (McMillan & Schumacher, 2001: 10). Chapter 5 discusses the methodological issues related to the present study. It introduces the study as qualitative research. It divulges some methodological features of historical research, as this study views the subject matter using a historical perspective. It presents the research design and uncovers the particular characteristics of the case study method as used in my present research study. It also places particular emphasis on the interpretation of the data and the studied phenomenon. Thus, hermeneutics is introduced as a philosophy of interpretation. The chapter ends by eliminating methodological limitations and the ethical code as applied to the study.

<sup>33</sup> Michael Q. Patton - organizational development and evaluation consultant; the author of the book “Qualitative research and evaluation methods”, amongst others.

<sup>34</sup> Source: Alliance for Nonprofit Management, [www.allianceonline.org](http://www.allianceonline.org).

## 5.1 Qualitative research

This study has been carried out in a framework of qualitative research with the aim of extending our understanding of the subject matter by answering the following research question: *“What does marketization mean in the context of the Russian University?”* The study aims at providing *“details of phenomena that are difficult to convey with quantitative methods”* (Sørnes, 2004: 19). Depth and details of the studied phenomenon are focused on in the present work: these are the issues that qualitative research facilitates (Patton, 2002). Denzin & Lincoln (2005) also name such distinctive aspects of qualitative research as capturing the individual’s point of view, examining the constraints of everyday life and ensuring a rich description. Miles & Huberman (1994) add that, for qualitative researchers, it is important to gain an integrated view of the context. My present study implies these same characteristics.

Moreover, this study is a process study. Even if marketization is seen with both its inputs and outcomes, these are the features and peculiarities of prior concern. Patton (2002) suggests several arguments for using qualitative methods to study processes. Firstly, depicting the process requires detailed descriptions. Secondly, the process is fluid and dynamic so it cannot be fairly summarized on a single rating scale at one point in time. Thirdly, the perceptions of the participants form a key to process evaluation. Process experience typically varies from person to person so their experience needs to be captured in their own words. These arguments hold great importance for the present study and are seen as guidelines for doing this research.

Still on the topic of qualitative methods, historical research methods and case study method are employed in the study. *“Each research technique has its own advantages and its own biases, ways in which it distorts the reality it seeks to comprehend”* (Burawoy, 1991: 2).

Thus, in the present study the methodological triangulation is implied as “*an arsenal of methods that have nonoverlapping weaknesses in addition to their complementary strengths*” (Brewer & Hunter in Patton, 2002: 248). In the following pages, these methods are discussed in the way they were applied to this study. Particular emphasis is also given to interpretation of the qualitative data and the studied phenomenon as such.

The present study is a piece of reflexive research (ref. Alvesson & Sköldbberg, 2000) with such basic characteristics as careful interpretation - interpretation is a “*forefront of research*” (ref. Alvesson & Sköldbberg, 2000) – and reflection. By reflection “*interpretation of interpretation and the launching of critical self-exploration of one’s own interpretations of empirical material*” is understood (Alvesson & Sköldbberg, 2000: 6). In the present piece of research, interpretation is used within the hermeneutic tradition. Hermeneutics co-relates well with the theoretical grounding of the study - historical institutionalist theory, - as the historical origins and context in which the phenomenon is investigated are of prior importance within the hermeneutic tradition of interpretation (Blaikie, 1993). Hermeneutists acknowledge that “*we are inextricably situated in a historical ... reality... in which we are always engaged in interpretation*” (Harbour, 2006: 2). The hermeneutic approach in its philosophical sense provides foundations for the interpretation of the studied phenomenon.

The narrative proceeds by illuminating the specifics of historical research.

## **5.2 Historical research**

Chapter 2 emphasizes that the present study is guided with the historical institutionalism paradigm. One of its peculiarities is the historical approach to understanding the investigated phenomenon. “*...Historical institutionalists take history seriously – as something much more than instances located in the past. To understand an interesting outcome or set of arrangements usually means to analyze processes over a substantial stretch of years, maybe*

*even many decades or centuries*” (Pierson & Skocpol, 2002: 5). Historical institutionalists do not just look at the past, but at processes over time. The value of history and the significance of the historical research for the present study were reflected upon previously. Herewith, some methodological traits of historical research are introduced.

Historical research *“represents a systematic enquiry into the process and an attempt to separate true from functioned accounts of historical events, based upon the examination of a wide range of relevant source material”* (McDowell, 2002: 5). In historical research, sources of data or perhaps rather evidence may vary between documents, paintings, sculptures, photographs, sound and visual recordings. This evidence may already have been analyzed by eyewitnesses or historians earlier. Thus, former studies done in a particular field of historical investigation should be appreciated and taken into account. A fresh look at the evidence in a long-term perspective may result in the discovery that with time seemingly unremarkable events may well be seen as significant. As McDowell puts it, *“the judgments of historians may be challenged by their successors: there is no single unanimous verdict of history, only an open and unfinished process”* (McDowell, 2002: 10). However, historians often deal with *“varied and unorganized material left behind by previous generations”* (McDowell, 2002: 11). In the case of contemporary history, there is another problem – recent historical events are not fully documented.

Historians make a clear distinction between secondary and primary sources of data. Secondary sources are those created by people who had not witnessed the events they described. The primary sources are expected *“to extend the boundaries of historical knowledge”* (McDowell, 2002: 55). In the present study, I also use secondary sources, but the primary sources dominate and vary in form between documentary, oral, and illustrative evidence. While the first two types of primary data sources are specified further on in the chapter, I would hereby like to emphasize the purpose of the illustrative evidence in the study.

Photographs visualizing contemporary events in Russian history; portraits of scholars, statesmen, faculty, students; pictures of Russian universities - buildings and internal facilities - these are some examples of the illustrative evidence presented on the pages of the manuscript. Its main purpose is to visualize the textual message and, hence, to reinforce it. So, by illustrating some parts of the story, I give the reader, especially one who is not familiar with the Russian context, the opportunity to gain a more vivid picture of the narrative.

As for presentation of data, I have already mentioned that studies of historical institutionalists are often treated as “storytellers” (Thelen, 1999; Pierson & Skocpol, 2002). This is probably due to the historical and qualitative nature of the studies. However, a variety of techniques should be used to tell a story about the data within a historical perspective, hereby constructing an illuminating narrative.

The empirical chapters in this monograph are written using such techniques as summarizing events, focusing on key episodes, setting out chronological sequence (Dey, 1993). There are two ways of presenting a historical narrative: chronological, in which several themes are covered simultaneously and then traced over a period of time, and thematic, when one theme is accentuated within a particular time scale (McDowell, 2002). In the present study, I combine both approaches. For instance, Chapter 6 aims at developing a holistic picture of the Russian University’s historical developments. Thus, it covers the history of the Russian University in a chronological manner: the University as an institution is described from the beginning of the 18<sup>th</sup> century until 2008. Chapters 7-10 are written with an emphasis on particular themes - the criteria for the institutional analysis of the University or other aspects of the University functioning. Then, each of the themes is presented chronologically. In these chapters, the objective is to uncover the peculiarities of marketization according to the analytical model of the study (Fig. 4.1).

Following the presentation of the empirical data, Chapter 12 summarizes and analyzes the main findings and Chapter 13 discusses the results of the study in the light of historical institutionalist theory and marketization studies. Thus, this historical study does not limit itself to “storytelling”, as something peculiar to historians (McDowell, 2002). The narrative of Chapters 6-11 offers detailed description of the studied phenomenon, whilst the final chapter places the descriptions in a broader context explaining the significance of the studied phenomenon.

The next section gives a more detailed overview of how the study was designed.

### **5.3 Research design: a bimodal study**

The present study aims to develop our understanding of the phenomenon “marketization” in the context of the Russian University. The main research question was complemented by “*What does marketization mean for one particular Russian university?*” The necessity of complementary questioning may be explained by the hermeneutic approach<sup>35</sup> to the present study. Its core idea is that one understands the meaning of the whole through becoming familiar with the meaning of its parts and, conversely, the meaning of a part can only be understood through the meaning of the whole. Such “spiral” alternating between a part and the whole brings a progressively deeper understanding of both. The purpose of the present study is to describe and clarify such a macro-social phenomenon as marketization of the Russian University. According to the hermeneutic tradition it is possible to enhance knowledge by circling between understanding the phenomenon at the level of aggregations - the Russian University as an institution - and an understanding at the level of individualization - one particular Russian university. To achieve this goal, the study is designed as bimodal, i.e. the empirical part of the study is implemented at two levels – macro

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<sup>35</sup> Section 5.5 of this chapter is devoted to hermeneutics and the role of the approach in the present study.

and micro - using different methods and data sources. Thus, the complementary research question is also needed to support a case study method employed in the study to enrich the arguments.

At level one (Chapters 6-7), the University is introduced as the whole: a brief history of the Russian University is given, and further, emphasis is placed on the process of Russian University marketization in the transition period. The basic aims at level one are to present the object of the study – the Russian University - as a national institution with its history and traditions; to eliminate the basic distinctive features of the subject of the study – Russian University marketization in the transition period, - and to prepare a background for developing the interview guide to be used at level two of the study. In general, level one of the investigation is aimed at presenting the context of the study, framing the peculiarities of the studied phenomenon and serving as a background for the next level of the study.

Documents from both primary and secondary sources were used to implement the study at level one. Governmental acts, laws, reports, statistics, the University regulations, written history of particular Russian universities and reports, impressions, and thoughts documented by eye-witnesses of the described historical events – these are the sources of the primary data. Research articles devoted to different aspects of the Russian higher education system published both in Russia or abroad were used as secondary sources of data. The primary data was important to support and verify the data from the secondary sources, but also to extend the emphasis on the aspects of the described historical events that are of particular importance to the present study. All in all, this part of the study is implemented as document analysis. According to Stake, data collection by reviewing documents “*follows the same line of thinking as observing or interviewing*” (Stake, 1995: 68). Moreover, documents are one of the main data sources in historical research, as historians “*rely on the critical examination of documentary evidence*” (McDowell, 2002: 21). Suitability to analyzing larger social units,

understanding social changes, saving on research costs, etc. are also among the advantages of the document analysis method (Singleton et al., 1993).

Analyzing documents is widely used at both empirical levels of the study. Herewith, I would also like to point to the fact that this was rather a demanding job. Besides the advantages, this method poses some special challenges such as getting access to documents, understanding how and why the documents were produced, determining the accuracy of documents and linking documents with other sources, including interviews and observations (Patton, 2002). In the next section while revealing details on implementing the study at the second empirical level, I will exemplify how these challenges were handled.

Generally, at level two (Chapters 8-11), a particular Russian university is investigated as “a part of the whole”, a part of the University as a national institution. The main objectives were to strengthen the arguments developed at level one of the empirical part of the study, thus, extending an understanding of the studied phenomenon and answering one of the research questions, which is *“What does marketization mean for one particular Russian university?”* The case study method was chosen to implement the study at this level. Sub-chapter 5.4 is devoted to explaining why this particular method is used and how the case was chosen, how the data were collected and the preliminary data analysis within the case study was implemented. Concluding this section, it is important to emphasize that the analytical model (Fig. 4.1) guided data collection and data analysis at both levels.

#### **5.4 The case study method**

A number of definitions exist of case study. For instance, Yin, the guru in the case study method, defines case study as *“an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”* (Yin , 1994: 13). This definition refers to a particular

function of the method: a phenomenon is studied deeply in a particular setting. However, according to Yin (1981), there are inappropriate definitions confusing the case study with a specific type of data collection technique - participant-observation - or with a particular type of experimental design - “*the one group, post-test-only design*” (Yin, 1981: 99) - or associate case study with the use of the only kind of evidence available - qualitative data. In 1981, Yin (1981) argued that in scientific circles resistance existed to recognizing the case study as a research strategy with its own sets of designs. Nowadays, the confusion in defining case study still exists. As Andersen (1997) claims, both within and between different disciplines, there is no clear common understanding of what approach or method a case study refers to. To avoid reader’s misunderstanding, I will define the case study as it is further understood. The present study focuses on the case of a particular educational institution, a university. Thus, the case study method is defined as educational researchers refer to it. Based on Bassey’s (1999: 58) conceptual reconstruction of the educational case study, I derived the following definition of the case study (Table 5.3).

<b>Case study is</b>	
<b>Bassey’s definition</b>	<i>In my interpretation - for the means of the present study</i>
<b>...an empirical enquiry which is:</b>	<i>...systematic trustworthy data collection, critical data analysis, wise data interpretation with fair conclusions which is:</i>
<b>conducted within a localized boundary of space and time</b>	<i>conducted within a particular educational institution, the university, in a certain period of time</i>
<b>into interesting aspects of an educational activity, or program, or institution, or system</b>	<i>into interesting aspects of university marketization</i>
<b>mainly in its natural context and within the ethic of respect for persons;</b>	
<b>implemented in order to inform the judgments and decisions of practitioners or policy-makers or of theoreticians who are working to these ends;</b>	
<b>in such a way that sufficient data is collected for the researcher to be able</b>	
<b>(a) to explore significant features of the case,</b>	
<b>(b) to create plausible interpretations of what is found,</b>	
<b>(c) to construct a worthwhile argument or story,</b>	
<b>(d) to relate the argument or story to any relevant research in the literature,</b>	
<b>(e) to convey convincingly to an audience this argument or story,</b>	

Table 5.1 Definition of case study

According to Yin, case study research has at least two strengths. It is useful when a research goal is to capture both “*phenomenon (real-life event) and its context (the natural setting)*” (Yin, 2004: xii). It also allows us to answer the “why” and “how” research questions using a variety of qualitative data collection methods. In the present study the case study method is used to reveal the peculiarities of marketization in the context of the Russian University. By using the case study method, the phenomenon is studied at one particular university. By improving our understanding of how a particular Russian university went through the process of marketization, we gain better knowledge of how the Russian university system was changed with marketization.

#### 5.4.1 Case selection

Referring to “the best case studies ever done”, Yin (2004) suggests trying and selecting a “significant” or “special” case, or letting the theoretical framework guide us to a case, or choosing an average case as “*possible representative of contemporary... life*” (Yin, 2004: 25) and at the same time “*compact and homogeneous enough to be manageable in such a total situation study*” (Yin, 2004: 29), or making an average case special, setting the goals high. For instance, one can base the case on a subject with great theoretical value, or develop the case within an abstract topic. Following these recommendations, I first planned using a multiple case study method. However, because of the obstacles of lack of time, lack of financial resources and difficulty in accessing to equally rich data for each of the cases, I had to cut my case list to a single candidate: Baltic State Technical University.

In terms of Yin, BSTU is a good “representative of contemporary life” and it should be considered an average Russian university with a long history. BSTU is a state university with a history going back to imperial times. In the 1930’s it obtained the status of institute and in 1992 it obtained full university status. BSTU is a specialized “new” university. This

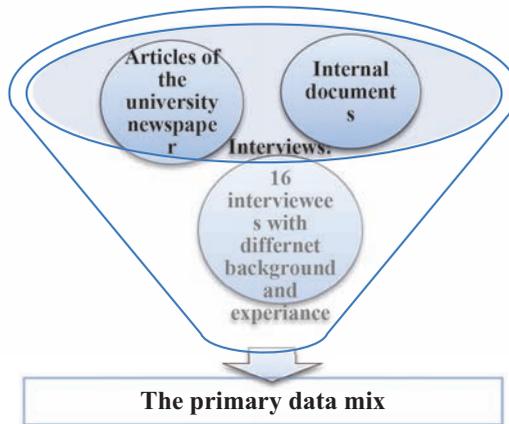
particular feature of the case allows enriching the data and, hence, the findings, because some particular trends connected to marketization of the Russian University can be examined. In addition, the in-depth case study was possible: I had access to the data sources. Like many other Russian universities, BSTU has a system of pass control to enter its buildings. Moreover, the university has entrance limitations because of state secrecy and it is problematical for foreigners to enter the buildings. As a former student of BSTU and a current student of the international PhD program launched by BSTU, I did not have to deal with these problems. The interviewee group consisted mostly of university representatives who could answer frankly painting a realistic view of the situation, not a “political” one hiding unfavorable aspects and avoiding going deeply into detail. Some interviewees that represented, for instance, juridical, “marketing”, patent departments of the university asked if I had permission from the principal. As a student of the international PhD program, I was granted such permission in writing. It was of great general help, and especially useful when I needed the archive documents at different departments. So, belonging to BSTU, I had no difficulty collecting the data.

#### *5.4.2 Data collection for the case study*

According to the theoretical background and the analytical model of the study, BSTU has been investigated at different historical periods of its development via the criteria for institutional analysis of the University. To reveal the special traits of marketization during the transition period, at the same time drawing conclusions from seeing the phenomenon in a broader context, the case study covered the following periods:

- 1970’s-1980’s: BSTU as a Soviet HEI
- after perestroika (1992-2003): BSTU as a Russian university in transition
- the present (2004-2007): BSTU as a “modern” Russian University

So, data collection was designed to provide sufficient data for these three periods in the functioning of BSTU. To clarify the meaning, verify the repeatability of interpretation, and to construct a worthwhile story (Stake, 2005), data triangulation was applied. According to Patton (2002), there are three kinds of data collection. They all – both the internal documents, the interviews, and the articles in the university newspaper - constituted the primary data for this case (Fig. 5.2). This section tells how the data was collected.



**Figure 5.2** Primary data used for the case study analysis

#### 5.4.2.1 Internal documents

First, I searched out the internal university documents. Probably, the military legacy of BSTU and long-time secrecy surrounding the university had left its mark, but little internal documents, especially within the historical perspective, are in fact available. I was interested in reports, orders, notes, plans issued at Voennemh since the 1970's. Unfortunately, the university archive does not collect these documents. Since the beginning of the 1990's, statistical data was also poorly presented. Thus, I had to collect various bits of information which had been shelved in different departments of the university. For instance, the university regulations from different periods were found in the juridical department. The data concerning the numbers of issued author certificates was collected at the patents department. The

statistics on university admission was collected while reviewing the September issues of the university newspaper: once a year such information was indeed published. Thanks to helpful employees at the university museum who allowed me to look through their archives, I gained access to some reports about the overall functioning of Voennmeh and the institute development plans in Soviet times. I also found a number of internal university decrees and indications, and the principal's orders, all issued in the 1990's. Published brochures and official internet portals of the university and its faculties were also used as data sources. In general, the internal documentation served me well enough to enable the writing of a reliable story of BSTU, and also verify and support the data I received from interviewees.

#### 5.4.2.2 Interviews

Interviews ended up being one of the main sources of data on the case renewing, broadening and enriching the conceptions of knowledge (ref. Kvale, 1996) that I had had before starting the interviews. In general, interviews afford the researcher the opportunity (Sørnes, 2004) to move back and forth in time, to construct the past, construct the present, and predict the future. Other strengths of interviewing are gathering information systematically on complex and sensitive issues, and gaining new insights and perceptions. These strengths of interviewing as a method were employed in my present study as well.

*“Much of what we cannot observe for ourselves has been or is being observed by others, the case will not be seen the same by everyone”* (Stake, 1995: 64). Thus, different groups of university representatives were interviewed:

- Faculty staff: representatives of both the “old” and the “new” generations
- Former students: mostly those, who studied in 1997-2005, but also some students of the Soviet Voennmeh were interviewed

- Managers and administrators: an institute director, sub-division directors, a jurist, a former personnel manager
- Other university's employees: the museum's custodian, the chief editor of the university newspaper, the employees of the patent department<sup>36</sup>

However, most of the interviewees belonged to two groups: for example, manager and lecturer, former student and lecturer. In the various years of the period studied (the 1970's – 2007), the interviewees related to BSTU differently, thus, they could share the experience from different poles. I did not interview the principal and his deputies - on purpose. One probe interview with a director of a university institute influenced this decision. The university top and middle management is very busy. It is hard to get even a ten minute audience. This amount of time is not enough to delve deeply into the details of the studied phenomenon. The probe interview turned into a monologue by “a politician” on the verge of an election campaign. Thus, instead of conducting the interviews myself, I used transcripts of interviews with headmasters and deans published in the internal university newspaper. Such a ruse provided me with a set of documented interview data that vividly introduced the state of affairs at the university in the period 1970's - 2000's. Totally, I conducted 16 interviews.

Concerning the process of interviewing, most interviews lasted for about one to one and half hour and were held either at my informants' offices at the university or at home. A couple of interviews however were briefer (10-20 minutes), as they were initiated by specific questions. All 16 interviews were semi-structured. I kept a preliminary developed questionnaire in mind to be able to guide the dialogue, but at the same time leave some “space”, to give flexibility and openness to the interviewees. *“I want to understand the world from your point of view. I want to know what you know in the way you know it. I want to understand the meaning of*

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<sup>36</sup> More specifics on the interviewees are listed in Appendix 1.

*your experience, to walk in your shoes, to feel things as you explain them. Will you become my teacher and help me understand?"* (Spradley in Kvale, 1996: 125) – this became my approach to interviewing.

As interviewees represented the different groups of university actors, the questions were slightly different (see the questionnaire guide in Appendix 2). The questionnaire itself reflected the analytical model of the study. Such a clear preliminary structuring of the interview questions was helpful in sorting the data afterwards and in the preliminary analysis. Concerning the questionnaire itself, I would just like to emphasize that some closed questions indicate issues for discussion. Some questions were just of a probing nature. Initially, questions had been formulated in Russian, as all interviews were held in Russian.

Some technical information should be shared as well. The interviews were recorded on dictaphone, then transcribed, compressed by extracting a relevant text and translated into English. This stage of data analysis is emphasized in Section 5.4.4. Herewith, I would like to stress that each interviewee received an anonymous number. The manuscript contains a lot of interviewee quotations followed up by references like "(Int. 1)". This means that the quote belongs to the interviewee declared as "Nr. 1" in the anonymous list of interviewees. I am the only person aware of the real names of my informants.

The interviewing process was carried out during a two week period in March, 2007. Finishing the process, I wrote a memo based on my fresh impressions from interviewing and reflecting my personal attitude towards interviewing. Here is a quote from this: *"Interviewing is like a mosaic assembly process. With every next interview you add a small, but very important fragment into the imagined final picture to appear as the result of your long-term work in data collection"*.

#### 5.4.2.3 The university newspaper

Interviews, however, have some weaknesses such as high reflectivity of interviewees' perceptions; reliance upon the interviewees' ability to recall, influences derived from interviewees' physical and emotional state and appearance, and finally dependence on the interviewing skills of the researcher (McDowell, 2002; Sørnes, 2004). To avoid possible distortion of the data, but also to fill out the gaps in available data, I turned to another source of data – articles printed in the internal university newspaper.

The first issue of the Voennmeh internal newspaper<sup>37</sup> appeared on the 1<sup>st</sup> of May, 1932. Since then, the newspaper was issued regularly and was always financed by the institute/the university. As the chief editor who has led the newspaper since the beginning of the 1990's explains, in Soviet times each institute faculty and many student groups had a number of voluntary reporters writing articles for the newspaper. The following topics were popular back in those days: entering the institute, good or poor progress in studies, stories told by experienced Voennmeh students about their stay and studies at the institute, problems and challenges faced by particular student groups, spare time activities, Voennmeh students' sports achievements, etc. Professors, lecturers, deans and principals were also welcome to share their ideas regarding students, teaching, and reforms of the higher education system. I would like once more to articulate that the newspaper has always reflected the view of internal Voennmeh actors on the particular issues at any given time. In addition, back in those days, the newspaper had to publish the documents of the Party: the constitution, new laws, speeches of the Party Secretary, etc., in order to diffuse the ideology of the regime. However, since the fall

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<sup>37</sup> The first name of the newspaper was “Кадры обороне” [Kadri oborone, in English: Cadres for Defence]. Later, the newspaper was renamed and today it is called “За инженерные кадры” [Za inzhenernie kadri, in English: For Engineering Cadres]. I refer to this source of data very often. To simplify the name of the newspaper for a reader, I refer to it as “the university newspaper”. As references to an enormous amount of articles appear in the text, I just point to the month and year of the issue in which the article I refer to appeared.

of communism, politics is no longer emphasized in the newspaper: only the issues concerning the university, both internally and externally (Int. 13).

To collect the articles supporting and extending the data I had already collected by then, I worked with the newspaper files: firstly, at the university museum, then at the editor's office. I looked carefully through each issue published from the beginning of the 1970's until 2007. There was no opportunity to take the files and copy the articles I needed. In addition, I was pushed for time as I depended on the people who gave me access to the archives in their small offices. Under the circumstances, I found an appropriate solution: I took digital pictures of the important articles. Totally, I had collected more than 800 files; each of them containing an article relevant to my study.

Hereafter, I would like to clarify which criteria guided my search and which articles were of my interest. In general, while working on the newspaper files, I kept in mind the analytical model (Fig. 4.1), but also the questionnaire (Appendix 2) and the interviews, especially those challenging me to search for more data clarifying different aspects of Voennmeh / BSTU functioning. This guided my search.

I would also like to name the newspaper material that turned out to offer the most precious sources of data:

- Interviews with the university principals/annual institute reports (published in 1979, in 1990, in 1992, in 1993, in 1994, in 1997, in 1998, in 2001, in 2003, in 2004, in 2005, in 2006, and in 2007) in which the principals reflected upon the institute/university achievements, problems, statistics, etc.
- Students' reflection on studies, research, welfare, free time activities at Voennmeh/BSTU
- Lecturers' reflections on students' progress in studies, on teaching methods

- Articles devoted to research activities at Voenmeh/BSTU
- Articles/advertisements that could be seen as marketing/advertising tools: slogans, presentation of faculties by deans, stories about work of admission committees, etc.
- Reports on the results of admission campaigns

In general, the university newspaper articles were a very important source of data for the present study, providing information on events in chronological order, with the perspective of the functioning of the Soviet Voenmeh, and with documented facts concerning how the university maneuvered the transition period. But, what was and is the most peculiar and precious feature of this source of data is that it contributed to the data-mix providing real-life stories about different issues of Voenmeh/BSTU internal affairs as told by the eye-witnesses and at a time when the issues were especially relevant and fresh.

#### *5.4.3 Concerning preliminary analysis of the case data*

In general, the issue of data interpretation and the studied phenomenon will be presented in more depth in Section 5.5. Here, I would just like to refer to the technical stage of data analysis known as data reduction. According to Miles and Huberman, “*data reduction is the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions*” (Miles & Huberman, 1994: 10). As argued earlier, data reduction already occurred during the process of data collection, guided by the analytical model. After I finished interviewing and transcribing the recorded verbal content into text, I started to sort and code the data carefully. Software – Nvivo 7 – was used to assist in implementing these actions. Basically, the software was used in order to speed up the process of data management: locating coded themes, grouping together data in categories and comparing passage in transcripts (Patton, 2002).

To be more precise about using this software, I should specify that the code tree with broad categories was built first, based on the analytical model of the study. The careful examination of each interview transcript and coding of the text expanded the tree, but also emphasized the categories with the most quotations. Further, the developed categories of data served as an outline for the first version of the empirical chapter on the studied case. As I translated the interview quotes and briefly clarified them with memos, this appeared to amount to 50 pages<sup>38</sup>.

The next step was to write a coherent story using the quotes, thus I turned to the next volumes of data – the articles of the university newspaper. Unfortunately, the software could not be used to code and sort the interview data: my other sources were all in Russian and in either paper format or “jpeg” file format making it too time-consuming to transfer them into “doc” format and, hence, process them with Nvivo. So, the articles were first sorted by hand according to the existed categories of data. Analyzing the articles within each category, I wrote a coherent story rendered in Chapters 8-11.

### **5.5 Hermeneutic philosophy of interpretations**

The objective of this section is to introduce the hermeneutic approach as a philosophy to interpret the subject of the study - marketization of the Russian University. Inspired by Gadamer’s work in “Truth and method” and “Philosophical hermeneutics”, I focus on the universal character of the hermeneutic phenomenon. To be more precise, the hermeneutic approach is discussed as a paradigm for interpretation of the studied phenomenon because hermeneutic interpretation is consistent with both the research questions, and the theoretical and methodological framework of the study. This section is an important part of the thesis as it explains the way I handled the data and the way I draw conclusions from the data.

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<sup>38</sup> Format: 12pt, 1,5 lines.

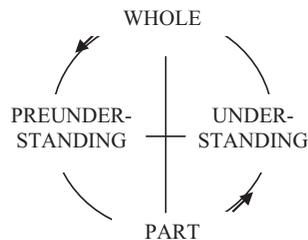
### 5.5.1 *Hermeneutics as a philosophy*

Hans-Georg Gadamer devoted a number of essays to the philosophical nature of hermeneutics. Gadamer's contention is that the preoccupation of hermeneutic theory with methodological issues related to scientific understanding distorting the universality of the hermeneutic phenomenon (Gadamer, 1976). Gadamer argues that *"hermeneutics is... a universal aspect of philosophy, and not just the methodological basis of the so-called human sciences"* (Gadamer, 1989: 476). In the introduction to "Philosophical Hermeneutics", the volume of essays by Hans-Georg Gadamer, David Linge, the editor of the volume, summarizes Gadamer's idea of the phenomenon called "philosophical hermeneutics": *"The task of philosophical hermeneutics, therefore, is ontological rather than methodological. It seeks to throw light on the fundamental conditions that underlie the phenomenon of understanding in all its modes..."* (Gadamer, 1976: xi). In his "On the scope and function of hermeneutic reflection" Gadamer says: *"Philosophical hermeneutics takes as its task the opening up of the hermeneutic dimension in its full scope, showing its fundamental significance for our entire understanding of the world and thus for all the various forms in which this understanding manifests itself: from interhuman communication to manipulation of society; from personal experience by the individual in society to the way in which he encounters society; and from the tradition as it is built of religion and law, art and philosophy, to the revolutionary consciousness that unhinges that tradition through emancipatory reflection"* (Gadamer, 1976: 18).

With this notion of the universality of hermeneutics, the idea of hermeneutic circles, the basic idea of hermeneutics, should also be understood in a broader sense. The following section expands the idea of treating hermeneutic circles as a vehicle towards interpreting texts to the hermeneutic circles as a vehicle to developing other modes of understanding.

5.5.2 *Hermeneutic circles*

The core idea of hermeneutics may be defined as follows: it is only possible to grasp the meaning of an action or a statement or an event, etc. by relating it to the whole discourse or world-view from which it originates. Thus, this main idea of the hermeneutic approach is explained by the concept of hermeneutic circles representing basic schools of hermeneutic thought (Alvesson & Sköldberg, 2000): objectivist (traditional) and alethic hermeneutics. The objectivist school employs the argument that the meaning of a part can only be understood through the meaning of the whole and, conversely, one understands the meaning of the whole through getting to know the meaning of its parts. Such spiral alternating between a part and the whole brings progressively deeper understanding of both. Breaking with the subject-object concept of the objectivists, alethic hermeneutic's key issue is pre-understanding-understanding polarity. The core idea of alethic hermeneutics is the *"revelation of something hidden"* (Alvesson & Sköldberg, 2000: 57). According to Alvesson and Sköldberg, the hermeneutic approaches should be considered as complementary rather than exclusive ones as *"by putting the two perspectives together we circle around the research problem, covering it from various angles"* (Alvesson & Sköldberg, 2000: 99). Thus, in the present study I use a combination of the hermeneutic approaches as illustrated in Figure 5.3.



**Figure 5.3** The integrated hermeneutic circle  
[Adapted with minor changes from Alvesson & Sköldberg, 2000: 66]

In hermeneutic philosophy, context is of vital importance: the phenomenon should be understood in the framework of a particular historical and cultural context. We can use a

sentence in a story as a simple example. To understand the sentence you have to understand each word in it, but the meaning of the words depends on the context – the meanings of other words in the sentence and in the text, the word order, the punctuation marks, etc. So to understand the word, you should have a pre-understanding of the sentence. This circles.

Another peculiarity of the hermeneutic philosophy of interpretation is that a hermeneutist is clearly aware of the fact that he/she “constructs the reality” based on his/her own interpretations of the data that was provided by other participants in the research process. As researchers have different background and purposes and they use different methods, their interpretations of the same phenomenon will differ. This is why it is so important for a hermeneutist to clarify his/her interpretative horizon (Patton, 2002).

A critical point in hermeneutic interpretations, however, is where to stop in the endless circles of interpretations leading eventually to an ideal understanding? Packer & Addison clarify the challenge: “*although hermeneutic inquiry proceeds from a starting place, a self-consciously interpretative approach to scientific investigation does not come to the end at some final resting place, but works instead to keep discussion open and alive, to keep inquiry under way*” (Packer & Addison in Patton, 2002: 498). By the way, how do we exit hermeneutic circles in the framework of a particular research project? One of the canons of the hermeneutic interpretation concerns this issue. A hermeneutist exits circles when research questions are completely uncovered and the “text”, as a representation of findings and understanding of a studied phenomenon, is coherent, without internal logical contradictions: “*the process goes on, in ever wider circles, until we are satisfied that the residue of opacity still left in our object does not bar us far from appropriating its meaning*” (Bauman in Blaikie: 1993: 30).

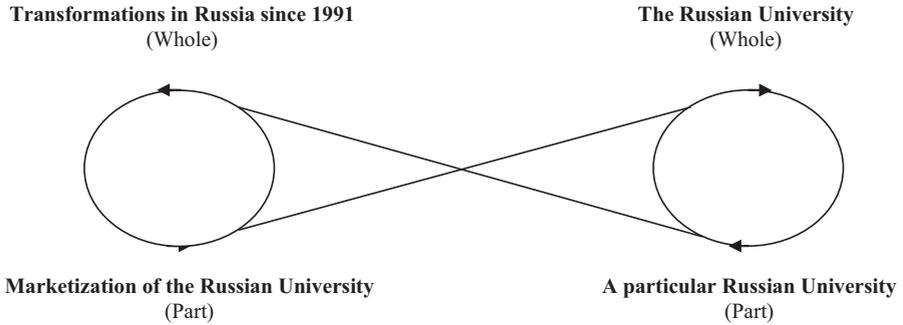
### 5.5.3 *Hermeneutics as a philosophy of the present study*

Building a bridge to the previous discussion of the philosophical nature of hermeneutics, this section clarifies the role of hermeneutic philosophy in the present study. The objective is to reveal the nature of interpretation as applied to the present study. As the universal hermeneutic interpretation depends on context and on the interpretative horizon of a researcher, the section rests heavily on these particular issues.

#### 5.5.3.1 Context

In terms of Gadamer, we gain understanding within “a *“historical tradition”, a way of understanding and seeing the world at a particular time and in a particular place within which, for example, a text is written*” (Gadamer in Blaikie, 1993: 30). As previously emphasized, the context of the present study is of vital importance. The study was inspired by the unique transformations Russia underwent. On the other hand, the Russian University itself carries a huge luggage of legacy. So coupled with sudden changes common to universities worldwide, the Russian University may have reacted differently facing the same challenges. Hence, it was important to stick to a holistic picture of political, economic, and institutional changes in Russia during the last twenty years, but also keep in mind the peculiarities of University culture in Russia. Moreover, as marketization of the University started almost simultaneously with the marketization of the state, as the marketization process in Russia historically became an integral part of a larger transformation in society, as the University is a “mirror” of society (ref. Pirogov, 1863/985) - I, as a hermeneutist, study marketization of the Russian University at large. I believe that a better understanding of the studied phenomenon can only be achieved if it is studied with pre-understanding of the circumstances that corresponded with the pre-understanding of the history of the studied object. So I

considered people, relationships, institutions, causes and consequences through the prism of a specific context of the study.



**Figure 5.4** The hermeneutic circles of the study

However, in the present study the context is interpreted doubly. Using the “whole-part” circle (Fig. 5.3) I graphically present what is meant by “double context” in Figure 5.4. As argued, marketization of the Russian University is studied as a part of overall transformations in Russia. But as stated in the theoretical chapters, in order to understand the peculiarities of Russian University marketization, one needs to understand the Russian University with its history, traditions, challenges and achievements. Hence, the phenomenon is to be studied in the “double context”. Moreover, when the case of a particular university is closely examined, it is also done in the framework of the same “double context”. Thus, the understanding of this double context is of supreme importance in the present study as it provides a solid pre-understanding of the phenomenon.

#### 5.5.3.2 Personal background for interpretations

It is also important to reflect upon my personal background as the hermeneutic interpretation is highly dependent on the interpretative horizon of a researcher. Qualitative researchers, in general, are aware that “...there is no clear window into the inner life of an individual. Any gaze is always filtered through the lenses of language, gender, social class, race, and

*ethnicity. There are no objective observations, only observations socially situated in the worlds of the observer and the observed... All research is interpretive, guided by a set of beliefs and feelings about the world and how it should be understood and studied*" (Denzin & Lincoln, 1994: 12-13). Hermeneutists argue that *"an interpretation can never be absolutely correct or true. It must remain only and always an interpretation"* (Patton, 2002: 114). Thus, interpretation is neither objectively true, nor final (Harbour, 2006). The present study is, therefore, my interpretation of Russian University marketization.

Being a native Russian, I received my education at Russian educational institutions at the various levels. This offers some advantages for implementation of the study and for the study's data interpretation. Firstly, I myself have experienced the dramatic transformations in the country. Hence, my interpretations are not just based on data, but also on a deep pre-understanding of the context. Secondly, a major part of the empirical data was collected at BSTU that is studied as a part of the Russian University. For many years, I participated directly in the daily internal functioning of BSTU. In 1998-2004, I obtained both bachelor and master degrees at The International Industrial Management Faculty, and obtained a Master of Business Administration and Engineering degree<sup>39</sup> (hereafter called MBAI). During these six years I lived in one of the university dormitories, and thus, I permanently lived my life in the university setting, surrounded by the university actors communicating university-related issues. Moreover, for three years I served as a part-time lecturer in English at The International Communication Faculty. In the autumn of 2004, I became a PhD student in the framework of the joint international PhD program launched between BSTU and Bodø Graduate School of Business. Since then I have had the role of spectator, even though I gave several guest lectures in international marketing for students on the MBAI program.

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<sup>39</sup> MBAI is a joint Russian (BSTU)-Norwegian (HHB) educational program mainly designed for students of the technical universities. The program lasts for 2 years and covers eight subjects of business studies.

As a result, during ten years of belonging to BSTU, I witnessed both the university survival, attending lectures in the freezing cold and “worn-out” auditoria and laboratories, and the university renaissance, when the university started to renew itself, renovating laboratories and libraries, and organizing spectacular public events. During these years, I established a number of good contacts with students, lecturers, administrators - contacts that I further used in the study in order to gain access to the documentary data and collect the rich interview data. I could understand my interviewees better at an emotional level, having in many ways shared the same experience. Being part of the system and part of both the cultural and organizational contexts, I used this experience to strengthen the study, as according to Stake, *“when the researcher can see and inquire about the case personally, with or without scales or rubrics, that researcher can come to understand the case in the most expected and respected ways”* (Stake, 2002: 455).

Thus, the collected data was filtered by way of my personal reflection. Even if my voice is not shown explicitly in the empirical chapters, as the story rather highlights the voices of my informants, it is still there in the background. In my point of view, this strengthens the interpretation of the data. For instance, during the personal interviews with my informants on the BSTU case, I received the data simply documenting what I had observed and heard previously at the university. Formulating their personal view of the situation, the informants in fact formulated a rather common view on the transformations at the university. Thus, under each interview quotation from a particular interviewee, there could be a reference not just to the one interviewee, but to tens of university representatives I knew during my study and work period at the university.

I believe that my personal background described above enhances the credibility of the data gathering and analysis. One, however, may doubt the objectivity of the present research. However, as Patton (2002) argues, nowadays philosophers of science speculate that no

method is totally “objective” and subjectivity is being accepted as inevitable. Following this line of argument, I pursue the suggestions offered by Lincoln and Guba. They propose replacing “*the traditional mandate to be objective with an emphasis on trustworthiness and authenticity by being balanced, fair, and conscientious in taking account of multiple perspectives, multiple interests, and multiple realities*” (Patton, 2002: 575). Thus, my personal background may be seen as an advantage for implementing this particular study.

### **5.6 Limitations of the study**

The study has several methodological limitations relating to both generalizability and the validity of the findings. First of all, the present study takes just state universities into consideration. The argument for this choice is that marketization of the Russian University is investigated as the University’s institutional transition from the Soviet model that is assumed to be non-marketized to the modern Russian model that is marketized to some extent. In Soviet times there were no private universities: the first private University – The International University in Moscow – was established during the last months of the existence of the USSR, in 1991. The other reason to exclude private universities is the different nature and different ways of functioning of these establishments. This represents a totally different cluster of the Russian University lacking history and depending more on attracting commercial students, possessing different resources, and able to use more advanced marketing techniques than public universities do. So, to present the object of the study in more homogeneous terms, I chose to focus on the state universities only.

Another methodological limitation is the number of individual university cases used for in-depth analysis. I have already mentioned that I first thought of carrying out a multiple case study, but I had to refrain from this. The decision to carry out a single case study was mainly influenced by the inability to gain equally satisfactory access to the cases in question. For

instance, simply to enter any HEI in St. Petersburg, one has to know someone at the HEI who can help in getting a temporary pass. In as far as you do not know people personally, this turns out to be a very complicated process - even just entering a university building. In addition, to interview people or work at a university archive, you need to obtain authorization signed by the principal. However, such a piece of paper does not serve as a guarantee of one's potential interviewees' openness and frankness, etc. Referring to Stake, when selecting cases "*the first criterion should be to maximize what we can learn*" (Stake, 1995: 4). Thus, I stayed with the single-case study method, choosing the case that provided me with the richest empirical data.

Finally, the interpretation of the data and the studied phenomenon was implemented using the hermeneutic paradigm, and thus depended on the researcher's interpretative horizon. Scholars (see e.g. Karlsen, 2007; Tiplic, 2008) refer to the personal biases of the researcher as an important limitation of the study. If the same phenomenon, the same data within the same analytical framework was interpreted by a group of researchers with different backgrounds, with pure outsider and pure insider perspectives, the reported outcomes would have been different. However, as previously emphasized, I considered my personal background to be a strength allowing the implementation of this study.

### **5.7 Ethical issues**

Moving to the end of this methodological chapter, I would like to emphasize the ethical issues related to the present study. Ethical issues, as socially acceptable norms of researcher's behavior, can relate both to the purpose of a research as well as its methodology. According to Singleton et al. (1993), there are three broad areas of ethics in scientific research. Firstly, there is the ethics regarding how to treat the research participants; these ethics protect the rights of the participants. In the case of the present study, the research participants are the interviewees

who had to be treated ethically. Asking questions “*will always be an intrusion into the life of the respondent, be it in terms of time taken to complete the questionnaire, the level of threat or sensitivity of the questions, or the possible invasion of privacy*” (Cohen et al., 2001: 245).

In the interviewing process, I followed the code of ethics observing the following ethical principles (Miles & Huberman, 1994; Cohen et al., 2001; Christians, 2000):

- Inform interviewees clearly about the purpose of the research and get their consent to take part in it so as to initiate voluntary participation
- Let your respondents withdraw at any stage of the study, or let them refrain from answering questions they do not wish to answer.
- Be sure that the research will not harm your respondents: guarantee confidentiality, anonymity and non-traceability of conversations
- Ensure the accuracy of the data: “*fabrications, fraudulent materials, omissions, and contrivances are both nonscientific and unethical*” (Christians, 2005: 145)

Secondly, the ethics of data analysis implies carrying out research findings honestly and accurately. One of the most important aspects to be aware of here is scotching plagiarism. Thus, whenever citing or paraphrasing ideas and thoughts presented by other scholars, I was always careful about putting in an appropriate reference. Finally, there is the ethics of responsibility to society. This implies the issues of research objectives, quality and value. Was my study worth carrying out? I proposed my arguments in favour of an affirmative answer to this important issue in Chapter 2. I believe strongly in these arguments.



## **PART III**

### *The Russian University and Marketization: Highlighting Key Points*

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- *Chapter 6. The idea of the Russian University*
- *Chapter 7. To market, to market!!! - But how???*



## 6. THE IDEA OF THE RUSSIAN UNIVERSITY

Figure 6.1 MSU in the 19<sup>th</sup> century<sup>40</sup>



Figure 6.2 MSU today - the main building since 1953



Figure 6.3 MSU – the first building (1755-the end of the 18th century)

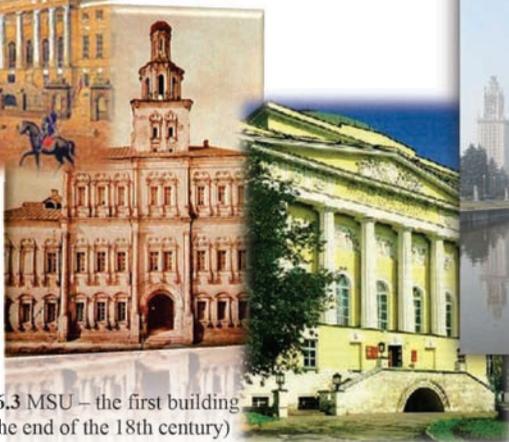


Figure 6.4 MSU - the old building on Mohovaya str. (1793 - the present day)

Chapter 6 looks at the rise and evolution of Russian University culture: from its origins to the present day. The main objective is to introduce the Russian University as a national institution with its traditions, challenges and achievements. The periodization of Russian University history and the criteria used for institutional analysis were defined and discussed in Chapter 4. So to draw the institutional pattern of the Russian University, I refer to the University's main missions such as research and education, to its internal functioning focusing on resources and academic structure, and the University's external relationships with the state, industry, the international community in Empire times, in Soviet times and at present. I study the post-perestroika period in a more detailed way in Chapter 7. I focus on the above-mentioned issues keeping a narrative style, as my other concern is to make the story interesting. Now, welcome to the world of Imperial Russia and the times of Peter the Great!

<sup>40</sup> Pictures of the first Russian University – Moscow State University named after Lomonosov (hereafter, MSU) – from the day of establishment (in 1755) up till today: Fig. 6.1 – source: newspaper “Moscow University”, № 2 (4233), 2008, [www.massmedia.msu.ru](http://www.massmedia.msu.ru); Fig. 6.2 - source: the official internet resource of MSU, [www.msu.ru](http://www.msu.ru); Fig. 6.3, Fig. 4. – source: internet-museum of the MSU history, <http://museum.guru.ru>.

### 6.1 Returning to the origins: the University of Imperial Russia

Successful modernization of Russia at the beginning of the 18<sup>th</sup> century led Peter the Great to the insight that a synthesis of science and education was needed in order to fuel further development in all fields of social life in the Empire. There were almost no Russian scientists at that time. Peter the Great had the idea of establishing a scientific and higher educational center - to include a university and a scientific academy. The main goal of the first Russian academy of science was *“to learn languages, different sciences and “noble arts” as well as to translate books<sup>41</sup>”* (Zmeev, 2002: 137). A law was issued, prescribing university professors to educate students as well as conduct research as members of the academy of science. A union of science and education had to occur in order to train young Russian scholars and pedagogues (Zmeev, 2002).

The decision of Peter to establish a scientific and higher educational center was highly criticized mainly because it was seen as expensive and inapplicable. The student potential for education in the country was at that time minimal: even lower levels of schooling had not yet been developed in Russia. Anyway, the first Russian academy of science, St. Petersburg Academy of Science, and the academic university were established in 1726, just after Peter’s death.

The idea of the University was imported to Russia at the beginning of the 18<sup>th</sup> century: Western Universities, mostly German, but also English and French, were held up as examples for the founding and development of the Russian University. Moreover, the first Russian academic university needed to go the stage of “import”: not just import of the idea itself and the academic structure, but also professors, language (Latin) and even the first students. During the period 1726-1733, the academic university provided education to thirty-eight

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<sup>41</sup> Translated by the author.

students. Only seven of these students were Russians. In spite of the enormous efforts made by Mikhail Lomonosov<sup>42</sup> (Fig. 6.5), the most energetic principal of the first Russian academic university, “*nothing resembling the University existed in the establishment*”<sup>43</sup> - these are the words of Lomonosov himself. From 1748 to 1766, three or four professors lectured maximum twenty students (Pyastolov & Shatin, 2004). In 1766, the university was closed down due to poor funding, a weak position and a small number of students. In spite of this, nowadays the academic university is known as the first Russian noble higher education institution<sup>44</sup>.



**Figure 6.5** Mikhail Lomonosov - the golden man of Russian science  
[Source: [www.lomonosow.org.ru](http://www.lomonosow.org.ru)]

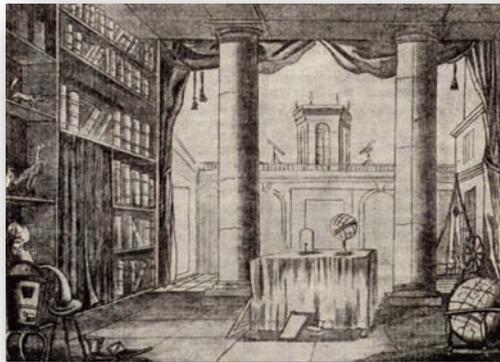
Lomonosov also greatly contributed to the establishment of the first “real” Russian university, Moscow State University (hereafter, MSU). This is how MSU describes the history of its foundation: “*Mikhail Lomonosov suggested in his letter to Count Shuvalov, the idea of establishing a university in Moscow. An influential court figure and the favourite of Empress Elizaveta Petrovna, Count Shuvalov was patron of the arts and science; he supported Lomonosov's plans for a new university and presented them to the Empress. In 1755, on 25<sup>th</sup>*

<sup>42</sup> Mikhail Lomonosov (1711 – 1765) is the first Russian natural scientist of world importance. “The theory of light and heat, electricity and gravitation, meteorology, geography and metallurgy, history, chemistry, philosophy and literature, geology and astronomy – these are only few fields, where Lomonosov applied his fantastic talents”, [http://www.russia-ic.com/education\\_science/science/science\\_overview/385/](http://www.russia-ic.com/education_science/science/science_overview/385/).

<sup>43</sup> Words of Lomonosov in Russian: “Ни образа, ни подобия университетского не видно” (Lomonosov in Pyastolov & Shatin, 2004: 157).

<sup>44</sup> Russian Encyclopedia Dictionary, [http://enc.mail.ru/encycl.html?encycl\\_id=res](http://enc.mail.ru/encycl.html?encycl_id=res).

of January, St. Tatiana's Day<sup>45</sup> according to the Russian Orthodox Church calendar, Empress Elizaveta Petrovna signed the decree that a university should be founded in Moscow<sup>46</sup>". In this institution the idea of the "real" university was implemented for the first time in Russia (Fig. 6.6). Since the establishment of MSU, the mutual work of the university and the state was to popularize science and education. The university held open lectures, it promoted book-printing and, a year after establishment, it opened a library that during the next 100 years was to be the only public library in Moscow<sup>47</sup>. The state for its part stimulated youth of the nobility to become university students, as the university degree automatically granted a future state servant a higher rank in the "Ranking table". This stimulation worked efficiently providing MSU with students (Andreev, 2005).



**Figure 6.6** A library and scientific laboratory at MSU in the second half of the 18<sup>th</sup> century  
[Source: www.museum.edu.ru]

Even though the idea of the University had been imported to Russia, it was not purely imitated, though in the beginning of the 19<sup>th</sup> century the University reformers still tried to apply the united European model of the University to the Russian context, instead of developing their own national version. However, in the 1830-1840's, Count Uvarov, the

<sup>45</sup> Since then, St. Tatiana is known in Russia as "university Tatiana" and St. Tatiana's day and Student Day are synonymous; nowadays, the 25<sup>th</sup> of January is celebrated as Pan-Russian Student Day.

<sup>46</sup> Source: the official internet-resource of MSU, <http://www.msu.ru/en/info/history.html>.

<sup>47</sup> Source: the official internet-resource of MSU, <http://www.msu.ru/en/info/history.html>.

Minister of Enlightenment, lobbied the national idea of the Russian University. Uvarov shared with the Emperor the opinion regarding the necessity of being Russian by spirit, instead of trying to be European by education. The Minister implemented a number of educational reforms in order to strengthen the national character of the system and develop a Russian model of the University (Andreev, 2005). So the Russian University obtained its own special “flavor”.

By the middle of the 19<sup>th</sup> century, it differed from the English, French or German models originally used as basis models. Discovering the idea of the Russian University, the prominent Russian scientist Nikolay Pirogov wrote in 1863 that already by then the Russian University was *“totally distinguished from the medieval English one because it [was] not ecclesiastical at all, not corporate, not public, not educational. Our [Russian] University [was] like the French one only because of the bureaucratic element, which [was] even more powerful and original [here in Russia]. But [the Russian University was not] a department of public education yet such as the French one; and the faculties [did not] lack interconnection so much as in the French version. Finally, our University [was] even less similar to the typified German one, because it [the Russian University] lacked the most “characteristic” aspect: absolute Lehr und Lernfreiheit and the efforts of scientific origin to predominate over the applied and utilitarian<sup>48</sup>”* (Pirogov, 1863/1985).

In the beginning of the 1860’s the first public discussion took place regarding what the Russian University was. Some outcomes of this discussion contributed to the new University Regulations of 1863 - the last big reform of the University in Imperial Russia (Andreev, 2005). Since then, the idea of the Russian University became more framed, and more

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<sup>48</sup> Translated by the author.

determined. Thus, the further institutional analysis of the Russian University in Imperial times is mostly based on the time period 1860-1917.

Not without regret scholars at this time noted that no university could be called a universal representative of modern science. On the contrary, the University was not purely scientific as *“science penetrating society produced an applied, utilitarian direction and introduced this into the University<sup>49</sup>”* (Pirogov, 1863/1985: 320). But the scientific origin of the University was still clear-cut, as the classic University model was held in favor in academic and governmental circles: science was read at the University for the sake of science (Andreev, 2005). Until the middle of the 1860’s, not many Russian scholars made an impact in the scientific world. The reason for this was in the public and state attitude towards the University and meager financing of the University. The situation changed when the government turned out to be willing financially to support the University and research in order to switch young people’s attention from politics. Science started progressing (Chumakova, 2005). Thus, by the end of the 19<sup>th</sup> century, the Russian University experienced an extraordinary rate of scientific development: Russian science managed to assume leading positions in many directions. The world famous mathematicians Lobachevsky, Chebyshev and Kovalevskaya, the chemist Zinin, the physicists Petrov, Jacobi and Popov, the academic and surgeon Pirogov, the physiologists Sechenov and Pavlov, the microbiologist Mechnikov, the historian Karamzin, the admiral and explorer Kruzenshtern, the scholars Tsiolkovsky, Vernadsky and many others stand up as the pride and glory of Russian science. In the 19<sup>th</sup> century The Russian Academy of Science and the first university, Moscow State University, were the leading scientific centers. However, other newly established universities were also engaged in research (Dolgov, 2001).

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<sup>49</sup> Translated by the author.

Instead of being a scientific Capitol, the University of Imperial Russia was to “produce” state officials: servants of the church, judges, doctors, pedagogues, etc. This was indeed the specific goal of university education, according to the University Regulations of 1804 (Pyastolov & Shatin, 2004; Chumakova, 2005). Moving on from the University science situation, University education was certainly not universal. First as late as the 1880’s, higher education projects addressed the need to educate engineers (Lukin et al., 2003). In the beginning of the 20<sup>th</sup> century, by World War I, it became obvious that the country lacked military officers, specialists in medicine, defense industry, etc. Another peculiarity of the University education in Imperial times was University teaching. Its purpose was not so much to transmit knowledge, as to inspire students with initiative. The publicist Lubimov<sup>50</sup> reflected upon it in 1873: *“if we constrain the University with strictly determined programs, if we turn the University into school that teaches definite knowledge, we will disparage the significance the University has as a distinctive representative of movement of science and thought”*<sup>51</sup> (Lubimov in Andreev, 2005: 117).

As for the academic structure, the first Russian university, MSU, was established with three faculties: philosophical, juridical and medical. By 1863 the philosophical faculty was transformed into a historical-philological faculty and a new physical-mathematical faculty was also established<sup>52</sup>. After the first all-Russian scientific conference in 1867, universities started to establish learned societies<sup>53</sup> to promote scientific knowledge, but also to develop contacts with learned societies abroad (Chumakova, 2005). At the end of the 19<sup>th</sup> – beginning of the 20<sup>th</sup> century MSU, for instance, launched 17 scientific institutes (Andreev, 2005). In general, the academic structure and study programs of the Russian University in Imperial

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<sup>50</sup> Nikolay Lubimov (1830 - 1897) – the Russian physicist and publicist. In 1876 he was a member of the commission that inspected the Russian universities. Lubimov was an author of “Memorandum about defects of the contemporary University” that contributed to development of the new University Regulations dated 1884.

<sup>51</sup> Translated by the author.

<sup>52</sup> Source: the official internet-resource of MSU, [www.msu.ru](http://www.msu.ru).

<sup>53</sup> In Russian: научное общество [nauchnoe obsh'estvo].

times were not properly developed: too many obligatory subjects in heterogeneous sciences.

The very nature of the University itself had not been determined yet.

The Imperial University was an elite institution, mostly for the nobility, but also for *raznochintsi*<sup>54</sup> with entrance hindrances for students from lower social classes: in 1858 – 0,6 % and in 1914 – 14, 6 % of all students were representatives of peasant origin and the working class (Pyastolov & Shatin, 2004). The limitation existing consisted primarily of the tuition fee, first introduced at University in 1817. This limited access for the poor: knowledge was considered too luxurious for them, and as lacking value for workmen themselves, and for the state. However, the University itself made an effort to help talented poor students by exempting them from tuition fees. Moreover, MSU, for example, opposed the class principle since the day of its establishment. As Lomonosov put it, “*at the university the student is more honorable, who learnt more; it does not matter that much whose son he is*”<sup>55</sup>. Concerning admission to the university, it is worth mentioning here that the reforms of the 1860’s rejected any form of entrance testing. To become a student it sufficed to submit an approved gymnasium<sup>56</sup> certificate (Pyastolov & Shatin, 2004).

As the University became more and more an institution teaching applied knowledge, the number of students increased. This in turn led to the philosophical discourse about massification of the University: should the University be for talented students or for anyone? It became fashionable for the nobility to study at University, however many of them were neither interested in University subjects nor in the philosophy of science. So Pirogov suggested the idea of protecting the University and its scientific origins by developing other forms of HEIs with an applied type of education (Pirogov, 1863/1985). This idea was indeed

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<sup>54</sup> In Russia of the 19<sup>th</sup> century *raznochinetz* [in Russian: *разночинец*] was one from intelligentsia but not a nobleman by birth.

<sup>55</sup> Source: the official internet-resource of MSU, [www.msu.ru](http://www.msu.ru); translated by the author.

<sup>56</sup> Gymnasia (in Russian: *гимназия*) – started in 1726 and during the Imperial period, a secondary school providing general education (Russian Encyclopedia Dictionary, <http://enc.mail.ru/article/1900403272> ).

realized: in 1914, 27 % of all higher education students studied at universities (Chumakova, 2005; Pyastolov & Shatin, 2004).

As for professional resources at the Russian University in Imperial times, the main problem was the lack of qualified faculty: instead of developing their own professors, the government preferred inviting professors from abroad. In the middle of the 19<sup>th</sup> century, only 300 professors and lecturers worked at six Russian universities (Chumakova, 2005). The new Typical University Regulations issued in 1863 prescribed increasing the staff by 63 %. To stimulate youth and train a new generation of professors, the Ministry of Public Education recommended the practice of training them abroad. The Regulations of 1863 also encouraged teaching staff to develop professionally: the salary was doubled and The Table of Ranks presented a strict hierarchy of University positions and degrees ensuring staff security in terms of status and wages. This, however, turned out to be a temporary measure not solving the problem but rather masking it. After this the salary level did not improve until 1914 (Pyastolov & Shatin, 2004).

The Empire University had a relatively poor resource base that was neither sufficient for conducting research nor for satisfying faculty living requirements (Pirogov, 1863/1985). Thus, at the beginning of the 20<sup>th</sup> century many talented scholars left the University in searching of better wages and a better life (Chumakova, 2005). During the period 1900-1917, state provision still remained at the 1863 level. In 1912, Mr. Kulomzin, the Secretary of State, presented data on the financing of HEIs. According to this data state funding constituted approximately 61 % of University budget. Other income items included tuition fees (24,5 %), returns on loanable funds (5,7 %), private investments and other sources (8 %), and city and public investments (0,5 %) (Pyastolov & Shatin, 2004).

In the 19<sup>th</sup> century, managing the education system became of special interest to the state. This manifested itself in forms of ideological control and the spread of administrative bodies. To a major extent this concerned universities as these were considered sources of “unreliability”. Many students and pedagogues were *raznochinetzi* involving the threat of disorder. Here are a few examples of control measures existed back then. In 1835, universities lost their status of internal autonomy; lecturers whose loyalties to the tsar’s regime raised doubts were summarily fired (Dolgov, 2000). Moreover, teaching some social science courses was watched particularly closely by state officials. Research and scientific life were also regulated by the state, as scientists needed, first of all, to be state employees (Chumakova, 2005). Police took an active part in University life. In 1912, the Council of Ministers forbade any form of students’ gatherings (Kozhevnikov, 1911). The ideological pressure had a negative effect on University financing as well. Thus, the Imperial University had to struggle against ideological, administrative, political, and financial governmental control (Lukin et al., 2003).

In general, the Russian University went through good and bad times in its Imperial stage of development. Reflecting life in Russia at the time, the University was influenced by conflicts of war, by the different regimes of various Emperors and Empresses, by social crises and reforms, etc. (Pirogov, 1863/1985). In 1916 Mr. Ignatjev, the Minister of Enlightenment,<sup>57</sup> was working on a plan to reform the University: creating more universities and reforming existing ones so they could satisfy the state needs in specialists. However, Mr. Ignatjev was fired and his successor slowed down the process. Then came ... The October Revolution: no more tsar power and a completely new state comes into being.

I want to summarize the discourse by putting into words the nature of the Russian University in Imperial times. Working on the University issue in 1863, Pirogov (1863/1985) claimed that

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<sup>57</sup>Those days, a title of the Minister of Education.

the Russian University already differed from its models – the German and French universities. According to Pirogov, the Russian Imperial University was a governmental educational institution showing considerable traces of bureaucracy and with some corporative, pedagogical and philanthropic traits. Lacking medieval traditions, the Russian Imperial University was an embodiment of various rudiments - leading to its ambiguous character (Pirogov, 1863/1985: 322). However, during the next 60-70 years the University developed a stable organizational structure (Pyastolov & Shatin, 2004) and deserved the right to be an important public institution, not as a scientific center - but as a political barometer and as an indicator of public spirit (Kozhevnikov, 1911; Andreev, 2005).

## 6.2 The University of Soviet Russia

The October Revolution of 1917 (Fig. 6.7) initiated radical and dramatic changes in the state. To be more precise, the revolution aimed to destroy the foundations and traditions of tsar times and it did indeed achieve this goal in corpore.



**Figure 6.7** “Lenin Proclaims Soviet Power” (in 1917); painting by Valentin Serov, 1947  
[Source: [www.rusrevolution.info](http://www.rusrevolution.info)]

As Ustryalov<sup>58</sup> wrote in 1934 *“the October revolution with its large scale and ambitious ultimate aims perhaps surpasses all other revolutions that have happened on earth. It embraced a huge area and involved a vast mass of people in... Like a raging flood it devoured a whole world of political and social relations: the “drowned world”. The ultimate aims of the revolution have not been fulfilled yet. But being inspired by them, the revolution received the strength to reconstruct its own arena, the country it engulfed, from the top to the bottom. Combining means of distraction and creation it gave birth to a new human material. And no power in the world is capable of turning the USSR back to pre-October Russia<sup>59</sup>”* (Ustryalov, 1934).

In the context of the University, the revolution prescribed that “bourgeois” science had to be destroyed and transformed to “proletarian” science; scholars, professors and teachers had to be “reclaimed” and redirected to serve the revolutionary masses (Avdulov & Kulkin, 2001). Education in general had to serve the revolution in its attempts to create a “new Soviet man<sup>60</sup>” (Kourova & Ashmore, 2004). Thus, in the 1920’s, the “inventive” Soviet regime created new types of educational institutions named “universities”. For example, “proletarian universities” were established in the North-West of Russia (in Vologda, 1918; in Velikiy Ustug, 1922), but closed in 1923 because of the low educational level of both students and lecturers. These were not “real” universities and functioned more as educational centers combining two-staged general educational schools for adults with a higher educational institution supposed to graduate specialists for industrial, agricultural enterprises and educational institutions. This type of “University” did not correspond to the announced status, but made people believe in the affordability of university education for the masses (Sokolova, 2004). Later, in The

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<sup>58</sup> Nicolay Ustryalov [in Russian: Николай Васильевич Устрялов] (1890-1837) – lawyer, philosopher, politician; pioneer of Russian “national bolshevism”.

<sup>59</sup> Translated by the author.

<sup>60</sup> A new Soviet man – “the paving stone of Soviet civilization”, “a man of a new social and psychological type”, showing “religious qualities: fanatical faith in communism, the idea of sacrifice, rejection of personal profit, and renunciation of the self” (Sinyavski, 1988: 114, 120).

Resolution of the Council of People's Commissars of the USSR<sup>61</sup> (1936), it was reproachfully pointed out that, when the new HEIs had been organized, the basics for their functioning were still missing: qualified scientific-pedagogical staff, laboratories, libraries. As a result, the quality of education at some “universities” did not differ from education at secondary schools. In general, the 1920’s period of Russian education history was a period of establishing and later closing many educational institutions. The Soviet regime tried to solve the problem of a lack of specialists by maintaining low-quality educational centers with pompous “university” names.

This must be kept in mind in order to understand the growing diversity of HEIs of a certain type. For instance, a comparative study of the educational and scientific potential of Soviet universities conducted in the middle of the 1980’s, classified Soviet universities into four different categories. If the average of a university’s educational-scientific potential in a first group was set at 1 (lowest), then the same indicator in the second group would be 2,1; in the third group – 3,3; in the fourth, (the top) group – 13,31 (Sadovnichiy, 1993). This data shows a considerable difference in the functioning of HEIs with the same status – the university. Hence, we can safely say that the quality of education in Soviet Russia differed from university to university.

The Soviet regime also turned the University into a mass institution: no financial, social, racial, national, sexual and religious discrimination existed – at least, this was stated in the HEI Regulations for the USSR (1969/1989). Anyone intelligent and motivated enough could become a university student. No higher education was provided on a commercial basis, i.e. education was free of charge. Even access courses at HEIs preparing students for university entrance were gratuitous.

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<sup>61</sup> Council of People's Commissars of the USSR [in Russian: Совет Народных Комиссаров СССР (Sovet Narodnykh Komissarov SSSR)] - the highest executive and administrative body of the Soviet Union during the period 1923-1946.

The University of Soviet Russia was an institution strictly administrated and controlled by the government. An HEI functioned under the direct management of a Ministry or a Branch Department an HEI had been allocated to. Thus, Ministries and Branch Departments managed the educational, methodological, scientific, training work at dependent HEIs (HEI Regulations for the USSR, 1969/1989). At the same time, the work of Ministries and Branch departments was influenced by the three main bodies responsible for education in the USSR: the Ministry of Education, the State Committee for Vocational and Technical Education and the Ministry of Higher and Specialized Secondary Education. As late as 1988 these were replaced by a single authority - the State Committee for Public Education (Jones, 1994). This complex net of administrative bodies responsible for running, integrating, and coordinating the higher education system in Soviet Russia, resulted in major problems related to change. Very few reforms actually achieved their goals (Kourova & Ashmore, 2004).

The University of Soviet Russia offered a centrally determined and standardized curriculum and operated under a branch-wise directive: it graduated specialists according to the priorities of the national economy. Thus, the university graduates received a guarantee of post-university employment or an assignment<sup>62</sup> through a centralized system of job placement for graduates. Such a measure served as a guarantee of USSR citizens' constitutional right to work. At the same time, it was a civic duty for a graduate to work according to his/her assignment (Regulations № 286, 1988). In Soviet times the practice of a graduate's assignment was an obligatory mission for any institution of higher education. Thus, HEIs had committees<sup>63</sup> for personal assignment which were responsible for providing graduates with their first jobs.

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<sup>62</sup> In Russian: распределение [raspredelenie].

<sup>63</sup> In Russian: комиссия по персональному распределению [komissiya po personalnomu raspredeleniu].

Simply put, the procedure was as follows. No later than four months prior to graduation, a student had to appear before a Committee for personal assignment. In decision-making on each particular assignment, this Committee was guided by a state plan of assignment, an HEI recommendation from the institution where the student received his/her education and a personal request from the graduate concerned. A set of facilities existed. So, students were assigned to work according to their specialization, qualification, health, marital status, etc. Hence, in the case of a graduate being in a privileged category and/or in the case of a committee being unable to assign a graduate according to his/her specialization and qualification, a graduate could obtain a document proving his/her right to self-employment. After the student had been assigned, he/she was obliged to work as a young specialist at the assigned enterprise for a minimum of three years.

With rare exceptions, it was forbidden for enterprises to hire a young specialist without confirmation of the assignment or without a document proving the right to self-employment. On the other hand, it was also forbidden to fire a young specialist without permission from the Ministry in charge (Regulations №286, 1988; Buzdizhan, 1988). Despite the obligatory character of the assignment, this mechanism did to some extent function efficiently - both for the state, enterprises, school leavers and graduates: the state paid for the education of the specialists it needed, industrial complexes regularly refreshed their staff with young specialists, school leavers knew in advance the job they might get after studies at a particular HEI, and graduates did not have to stress about finding a job after graduation. It was all waiting for them. The advantages of the mechanism are especially obvious when comparing it with the outcomes of the transitional period discussed in the next chapter.

The funding of the Russian University in Soviet times was mostly provided by the state. Both mentors and students received salaries and scholarships sufficient to cover living expenses. In

Soviet times the average student scholarship was approximately one sixth of the average salary of an associate professor (Lyzlov, 1991).

One of the main functions of HEIs was not just to educate high-quality specialists, but also specialists trained in the spirit of “solid communist consciousness”, soviet patriotism, and proletarian internationalism. Students were obliged to become proficient in Marxist-Leninist theory, improve their ideological and political knowledge and behave according to the principles of communist morals (HEI Regulations for the USSR, 1969/1989). Social sciences and humanities (political communism, for instance) at University mainly served ideological goals and the challenges of Soviet society, while technology and natural sciences served industrial, technological and military ends (Sokolov, 1999).

The pedagogy principle was based on the assumption that a lecturer “reads” a lecture while students write this down; at the end of the semester students passed an exam according to what was “read” by the lecturer. As Jones describes it, “*the teacher’s task [was] to pass along prepackaged materials, and the student’s task [was] to memorize these materials*” (Jones, 1994:4). However, a lack of discourse was compensated for during seminars, lab work and consultation. In addition, students were welcome to participate in research activities at the University.

Research at the Soviet University is worth looking at particularly. Being a researcher or a professor at University in Soviet times was prestigious and offered rights to a better salary and better accommodation (MacWilliams, 2001). On the other hand, research as part of University functioning suffered marked damage during the transition period as it is argued later in Chapter 7. In general, University science was solidly and stably grounded – the Academy of Science of the USSR. Mr. Marchuk, one of the presidents of the USSR’s Academy of Science, once concluded that Soviet science was highly effective. Under the complicated

conditions of internal politics and the international climate, Soviet science demonstrated an astonishing vitality because it was a holistic system (Marchuk, 1992). The Academy of Science kept imperial traditions and conducted fundamental research, while the University, other HEIs, and specialized research institutions were more engaged in applied research. In 1979 Mr. Krutov<sup>64</sup> wrote that the scientific potential of the Soviet HEIs grew continually. Universities and most HEIs in the USSR conducted scientific and applied research at the request of both the state and industrial enterprises based on the plan principle, and this was paid either by the state or by enterprises (HEI Regulations for the USSR, 1969/1989). In addition to pedagogical staff involved in research, universities and HEIs hired employees for pure research positions. In Soviet times most HEIs, and especially universities, hosted scientific-research institutes - as subdivisions. Research at HEIs was devoted to solving the actual scientific-technical and social-economic problems of society and was closely connected to the education process. Another important role of scientific-research subdivisions at HEIs was to prepare scientific cadres: candidates and doctors of science (Order №310, 1984).

It is interesting to look into the rights of scientific-research sub-divisions as prescribed by Order №310 (1984). The sub-divisions could develop annual and five-year plans of scientific, technological and experimental-design work at a HEI, but these plans had to be approved by the Ministry of Higher and Secondary Education of the USSR. Scientific-research subdivisions could, and actually did work in conjunction with industrial enterprises on a contractual basis receiving additional financing. They could manage tangible assets and salaries, hire and fire personnel independently, etc. So scientific-research sub-divisions of Soviet HEIs functioned to some extent independently: they had the rights of a legal entity and their own bank accounts. At the same time, such a sub-division created a fund for HEI development which could be used for capital investments and for the renewal of HEI

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<sup>64</sup> Krutov was at this time chairman of the Scientific-Technical Council of the Ministry of Higher and Secondary education in the USSR.

equipment, etc. A scientific-research sub-division shared the same buildings, rooms, laboratories, equipment as the HEI, thus contributing to the overall development of the HEI.

The USSR was a technocratic society, so inventions, and as a result, author certificates/patents were the desired results of many research projects. Thus, in Soviet statistics the number of author certificates obtained by a particular HEI or all HEIs during a year or a *piatiletka*<sup>65</sup>, was an important indicator of the increasing efficiency of HEI research. These numbers make amazing reading! For instance, during the period 1976-1978, HEI researchers in the USSR achieved approximately 29.000 author certificates (read: proved inventions) and more than 1.000 patents (Krutov, 1979).

The state financed university research and also stimulated it. Competitions and contests were a norm of Soviet society. Furthermore, so-called socialist emulation<sup>66</sup> took place amongst universities. In addition, the Ministry of Higher and Secondary Education initiated other forms of competition. For example, in 1979 there was a contest for the best research conducted at Soviet HEIs and the 80 best pieces of work were awarded monetary prizes (Krutov, 1979). The Ministry considered such a contest to be a way of further activating research at HEIs.

Another important aspect of research activities at Soviet HEIs was the focus on student involvement in research. The HEI Regulations for USSR (1969/1989) stated that student scientific associations at HEIs were to organize the scientific work of students, to interest

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<sup>65</sup> *Piatiletki* (pl.) [in Russian: *пятилетки*] were five-year plans of economic and social development of the Soviet Union.

<sup>66</sup> Socialist emulation [in Russian: *социалистическое соревнование* (*sotsialisticheskoye sorevnovanie*)] was a form of competition in the Soviet Russia. It differed from “capitalist competition” in that it was considered that everyone would profit in socialist competition. The Large Soviet Encyclopaedia interprets social emulation as public movement or the utmost achievements in producing both material and cultural benefits. Social emulations asked for creative initiatives leading to an increase in production, optimization of processes, etc. Winners of socialist emulations (individuals, workshops, departments, organizations, etc.) were rewarded financially but also morally (titles, medals, certificates of good work and conduct, etc.) (<http://bse.studentport.su>).

students in science and to engage them in scientific work at HEIs as well as to popularize scientific knowledge among students and civilians.

It should be mentioned here that the USSR had one of the largest populations of researchers, scientists, scholars and university lecturers in the world. However, academic freedom was put under enormous pressure due to censorship from and the ideology of the Soviet regime, because of centralized and bureaucratic planning of research, because of secrecy and isolation from the international community of scholars, restrictions on foreign contracts and exchanges, limited access to information (Sokolov, 1999).

Concluding this chapter it is worth saying that the system of Russian higher education developed in the 1930's continued with moderate changes until the beginning of the 1990's (Sokolova, 2004). The main regulations for the Soviet system of higher education were stated in Resolution of the Council of People's Commissars of the USSR (1936). International influence on Soviet University development was at a minimum as Soviet Russia was a rather "closed" state. So was the Soviet University a university in Newman's romantic terms? Here one may definitely answers - "No it was not, it was an instrument in the hands of the Soviet regime with the power to spread and strengthen the ideology of the communist regime". But, each of the Soviet universities represented a big educational-scientific center in which fundamental and applied research did take place and where fundamental knowledge was taught. Moreover, the University of Soviet Russia was one of the most important, reliable and respected state institutions.

### **6.3 The "modern" Russian University**

As stated in Chapter 1, the collapse of the Soviet Union and the fall of communism forced revolutionary changes in Russia (Fig. 6.8). This exerted a dramatic influence on the University. In a flash it had to face challenges in changing governance and the structure of the

higher education system, in changing curricula and funding structures, etc. (Anderson & Heyneman, 2005). The transitional period and, hence, the University's marketization, will be discussed in the next chapter. In the following I would like to focus more on the state of affairs in and around the modern Russian University and define its nature.



**Figure 6.8** Boris Yeltsin standing on the tank during the August putsch, 1991  
[Source: BBCRussian.com]

As Sokolov (1999) noted, the earlier Russian leaders (meaning Yeltsin and his teams) demonstrated an inability to save and draw on the accumulated intellectual and educational potential of the Soviet period thereby creating a need for radical reforms. From the beginning of the new century the Russian system of higher education has been under active reformation. As Viktorov<sup>67</sup> stated, the main target of the reforms was “*to increase the quality and affordability of education, to integrate it into the world educational space*”<sup>68</sup> (Hrylova, 2005). Prior directions in Russian educational policy were emphasized in the project of measures to be implemented by 2010. This document contains a description of measures, their deadlines, types of legal documents to correspond to and the responsible organizations (Law N 178, 2005). This project is at present being completed.

<sup>67</sup> Viktorov A. – in 2005, at the time of publication, chairman of the Committee in Science and High School of St. Petersburg Administration.

<sup>68</sup> Translated by the author.

By the end of 2005 President Putin had signed a decree establishing a Presidential Council responsible for the realization of prior national projects (Decree №1226, 2005). Education was determined as one of the four national priorities. The main objective of the national project “Education” is to give the Russian system of education the stimulus to progress. Amongst other things the project covers such areas as “Support and development of the best practices of the national education”, “Implementation of the modern educational technologies”, “Launching national universities, and business schools of world standard<sup>69</sup>”. On a competitive basis the government financially supports educational institutions and even regions that implement innovative programs. It also encourages the best pedagogues and talented youth<sup>70</sup>. How does this then work in higher education?

During 2006-2008, 57 Russian HEIs on a comparative basis received grants for the development of innovative education. The Council formulates the concept of “innovative education” this way: *“Not to run along past lines, but to create the future!”* Interpretation of these romantic ideas gives us the following criteria of the University education in modern-day Russia<sup>71</sup>:

- Education is oriented towards the acquirement of basic competence (that afterwards helps towards self-education) rather than the pure transfer of knowledge
- Innovative education is to a larger extent linked with practice
- Education is based on the integration of fundamental science, the educational process and industry

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<sup>69</sup> ‘Directions, basic measures and parameters of the prior national project “Education”’, approved by the Presidential Council for realization of priority national projects, protocol № 2 dated with 21th of Dec, 2005 [in Russian: ‘Направления, основные мероприятия и параметры приоритетного национального проекта “Образование”’, утверждены президиумом Совета при Президенте Российской Федерации по реализации приоритетных национальных проектов (протокол № 2 от 21 декабря 2005 г.)].

<sup>70</sup> <http://www.rost.ru/projects/education/ed3/ed31/aed31.shtml> – the official internet resource of the Presidential Council for realization of priority national projects.

<sup>71</sup> [www.rost.ru](http://www.rost.ru) – the official internet resource of the Presidential Council for realization of priority national projects.

- The Educational process includes such methods as project development, training, and a probation period at a production unit or at scientific-research institutes
- Technological provision of the educational process corresponds to a level of advanced science

Thus, HEIs use funds to realize their innovative projects and invest in retraining and raising the level of faculty skills, the purchase of modern laboratory equipment, software and the modernization of auditoriums, etc. In 2006 17 HEIs received about 10 billion roubles for 2006-2007; in 2007 the number was doubled and 40 more HEIs received 20 billion roubles in 2007-2008. Mr. Medvedev<sup>72</sup> assured that the high level of state education expenditure will be maintained during the next years as well. So in 2008-2010 the “Education” sphere will receive about 4,5 trillion roubles (130 billion Euros)<sup>73</sup>.

Another problem the project is aimed at solving is the lack of an engineer-constructor cadre. The transition period in the Russian system of higher education resulted in an overproduction of lawyers and managers. As Mr. Medvedev put it, *“some years ago humanitarian professions were in demand, so people poured into humanitarian faculties... Every HEI is mechanically producing lawyers and economists and we all know about their qualifications... We need to manoeuvre financial flows in a way ensuring that talented youth enter the technical professions”*<sup>74</sup>. Thus, since 2006, the project supports technical HEIs renovating the prestige of technical professions.

In the framework of the national project “Education” the principally new type of the Russian University is being developed: a large-scale federal university supposed to serve as a regional

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<sup>72</sup> Dmitry Medvedev – in those days, the first deputy of the chairman of the government of the Russian Federation, the first deputy of the chairman (Vladimir Putin) of the Presidential Council for realization of priority national projects. After inauguration on the 7th of May, 2008, President of the Russian Federation.

<sup>73</sup> News dated 24.12.2007 at [www.rost.ru](http://www.rost.ru).

<sup>74</sup> [www.rost.ru](http://www.rost.ru) – the official internet resource of the President’s Council for realization of priority national projects.

centre for training high-quality specialists for regional science and economy. The main idea is that new universities will train cadres for major innovative projects, as well as train scientists to develop modern technologies. At the end of 2006 two new state universities were established:

- Siberia Federal University<sup>75</sup> (as a result of the merger of Krasnoyarsk State University, Krasnoyarsk State Academy of Architecture and Civil Construction, Krasnoyarsk State Technical University, State University of Non-Ferrous Metals and Gold)
- Southern Federal University<sup>76</sup> (the legal successor of Rostov State University that merged with Rostov State Pedagogical University, Taganrog State Radio-Technological University, and Rostov State Academy of Architecture and Art)

To give a short overview of a Russian Federal university scale, the example of Siberia Federal University is here used. The University educates 43.000 students by means of 3.329 lecturers teaching at 170 programmes at different university levels. The university's key fields of development are<sup>77</sup>:

- Contributing to major national economic projects (located in Eastern Siberia, Russia's Far East) as well as to the economic development of the Asian-Pacific region
- Creating a skilled labour force
- Raising the university's international profile in terms of teaching and research
- Integrating university research into the economic development of Russia
- Creating new hi-tech industries in the region
- Working together with businesses and local government to prepare a flexible workforce capable of adapting to changing labor markets

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<sup>75</sup> [www.sfu-kras.ru](http://www.sfu-kras.ru) – the official internet-resource of the Siberia Federal University.

<sup>76</sup> [www.sfedu.ru](http://www.sfedu.ru) – the official internet-resource of Southern Federal University.

<sup>77</sup> [www.sfu-kras.ru](http://www.sfu-kras.ru) – the official internet-resource of the Siberia Federal University.

- Investing in order to enhance the career opportunities of the staff and to improve academic buildings, libraries, equipment and IT infrastructure

In 2007, both federal universities obtained licences confirming their rights to provide educational services and were then accredited by the state. Their establishment is considered a pilot project to work out a successful model for the promising new Russian university – which can later be spread to other regions of the country<sup>78</sup>.

Another important aspect worth stressing to outline the institutional pattern of the modern Russian University is its international orientation. As will be emphasized in the next chapter, since the beginning of the 1990's, the Russian University opened up internationally again. After many years of Soviet Power and isolation from the international community of scholars, the Russian University leapt into establishing contacts with foreign HEIs. Joint educational programs and research projects, students exchanges have now become a norm of the Russian University's functioning.

Moreover, the international influence became more aggressive after Russia signed the Bologna declaration in 2003 to improve university cooperation with Western European countries and to increase students, graduates, and teaching staff mobility. This means an active reformation of the Russian system of higher education to adapt it to Bologna standards: during the period 2005–2010, Russian universities have to adopt and make the general Bologna declaration principles function, avoiding pitfalls from the existing Russian higher education system (Note 15.12.2004-03, 2004; Order №40, 2005). As Mr. Fursenko, the Minister of Education, stated, *“development of the European educational space will allow Russia to become a qualitative exporter of higher education, traditionally popular in the*

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<sup>78</sup> [www.sfu-kras.ru](http://www.sfu-kras.ru) – the official internet-resource of the Siberia Federal University.

*Baltic countries and the countries of CIS*<sup>79</sup>” (RIA “Novosti”, 18.05.2007). Table 6.1 presents the main obstacles to implementing the general principles of the Bologna declaration in Russia.

Bologna declaration general principles <sup>80</sup>	Obstacles (by 2005) to implement the principles in Russia (note 15.12.2004-03, 2004)
<i>Adoption of a system essentially based on two main cycles: undergraduate and graduate</i>	Two different higher educational subsystems: <ul style="list-style-type: none"> <li>▪ Non-stop cycle system (5-5,5 years, as a rule) for 500 licensed specializations</li> <li>▪ Two-cycle system (4 years of bachelor cycle and 2 years of master cycle) for 110 licensed specializations</li> </ul>
<i>Establishment of a system of credits (such as the ECTS system)</i>	A unit determining students' and lecturers' volume of work done during a semester is an academic hour (45-50 minutes). The curriculum is composed of 54 academic hours (with 27 hours of auditorium work) for a student per week. Since 2002, thirty Russian universities are involved in an experiment with a system of credits – similar to the ECTS system (but only for 10-15 % of their educational programs).
<i>Adoption of a system of easily readable and comparable degrees</i>	No final Diploma Supplement project exists as yet, but it has been planned to have a short description of the Russian higher education system in this supplement, and to make it bilingual (Russian/English) as well. Methodical instructions about how to fill out a Diploma Supplement are also being developed.
<i>Promotion of the European co-operation in quality assurance by developing comparable criteria and methodologies</i>	Acceptance of a governmental Russian HEI consists of three stages: <ul style="list-style-type: none"> <li>▪ Licensing: estimation of resources: auditoriums, laboratories, libraries, pedagogical staff, etc.</li> <li>▪ Attestation: estimation of the curriculum, level and quality of graduates.</li> <li>▪ Accreditation: confirmation of institution status (higher education institution) and type (university, institute, academy) and list of specializations according to it is allowed to issue diplomas</li> </ul> Attestation and accreditation are going to be combined into a single procedure of governmental accreditation.

**Table 6.1** The main obstacles to implementing the general principles of the Bologna declaration in Russia by 2005

A working group appointed by the Bologna Follow-up Group to the Ministerial Conference in London in May, 2007 to evaluate the progress of the countries-participants of the Bologna agreement, reported Russia's key developments since 2005 (Bologna Process Stocktaking Report, 2007):

<sup>79</sup> Translated by the author.

<sup>80</sup> Based on a report prepared by The Confederation of EU principals conferences and Association of European universities, 2000

- Approving the list of higher education institutions implementing Bologna reforms
- Working to introduce a system of student loans
- Increasing institutional autonomy
- Streamlining quality assurance procedures: the National Accreditation Agency is a candidate member of ENQA<sup>81</sup>
- Improving entrance procedures to higher education

The working group named such future challenges as (The Bologna Process Stocktaking Report, 2007):

- Stimulating the demand from employers for bachelor graduates
- Increasing participation in mobility programmes
- Increasing flexibility and adaptability in curricula
- Involvement of foreign experts in the external review of the quality of education in Russian HEIs

One of the recent actions taken by Russian authorities in this direction was to change the legal educational base (federal laws “On education” and “On higher and continuing education”) in favour of the baccalaureate and the magistrates (Law N 232-ФЗ, 2007). The new law comes into force in Sept, 2009: then, all Russian HEIs will offer bachelor/master programs (Agranovich, 2007). However, a degree of “Specialist” is still relevant, especially for education within fields of engineering, medical studies and special services, but the degree is not convertible yet - there will be another law issued to clear it up<sup>82</sup>. According to the Bologna Process Stocktaking Report nowadays in Russia *“some 7% of the student population is following bachelor programmes, with 700.000 students studying in the two-cycle system.*

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<sup>81</sup> The European Association for Quality Assurance in Higher Education.

<sup>82</sup> ‘A Master and a specialist are equal’, *Izvestiya* dated 29.10.2007.

*New educational standards for bachelors and masters are now being developed. A public campaign is under way to inform the higher education institution community and employers about the value of the new study programmes” (Bologna Process Stocktaking Report, 2007).* As Mr. Fursenko, the Russian Minister of Education, assured at the Ministerial Conference in London, Russia was successfully dealing with the implementation of the issues of the Bologna process (RIA “Novosti”, 18.05.2007).

To conclude this sub-chapter I would like to formulate what the modern Russian University is. Nowadays, the Russian system of higher education is amongst the largest and most diversified in the world (Hare & Lugachev, 1999). Furthermore, in the UNESCO report entitled “Young peoples’ situation in Russia” presented on the 20<sup>th</sup> of June, 2005, it was said that Russian education is at a sufficiently high level and can be compared with analogous indicators in the developed countries of the world (Kobelyatskaya, 2005). But what is a modern Russian University? The contemporary nature of the Russian University is very heterogeneous. Gathering speed in the 1990’s, the universitization wave splashed out involving more complexity of the Russian University. By 2005, the number of universities in Russia, excluding their subsidiaries, increased to 400<sup>83</sup> compared to 68 universities in 1993. I will speculate on the reasons for such an active process of universitization in the next chapter, because it actually happened in the transition period. Here and now I want to address the question “What is the “modern” Russian University”?

Officially, according to the definition given by Russian educational law, a university is a higher education institution that (The Typical Regulations, 2001):

- Realizes educational programs of higher professional education and usually educational programs of post-graduate level in many lines of training (specialties)

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<sup>83</sup> www.edu.ru – Federal portal – Russian Education.

- Trains, re-trains, and (or) raises the level of skills of workers with highest qualification, scientific and educational-scientific personnel
- Performs a fundamental and (or) applied research in a broad spectrum of sciences
- Is a leading scientific and methodological center in its line

But, in addition to its traditional missions which are *“to seek and transmit the truth, to educate population for intelligent participation in public life and to contribute to the understanding of how physical, political and social worlds work and function”* (Verbitskaya, 2002: 342), the Russian university keeps a “political responsibility” as part of its mission. Such global threats as terrorism, wars, dehumanization, social fragmentation, marginalization, and moral degradation may damage social progress. Thus, universities, like islands of stability, are to provide humanistic-oriented, high quality education for new generations and sustainable development of the nation (Verbitskaya, 2002). Another role of universities named by Sadovnichiy in 1993 has become more relevant over the years. The universities are to be catalysts of scientific and technological advance, thus the modern Russian university acts as an active participant in a process of cooperation between science and production (Sadovnichiy, 1993).

Unfortunately, some confusion still exist with names and status<sup>84</sup>: HEIs entitled “academies” may hold university status, for example Kuzbas State Pedagogical Academy<sup>85</sup>, or an HEI named as a university just keeps academy status, for example, The Academic Law University<sup>86</sup> has academy status. During the last decade a number of technical and other “specialized” universities appeared as a result of the transformation from institutes and

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<sup>84</sup> In comparison to the state of affairs in the transition period, nowadays this is more of exception, than practice.

<sup>85</sup> Official internet-resource of Kuzbas State Pedagogical Academy [in Russian: Кузбасская Государственная Педагогическая Академия], [www.kuzgpa.ru](http://www.kuzgpa.ru).

<sup>86</sup> Official internet-resource of Academic Law University [in Russian: Академический Правовой Университет], [www.apu.edu.ru](http://www.apu.edu.ru).

academies. Anyway the first places of every-year rating are taken by traditional classic universities, mostly, the oldest ones in Russia<sup>87</sup>. At present the term “elite university” has appeared i.e. a research university or academic university using the terminology of Imperial times, thus being a university belonging as a member of The Russian Academy of Science (Dezhina, 2004). So Russians seem to be turning back to an understanding of the University as it was first planned - by the Russian Tsar Peter the Great. The modern Russian University has a tendency to grow into university complexes, through increased cooperation with industrial enterprises and educational institutions at different levels. Restriction of state funding and the demands of the markets - educational, labor, local-national-international - triggered another trend determining the future nature of the Russian university: a Federal university – a merger of several universities or other types of HEIs in different cities/towns in a Russian region.

#### **6.4 Summary**

In order to show the significance of marketization in the context of the Russian University, it is crucial to present the unit of analysis, the Russian University, with attention to detail and bearing in mind the institution’s special history. Table 6.2 summarizes this chapter: a time-ordered matrix presents the Russian University in a retrospective view via the criteria for institutional analysis of the University. On the one hand, the table constitutes the brief history of the Russian University accentuating its peculiarities and its development. On the other hand, the matrix gives an overview of a flow of major changes in the nature of the Russian University, its functions, resources and external relations. These changes reflect not just University transformations but also revolutionary changes in society, ways of governance, and ideologies of the times. Thus, I would like to emphasize, the Russian University has mirrored

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<sup>87</sup> Ranking of Russian HEIs: see for instance, Delovaya Rossiya dated 03.07.2008, [www.deloruss.ru](http://www.deloruss.ru); Ekonomika Rossii XXI vek №13/ 2003, [www.ruseconomy.ru](http://www.ruseconomy.ru).

political and economical regimes, and societal attitudes. Moreover, it has had to adapt itself continually in accordance with these trends.

“What is the Russian University?” Based on the presented data and on Sadovnichiy’s (1993) reflections on this issue, I would say that when considering any Russian university with its history, people, problems and achievements, each case will be unique. Combined together, these unique cases of all the Russian universities make up a unique, contradictory but still single whole, a phenomenon called “The Russian University”. The Russian University is an important social institution taking care of heritage, accumulation and reproduction of scientific and professional knowledge, cultural treasures and norms. The institution “The Russian University” modernizes itself, but also respects its own legacy and traditions.

**Table 6.2** The Russian University: retrospective via institutional dimensions

Institutional dimensions of the University	Imperial Russia (1725-1917)	Soviet Russia (1918-1991)	“Modern” Russia (2004-2007)
<b>Nature of the University</b>	Not completely formed: the University is a governmental educational institution with considerable traces of bureaucracy and including touches of corporative, pedagogical and philanthropical traits.	The University is one of the most important, reliable, and respected state institutions in which fundamental research takes place and fundamental knowledge is taught.	The nature is very heterogeneous. But restriction of state funding and market demands influenced the social vision of the University and triggered a trend determining the future nature of the Russian university: a Federal university – a merger of several universities or other types of HEIs in different cities/towns of a Russian region.
<b>Role of the University within society</b>	An elite institution: “producing” state officials, but also manifesting the public spirit of the time.	The mass institution: to spread and strengthen the ideology of the communist regime.	The modern Russian University is an important social institution responsible for heritage, accumulation and reproduction of scientific and professional knowledge, cultural treasures and norms, an institution that modernizes itself but respects its legacy and traditions.
<b>Education</b>	A pedagogical process is based on freedom and discourse between students and professors in their common search for the truth.	Depends on a subject: but the basic pedagogy principle is based upon the assumption that a lecturer “reads” a lecture while students write it down and then pass an exam according to what was “read” by the lecturer concerned.	The teaching features of the transition and of the Soviet periods are still kept. However, overall modernization of the system of higher education opened up new opportunities; the emphasis is now on combining theory and practice thanks to new laboratories and contracts with industry. Moreover, the methodological base is renewed and the faculty is retrained.
<b>Research</b>	Originally, the University is a scientific center, so all universities perform fundamental research.	Research is an important, strong, profitable and constantly developing component in University functioning.	With new laboratories, with PC and internet opportunities, with state support in particular fields, with new orders from industry, etc. research at the University entered a new era of development.
<b>Academic structure</b>	The academic structure is not properly developed yet: too many obligatory subjects in heterogeneous sciences.	Different study programs (day, evening and extramural). Social sciences and humanities mainly serve ideological goals; while technology and natural sciences serve the industrial, technological and military ends of society; from a university to a university complex.	Merging universities and other educational and research establishments. Big federal universities represent a new trend.
<b>Professional resources</b>	Lack of qualified faculty staff. The ideology of the tsar regime squeezes academic freedom.	Being a scientist or a professor of a university is prestigious. Academic freedom is under pressure from censorship and the ideology of the Soviet regime.	Salaries are increased and paid without delays. However, the faculty has to combine several jobs/projects in order to survive. Aging and employment are relevant problems. A system of motivation is developed at governmental level.
<b>Student resources</b>	Students are mostly from the nobility; starting in 1860, school leavers could enter a university without entrance exams, but with a good gymnasium diploma.	Everyone intelligent and motivated enough can become a university student if he/she passes entry exams. Students are financially supported by the state. Post-university employment is guaranteed.	It is easy to enter the University if you have money to pay fees, but almost impossible (in case of popular specializations) if you do not. It became expensive to enter the University (admission courses, trial entrance exams) and to study as the scholarship (for “budget” students) is very poor and the system of student loans is not developed yet.
<b>Material resources</b>	By 1912 state funding is 61 % in a structure of higher education funding: the University has rights and also earns money to function properly.	Funding of the University is mostly provided by the state. Research on a commercial basis is allowed.	The University learns to eke out its income via funding from state and local authorities, payments of students and industry. Thus, renovation of University buildings, auditoriums, laboratories carries on.
<b>University-State relations</b>	The University is considered a threat to the tsar regime. Thus, it is put under ideological and administrative control.	The University is strictly controlled and managed by the government.	State grants are considerable: this allows a number of universities to implement innovative projects. The University is more autonomous in terms of finances and curriculum.
<b>University-Industry relations</b>	Rapid development of industry in Russia started at the end of the 19 <sup>th</sup> century. So the history of University-Industry relations is poor.	According to plan, the University prepares and assigns cadres to enterprises; works together to establish commercial and creative research projects.	A renaissance of University-Industry relations takes different forms: laboratories, orders for graduates, educational programs, research, and sponsorship.
<b>Inter-University international relations</b>	Russian universities invite high status scientists from abroad as well as training Russian professors in Europe.	For the most part, isolation from the international community of scholars	The Russian University progresses in realization of the main issues of the Bologna declaration, thus aiming to be an active participant in the created “European educational space”.



## 7. TO MARKET, TO MARKET!!! – BUT HOW???



Figure 7.1 Boris Yeltsin<sup>89</sup>

*“When I am asked about my main mistake, I answer that in those days we acted lacking any experience of administrating affairs in a democratic state.*

*Who remembers how it was before 1917, what kind of market it was then? We had to feel our own way”*

*(Yeltsin, 2006<sup>88</sup>).*

The idea of this chapter is to open a discourse concerning how marketization of the Russian University was triggered, and how it started to move forward. Corresponding to the analytical framework of the study, the narrative of this chapter reveals market-oriented transformations concerning both institutional change at the Russian University and engagement in marketing activities.

<sup>88</sup> ‘B. Yeltsin: Ya bi hotel, chtobi vse ludi bili svobodnimi (B. Yeltsin: I would like all people to be free)’, Izvestia dated 24.04.07, <http://www.izvestia.ru/person/article3064619/>.

<sup>89</sup> Boris Yeltsin (1931-2007) [in Russian: Boris Nikolaevich Yeltsin] - the first president of the Russian Federation (1991-1999), a man “on whose shoulders rest major events for the good of the country, but also some serious mistakes” (in the words of Mr. Gorbachev: the New York Times, April the 23rd, 2007).

## 7.1 Introduction

A period of transition represents “*the moments at which the relations of production, modes of thought and forms of individual and collective action come up against limits, whether internal or external, and begin to crumble, to show cracks, to lose their social relevance*” (Godelier, 2000: 149). This is exactly what was happening in an extreme way in Russia in the 1990’s: chaos, collapse and disruption. Planned mechanisms of state function had disintegrated and new ones had not yet really been established and adjusted (Avdulov & Kulkin, 2001). Society suffered a crisis: the state structure and the economic mechanism were being changed; the break-ups of social and economical structures and gaps in public institutions’ succession were blatantly obvious (Marchuk, 1992).

Overall chaos had a dramatic impact on University functioning: most importantly on funding. As mentioned in the previous chapter, in Soviet times state funding and research contracts with industrial enterprises constituted income items for the University. In the 1990’s, state financing was considerably reduced. Conversion of the Soviet defence industry to civil uses and industrial decline meant declining demand for research. But, the HEIs acquired a legal right to provide educational services on a commercial basis and carry on entrepreneurial activities (Kluev, 1997). The need for survival and unusual freedom, as further argued in this chapter, triggered the marketization of the Russian University. The University, for its part, had to deal with the remnants of outdated practices, relationships and schemes. On the other hand, it also had to look after the heritage under the pressure of new challenges: market, competition, new demands and values in society and in the world.

Chapter 7 describes how the Russian University maneuvered the transition period. It is important to note, though, that the chapter provides an actor’s perspective: the narrative of this chapter is built on the inside view as presented by University representatives. I was

interested in how professors, lecturers, students and administrators at different Russian universities reflected on changes the University went through during the transition period. I wanted to grasp moments in university life, thus the gradual reaction of the University since 1991 was studied. In 1995 and in 1998, for instance, no one knew how the situation at the University was going to develop during the dramatic time period. So the articles the University representatives wrote in 1991-2003 chronologically depicted the problems the University experienced, as well as the way the University coped with these challenges. The story begins with how market ideology spread at the University and, hence, how the University got engaged in market activities. Furthermore, I will emphasize how University missions were influenced, and what market-oriented transformations had to be implemented in terms of the University's internal and external functioning.

## **7.2 Diffusion of market ideology**

Following the social order, social ideology changed in Russia. Humanistic principles were replaced by the ideology of pseudo-democratization, oligarchy and public resources plundering (Barbashov, 2003). In 1994 Jones claimed: *"Russian education now finds itself caught up in the national search for a moral foundation for the new society"* (Jones, 1994: 13). If in Soviet times the University professed values that did not belong to the academic world, rather in government, then, in the post-Soviet era, the University experienced an ideological vacuum: the break-up of the "old" ideology had not given birth to new ideas, values and ideals. Hence, the ideological vacuum provoked the loss of togetherness in academic circles (Shadrikov, 1994). If, in Soviet times, the morality and consciousness of young people was strongly influenced by national politics and inculcated through, for instance, the curriculum at secondary schools and at HEIs as well as through such organizations as the Young Pioneers and the Young Communist League, then, in post-Soviet

Russia, educators faced the question: “*What are to be the new sources of moral upbringing?*” (Jones, 1994: 13).

The severe reality of the time dictated its norms of behaviour and influenced the mentality of individuals, their morality and the level of culture; it also formed new priorities within society. Moral relationships at University were reflections of the country’s situation. During the process of de-ideologization,<sup>90</sup> society had left behind one of its most important duties – the moral and cultural upbringing of a person. Consequences for the University were dispiriting: teaching and administrative staff receiving bribes as well as the purchase and sale of course papers and other kinds of testing materials are negative features of market ideology spreading (Jones, 1994). In addition, vandalism and foul language infiltrated university auditoriums, tutors suffered a loss of respect, and there was a general betrayal of University lecturers’ ideals (Tihonov-Bugrov, 1999).

This was how the psychological landscape of the state of affairs in society and at the University in the transition period had become. Under these ideological conditions marketization of the Russian University progressed. The following sections look into the dynamics of this process.

#### *7.2.1 The University earns money*

During the transition period there appeared a trend to consider Russian universities as “*enterprises that develop and market the product of intellectual labor of their employees – educational services*”<sup>91</sup> (Zabolotny & Maysakov, 2001). Such a trend is based on several prerequisites. The development of commercial services and market orientation of universities was driven mostly by way of a limited state budget, but also by the need for universities to get engaged in market relations (Kelchevskaya & Muhamedjanov, 1999). New federal laws

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<sup>90</sup> Lack of ideology, national idea.

<sup>91</sup> Translated by author.

provided universities with essential independence in terms of internal management, financial policy, and strategy development (Zabolotny & Maysakov, 2001). As a result, the financing of University activities had to become and indeed did become multi-channeled (Kluev, 1997; Zhukova & Shestakov, 1998; Ivanov, 1999).

Income items of the University	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Federal budget <sup>92</sup>	86,6	72,4	65,5	62,2	46,1	48,1	48,7	47,6	44,6	42,6	43,7
Regional/city budget	-	1,6	2,1	-	-	-	-	-	-	-	-
<b>Income from services:</b>											
▪ research	4,1	5,2	6,2	4,6	2,4	1,4	1,7	1,3	1,4	2,7	2,6
▪ chargeable educational services	8,2	18,4	23,7	29,6	40,5	33,4	33,0	34,8	39,8	38,6	42,3
▪ entrepreneurial activity	1,1	2,4	2,5	3,6	3,3	3,8	1,9	1,4	1,3	2,1	2,0
▪ federal programs, grants	-	-	-	-	7,7	13,3	14,7	14,9	12,9	14,0	9,4

**Table 7.1** Income items for Ural State University in 1994-2004, %  
[Source: Kluev, 1997; Kluev & Petuhova, 2005]

Table 7.1 shows the income structure of Ural State University. According to Kluev (1997) and Kluev & Petuhova (2005), it can be considered an average one for Russian universities during the period 1994-2004. In general, the state of affairs was as follows. The dramatic decline of state financing was compensated for with some in-payments from the regional/city budget, but mostly by incomes from services the university started to provide on a commercial basis. As Table 7.1 illustrates, commercial educational services became more and more “profitable” with every year that passed. Table 7.2 elucidates the structure of income from commercial educational services of the said Ural State University.

<sup>92</sup> Research provides more dramatic data concerning state funding. For example, in the case of Tumen State University, state funding covered 24,0% of university expenses in 1994, while in 1995 it only covered 21,2%, in 1996 – 20,3%, and in 1997 – just 12,6% (Zhukova & Shestakov, 1998).

Type of a commercial educational service	1995	1996	2000	2001	2002	2003	2004
<b>Training for university entrance</b>	10,3	12,2	13,3	15,9	10,2	12,1	15,8
<b>Chargeable higher education</b>	<b>89,62</b>	<b>87,7</b>	<b>86,6</b>	<b>82,5</b>	<b>88,5</b>	<b>86,6</b>	<b>78,8</b>
<b>Chargeable PhD studies</b>	0,04	0,05	0,06	0,5	0,4	0,6	0,9
<b>Retraining specialists and raising skills' level</b>	0,04	0,05	0,04	1,1	0,9	1,3	4,5

**Table 7.2** Chargeable educational services for Ural State University in the period 1995-2004, %  
 [Source: Kluev, 1997; Kluev & Petuhova, 2005]

One of the most important income items here was tuition in order to obtain higher education. Most faculties at most state universities provided a definite number of so-called “budget places<sup>93</sup>” for university entrants. Thus, faculties teaching “popular” specializations (in the 1990’s they were juridical, business, and language specializations) had a large entry and attracted more entrants willing to pay for education. As a result, these faculties educated more commercial students or those paying tuitions for getting higher education hence contributing to the university budget to a larger extent. University activities within the “chargeable higher education” segment minimized University’s expenses because commercial students studied in the same groups and followed the same curriculum. However, already by 1996, some universities almost exhausted their potentialities of increasing the budget by means of chargeable higher education. One reason for this was the scarcity of available resources, both professional and material-technical; another reason – the drop in peoples’ living standards and the reduction of people’s paying capacities, especially outside the capitals (Kluev, 1997).

Turbulent changes in the country and the new needs of the economy created a demand for retraining courses (Ishina, 2000). Thus, universities and other HEIs, not to mention

<sup>93</sup> University entrants who succeeded in passing admission exams and were more successful than others due to different parameters in the competition can be given a “budget place” [in Russian: бюджетное место] (or a student place “financed” over the state budget) at the University and study for free with a right to receive a scholarship.

commercial educational centers, started to offer multiple courses and programs: in different professional areas, but mostly in business, languages, juridical studies; courses with different duration – from several days to several years, held in the evenings or at weekends, offered internally, by correspondence or as distance education. Mr. Mazur, a lawyer in the Moscow office of an international auditing and tax firm, commented on the situation, *“there is an army of people who first got their degrees in the late ‘80s and early ‘90s. We started our studies under the Soviet Union, but graduated in a market economy. We had not known then what [fields] would be needed later. Today most of the people who take evening classes and pursue second degrees are doing so to become competitive and to earn more money”* (Mazur in MacWilliams, 2001). However, a new generation of students following the trend of competitiveness in the labor market also found it useful to obtain a second higher education degree while doing basic studies. Hence, a student studying “Public Relations”, for instance, could choose to study “Psychology” as a second specialization. Then he or she graduated having attained two degrees of higher education in two different, and in many cases, completely opposite professional fields. The University offered a second higher education as a chargeable service, and thus, with years of development this became a more and more “profitable business”.

It would be wrong to state though that the University “profited”, in business terms, through its commercial services. In the transition period, most HEIs in Russia were at the stage of development when all incomes from off-budget activities had to be invested in covering their current expenses such as salaries and household running costs. In most of the universities incomes were fully spent without saving any material resources for University material-technical development (Zabolotny & Maysakov, 2001).

In the 1990's, the University did not properly develop a mechanism of attracting research funds and commercializing research by offering qualified services to business structures and state organizations (Ishina, 2000; Belova et al., 2004).

Table 7.1 presents the basic income items of the University budget. It does not, however, show all types of the University's off-budget activities. In the 1990's the University started to attract sponsors with donations estimated to be 6 % of HEIs off-budget incomes in the period 1997-1999 (Ishina, 2000). Another "service" universities provided or had to provide was renting out their premises. In 1997-1999, "letting" services constituted about 34 % of HEIs' budget for commercial activities (Ishina, 2000). Income from letting was needed for University survival, despite the fact that such a critical measure reduced student provision of dormitory rooms and deprived the University of important assets such as canteens, laboratories, etc.

In general, universities had to learn how to function under new market rules instinctively, by making their own mistakes. This could be explained by the following problems unsolved in the 1990's: ambiguity and contradictions in interpretations of laws, lack of recommendations concerning the pricing of commercial educational services, the lack of synthesis of efficient experience in attracting and using off-budget university funds (Ivanov, 1999). Some universities, mostly regional ones, adapted successful commercial practices of nearby, more advanced institutions (Zhukova, & Shestakov, 1998).

### *7.2.2 The Russian University engages in marketing activities*

Analysis of Russian University management shows that, since the beginning of the 1990's, the University administration became concerned about strategic planning and marketing (see e.g. Kostetskiy, 2003). Solovjev & Brinsa (2002) claim that a direct transfer of business models to Russian University management is impossible and unnecessary. However, these

scholars also note that Russian universities like universities over the world face the same problems as business structures, i.e. how to function more effectively and efficiently producing “products” of higher quality.

In terms of universities it is worth defining what the “products” actually are. Solovjev & Brinsa (2002) name the following Russian University “products”:

- Specialists of different educational level within different specializations
- Research outcomes: new ideas, technologies, methods of analysis, computation programs, etc.
- Products of economical activities, in cooperation with other organizations as well: equipment, devices, instruments, etc.
- Books/magazines: educational-methodological literature, electronic journals, etc.
- Cadres of higher qualification: PhD, professors

However, it is more acceptable within Russian University management literature<sup>94</sup> to talk about the University offerings in terms of services. Then, the named “products” transform into educational, research and development, typographic services, but also renting, etc.

The “services” are offered on a gratuitous or contractual basis. In new Russia contractual dominance has grown considerably since the beginning of the 1990’s - as discussed in the previous section. This has met obstacles though: as soon as universities got the legal right to carry out off-budget activities, they faced difficulties over pricing. Basic problems were (Kluev, 1998 (2)):

- Lack of practical experience in the pricing of educational services

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<sup>94</sup> See for instance, articles published in the Russian magazine ‘Universitetskoe Upravlenie [The University Management]’; homepage: <http://ecsocman.edu.ru/univman/>.

- Non-readiness of the existing normative base
- Lack of effective anti-inflation measures to use when setting a price for services
- Insufficient level of pricing method elaboration

In overcoming the mentioned obstacles, the Russian University had to deal with pricing on its own - independently as business structures do. This led to anarchy in pricing of the same service at different universities. For instance, it became possible to agree on a price individually or to price services that were always unusual to price, like the “issuing of diplomas” for graduates. Another anomalous example of pricing is pricing in US dollars: this bears witness to price not actually being calculated according to expenses. Hence, a university could not explain the validity of the price for educational services (Zaporozhets, 1998).

Promotion and marketing strategies of universities also needs to be revealed. Kluev (1997) claimed that, in the beginning of the 1990's, the marketing activities of the University were very important for adapting to the new environment and for handling new challenges. While some university principals were oriented towards “wringing” funding out of the state, others concentrated on active adaptation to the market. This allowed the latter group to capture advantageous niches in the growing educational market.

One example of University marketing strategy is its territorial expansion: capital HEIs and leading regional ones tended to establish subsidiaries and divisions in other regions of Russia. Thus, school leavers did not have to leave home as HEIs positioned themselves to be closer to potential students (Shafranov-Kutsev, 1997).

Development of university complexes was another marketing trend. University complexes included different types of educational and research institutions as well as industrial enterprises. University complexes involved a widening of cooperation with secondary schools and hence, guaranteed school-leavers admission to universities. Thus, universities solved the

problem of forming its first-year students' contingent in advance and at the same time penetrated the circle of life-long education (Borisov & Zapryagaev, 2001). The market economy taking the place of plan economy did not develop functioning mechanisms for assigning graduates. Thus, another marketing challenge for universities became getting industrial enterprises interested in their graduates. In a framework of university complexes, universities started to develop contractual education of students based on requests from enterprises.

Engaging in marketing activities, the Russian University brought the relationships with secondary schools up to a new standard. Society, in general, and the University, in particular, formed a strong opinion about the necessity of additional training offered to school-leavers in order to pass entrance exams and enable further studies at University level (Estrayh, 2003). The practice of standard entrance exams went away together with the USSR and the planned regime. Instead, a practice of entrance exams appeared - specific to each university. Each university developed its own entrance exams (different exams for different faculties), ways of testing (written – oral, test – text) and evaluation. So to let school-leavers become familiar with the terms of examination and even with possible exam tasks, to help in the choice of future profession and in adaptation to further student life, universities organized different types of access courses with duration (from one week to two years), a location (a HEI or a secondary school) and subjects (from one to all needed for entrance). Thus, it became considered a necessity for the school leaver to attend the access course for the university he or she was planning to enter after graduation from a secondary school.

This new trend had different outcomes for the University. First, access courses were chargeable, so they served as an additional source of income for the University, in general, and to the lecturers, in particular. Second, access courses also provided a good marketing instrument helping to attract school-leavers set on that particular university. Third, access

courses prepared school-leavers theoretically, so they could pass entrance exams and overcome the “pupil-student” barrier more easily.

To extend the marketing catchment area, many universities established access courses at secondary schools, both in the same city/town in which universities were situated and in schools in the region or even in other regions. Some universities used local staff to teach access courses; in this way they also managed to retrain and raise the level of school teachers’ skills (Estrayh, 2003). Other universities used their own faculty staff to lecture. In some cases, at the end of access courses, pupils could pass exams; the results of these exams could be considered grades of entrance exams to a university organizing these access courses. Thus, pupils could enter a HEI before graduating from a secondary school. This also attracted many school-leavers to take access courses.

Another cooperative practice also appeared between universities and secondary schools. Through evaluation, a university developed a list of schools considered “confidential”, meaning that a university accepted the quality of education at a particular secondary school as being satisfactory. In this way the secondary school graduates could use their school certificate to enter the university without taking additional exams (Estrayh, 2003). This depended of course on grades being competitive enough to attain one of the limited “budget places”.

Knowing the strengths and, even more important, the weaknesses is also very important in forming a marketing strategy. Some Russian universities began using SWOT-analysis<sup>95</sup> in developing their strategic plans (Solovjev & Brinsa, 2002). While attractive features could be different for different universities depending on history, specifics, staff, graduates, material-

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<sup>95</sup> SWOT-analysis – a strategic planning method used to evaluate strengths, weaknesses, opportunities and threats concerning a project or a company.

technical base, etc., elements negative for the marketing of Russian universities in the transition period could be generalized (Kostetskiy, 2003):

- A shortage of auditoriums, dormitories, etc.: this slowed the growth of educational service provision
- A mass approach to school leavers. The Soviet philosophy of the monopolist: “We are for you” instead of “You are for us”, but also a low perception of individual capabilities and preferences
- Low motivation of teaching staff with a view to increasing the quality of the educational process
- Insufficient strategic planning, and insufficient information to staff regarding perspectives and development priorities
- “Bulky” internal administrative-managerial structure

But what severely hindered the University from becoming more market-oriented was a lack of young energetic managers, a generation gap in University staff, and plenty of passive, pessimistic employees maintaining managing positions. Thus, the main management body should have been systematically renewed (Knyazev, 2000). Moreover, Solovjev & Brinsa (2002) manifested the threat awaiting classic Russian universities by stating that, until a managerial revolution takes place at universities, competitors will leave them behind.

### **7.3 Market-oriented transformations**

This sub-chapter is structured in accordance with the analytical framework developed in Chapter 4. The institutional analysis of the Russian University in the transition period is carried out with the purpose of finding out the kind of market-oriented transformations the University had to make in order to adjust to new market conditions of functioning. Thus, the

University missions, its internal functioning and external relationships are all focused on in this sub-chapter.

### *7.3.1 External relations*

First, I investigate the external relations of the Russian University particularly emphasizing “University-State” relations.

#### 7.3.1.1 The role of the state in University-State relations

As previously mentioned, the government left the University to its own devices. This led to a dramatic decrease in finances. During particular time periods state funding was insufficient to pay salaries to the teaching staff and scholarships to students - even if the amount of wages and scholarships had dropped to a miserable level. What aggravated the situation were constant delays in actual salary pay-out. As a result, the teaching staff had to wait for months to receive their earned salaries; many lecturers and scholars left their jobs or were discharged on grounds of staff reduction. The number of budget places at HEIs was reduced; a student received a scholarship, but sometimes this was delayed or/and reduced resembling more a daily allowance. So he or she had to find a job. Periodically, lights and heating were turned off in auditoriums and many HEIs got involved in prosecutions due to their inability to cover household running costs (Sadovnichiy, 1998; Resolution, 1998; Nartov, 1998). In fact, the process of education privatization was going on and the tendency to this effect, with the state leaving education, became more and more obvious (Sadovnichiy, 1998).

Public response to the authorities' inertia came in the form of the establishment of different associations. Thus, in 1992, the public organization – The Russian Principals' Union - was founded. According to its Charter, one of the main tasks of the Union is *“formation of coordinated and constructive approaches for the corporation of principals to the decision of legal, organizational, financial and economic problems of higher education, and development*

*of science at higher school*”<sup>96</sup>. In the same year, The Russian Association of Engineering Education was founded. One of its basic aims is the “*development and improvement of technical education and the engineering profession in all their varieties involving educational, scientific and technological aspects including teaching, consulting, research, development of engineering projects, technology transfers, etc.*”<sup>97</sup> During the years of transition these and other public organizations played an important role in University life by lobbying the government.

Trying to change the situation, scholars, researchers and pedagogues repeatedly appealed to the government as well. The appeals had different forms and methods: mass meetings and demonstrations, resolutions to the government and to the President personally. They tried to convince the government of the necessity to develop science (Marchuk, 1992), of the important role science plays in forming a strategy of national security (Kefeli, 1997), of the need to support education - because without educated people in general and educated individuals in particular, the state will neither be able to solve political nor economical and other crucial problems (Spitsnadel, 1994). Popular slogans were<sup>98</sup> (Resolution, 1994):

- *Russia without education is the state without a future!*
- *Russia without science is the state without a head!*
- *Russia without culture is the state without a soul!*

As a reaction to these appeals, the government issued decrees and promised to improve the situation at the University. However, this was not followed up and “*popped just like a soap-bubble*”<sup>99</sup> (Resolution, 1994). Some attempts were made but they were mostly single-staged injections, just for show (Sadovnichiy, 1998). This was the problem: University funding had

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<sup>96</sup> [www.rsr-online.ru](http://www.rsr-online.ru), the official site of the Russian Principals’s Union; translated by the author.

<sup>97</sup> [www.aeer.ru](http://www.aeer.ru), the official site of the Russian Association of Engineering education; translated by the author.

<sup>98</sup> The slogans are translated by the author.

<sup>99</sup> Translated by the author.

been reduced to a residual priority (Zhukov, 1998). In the middle of the 1990's, the state developed, and then for several years modified, methods of legal virtual payments between the University and its suppliers, such as community services suppliers. One example can be mentioned here: in 1994-1995 the state issued nominal treasury obligations for the University as part of annual financing. The University transferred these obligations to community facilities as payment for heating or water - with suppliers receiving tax exemption. Multiple forms of contra deal<sup>100</sup> existed and were used by HEIs to keep functioning (Kluev, 1998).

The attitude of the President and the government towards the University in these days was interpreted in University circles as *"Survive just as you wish!"* (Shabalin, 1999) or *"Just rely on yourself"* (Knyazev, 2000). Thus, on the 20<sup>th</sup> of May, 1997 hundreds of St Petersburg students, teachers and scholars came to the legendary cruiser Aurora<sup>101</sup> and, to the strains of mournful music, they lowered a funeral wreath into the river Neva. Such a ceremony symbolized the pending downfall of the University, as, since 1917, Aurora had symbolized the fall of the Russian Empire. Most of the mass-meeting participants held posters saying, for instance: *"2<sup>102</sup> to the President"*. The same day similar action was taken in many other cities all over Russia in about 40 regions. The main slogan was common for every participant: *"No' to the destruction of education!"* (Resolution, 1998; Zhukov, 1998).

In 1998, it was still clear that no unified state policy for education existed. As Sadovnichiy (1998) concluded, this had not been a crisis for the University; this had been a crisis for state education policy. The state government simply did not follow the laws it had issued: neither

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<sup>100</sup> Contra deal (in Russian: взаимозачет) means a bartering arrangement between two parties exchanging goods or services without any cash changing hands", BusinessDictionary.com, <http://www.businessdictionary.com/definition/contra-deal.html>.

<sup>101</sup> In 1917 the Aurora's crew took an active part in the February and October revolutionary activities; for more information check the official internet resource of the cruiser: [www.aurora.org.ru](http://www.aurora.org.ru).

<sup>102</sup> "2" is the lowest grade in the Russian school system, equal to "Failed".

laws “On education<sup>103</sup>” nor “On higher and continuing education<sup>104</sup>” nor indeed “On living wage in the Russian Federation<sup>105</sup>” nor various other decrees and resolutions (Shabalin, 1999).

Careful conversations about the state “returning” to education appeared in 2001. The most optimistic University representatives faced the future hopefully; others were more sceptical and considered statements made by the new government to be a myth (Shabalin, 2001). However, Russia’s 2002 budget draft allocated more resources for education than for military needs. This now happened in fact for the first time in the nation’s history (MacWilliams, 2001).

In another 1990’s trend authority was partially transferred from the state to regional government, including financing. Some HEIs became fully financed over local budgets; others received subsidies and/or concluded a target treaty for financing the education of wanted specialists from local budgets (Shafranov-Kutsev, 1997).

#### 7.3.1.2 University - Business/Industry relationships

Factories and major industrial enterprises that paid for and to some extent controlled research at HEIs in Soviet times closed down or disintegrated into small, ephemeral “bucket-shops” (Grigorjev, 1992) or simply had no money - as they too had been financed by the state. By 2000, most contract relationships between industry and the research departments of HEIs/research institutions had been terminated (Shabalin, 2000). There was just about time to reinstate some existing relationships - if possible. However, not all industrial enterprises managed to adapt to the changed conditions of functioning. Universities still kept experiencing difficulties with requests for applied research. Analyzing the situation at one of

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<sup>103</sup> In Russian: “Об образовании” [Ob obrazovanii].

<sup>104</sup> In Russian: “О высшем и послевузовском образовании” [O vysshem i poslevuzovskom obrazovanii].

<sup>105</sup> In Russian: “О прожиточном минимуме в РФ” [O prozhitochnom minimume v RF].

the oldest Russian universities, Kazan State University, Knyazev (2000) explained the problem by pointing out the economic and social weakness of Russian business.

However, starting in 2000 one could notice that “University-Industry” relationships were being refreshed taking on multiple forms: research, education of students within particular specializations by request from enterprises, continuing the education of employees at enterprises–partners of a university, corporate universities, etc. (Borisov & Zapryagaev, 2001).

#### 7.3.1.3 Inter-University relationships of an international nature

At the beginning of the 1990’s a motto existed: “*The West will help us!*” This concerned the University as well. However, the Russian University proved to be first “to help the West”. Because of chaos in the country, particularly at the University, many elite professors, doctors and candidates of science as well as the best students left the country (Grigorjev, 1992).

By the 1990’s, universities and most HEIs established in Soviet times and earlier had developed some kind of relations with foreign Universities. However, the character of these relationships was supposed to have changed from “closed” and “controlled” to “open” and “free”. By the end of the 1990’s, it became obvious that the Russian University was open to enter an international educational market. Universities established international offices, centres for international programs or other structures with similar names. This was done to reinforce the development of contacts with foreign partners, to promote academic/students’ mobility and the export of educational services, to commercialize research, and to form a positive international image of a university, etc (Dibrova & Kabanova, 2004).

However, the heritage of Soviet times, in this case relative isolation from the world research community, proved to be an obstacle for Russian University internationalization. The basic

problems were: language difficulties, lack of financing, lack of experience in research commercialization, poorly known research merits of University scholars as their work was mainly published locally, lack of regional models of educational services export, and low quality of social conditions for foreign students (Belova et al., 2004).

### 7.3.2 Missions

The overall state crisis adversely affected missions as well as all aspects of internal University functioning. However, even during the hardest times, the University kept functioning: it enrolled students, provided education and even conducted research. The question is how?

#### 7.3.2.1 To survive

As a consequence of unfavourable conditions in the country, the Russian University had to perform a new function: to survive (Sokolov, 1999). To illustrate this, the example of Tumen State University is used. In 1994 state funding provided just over 24,0 % of university expenses; while in 1995 – the percentage had dropped to 21,2 %, in 1996 – to 20,3 %, and in 1997 – to just 12,6 % (Zhukova & Shestakov, 1998). The data speaks for itself: it was of vital importance for the university to orientate itself towards attracting funds from other sources and “earning money”.

Thus, overall commercialization of services took place: what was gratuitous became chargeable - admission courses, entrance exams, education itself<sup>106</sup>, etc. Moreover, University management had to concentrate their thoughts on how to expand their range of chargeable services. Jones stresses that this was a really necessary measure, *“finding new sources of income had by necessity become a preoccupation of most administrators as they searched for ways to replace the dwindling support of the state”* (Jones, 1994: 12). Shafranov-Kutsev (1997) claimed that the only way for universities to keep functioning was to diversify sources

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<sup>106</sup> Gratuitous educational services still exist but they are limited compared to contractual ones.

of funding. Thus, total commercialization of the state educational sector happened under the slogan “financial stabilization” (Sadovnichiy, 1998).

7.3.2.2 Simply to serve as a university

Against a background of expansion and diversification of HEIs in Russia, the number of universities increased rapidly and dramatically (Table 7.3).

	IMPERIAL RUSSIA (1725 – 1917)	SOVIET RUSSIA (1918 – 1991)	POST-COMMUNIST RUSSIA (1992 – 2003)	“MODERN” RUSSIA (2004-2007)
<b>Number of universities</b>	6 universities in the middle of the 1850’s – 12 universities by 1917 (Lyakhovich & Revushkin, 1998).	In 1976-1977, 65 universities in the USSR and about 45 Russian universities (Large Soviet Encyclopedia)	By 1993, 68 universities (Mercuriev, 1993). In 1998 the number grew to around 260 universities (including 20 non-state universities) (Russian Encyclopedia Dictionary)	About 400 universities in Russia (Russian Encyclopedia Dictionary)

**Table 7.3** The number of universities in Russia in a historical perspective

A lot of Soviet specialized institutes - technological, medical, pedagogical, etc. - obtained the status of “university” as well as some “new” non-state universities being established. The “new” universities might have missed a whole set of University education features. As Borisov & Zapryagaev (2001) claim, the transformation into universities was relatively simple as, in most cases, it concerned the launching of popular humanitarian/business specializations. This did not require considerable expenses, but allowed the transformation of a one-discipline HEI into a multiple disciplinary one - similar to a university. Hence, a small number of classic universities dissolved into a sea of newly-established university structures. This opens the discourse on such issues as: why was the Russian higher education system led by the universitization idea? How did universitization affect the meaning of the University?

Looking back on history, we find presuppositions of Russian higher education universitization in the ideas of Vitte<sup>107</sup>. In his memoirs dated 1899, Vitte wrote, *“I have had a thought of creating commercial and technical universities in Russia in the form of polytechnic institutions, combining different departments of human knowledge, and organized not like technical schools but like universities - educational institutions to develop young people, give them widespread knowledge in a community of colleagues dealing with various specializations”*<sup>108</sup> (Vitte in Kinelev, 1993: 9).

Today, we can explain the increased number of Russian universities in several ways. The salient motive for universitization was change in the social-economic way of living in Russia. This forced HEIs to modify narrowed educational programs and develop a fundamental approach (Kinelev, 1993). Another issue in this discourse is weak regional profiling of the Soviet University (Kinelev, 1993). Regions lacked universities to graduate lecturers and scholars for HEIs, to develop a scientific-methodological basis for other regional HEIs. Thus, the regionalization of Russian higher education also forced universitization. Another popular way of explaining universitization in Russia is by using the terms “prestige” and “state funding” (Shaw et al., 2000, Sokolov, 1999). The demands of the market gave educational services an additional advertising lure.

Pursuing the named objectives and ambitions, HEIs renamed themselves into universities or gave themselves other pretentious designations. In fact, a change of status to “university” did not mean a deep change in the structure of courses and the whole scientific and educational policy of the institutions in order to correspond to university education standards (Mercuriev, 1993). Thus, the universitization wave destroyed the meaning of the Russian University. Moreover, the term “university” received more nuances.

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<sup>107</sup> Sergei Vitte (1849-1915) – Russian statesman, since August 1892 and until 1903 – the Minister of Finance.

<sup>108</sup> Translated by the author.

#### 7.3.2.3 To help getting the first job

The Soviet system of assignment has been criticized in many ways, but mostly for the lack of choice for graduate experience and, as a result, a poor match between desires, skills, student educational programs and his/her future career. Jones claims that such a system “*encouraged a culture of apathy and opportunism and cultivated an educated labor force that was less than enthusiastic about its situation and prospects*” (Jones, 1994: 13). In the beginning of the 1990’s, the system of assignment had gone, together with the Soviet regime, leaving residual nostalgia about “the good old days”. Students had to take care of employment themselves which turned out to be a problem: a lot of graduates did not work according to their studied specialization while some sectors of the national economy were beginning to experience a lack of a competent labor force.

#### 7.3.2.4 Research function

In terms of damage, research took second place after the material and technical basis of the University (Grigorjev, 1992). In 1992, Mr. Marchuk, the president of the USSR Academy of Science, reflected upon the tragedy of the Academy disintegration. The USSR Academy of Science ceased to exist with the collapse of the USSR. For science and research this proved to be a hard time when academicians experienced a process of scientific disintegration, with scientific research institutes and scientific publishing houses closing down, and with HEI research under threat of cessation (Marchuk, 1992).

As mentioned, in Soviet times, research at HEIs had played a very important role. Serving to develop science and industry in the country contributed to financing research activities and the development of a material base for research and education processes at HEIs. As the state decreased its funding and industry was incapable of financing research projects, the University research ended up on “starvation rations” (Grigorjev, 1992). At some HEIs there

had been half as much researchers as teachers. However, this was destined to change. The statistics speak for themselves: during 1990-1994, the number of scientists was reduced 1,74 times, while graduation of PhD candidates was reduced 1,3 times. Science expenditure dropped to 0,5 % of GDP (Kefeli, 1997). In 2000, the research departments of many universities were still cornered: the state financing of ground research at the University covered just a fourth of a scholars' salary (which was very low itself - about 80-160 US dollars) (Shabalin, 2000).

Scientific schools at HEIs turned out to be lacking succession (Shabalin, 2003). In 1994, analyzing the system of education in post-Soviet Russia, Jones wrote: *"this state of affairs will certainly not encourage students to train for a career in science, particularly since the value of higher education has slipped because of the fast money that can be earned in the private economy"* (Jones, 1994: 18). Scholars questioned if the government had a real plan and indeed real opportunities to save science. In 1994 Mr. Saltikov, the Minister of Science, Higher School and Technical Politics, stated that because of a lack of state funds, it became impossible to conduct fundamental research in all subjects of world science, as had been done in Soviet times. Thus, the government stated the task of keeping only the best part of the Russian scientific potential (Avdulov & Kulkin, 2001). This meant that most HEI research departments had to struggle to survive on their own. The only way at this time was to reorient research activities and adapt them to the needs of a limited market (Grigorjev, 1992). Just like this, in a forced manner, commercialization of research took place. Since 1993, the University started to apply for grants both from foreign and local off-budget funds (Avdulov & Kulkin, 2001). As Avdulov & Kulkin (2001) put it, the research function of the University changed its nature during the years of transition: its character moved to being fundamental although applied research had always been its defining feature.

### *7.3.3 Internal functioning*

This section takes a more detailed look at internal University functioning. The academic structure and main University resources - material, student, professional - are focused on.

#### 7.3.3.1 Academic Structure

The needs of society had changed. The Information Revolution took place in the Scientific-Technical Revolution. Hence, the academic structure of the University was dynamically changing during this same transition period. In the beginning of the 1990's, the infant market economy and dynamically changing Russian society needed new types of specialists: managers, economists, entrepreneurs, lawyers, logisticians, etc. for companies to operate successfully locally and internationally. Thus, courses in Marxism-Leninism or Scientific Communism were replaced with courses in Culture, Business Ethics, Politics, Philosophy, etc. Humanities started to progress rapidly, while natural and technical sciences became exceptionally strong (MacWilliams, 2001).

HEIs were establishing many new, different and sometimes very unusual profile specializations to study. New faculties were being created, departments for management education were being established, faculties were being united into institutes (Kluev, 1999) – all these are typical trends for the changing University academic structure during the transition period.

By the beginning of the 2000's, a new trend of development of the academic structure had appeared: extension of universities to university complexes. This meant including educational institutions of different levels (secondary schools, colleges, institutes of continuing education, etc.) and scientific-research/project institutes into the academic structure of the university, including laboratories of industrial enterprises. Traditionally, the integration of education, science and industry was focused on by state authorities in Soviet times. However, in the

transition period it became the duty of the University to start and integrate the various different parties involved. This turned out to be a new challenge forced by marketization – modernization and optimization of the educational space in Russia. Mamontov et al. (2001) named university complexes as a new form of realization of the education sphere’s potential and suggested the following reasons for the transformation:

- Modernization of the system of secondary education into a 12-year circle
- Expected demographic decline
- Implementation of Centralized Testing of school-leavers and allowance to use test certificates to enter HEIs without additional examination
- A market mechanism of relationships with customers of the main University product - graduates
- Use of innovative mechanisms in University research

The development of universities into university complexes allowed using material and professional resources more efficiently, but also adapting to changes in the labour market more flexibly and realizing large-scale research projects. Regional universities were especially active in developing university complexes as this was of mutual interest - both to industrial enterprises and research institutes. Such cooperation provided favourable opportunities to renovate the intellectual capital of local enterprises and also renovate production by introducing science-intensive technologies (Novikov, 2001). The started process of integration did not go smoothly, though, because of juridical pitfalls. It did, however, provide measure of both survival character and marketing competence (Shammazov & Bahtizin, 2001). University complexes were considered to be new educational structures dominating in every respect the educational systems in the Russian regions (Ivlev et al., 2001).

### 7.3.3.2 Material resources

The loss of financial and social support from the state instantly reflected on the University's material and technical basis: there existed no funds to build, to repair, or even to light up and warm auditoria. This was the stark reality for many HEIs at the turning point to the 21<sup>st</sup> century. Some HEIs had even reached the critical stage of having to appeal to their students, begging them for money needed to cover expenses for heating auditoria and printing diplomas (Sadovnichiy, 1998).

The capital construction work associated with the Soviet period was frozen: in 1998 the Ministry of Education had 187 "frozen" building sites – 56 of them were as much as 90 % complete. Educational and laboratory facilities suffered obvious shortages at HEIs: in 1998 adequate provision in these areas amounted to just 67,4 %) and as for dormitories, HEIs could not grant places in dormitories for about 260 thousand students) (Sadovnichiy, 1998). Laboratory equipment was not being replaced and libraries were becoming out-of-date. But universities simply did not have the money to buy new textbooks or pay for subscriptions to foreign or even domestic periodicals, even less so pay for computers with internet access for professors (MacWilliams, 2001). In the "Conception of Russian Education Modernization", renewal and improvement of University material and technical base was announced as one of the strategic goals of professional education development (Order № 393, 2002).

### 7.3.3.3 Professional resources

During 1992, consumer prices increased 15,4 times, whereas salaries in the education sector increased only 8,7 times (11,4 in industry)<sup>109</sup>. So the salary of professors was reduced from 219 % of the average salary in industry in 1987 to 62 % correspondingly in 1993

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<sup>109</sup> 'Pochemu Vvedena Tarifnaya Setka [Why the tariff scale was implemented]', *Ekonomika i Zhizn*, №44, 1992.

(Sadovnichiy, 1998). By 2000, this gap had increased even more: 57 % in 2001 and 40 % in 2003 (Shabalin, 2003). In 1999, the average salary of a University lecturer amounted to 1000 rubles (about 38 US dollars) and equaled the salary of a street-cleaner. One does not need to explain that such a salary did not allow a University lecturer to provide for his/her family, not to mention offer recreation. The government attempted to increase the salary of teaching staff in 1995 and in 1999. But taking into consideration uncontrolled inflation and the value of the ruble, the real income of the faculty decreased five-fold - compared to the already relatively low income in 1995 (Shabalin, 1999). In 2000, some universities raised the wages of their teaching staff for the period 1998-1999 (Shabalin, 2000). In 2001, Mr. Sadovnichiy, the principal of Moscow State University, stated publicly his official monthly salary of 2.791 rubles (less than 100 US dollars) and commented, *"If I did not receive an academic stipend, I probably could not live on this salary"*, speaking about extra money earned by working in different councils and committees (MacWilliams, 2001).

The decline in living standards for the teaching staff/scholars started a "brain-drain". For example, in 1992, 4.576 qualified specialists employed in scientific/educational fields emigrated abroad. In 1993 the number of "emigrants" grew to 5.876. Those who left were the most active and frequently published scholars - mathematicians, physicians, biologists, biotechnologists, and chemists in their prime. The Ministry of Science estimated the financial loss for the state to amount to 300 thousand US dollars per specialist. In addition to University researchers and teaching staff moving abroad, internal migration turned out to be of a landslide nature. 10-15 times more specialists, compared to those emigrating abroad, left their jobs at universities and research institutes for jobs in commercial enterprises offering incomparably higher income (Karelova, 1997; Zharenova, 2002). Emotionally, but with a sense of truth, MacWilliams (2001) characterized the state of affairs as follows: *"the Communist Party once provided scientists and other academics with better salaries, better*

*apartments... now a professor might sell beer – or books from his personal library – from a folding table on the street*". The "brain-drain" peaked during the period 1992-1994 with another wave coming in 1998 after economic default<sup>110</sup> in the country. By 2002, however, the "brain-drain" had stabilized and took a more "civilized" form (Zharenova, 2002).

Another consequence of financial instability at the University was the decrease of professional prestige and, as a result, the reluctance of the younger generation to join the University. General aging of the teaching staff followed (Sadovnichiy, 1998). Lecturers aged 45 or more constituted the biggest group of University teaching staff. In addition to the problem of knowledge succession, older lecturers had problems adapting to new ways of University functioning. The attitudes of these lecturers had been formed during conditions of relative stability and plan - in another country. Thus, they experienced difficulties learning how to live and work in a new country and in the new dynamic times of the inceptive market (Bogdan & Mogilevkin, 2004).

Another problem arising was that many lecturers, who had stayed and kept working for the University, lost interest in their profession (Tihonov-Bugrov, 1999). This was due to the University's financial crisis, the loss of professional prestige and also "overexploitation". Most University lecturers either had to work double or triple shifts at a particular university or combine work at several HEIs. However, many of those who kept working at the University during these tough years were strongly dedicated to the pedagogical profession (Bogdan & Mogilevkin, 2004).

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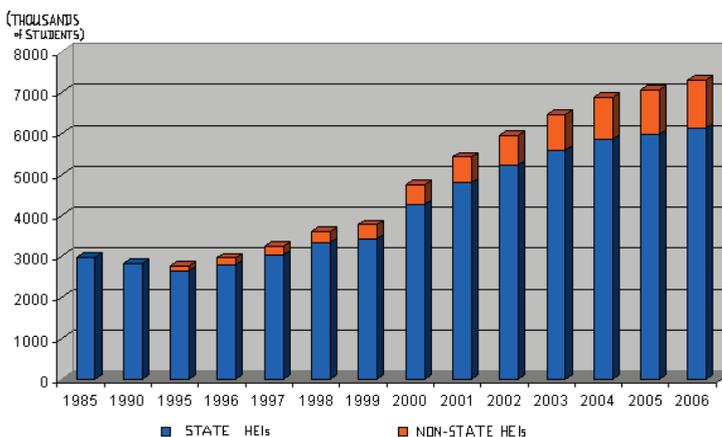
<sup>110</sup> Default (in Russian: дефолт) – the term widely used in Russia in 1998 to describe a severe economic crisis in the state as it was one of the crisis's reasons. The date of default was 17<sup>th</sup> of August, 1998. Default may be described as comprehensive macroeconomic collapse involving large public debt, substantial depreciation of the Russian ruble, the crash of the banking system, increased social tension, etc. Thus, here the term should not be interpreted as "default" in its traditional meaning.

Some University teaching staff broke ethical codes under the pressure of marketization. MacWilliams (2001) words this phenomenon in the following way, “*professors, perhaps the lowest-paid professionals in society, are becoming criminals through their widespread acceptance of students’ bribes, to ensure good grades and acceptance into the department of their choice*”.

The general situation concerning professional resources of the University in the transitional period, could be characterized by a lack of qualified personnel and the inability of the system to recruit required scientific-pedagogical staff for the University. This led directly to a decrease in educational quality (Bogdan & Mogilevkin, 2004).

#### 7.3.3.4 Student resources

Although the University went through the hard times, the enrolment and graduation of students did have a positive dynamic effect (Fig. 7.2). In 1998, the number of students obtaining scholarships increased by 9,8 %, but the amount (about 12 US dollars per month) was miserable and about 75 % of students had to combine studies with work (Sadovnichiy,1998).



**Figure 7.2** The number of students at Russian HEIs in 1985-2006  
[Source: official internet-resource “Statistics of Russian Education”, <http://stat.edu.ru>]

In the 1990's, teaching staff noted that students' zeal to study slackened and youth infantilism spread (Martynova, 2004). Tihonov-Bugrov (1999) suggests that the most obvious reasons for this were poorly thought-out choice of future specialization resulting very soon in disappointment with studies. In addition, Tihonov-Bugrov names the need to earn as grounds for leaving, as well as the inability to plan their own time and evaluate priorities. Data from the study conducted by the Centre of Sociological Research at MSU in the late 1990's provided student response to this issue. They confirmed the reasons mentioned above, and added another one: dissatisfaction with the teaching staff (Tihonov-Bugrov, 1999):

- Lack of opportunity to choose lecturers/disciplines: 44 % of questioned students mentioned this factor
- Insufficient professional attitudes on the part of the teaching staff: 42 %
- Poor tutor concernment in student achievements: 34 %
- Insufficient demands set by tutors: 28 %

The study also asked the same question of teaching staff, "*what hinders students from studying?*" The most common answers differ from the student perspective (Tihonov-Bugrov, 1999):

- The need to combine studies and job: 86 % of questioned teachers mentioned this
- The poor material-technical basis of HEIs: 63 %
- The insufficiency of educational-methodological literature: 42 %
- The shortage of auditoria: 40 %
- The lack of prospects for job placements: 32 %

## 7.4 Summary

This chapter aimed to introduce and highlight some characteristics of the studied phenomenon of Russian University marketization. The Russian University of the Post-Communist era underwent severe trials struggling to adapt to the new environment of chaos, freedom, market and competition. The number of universities and other HEIs increased dramatically and Russians found themselves lost in the various meanings of “university”. Table 7.4 summarizes the effects the transition period had on the missions, resources and external relationships of the Russian University.

Criteria for the institutional analysis of the University		Post-Communist Russia (1992-2003)
<i>Nature and major missions of the University</i>	<b>Nature of the University</b>	The University nature is dramatically modified by overall universitization, “specialization” and commercialization of the University. The term “The Russian University” needs a new philosophical interpretation.
	<b>Role of the University within society</b>	“Lorn” institution: To “survive” by keeping the positive heritage and rearranging the negative one, adjusting to new internal/external environment and refreshing its main mission: to serve the needs of society.
	<b>Teaching function</b>	Soviet methods of teaching are mostly kept. Leading universities offering new specializations (mostly in business fields) start implementing new methods: cases, discusses, distance education, etc.
	<b>Research function</b>	University research is “at starvation rates”: neither the state nor industry is capable of either financing research or placing orders.
<i>the internal functioning of the University</i>	<b>Academic structure</b>	Overall “humanization” of specializations. Multiformity of courses and ways of studying are being offered. A large number of new faculties, institutes are launched at University. Territorial expansion of University branches. Growth of universities into university complexes.
	<b>Professional resources</b>	Dramatic decline in the living standards of teaching staff: poor/delayed salaries, brain-drain, loss of prestige and interest in the profession. Dedication to the profession for those staying at the University keeps it functioning.
	<b>Student resources</b>	Considerable reduction in the size of scholarships, need to combine job and studies, poor dormitories and University auditoria – are features of student welfare. “Commercial students” is an achievement of the time: if you have money, you can enter the University.
	<b>Material resources</b>	Dramatic decline in state funding: the University suffers under a scarcity of resources making it hard to renew itself, to pay salaries and scholarships, and even to keep the lights on and keep warm.
<i>external functioning of the University</i>	<b>University-State relations</b>	The University loses both moral and financial state support, but also ideological control.
	<b>University-Industry relations</b>	Most contractual relations between the University and industrial enterprises were broken off and had to be reestablished. However, the University did attract foreign industrial investors.
	<b>Interuniversity international relations</b>	The university got involved in international exchange and cooperation programs, but faced a variety of problems on the way to internationalization.

**Table 7.4** The Russian University in the transition period

Table 7.4 also emphasizes the basic market-oriented transformations at the University during the studied period of marketization. The overall impression may be formulated as follows: the University was going through hard times, struggling to keep alive and hold on to its traditions. The jargon used to present the predicament of the time may seem an exaggeration: “lorn institution”, “to survive”, “at starvation rates”, “dramatic decline”, “poor salaries”, etc. However, this does reflect the real state of affairs - the Russian University went through the crisis while learning how to operate in the new, market reality. Defying all this adversity the Russian University did “survive” keeping its heritage and refreshing its main mission: to serve the needs of society.

In a shorter version than Table 6.2 and Table 7.4, Table 7.5 serves as a summary of the institutional analysis of the Russian University. It allows us to consider the transitional period in University history and compare it with the Soviet period and the modern period.

Engagement of the Russian University in market activities was triggered by the need to “earn a living”. This need, however, was supported by the opportunity created at governmental level: deregulation policies, privatization, and weakened ideological, financial, and institutional control. So, overwhelmed with the new market ideas, the University management reacted properly. As a result of market ideology spreading and commercialization of the University, new educational services were implemented. The University got involved in the rapid development of commercial educational products oriented to the needs of the market. It is important to stress, however, that the diffusion of market ideology at the Russian University had a chaotic and uncontrollable character. Lack of state participation and of a solid legal base, lack of knowledge and experience forced the University interpret the market in its own way.

A reasonable question then is how did the University manage survive and function? Shabalin (1999) argues that many pensioners kept working at HEIs; thus they received both a salary and a pension, if only very small. Another University “saviour” was in the faculty staff “moonlighting” or combining several jobs. Sokolov states that the academic community survived “*only by leasing its premises to commercial concerns, by taking part-time jobs not declared officially, and by engaging in overt commercial activities*” (Sokolov, 1999: 31).

## MARKETIZATION OF THE RUSSIAN UNIVERSITY

Criteria for the institutional analysis of the University		Imperial Russia (1725-1917)	Soviet Russia (1918-1991)	Post-Communist Russia (1992-2003)	“Modern” Russia (2004-2007)
<b>Nature of the University</b>	<b>Nature of the University</b>	Not completely formed.	Important, reliable and respected state institution.	Unclear, dramatically modified by overall transformations. To “survive”	Very heterogeneous.
	<b>Role of the University within society</b>	To “produce” state officials.	To spread and strengthen the ideology of the communist regime.	To “survive”	To accumulate and reproduce scientific and professional knowledge, cultural treasures and norms.
<b>Nature and major missions of the University</b>	<b>Education</b>	A pedagogical process is based on freedom and discourse between students and professors in their common search of truth.	The basic pedagogy principle is based upon the assumption that a lecturer “reads” a lecture while students write it down and then pass an exam according to what was said by a lecturer.	Soviet methods of teaching are mostly kept.	Soviet methods are still kept, but to some extent as modernization of the teaching practices and available equipment does progress.
	<b>Research</b>	The University is a scientific center, so all universities perform fundamental research.	Research is an important, strong, profitable and constantly developing component in University functioning.	The University research keeps going on “starvation rates”	Research at the University is entering a new era in its progress.
<b>The internal functioning of the University</b>	<b>Academic structure</b>	The academic structure is not properly developed yet.	Different study programs; social sciences and humanities mainly serve ideological goals; while technology and natural sciences serve the technological and military ends of the society.	Overall “humanization” of specializations. Multifirmity of courses and ways to deliver. New faculties and institutes; territorial expansion of University branches; growth of universities into university complexes.	Merging universities and other educational and research establishments. A big federal university becomes the new trend.
	<b>Professional resources</b>	Lack of qualified faculty staff.	Being a scientist or a professor of a university is prestigious.	Dramatic decline in the welfare of teaching staff, brain-drain, loss of prestige and interest to the profession.	Quite similar to one in the transition period, but a positive trend develops itself: salaries are increased and paid without delays. A system of motivation is being developed at governmental level.
<b>The internal functioning of the University</b>	<b>Student resources</b>	Students are mostly from the nobility: after 1860, school leavers could enter a university without entering exams.	The University education is both affordable for students and rather well financed.	Considerable reduction in scholarships, need to combine job and studies, poor dormitories and University auditoria. “Commercial students” is an achievement of the time.	The University education is affordable to those who can pay for it. It is getting more expensive to enter and study at the University - even as “a budget student”.
	<b>Material resources</b>	By 1912 state funding is: 61 % in a structure of higher education funding; the University has the right to attract additional funding.	Funding of the University is mostly provided by the state. Research on a commercial basis is allowed.	Dramatic decline in state funding: the University suffers from a scarcity of resources enabling it to repair and update itself, to pay salaries and scholarships, but even to light and warm itself.	The University learns to eke out its income with funding from the state and local authorities, payments of students and industry. Thus, renovation of the University buildings, auditoriums, and laboratories continues.
<b>External functioning of the University</b>	<b>University-State relations</b>	The University is considered a threat to the tsar regime. Thus, it is put under ideological and administrative control.	The University is strictly controlled and managed by the government.	The University loses both moral and financial state support, but also ideological control.	State grants are considerable to implement innovative projects at the University. The University is more autonomous in terms of finances and curriculum.
	<b>University- Industry relations</b>	The history of relationships is poor.	The University prepares and assigns “cadres” to enterprises; commercial and creative research projects.	Most contractual relations between the University and industrial enterprises are broken off and need to be reestablished.	Renovation of “the University-industry” relations takes different forms.
<b>External functioning of the University</b>	<b>Inter-University international relations</b>	Authoritative scientists come from abroad; Russian professors/students are trained in Europe.	For the most part, isolation from international community of scholars.	The University gets involved in international exchange and cooperation programs.	The Russian University progresses in realization of the main issues of the Bologna declaration and aims to become an active actor in the European educational market.

**Table 7.5** Summary of the institutional analysis of the Russian University

## PART IV

*Is “Ordered” to Survive*

*or*

*The Ways in Which a Russian State University Adapts to the Market  
Conditions*

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- *Chapter 8. Marketization and missions of BSTU*
- *Chapter 9. Marketization and BSTU functioning*
- *Chapter 10. Marketization and ideological shift at BSTU*
- *Chapter 11. Yin and yang of marketization*



## PROLOGUE

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Figure 8.0 Oleg Ipatov

*“A sober/sensible perception of the gauntest realities mobilizes all efforts and opens new doors to success. In spite of what university departments we belong to, we have to realize that our progress depends on systematic and cooperative work of all Voenmeh employees. Then already the next study year we will experience positive results. There is no way back to the past!”*

Ipatov<sup>112</sup> (the university newspaper, Nov. 2003)

Part III introduced the subject of the study, marketization of the Russian University, in general terms. Market-oriented transformations and diffusion of the market ideology at the Russian University were in focus. Part IV continues revealing the same issues, but in the context of the particular Russian University, Baltic State Technical University (BSTU “Voenmeh<sup>113</sup>”). This is a case study that aims to deepen understanding of the investigated phenomenon.

BSTU is a state university and it counts its history since the Empire times being established as a vocational school. In the 1930’s, it got a status of HEI; in 1992 it got a university status. In his speech devoted to 75<sup>th</sup> jubilee of BSTU, Mr. Naryshkin, the deputy prime minister of Russia and a former graduate of Voenemh, compared the university with a diamond. *“A diamond has two destinies”*, he said, *“to be a luxury good and to be a part of a technological*

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<sup>112</sup> Oleg Ipatov - Voenmeh’s graduate, Professor, Doctor of Technical Sciences. Since 2004, the principal of BSTU.

<sup>113</sup> Memo: as emphasized in Foreword, I use the name “Voenmeh” when referring to the institute in Soviet times and the name “BSTU” when referring to the later period.

*instrument which uses marvelous features of this stone. Voenmeh is the same. It is our pride, our grandiose national pride and, at the same time, an effective scientific and educational instrument that we use to secure Russia and make its technological well-being<sup>114</sup>*” (the university newspaper, Dec. 2007). The jubilee was a holiday and no one wanted to remember the difficulties of the transition period. But, as the chapters of Part IV argue, BSTU would be better compared with so-called “blood” diamond as for many years its beauty was obscured by the unstable status of the University in Russia and struggles for survival. BSTU, as many other Russian universities, was sacrificed by the state as its “carats” and “clarity” were no more in value for “the owner”. However, BSTU as a real valuable gemstone kept its main characteristics throughout the hard times until the new “owner” evaluated and admired its quality.

To the question about what influenced on BSTU’s transition to the market mostly - state orders, world trends, etc. - my interviewees gave the only answer: necessity (!) to adapt to changing economical and social environment in the country. I also asked about how BSTU overcome the transition period? With tears on the eyes, my aged interlocutors snapped out of the question saying: *“It was very hard time; I do not want to recall the memories”*. One of my interviewees characterized a functioning of BSTU in the 1990’s quite neatly: *“The university was afloat”* (Int. 5).

Imagine! In Soviet times Voenmeh was one of the best technical institutes in Russia. To study there was prestigious. Voenmeh was treated as elite: an institute important to the government due to its defense specifics. Research at Voenmeh was financed both by the state and by industrial complexes, and each (!) of the institution’s sub-faculties was involved in research projects. Then perestroika... Economical and political mess... New, unknown marketing

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<sup>114</sup> Translated by the author.

mechanisms of functioning... Cut of financing and state support... *“The staff got no wages or very low ones. Enormous amount of lecturers, mostly males, left their positions at Voennmeh”* (Int. 4). *“Most scientific research laboratories were liquidated”* (Int. 5). What aggravated a situation was that most of the specializations, Voennmeh educated in, hourly became irrelevant and out of demand because of conversion of the Russian industry, new ideology and priorities in the country. The situation at BSTU was critical. Those days the only goal was to survive!

How did BSTU go through it? What did change in BSTU’s functioning with application of market mechanisms in the country? How the market ideology was diffused at this particular university? These are the questions to be reflected upon in Part IV. Even though the prior emphasis is made on investigation of BSTU marketization in the transition period, the study rests on the history of the university specifying its functioning in Soviet times. As a matter of fact, marketization is studied as a comparison of the university functioning in different periods of the BSTU’s history: the Soviet period, the transition period and the modern period. The analytical model of the study (Fig. 4.1) is used to structure the narrative. The only remark: the idea of the next four chapters is not (!) to summarize BSTU’s history with all activities, changes, statistics, achievement etc. The idea is to point out to the peculiarities of the marketization process. Thus, the missions, internal and external functioning, but also engagement of BSTU into marketing activities is of prime importance.



## 8. MARKETIZATION AND MISSIONS OF BSTU

Figure 8.1 BSTU – the main “old” building <sup>115</sup>

Figure 8.2 BSTU’s emblem

Figure 8.3 Vonemeh at the end of the 19<sup>th</sup> century



Figure 8.4 BSTU – the “new” building

*The objective of this chapter is to investigate how marketization influenced the missions of this particular Russian university. The narrative begins with a closer look at “the new missions”. Placing these pieces of the mosaic in the first instance helps to bring the pattern together sooner. Knowing “the new missions” makes it easier to understand why the basic ones had to be modified and why it happened in this particular way.*

<sup>115</sup> Fig. 8.1 – source: [www.goz.ru](http://www.goz.ru); Fig. 8.2 – source: [www.interpress.ru](http://www.interpress.ru); Fig. 8.3, Fig. 8.4 – source: the official internet-resource of BSTU, [www.voenmeh.ru](http://www.voenmeh.ru).

### 8.1 To survive

“To survive” – this is not a traditional mission of the University; it is not stated in its Charter or in other Typical Regulations. But, looking back through history we see that the Russian University has undertaken this mission more than once previously. It has happened each time the country has gone through revolutionary changes. “To survive” was a high priority but private mission of any university during the studied period of transition. BSTU provides an example of “the Russian University’s survival”.

Already in 1990, the university principal, Mr. Saveljev, formulated the main challenge for Voennmeh: to survive and thereafter achieve the leading positions during new conditions of strong competition in the market of young specialists. The market of the day required a new type of engineer – an “elite” engineer. To implement the goals, the principal gave priority to improvement of the material-technical base of the university up to the world standards, but also integration of education, science and industry in a process of study, individualization of work with a student and training a new type of lecturer (the university newspaper, 1990). In the context of that day, the term “survival” used by the principal actually meant adaptation to the new conditions formed by perestroika. Even worse times, however, laid ahead.

In March, 1992 the principal claimed, *“since last year our country has been under totally new terms of living which have no analogy in the past: the new economic conditions with market pricing and considerable reduction in financing of the defense sector”* (the university newspaper, 1992). In Soviet times Voennmeh was run under the jurisdiction of the Ministry of Defense, and was thus, in a privileged position and well-financed. However, the new regime did not just dramatically reduce state funding as in the cases of many other universities, but also the number of orders from the industry was greatly reduced. Defense industrial enterprises were one of the main consumers of Voennmeh’s graduates and one of the main

customers of the institutes' research. Financed by the state in Soviet times, these enterprises went bankrupt, re-oriented themselves or languished in poverty as soon as the Soviet Union collapsed. While all Russian HEIs suffered from the decline in state funding, Voenmeh, due to its military attributes, suffered twice as much. Reporting the results of the institute's functioning in 1991, the principal stated that Voenmeh "*was not just left to the mercy of fate like other HEIs, but was about to be knocked-out of the system*" (the university newspaper, 1992).

Starting in 1992, all Russian universities went through very hard times: firstly, there was a dramatic decline in funding from the state, industry and city/regional administrations, but also a fall in the status of higher education and intellectual work, as well as degradation of morality in society. Under these conditions, Voenmeh's administration and the faculty deans had to stand up for their institutes' interests and seek emergency measures to save the institute (the university newspaper, March 1993). The university status, new faculties and new specializations, the new university charter, and democratic decision-making are all relevant examples of the measures implemented (the university newspaper, Aug. 1994). However, these and further changes had to be imposed under the pressure of such problems as low salaries, collegiate problems, the outdated material-technical base of the university, and an overall lack of financial resources. In 2003, BSTU operated without an elected principal: this aggravated the situation. But even during the hardest times of the 1990's, BSTU kept functioning and educating its students, and also continued to develop itself. In January 2001 the principal was pleased to inform that, with every year passed, BSTU was becoming more popular and renowned both in St. Petersburg, in other regions of Russia and also abroad (the university newspaper, Jan. 2001).

Until 2004, the university's position remained unstable. The principal at that time, Mr. Ipatov, stressed in his pre-election campaign the following acute problems (the university newspaper, Nov. 2003):

- Aging teaching staff
- A lack of scientific research
- Inefficiency in the management structure
- Poor controllability and microclimate in collectives
- Poor safeguarding of the welfare of teaching staff and students
- The unsatisfactory competitive position of BSTU in the market for educational services
- An acute lack of student housing

In his annual report for 2004, the principal noted that for the first time for a long time, the year 2004 had not been of a shocking character for the university. The principal assured that BSTU was entering a stable phase in its development (the university newspaper, Feb. 2005). So the mission "to survive" was considered fulfilled.

Nowadays, the principal keeps the promises made during the pre-election period: he works on BSTU's renaissance by improving the living standards of the teaching staff, attracting investment and using available financial assets more rationally.

## **8.2 Simply to serve as a university**

As stated in the previous chapter, the 1990's proved a period of universitization in Russia. The number of universities increased dramatically: from around 50 in the 1980's to around 400 in 2004. This was mostly due to so-called specialized universities - technical, pedagogical, medical, etc. - being established. These HEIs could trace their roots back to

Soviet times, but many of them were established even earlier in the days of the Empire. They were known as longstanding HEIs, but they were learning how to cope with their university status. This phenomenon gave a birth to a new, but private mission for each “new” university - to serve as a university.

Chapter 7 speculates regarding the reasons for such an intensive universitization wave; the arguments are based on the results of previous research, as well as on accumulated experience drawn from a number of Russian universities. The case of BSTU helps to strengthen those arguments. The informants were asked: “How did BSTU obtain its university status?”, “What does it mean to be a technical university?” Combining the interview quotations with data from BSTU’s internal documents, this subchapter helps to unveil the hidden story of universitization in Russia.

### 8.2.1 *Understanding the terms*

What was a technical institute and what is a technical university? During its 130 year history, Voenmeh was transformed from a technical-vocational school through a mechanical-technical school into a military-technical institute, holding a privileged status by satisfying the military requirements of the state. Since 1992 Voenmeh received university status and its new name “Baltic State Technical University”, but it keeps its strong technical traditions and is among the first in a rating of HEIs in the field of machine-building<sup>116</sup>. However, how does a technical university differ from a technical institute?

Reflecting upon this issue, one of my interviewees explained: *“An institute gave the object’s grounding. This means an in-depth specialized piece of study aimed at a specific area of engineering work. This area could be narrow or wide but it was a well-defined area of science or production\technology and this directed the curriculum. A university, however,*

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<sup>116</sup> voenmeh.spb.ru – official site of Baltic State Technical University (Voenmeh).

*provides widespread knowledge which may not be deep though*” (Int. 1). Another interviewee added: *“A technical institute graduates narrow specialists. The institute’s curriculum consists mostly of technical subjects. But a technical university provides students with a knowledge base at university level: humanitarian and general subjects are taught on equal terms with technical subjects. If an institute graduates an “ordinary” specialist, a university graduates an intellectual, broad-minded specialist”* (Int. 2).

University status is higher: it is a privileged status. It requires a lot of effort for an institute to reform itself and serve the spread of university ideals. Even though the present study focuses on the case of a technical university, this case belongs to a formation<sup>117</sup> of “new” universities in Russia. Thus, it attempts to grasp important strands of thought in order to interpret the term “modern Russian university” as well as to deepen understanding of an important feature of Russian university marketization.

### *8.2.2 History of the change of status*

How did it actually happen that since 1991 about 350 HEIs in Russia received university status? Common public opinion suggests that institutes simply changed their names and plaques on the entrance doors. Several of my interviewees shared this view saying: *“You mean that we are now called a university? So what? It does not alter a thing. It sounds nice though! If you like to call it a university, go ahead, but it does not change anything”* (Int. 3). Even in most of the articles telling the history of BSTU and in most of the university advertising booklets that I have seen, the word “rename” is used instead of the proud word “deserve” to get the university status. However, as one of my interviewees stated: *“Everyone chuckled at the joke that it had just been renamed: it was an institute but now it is a*

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<sup>117</sup> The trends similar to those ones that are further discussed were common to the Russian medical, pedagogical, agricultural, economic and other specialized HEI’s receiving university status in the 1990’s.

*university. No, if we go deeply into details, we will certainly find proof that serious changes were indeed made” (Int. 4).*

Looking for the truth, I had to address to a direct witness of the event. This story destroys the public myth: *“at the beginning of the 1990’s, the labor market in Russia had changed and we found ourselves in a completely different situation: there was an abundant supply of engineers and a lack of managerial personnel<sup>118</sup>. In other words, the needs of the market had changed considerably. On the other hand, we realized that our institution, even though it had been an elite one, would not be able to survive under new and severe conditions if it kept following the Soviet line. We were challenged by the effects of these external factors. So responding to this, we decided to widen Voennmeh, to identify new markets and find new opportunities. New faculties were opened in which new specializations alien to our past profile were introduced. Our first step was the establishment of the humanities faculty to educate students in political science. Within a short while, in 1992, the management faculty was established” (Int. 1).*

The Humanitarian Center with faculty rights was established in 1991 combining into one unit such existing sub-faculties as History, Culturology (Cultural Studies), Philosophy, Economic theory and Political Science. As the university newspaper (1992) proves, the idea of one unifying faculty had already existed for a long time. But it only got realized when the institute was transformed into the university. One of the points of speeding things up was a new curriculum recommended by the Higher Education Committee. In addition, to attain university status it was necessary to assign 30 % of all study hours to social-humanitarian subjects. Within a year of establishment the faculty already offered several programs in PhD

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<sup>118</sup> As of 1991, 90% of management staff at different kinds of organizations in the USSR was educated as engineers, who lacked training within the fields of economics, sociology, psychology, law, etc. Under conditions of transition to the market, 50,2% of directors estimated their managerial background as poor/very poor (the university newspaper, Jan. 1991).

studies. In the beginning of 1992, the Academic Council of Voenmeh noted that a good deal of work had been done in order to attain university status: attestation and accreditation of the institute, establishment of the Humanitarian Center, development of international relations and preparation to launch two new faculties: “International Industrial Management” and “Natural-science” (the university newspaper, May 1992).

By the end of 1992 Voenmeh had received university status and its new name Baltic State Technical University. As the university newspaper explained in March 1993, transformation into the university was a measure of economical, administrative and juridical character undertaken in order to react properly to the challenges of the time and to ensure not just the institute’s survival, but also its development. Obtaining university status was a first step for Voenmeh on its way to being included in the elite of state polytechnical education in Russia and, as a result, into the world system of the technical universities (the university newspaper, May 1992). In other words, it was one of the first measures to market itself.

*“For the most part changes are morbid, especially considerable changes. Many people thought that it [change of status] was not necessary”,* said one of my interviewees (Int. 4). The faculty was concerned about negative aspects for the university due to the transformation. Firstly, as one of my interviewees mentioned, *“establishment of management and humanities faculties reflected, primarily, an outflow of personnel from the technical faculties. Some lecturers at our department left to teach humanities at humanitarian departments. Another outflow was one of study hours. The total amount of study hours was the same, but time for teaching technical disciplines decreased because humanitarian disciplines had to be included in the curriculum of engineers”* (Int. 5). Another concern was that new faculties and new specializations could lead to a total modification of Voenmeh’s profile.

Thus, the university administration had to explain why Voenmeh became a university. The main reason, as mentioned above, was to guarantee BSTU's development which included (the university newspaper, March 1993):

- A guarantee of state funding within the “university” category
- Prestigious status
- Increasing the probability of conducting better and more stable student admission
- Preventing unemployment while Voenmeh is in a kind of “shadow” for school-leavers due to its military/engineering specialization: the university status prescribes one professor for six students, while there was actually one professor for ten students at Voenmeh
- A guarantee to participate in fundamental federal programs like “Universities of Russia”, etc.
- Development of international cooperation

The principal assured that many new specializations, Voenmeh launched during the transition period, were of a general character: graduates could use the knowledge in both civil and defense areas. So the principal stated that BSTU should not lose its true character, but stay focused within a defense field as it had always been (the university newspaper, Sept. 2005).

In 2006 BSTU established the Board of Trustees (Fig. 8.5) which nowadays determines the university's strategy. It includes managers of large corporations, famous scholars, and state leaders. With the help of the Board of Trustees the university's administration developed a strategy for the university running up to 2011. According to the program, BSTU is going to be developed as an innovative university in the field of technology. Realization of this program

will allow the university to renovate the education-laboratory base, to introduce new educational technologies and strengthen research contacts with many Russian organizations.



**Figure 8.5** The Board of Trustees at BSTU in 2006  
[Source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru)]

In 2007 Voenmeh celebrated its 75<sup>th</sup> jubilee. The principal, Mr. Ipatov, was pleased to inform that the hard times had been left behind and that the university administration felt very optimistic about the university's bright future prospects. Further development of the university planned to include establishing a university complex: at the beginning it will combine the university and two technical schools. So the principal assured that the jubilee year 2007 "*opened a new chapter in the renowned history of Voenmeh*" (the university newspaper, Nov. 2007).

### **8.3 To educate**

In Soviet times, Voenmeh could be proud of its students and the quality of the education provided. Teams and individual students of the institute often won prizes at student's Olympiads in Leningrad: not just in the areas of natural and technical sciences like physics, chemistry, resistance of materials, but also in areas not consistent with the normal institute profile like industrial economics, for instance (the university newspaper, 1979). However, in 1979 the principal stated that the institute still remained behind the leading Leningrad HEIs

according to such indicators as absolute results in studies and in the number of students gaining best grades (the University newspaper, 1979). It was always taken for granted that it was hard to study at Voennmeh because of the large variation of difficult technical subjects, but also because of the “strict, exigent” faculty: thus, comparison with other HEIs was relatively unfair. In 1990 another principal reported the students’ progress in studies and a decrease in the number of students rejected for poor study progress (the university newspaper, 1990).

Already in 1990, Voennmeh professor Kuznetsov, reflecting upon teaching methods at the institute, came to the conclusion that the established system of teaching reminded him, to some extent, of administrative-command methods (the university newspaper, Nov. 1990). The basic schoolbook was a synopsis of lectures dictated to students during a semester: for students it became a psychological barrier that hindered them from studying books by themselves. To provide students with such a mini-textbook, a lecturer had to present briefly the basics of a studied subject with all the conclusions, even the simplest ones. It gave a student the feeling that everything was clear and the subject was unproblematic. While lecturers lacked lecture time for “entertaining” students and stimulating their interest and thinking abilities, students were preoccupied with writing “dictations” down and could not critically and creatively consider the discussed issues. All assignments such as laboratory work, course projects, etc. were accompanied with detailed methodological guidelines developed at the institute; this reduced the independent thought process. During examination, students “reported” notes from a synopsis they had written at lectures and had learned by heart for several days before an exam. So, exams were always stressful for students as they had to present knowledge from their short-term memory. There was no feedback from students; the teaching process did not take individual students’ individual characteristics into consideration.

Demands and opportunities of the new times opened up a discussion about the weaknesses of Soviet teaching methods and the need to change them. However, for many years after this and other similar articles<sup>119</sup> had been published, the BSTU faculty still used teaching methods dating from Soviet times. This could be deemed necessary and, thus, excused. The transition period exhausted BSTU's material-technical base, its laboratories for instance. In 1999 the results of sociological research held at the university showed that 96 % of interviewed students lacked practical tasks according to their future profession (the university newspaper, June 1999). The university library lacked modern books, especially within the field of business studies: during the period from 1990 to 2001 the library was not enriched. BSTU lacked its own book shop to provide students with course literature; books sold in city bookstores were expensive - both for students and mentors. One of my interviewees, a former student of a technical department at Voenmeh (1998-2002), summarized memories about teaching methods used in those days: *"Most of the lectures, especially on technical subjects, were dictated. In addition, we had to buy or borrow in the library brochures with methodical instructions<sup>120</sup> for each studied subject. We also had practical training in doing sums or tactical schemes and doing laboratory research. In addition, there were intermediate tests during the practical hours. Hence, at a final examination you had to answer some theoretical questions orally as well as to do a tactical scheme. If you had not solved a tactical scheme you did not pass the exam"* (Int. 6).

If outdated teaching methods were a heritage from Soviet times, the quality of education represented a major problem to be tackled during the transition period. The new, university status had a big impact on BSTU. The widened spectrum of specialties required at least the same quality of delivering the service. Technical departments were good at educating and

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<sup>119</sup> For instance, by Kudryavtsev (the university newspaper, Dec. 1991; the university newspaper, March. 1994).

<sup>120</sup> Each university department developed its own brochure including methodical instructions of what should have been studied for each subject. These brochures contained a theoretical minimum, a description of laboratory research projects, etc.

performing research activities; they had been organically developed and had professional staff at their disposal. One could not say the same, however, about the newly established management and humanities faculties. In the 1990's, Russian enterprises lacked qualified managers while HEIs lacked qualified faculty staff to teach business. In addition, in order to reach university standards, BSTU had to make the curriculum more complicated for students of technical departments by including up to 30% of humanitarian subjects in their study programs. On the other hand, students acquiring their education through humanitarian and economical specializations were laden down with too many technical subjects in the curriculum. A former student at the management faculty (1999-2002) summarized her group-mates' opinion in saying, *“some subjects like physics and mathematics were taught comprehensively [3-4 semesters]. We could not understand why we needed to learn these subjects, but now I think it was good to strain our heads and develop our minds”* (Int.7). But these students were also concerned about the difference in the quality of teaching at the various university departments, and this led to disappointment: *“we mostly studied technical disciplines, but not to the same extent as students in technical departments. However, economists need to learn the particulars of economical subjects. Unfortunately they were taught at a low level compared to technical subjects”* (Int.14).

On the other hand, one former student at a technical department at Voenmeh (2000-2006) confessed: it was hard to study technical disciplines. So he and his group mates sacrificed humanitarian subjects, partly because of lecturers not being demanding enough, partly because of the low level of teaching, in comparison to technical subjects: *“we felt that there were no demands to us while studying humanitarian disciplines. We were technicians, so teaching was done in a slipshod manner”* (Int. 3). In addition, there were just too many disciplines to study (about 10 each semester), so students had to determine priorities: *“subjects like “studies of culture” were strange to us, they irritated us. I am not against*

*humanitarian subjects; I used to be a member of a literary society previously. The problem was that there were too many subjects to study. But, if you are at a technical department, technical subjects are of the greatest importance and you tend to neglect subjects having little to do with your field”* (Int. 3). As a result, the students did not obtain an equally good education in numerous disciplines they studied during their 5-6 years of higher education: *“we studied rockets, machines, robots and in addition political science and management. A given student simply cannot attain balanced knowledge in all these fields. I cannot confirm that I am equally well educated in all the subjects I studied”* (Int. 6). This, however, is not just an example confined to BSTU, but rather a reflection on higher education policy in Russia in this particular case.

Concluding this sub-chapter, I would like to concentrate on some recent measures the university has undertaken to improve the educational process. The university library has been modernized and computerized. The library now contains 1.081.908 copies and the library is stocked with about 25000 new copies yearly<sup>121</sup>. By 2007 Voenmeh had established fruitful contacts with national and foreign industrial enterprises. This issue will be addressed in the following sub-chapters, but for now it needs to be said, that as a result of such cooperation BSTU, received new, well technically equipped laboratories. Finally, the university’s faculty, together with its industrial partners developed new methodological instructions.

#### **8.4 To be engaged in research**

“To be engaged in research” - this mission of BSTU underwent considerable changes. If it is possible to generalize findings on research activities, attitude to research, and ways of stimulating research at Voenmeh in Soviet times, it is much harder to make sweeping generalizations in the case of the modern university. The transition period exhausted BSTU’s

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<sup>121</sup> Voenmeh’s library official internet-resource – [www.library.voenmeh.ru](http://www.library.voenmeh.ru).

research potential. As one of my interviewees put it: *“A temple of science has been destroyed”* (Int. 3). Nowadays, it is just about to be restored.

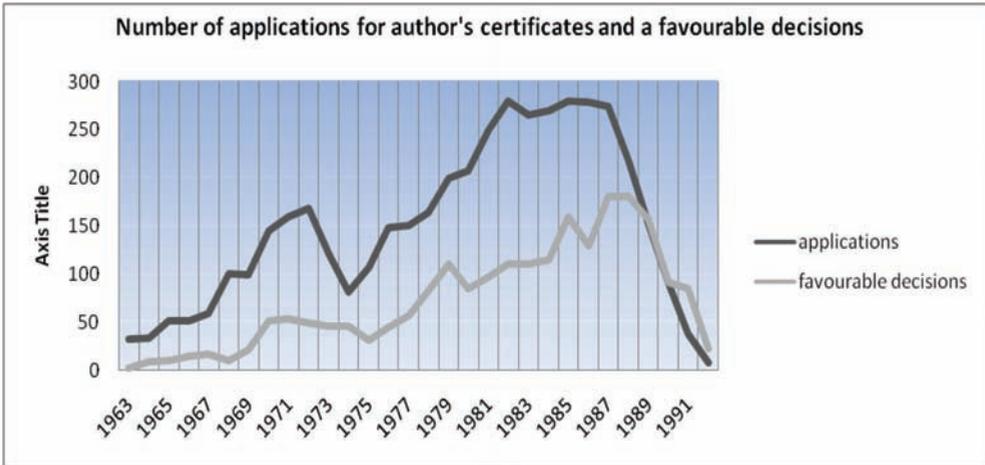
In Soviet times the research function was one of the most important functions at Voennmeh. Research development of an institute was in accordance with general state policy and followed the directions of the Central Committee of the CPSU<sup>122</sup>. In the late 1970’s, the institute made efforts to strengthen relevance (in 1979, 97% of the institute research was within the most important research areas). This applied to the efficiency of research as well as improving the research planning process (the university newspaper, Dec. 1979). By the Soviet Union’s collapse, about 700 researchers at the institute worked on research projects - mainly related to the field of defence. One of the professors remembers, *“at our department we had the outstanding faculty. The leader of a research sector had around 200 author certificates for own inventions. We had honoured inventors of the USSR among us”* (Int. 5). In Soviet times all university departments were involved in research activities, so the patent department had a lot of work to do (Int. 8). The statistics of received author’s certificates and patents presented in Figure 8.6 serves as visual proof.

In the Soviet era, the institute sometimes had to refuse research orders because of insufficient capacity amongst specialists. In comparison, during the 16 years of the transition period, BSTU’s scholars received on average just one to five patents per year. I asked a representative of the university’s patent department whether a number of authors’ certificates was the only indicator of results of research activities at Voennmeh in Soviet times. The answer was: *“before it was obligatory to finish research projects by getting an author’s certificate or a patent. In addition, there existed different types of rewards: fees, diplomas, honorary titles,*

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<sup>122</sup> The Communist Party of the Soviet Union.

competitions, premiums, etc. However, this is not the case after perestroika; that is why most of the researchers are disinterested in this [getting a patent] (Int. 8)”.



**Figure 8.6** Number of applications for author's certificates made by Voenmeh scholars and favorable decisions received  
 [Based on the data collected at the patent department]

Already in 1991, the institute’s research departments experienced dramatic consequences as a result of the transition. Many research groups working on orders given by industrial enterprises hovered on the edge of bankruptcy. The institute, however, managed to keep them for a while, thanks to financial reserves built up during previous years. In 1992, the university administration evaluated the required volume of research on a contractual basis to amount to 250-300 million rubles, and stated that this was unrealistic. In reality, available research orders were only for 18,5 million rubles (the university newspaper, March 1993).

Because of the difficult financial situation, Voenmeh had to dismiss a section of employees from research groups working on a contractual basis. In addition, 130 of 499 researchers were laid off on unpaid leave and the principal warned that mass unemployment in the institute research sector was not far off (the university newspaper, May 1992). By March 1993, 220 full time researchers had left the university. The administration foresaw further development

of the negative trend (131 full researchers in the middle of 1994): the researchers were either transferred to departments financed by the state or became part-time employees (the university newspaper, March 1993; the university newspaper, Aug.1994).

By 1994, research at BSTU was mainly financed through state funding: the estimated research volume in 1994 was 307,9 million rubles: 209,2 million rubles came from the state and 98,7 from commercial enterprises. Due to the shortage of resources, the State Committee on Higher Education distributed research funds within three categories:

- 1) Research orders within a thematic plan set up by the Committee
- 2) Grants
- 3) Federal research programs

Analyzing research funding for 1994, the BSTU principal underlined that the state resources of the first category could serve as a basis for the research development at the university, but the size of the funding possible to obtain within the second and third categories depended on the staff and the research potential of the university. It had to be developed. The principal also complained that only a few university researchers/research groups applied for grants: in 1994 this amounted to 24 projects. But the university got a number of grants - 17 in 1993, 18 in 1994 - so this work had to be reinforced. With regard to the federal programs, in 1994 the university worked on 21 projects within different scientific/technical programs and developed 50 more applications. In spite of all the efforts made by the university and by the State Committee on Higher Education, it proved hard to progress with the Ministry of Finance regularly cutting funding. At this time, the principal therefore concluded that university participation in competitions for grants and projects within federal programs are the only real ways forward for the university's research development (the university newspaper, Aug. 1994).

In the second half of the 1990's BSTU, as part of the Russian military-industrial complex, endured a long-term financial crisis. The university had problems keeping research staff employed, and also paying their salaries. Only the most well-developed research schools managed to survive and nowadays their future depends on how quickly enterprises within the military-defense complex can recreate themselves (the university newspaper, Sept. 2005). A professor at one of the oldest Voenmeh faculties explained: *"we personally do research. But we are a bit unusual... We have devoted ourselves to science and for many years our work was unpaid. Figuratively speaking, imagine a person who does not get food, but still survives. So the whole thing depends on people. We were used to work and we kept on working. After perestroika, our main goal was to hold on to the contacts we had established in Soviet times. We succeeded! A part of the department managed to keep all the themes we had worked on before the social order changed in the country. We managed it! Because, to my mind, a change of social order is a nation-wide political phenomenon which should not influence the issues of techniques we deal with here"* (Int. 5). Another observation regarding the transition period can be cited here: *"the department I studied at was involved in research. I know that they worked at developing modern antennas for vessels. The faculty showed us the newest equipment they created. Unfortunately, the work of researchers was not financially supported and the research equipment was expensive. They had the brains and wishes for the future, but it was difficult for them to find sponsors and customers. And this was slowing down the research process"* (Int. 2).

A number of my interviewees stated that BSTU survived because of its faithful and devoted employees - their enthusiasm saved the day. This is why the traditional university research schools survived and are developing these days. In his report for 2004, the principal talked about research and science "returning" to BSTU. The process moved slowly, but it at least moved. The university worked at acquiring license allocation rights in order to develop

techniques and military equipment on a commercial basis. The university planned to participate in the federal research programs starting in 2006 (the university newspaper, Feb. 2005).

Nowadays, however, research at BSTU is still threatened by several problems created by the overall market liberalization of society. Previously, in Soviet times, the institute had a plan of research ordered by the state and industry, whereas nowadays, the faculty has to learn how to market research to get their work financed. However, “Soviet psychology” suggesting that someone has to come forward with money still exists in minds and prevents development of research activities as they need to be financed. A lecturer at the management department put it like this: *“at all times there has been the need for money in order to involve lecturers in research activities. Nowadays there is no money for research. For instance, they have such financial opportunities at the laser department. They do research for business and write dissertations based on the results. Here we do not have money for research. We need to search for customers willing to pay for research. But what can we offer? Marketing research maybe... [but scientific research?] We still need money to do this”* (Int. 4). One more citation can contribute to the discourse: *“in former times scientific work was extra-paid. Hence, in the Soviet HEIs, science developed itself. Nowadays, the university does not have the financial resources for research. One can carry out research, but this has to be done on his/her own savings. Speaking in terms of a pyramid of needs, we are at the lowest level when material values determine a lot”* (Int. 9).

Another influential aspect is the low salaries of the teaching staff, thus building a need to combine several jobs/projects in order to earn a living. The research component of an everyday professor’s work suffers most. As one of my interviewees explained it, *“to free time for research or other activities a lecturer must give up some salary. So the whole question*

concerns the lack of financing. In Soviet times a lecturer had 2000 hours of working load per year; 900 hours were supposed to be dedicated to research: writing articles, preparing lectures, working with PhD students, participating in internal meetings. The job was well-paid in those days, the salary was reasonable. Nowadays...such a system of time allocation does exist, but only formally. Wages at the university are so low that after teaching, a lecturer has to run off somewhere else to earn a living. The only stimulus to write articles is the necessity to produce a list of publications for re-election to positions of associated professor or professor” (Int. 5). Finally, the standing of the research profession got lost along the way: “We need to recover a way of carrying out research and being a scientist” (Int. 16).

Hence, problems born by the transition period such as low salaries, the fall of the profession’s prestige, the lack of knowledge concerning how to market research projects hinders the renovation of research activities at the university as well as bringing back to life the practices Voennmeh was proud of in Soviet times: competition to become a PhD student and a Student Construction Technical Bureau. The following sections reflect on these issues.

#### 8.4.1 PhD studies at Voennmeh

In Soviet times PhD studies were focused on by the institute leadership. In the 1980’s, Voennmeh successfully fulfilled a plan for PhD students’ admission as well as working on improving their theoretical and pedagogical training. Emphasis was also put on the admission of PhD students and strengthening criteria to choose the most talented students (the university newspaper, Oct. 1984).

Nowadays, BSTU’s sub-divisions can just dream about these ambitions: “the problem with PhD students is a very important one at our as well as at the other university sub-faculties” (Int. 5). When the scholarship amounts to 40 Euros (Int. 3), one can hardly expect competition amongst the best students. A professor at one of the oldest Voennmeh’s sub-divisions noted

that “today PhD students consider their scholarship as a kind of raise in wages they get from their main job activities outside the university. As a result, they do not devote enough time and efforts to research. At our department the last thesis was defended in 1995 but it was written based on the data we had acquired in Soviet times” (Int. 5).

I asked a first year doctoral student at a technical department about his PhD work week. The answer confirmed observations made by the professor: “What do you want to hear? You know how things are going here. For the time being, I do not devote myself to the doctoral project. I do teaching and work for a private company. I have a plan for my doctoral studies, but it is only vague. It does not correspond to reality. According to this plan, I have to study scientific literature and write articles. I wrote a couple of papers and published them in “quasi-scientific” journals” (Int. 3). Several of my interviewees confirmed that they had decided to continue as PhD students in order to evade the draft<sup>123</sup>. “Secondly, additional education will never be a surplus. Why not, if there is such an opportunity: an interesting topic for research and good relations with a supervisor?” (Int. 3). For many Russian PhD students research more resembles a hobby, thus, in many cases an academic carrier is not a goal at all.

The pro-principal in science, Mr. Tolpegin, confirmed that the productivity rate of PhD studies at BSTU was not good enough, even if the university did have PhD programmes in 21 specializations. Amongst the measures deployed in order to improve the situation were attracting as supervisors only those professors who were working actively on research projects, but also the admission to a “PhD by correspondence” program of those employees of industrial enterprises who had experience in research and development (the university newspaper, Nov. 2004).

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<sup>123</sup> All males in Russia have a duty to do military service in the Russian army (1-2 years) until they are 27 years old. Being a student or a PhD student gives males respite from the army for their period of study.

*8.4.2 Student Construction Technical Bureau*

In Soviet times, a Student Scientific Community (hereafter SCS) and a Student Construction Technical Bureau (hereafter SCTB) existed at Voenmeh. So, during their years of study, students could join their professors and assist them on different research projects, thus applying theoretical knowledge to practical challenges. Leningrad flood protection, working out perspective models of K-701 tractor, development of technical equipment for opening up offshore sea shelves, etc. – these are just a few examples of the scientific-technical challenges Voenmeh’s students put effort into. In 1979, Voenmenh’s SCTB won the USSR competition between SCTB’s and was approved as a basic SCTB of Leningrad (the university newspaper, 1979). Outcomes of Voenmeh students’ research were used in industry. In 1981-1985, students-members of SCTB published more than 90 research papers. Students’ inventions were demonstrated at city and other national and even international exhibitions and were always highly appraised (Complex Plan of the Institute’s Economic and Social Development in 1986-1990, 1986). By 1986, the students - members of SCTB received more than 75 author’s certificates for inventions.

In the late 1980’s Voenmeh’s research sub-divisions received more economic freedom and opportunities to earn money. For them it became unprofitable to use inexperienced students. They started competing for customers and it was easier and faster to do this with qualified staff. Mobility in reaction to the needs of market and customers became important (the university newspaper, Sept. 1988). Thus, another effect of the university marketization and the transition period was destruction of the SCTB’s. In February 2005, the principal mentioned a need to renew the practice of an SCTB awaiting suggestions on this issue from the teaching staff and the students (the university newspaper, Feb. 2005). At the end of 2007 the newly established SCB “Voenmeh” held a competition for the best scientific work of

bachelor and master students in the field of technical sciences and received 43 applications<sup>124</sup>. So renewal of this tradition does continue.

Evaluating research activities at BSTU, the pro-principal in science stated that the scale of research at the university in 2004 was 25 times less than before perestroika. At the same time the university research faced two problems of vital importance: the poor material-technical base of research and the recovery of the cadre potential. Nowadays, the university works to find solutions: attracting research funding from the state and the city administration, intensifying work with industrial complexes, developing innovation centers at the campus and a system of grants for research within the university. The pro-principal in science is sure that the university will soon manage to overcome all the pitfalls and will achieve new outstanding results from its scientific research work (the university newspaper, Nov. 2004; “Innovatsii”, Nov. 2006).

### **8.5 To develop a student’s personality**

In Soviet times, one of the main functions of any university/HEI was upbringing [vospitanie] a student’s personality: development of a student’s moral and professional qualities. It was stated by the university administration that “*students’ personalities should satisfy the requirements of the modern stage of the scientific-technical revolution*” (the university newspaper, 1984). Results of the institute’s work in this respect were presented in every report concerning Voenmeh’s activities.

For instance, in 1979 yearly report, the principal Mr. Kulkov addressed the issue of students’ upbringing. He noted that the institute was strengthening a union of education and upbringing processes and was also updating a plan of so-called “ideological-pedagogical work”. I took a look at one of the five-year plans dated 1979. As mentioned in the previous chapter,

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<sup>124</sup> BSTU news dated 05.03.2008, official internet-resource – [www.voenmeh.ru](http://www.voenmeh.ru).

“ideological-pedagogical work” at HEIs, in general, was to form the Marxist-Leninist world view in the minds of students. This meant that, after graduation, former students of Voenmeh had to have solid knowledge in a particular technical field, but also communist awareness and skills in the organization of political-educational work. Table 8.1 summarizes the measures of the Voenmeh ideological-pedagogical work at the end of the 1970’s.

Directions of ideological-pedagogical work	Examples of activities
<b>Political-educational work</b>	Systematic lectures (even at students dormitories) on issues of internal and external policies of the Party, celebration of all national days with thematic lectures and meetings, celebration of Lenin’s birthday with thematic meetings, films, excursions to “Lenin’s places” in the city, etc.)
<b>Military-patriotic upbringing of students</b>	By educating qualified reserve officers and preparing students to serve on active duty
<b>Upbringing work with students in their spare time</b>	Organizing students self-dependent study/research work (3-4 hours a day); seminars on different issues of literature, culture, history, etc.; meetings with famous/respected people, demonstration of historical, documentary, popular science and feature films; excursions and other forms of cultural outing; students amateur art activities (dancing, singing, student theater, etc.); various sport sections at the university
<b>International upbringing of students</b>	Clarification of proletarian internationalism principles; lectures (in leisure time) presenting life, customs and rights of people in different countries; reports of student delegations on their trips abroad
<b>Social and labor upbringing</b>	So students could learn by practice the principles of collectivism, initiative, responsibility and labour activity, Voenmeh attracted students to work at the Student Construction Bureau, in a lecturer group, in voluntary people's brigades, but also in social production (building, repairs, land improvement, harvesting at collective farms, etc.)

**Table 8.1** The Voenmeh’s ideological-pedagogical work at the end of the 1970’s [Based on the five-year plan ‘Ideological-pedagogical work at Voenmeh’ (1979)]

For instance, Voenmeh students played an active role in the building detachments (Fig. 8.7). In Soviet times many objects of the national economy were built through the efforts of the student building detachments. Students were paid for this job, but the most important thing was that work in building detachments was considered to be very positive in personal upbringing: students learnt to work collectively, manage people, and become responsible (the university newspaper, June 1979). Another point seems worth mentioning here: the institute

acted as a home for many of the students. Various sport sections, musical and theatre collectives were just a few of the opportunities available in the students' spare time<sup>125</sup>.



**Figure 8.7** A Voenmeh's building detachment at BAM, 1979  
Source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru)

In Soviet times all categories of institute employees were, to some extent, involved in ideological-pedagogical work with students. In addition, the Party Bureau and the Party Committee of the institute existed as well as student Party and Komsomol organizations at every faculty. The outcome of such active upbringing work at the university was that students did not just receive a professional education, but also a moral education and hobbies for life. A standing Voenmeh joke says that the institute graduated anybody except engineers, because Voenmeh trained multiple personalities (the university newspaper, Sept. 1988; the university newspaper, Dec. 2005).

During the transition period, the level of people's culture decreased in general (the university newspaper, June 2000). The university's attention to students' upbringing was relaxed, as greater problems existed. It was taken for granted that upbringing should follow the subject.

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<sup>125</sup> It is fair to note that these and other hobby groups are still popular nowadays; there are students who keep saying that Voemeh is their home and work, but their pleasure "resort" as well (the university newspaper, Feb. 2005).

So, there was no developed and functioning separate humanitarian pedagogical program devoted to the ideological upbringing of the students (the university newspaper, Jan. 2004). Taking into consideration the importance of this university mission, the university principal has since December of 2004 assigned a new position: a vice-principal for social and pedagogical work (the university newspaper, Feb. 2005). However, as my interviewee stated, *“the Soviet system of ideological upbringing turned out to be lost, and there has not yet been enough time to restore the old Empire system to life. We had good traditions in the Tsar times: a temple had existed within the precincts of Voennemeh, for instance, and Izmailovskie dosugi [Izmailov’s leisures] were held. Now we are starting them up again. We need to discuss stirring topics... When can you dream if not as a student! So we are going back to our cultural origins”* (Int. 16).

### **8.6 To help graduates get their first job**

As stated in the previous chapter, the practice of graduates’ assignment was an obligatory mission of any higher education institution in Soviet times. However, this did not mean that all graduates kept working within their chosen specialization. As one of my interviewees mentioned, *“just five, including myself, of my 17 group-mates [graduated in the middle of the 1970’s] kept working according to the specialization. Assignment was obligatory, everyone was assigned and had to work according to an assignment for three years. But if you were not of interest to the organization you had been assigned to, then you could be transferred”* (Int. 5).

After the fall of the Soviet Union the practice of assignment disappeared together with the plan needs of the state. Nowadays, many thousands of graduates do not work according to their professional education because they cannot get jobs, but mostly because the jobs are poorly paid. They have to spend years to find themselves in professional life and even re-

educate themselves acquiring knowledge in more popular or better-paid professions. My interviewee assesses the dilemma as follows: *“this is an everlasting problem. When we got assigned, we all dreamt of the time when we would decide ourselves where to work after graduation. Nowadays, I know many students dream about assignment. But symbiosis is the best: the symbiosis of a contemporary free assignment and of a former guarantee of a prestigious profession and a well-paid job. Then graduates will have a real choice. But in practice, there is no such overlap; we simply go from one extreme to another”* (Int. 5).

The issue of assignment or the mission of the University to help students get their first job is often discussed among students and is starting to concern the university administration. Discussing the problem of mutually beneficial cooperation with industry<sup>126</sup>, the principal of BSTU stressed that the system of attaching cadres to enterprises had not been created in the new Russia. Thus, nowadays some basic state institutions lack specialists whereas many qualified graduates do not work in accordance with their studied specializations, mostly because of low salaries. The principal of BSTU thinks that a contract system should be developed a contract system to replace the assignment standard in Soviet times. Without contracts the university may just recommend a position to a student, but the student can always refuse it. Thus, the state pays for the education of students who do not work according to the specialization the state “invested” in – a paradox (the university newspaper, Sept. 2005).

### **8.7 To encourage a particular university “esprit de corps”**

Voennmeh used to have a special kind of unique mission - to encourage the institute/the university’s “esprit de corps”. The students, the faculty and other employees, and the

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<sup>126</sup> The university educates specialists in industrial enterprises applications for funding.

graduates proudly call themselves “Voenmehovtsi<sup>127</sup>”, meaning those who feel they belong to Voenmeh. “Voenmehovtsi” is a special, informal and unorganized community of people who are proud of its alma-mater and of the special relationships between themselves. “Voenmehovtsi” share respect and love for the university (the university newspaper, May 1999; the university newspaper, March 2000). This is certainly hard to explain, but many graduates can shed some light on what it meant to be a student at Voenmeh, and also what it now means to be one of the university’s graduates.

Prior to perestroika it was normal practice to generate a spirit of belonging together within every social group of Soviet society. Universities were no exceptions. Nowadays, BSTU students may still feel the effects of a sort of propaganda produced by the university. However, this is by no means so clear-cut; the “esprit de corps” is passed down from generation to generation and is now being diffused by the students themselves and by mentors. Present BSTU students inherited some catchwords and rhyming slogans such as *“Voenmeh is the best of them all”<sup>128</sup>*. *“Mottos are on everybody’s lips, they create entourage. They are short and easy to remember. You cannot remember when the first time you heard them actually was, but you will recall them in years to come”* (Int. 9). Another of my interviewees stated that *“you really sense the mystery of Voenmeh, if you not study but work with local coryphaeus”* (Int. 16).

So what is the university spirit? How do Voenmehovtsi themselves interpret this? And what are the common factors for Voenmehovtsi? Here some thoughts are offered on the subject: *“I have a colleague who graduated from Voenmeh in Soviet times. Older generations of graduates appreciate Voenmeh for providing a good knowledge base later on allowing one to gain a deeper understanding of various areas. I think that BSTU is basically a knowledge*

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<sup>127</sup> In Russian: «Военмеховцы».

<sup>128</sup> In Russian: «Военмех – лучше всех»!

*base. We belong to different generations but I felt this man's personal attitude towards me changed, as soon as he realized that I was also a Voenmeh graduate. It is hard to explain, there exists some sort of likeness...I became detached from many of my university mates, but yes, they are my family, my university, and my student days" (Int. 3). Whereas previous generations of Voenmehovtsi: for instance, those graduating 30 years ago name memories of care and kindness of the faculty, real friendship (the university newspaper, Sept. 1997) as constituent parts of the particular Voenmeh spirit, while recent graduates say that "after studying at BSTU you are not afraid of difficulties" (Int. 6). Another opinion: "At the last meeting with my group mates we discovered that we all have something in common. We all settled in well: we make a decent livelihood, we work more or less according to our specialization, and we are rather successful and satisfied. To my mind, this is a good indicator of the education standard at the university" (Int. 14).*

Nowadays, however, encouraging the Voenmeh spirit may also be treated as a marketing instrument. An administrative point of view illustrates this point: *"I am inclined to believe that this should exist at the university, as in any other original organization with its own culture, structure, system. If we consider Voenmeh to be an organization advocating its own principles, then this type of internal communication directed at forming a feeling of commitment and commonness among the actors, must certainly take place at the university"* (Int. 9). In doing so, a positive image of the university formed during study years travels around with its graduates and influences the choice of school-leavers regarding an HEI at which to continue their studies. The Voenmeh spirit also unites the most successful graduates who are eager to help the university's strategic development: for instance, as seen from the point of the view of the Board of Trustees.

## 8.8 Summary

The idea of this chapter was, firstly, to emphasize the changes in the main university missions such as “to educate”, “to conduct research”, “to develop the student’s personality” and, secondly, to demonstrate how marketization, being part of a larger transformational process, modified the missions of BSTU. The empirical evidence shows that the transition period had a dramatic impact on the key missions of BSTU: research was conducted on “starvation rations” and the quality of the education could be called into question. The chapter moves on to accentuate the new missions: “to survive” and “to serve as the university”. Even though these missions have never been formulated in the university’s Regulations or other official documents, the missions have been practically performed in response to marketization. These new missions obviously pushed the previous main missions into the background. For instance, developing the student’s personality mission sank into oblivion together with fall of communism in the country. The study of the missions also resulted in defining and investigating the triggers of marketization. The need to survive drove the market-oriented transformations at BSTU. Finally, the traditional and more informal Voenmeh function “to encourage the special university spirit” was touched on. As the study confirms, this mission developed considerably from being in the very air of Voenmeh during Soviet times to zesting a practical marketing and managerial usage at the present time.

## 9. MARKETIZATION AND BSTU FUNCTIONING

**Figure 9.1** One the first groups at the Avia-Rocket Building department of Voenmeh, 1946



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**Figure 9.2** Dmitriy Ustinov<sup>130</sup>



**Figure 9.3** Faculty staff at one of BSTU departments, 2006



**Figure 9.4** Honored Doctors of Baltic State University (BSTU): Grechko, G., Massarsky, 2006 (to the left)



**Figure 9.5** First year BSTU students, 2007

*Chapter 9 continues to look at characteristics of University marketization based on the case of one particular Russian university. Here I focus on the academic structure, the main resources - material, professional and student resources - as well as BSTU's main external relationships.*

<sup>129</sup> Voenmehovtsi: Fig. 9.1, Fig. 9.2, Fig. 9.3, Fig. 9.4 – source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru); Fig. 9.5 – Source: a private archive of a BSTU student.

<sup>130</sup> Dmitry Ustinov (1908-1984) [In Russian: Дмитрий Федерович Устинов] – Marshal of the USSR, Hero of the Soviet Union, the Minister of Defense of the USSR from 1976 until his death. But also a Voenmeh graduate (1932-1934).

9.1 Academic structure

Market-oriented transformations at the university also affected its academic structure: Voennmeh obtained university status, broadened its profile by establishing humanitarian/business faculties, increased the number of faculties and specializations, and reorganized itself into institutes even developing branches. This section goes on to study these issues.

In the middle of the 1980’s Voennmeh educated EMS-graduates (engineer-multidisciplinary graduates) in 13 specializations. Figure 9.6 introduces the academic structure of Voennmeh as it was back in 1986.

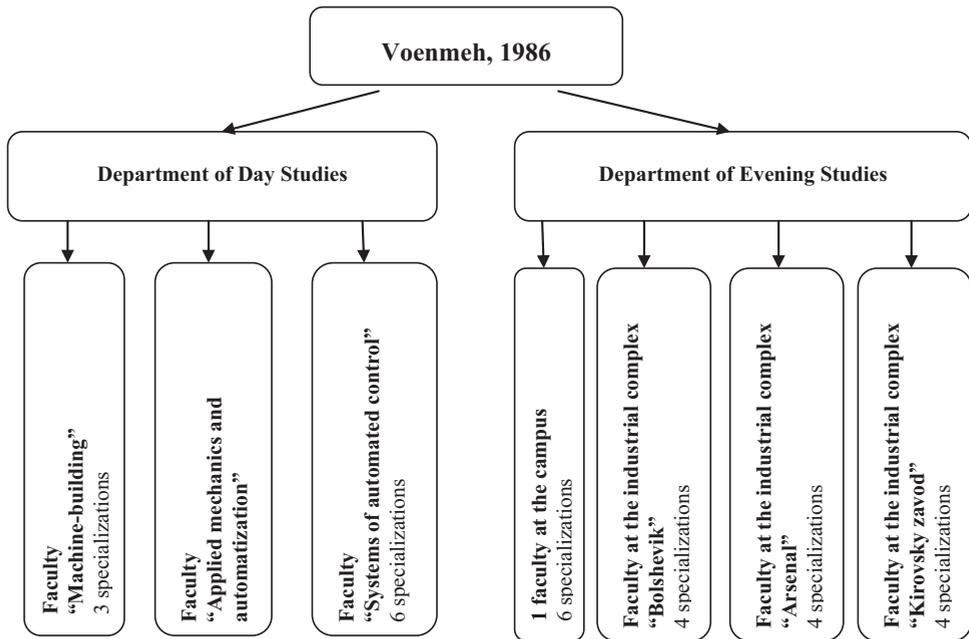


Figure 9.6 The academic structure of Voennmeh in 1986  
[Source: Voennmeh’s publicity, 1986]

About 5000 students studied at three day faculties and about 2500 students attended evening classes at four evening faculties. Voennmeh had 37 sub-faculties with about 500 employees on the teaching staff (the university newspaper, March 1979; the university newspaper, Feb.

1986). In Soviet times, the institute paid particular attention to evening studies, as these had become popular in society. Cooperating with industrial enterprises in Leningrad, Voenmeh evaluated the need for specialists with different profiles and tried to satisfy the needs of enterprises in terms of high-class specialists. Thus, in the period 1981-1984 Voenmeh established two more evening faculties in Leningrad industrial complexes. The students could combine work and studies practicing the theoretical knowledge they received at lectures during their everyday work. In spite of a hard schedule, many graduates at evening faculties were satisfied with their studies and very thankful to Voenmeh tutors (the university newspaper, March 1984; the university newspaper, May 1984). One evening student wrote in the university newspaper (May 1984), *“the knowledge I get at the institute, helps a lot in my work, and I think that the mix of studies and practical tasks makes good engineers”*.

Starting in the middle of the 1970’s, the so-called “Faculty of Social Professions”<sup>131</sup> functioned at Voenmeh. The faculty offered additional education in journalism, law, sport instruction, the translation of technical texts, lecturing, politics and military-patriotic work. Institute students could attend courses on a voluntary basis. Those who passed the final tests received a certificate of “social profession” in addition to the basic diploma (the university newspaper, Oct. 1979; the university newspaper, Oct. 1984). So The Faculty of Social Professions was a humanitarian component in the Voenmeh academic structure and mainly served the ideological goals of education and propaganda of social work.

Turbulent changes in the country in the beginning of the 1990’s forced Voenmeh to react with dexterity. As one of the first HEIs, Voenmeh was evaluated and obtained the status of accredited (self-steered) HEI<sup>132</sup>. This confirmed the high status of the institute and the quality

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<sup>131</sup> In Russian: Факультет Общественных Профессий (Fakultet Obshestvennyh Professiy).

<sup>132</sup> In the late 1980’s, the Committee of Public Education of the USSR launched a system of HEI attestation and accreditation in order to provide society with a guarantee of higher education quality (the university newspaper, Sept. 1991).

of education. This also provided Voenmeh with some benefits (the university newspaper, June 1991):

- A guaranteed and financed state order for education of specialists at Voenmeh
- The opportunity to develop curriculum and educational programs independently
- Priority participation in state and international programs financed by the state, etc.

Accreditation was a big step on the way to obtaining university status. Establishing the Humanitarian Center and the Faculty of Management was also needed. So the order №1119 issued by the Ministry of Science, Higher education and Technical Policy on 7<sup>th</sup> of Dec., 1992 provided Voenmeh with a new, university status and a new name – Baltic State Technical University (the university newspaper, Dec. 1992).

Amongst other privileges, university status helped form a totally new academic structure including organizational elements such as institutes, colleges, secondary schools and firms conducting entrepreneurial activities. As a result, about 60 small enterprises oriented towards research were established at the university, relying on university participation. This provided a way of reorganizing scientific work and, hence, of facilitating its survival under unfavorable external conditions. BSTU also became the main founder of such structures as Baltic International Scientific-Technological Park<sup>133</sup> and Baltic Academy of Technology, Economics and Culture (the university newspaper, March 1993).

Regarding changes in the academic structure in the period 1992-1993, the university conducted an internal research project with a view to possible diversification of specializations. This had to be done in order to adapt to the new challenges of the time. The

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<sup>133</sup> It was one of the first technoparks in Russia. However, it did not manage to overcome all the pitfalls of the transitional period and did not function for a long time. The academy was later transformed into the Institute of Business and Communications at BSTU.

conversion of the military industry in the country jeopardized the functioning of the main university's faculties. Evening departments at the industrial complexes stopped functioning. The newly established The Management Faculty and The Humanitarian Faculty were successful, but were essentially strange elements at Voennmeh. The task was to save the specific features of the institute and simultaneously become modern and relevant. Despite the pressure of limited time and low funding, the project was completed resulting in an educational-methodological and material base for new specializations. By 1994, the university was ready to offer three times more specializations than previously. However, the main challenge was in identifying professions most relevant for the Russian Federation as well as being socially needed (the university newspaper, Aug. 1994).

While working on the development of new educational programs, the university administration was also concerned about structuring faculties and establishing institutes within the university. Following a period of speculation different alternatives were developed. The establishment of faculties and institutes was done by means of trial and error (the university newspaper, Apr. 1994; the university newspaper, Feb. 1994).

According to the law "On education" (Law N 3261-1, 1992), university institutes are allowed to operate as legal entities with independent balance sheets and their own bank accounts. In 1994, the initiative of the principal, Mr. Saveljev, and the first dean of The International Industrial Management Faculty, Mr. Kistochkin, to establish the first institute at BSTU failed. But the administration kept working on the structure, goals and challenges of the first institute. So in March, 1997 the Academic Council of BSTU made a decision to organize The Institute of International Business and Communication<sup>134</sup> based on the sole faculty, The International Industrial Management Faculty. During three years of functioning, the institute

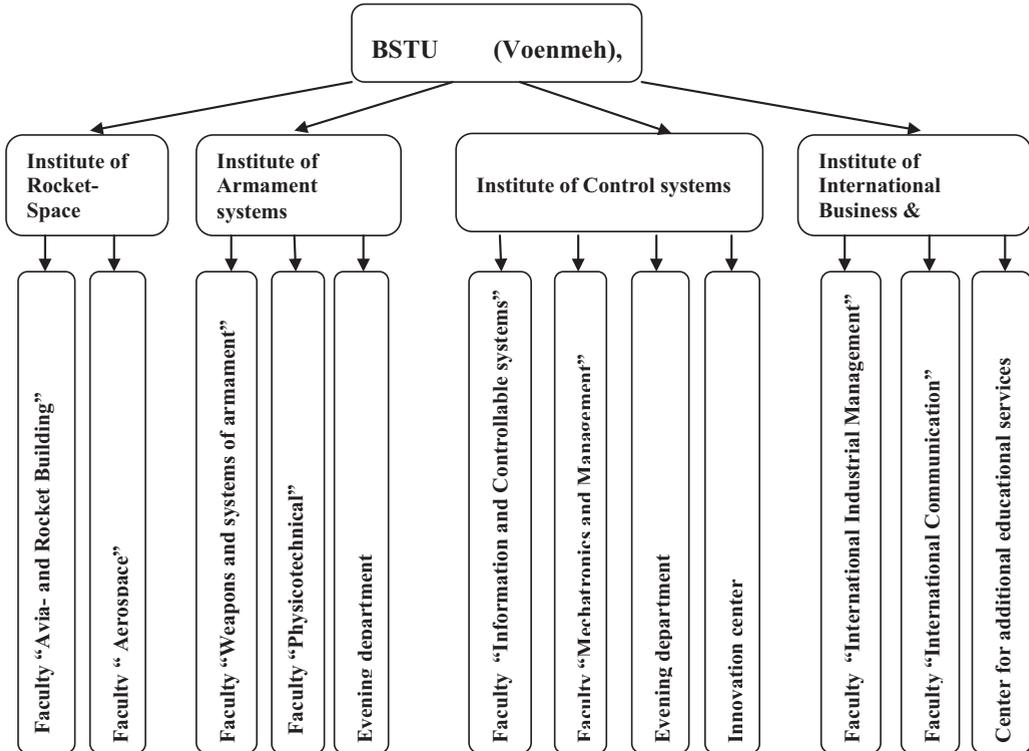
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<sup>134</sup> The institute was established as an analogue form to foreign business-schools and is nowadays a member of The Russian Association of Business Education (institute publicity, 2007).

made considerable progress increasing the number of faculties and sub-divisions, developing international cooperation and programs of continuing education. Most of the educational services were provided on a contractual basis. In these days, the institute was obliged to pay the university about 16,5 % of its income, enabling the institute to invest the rest in its own development. Nowadays, there are two faculties and eleven sub-faculties in the structure of the institute together with The Center of Continuing Education and The Center of International Educational Programs (the university newspaper, March 2000; the university newspaper, Dec. 2001; the university publicity, 2007).

Up until 2004, the institutes at BSTU were to a large extent financially independent. So the original reason for establishing institutes was to provide BSTU with an opportunity to earn and spend money, constituting smaller but more independent structural units of the university (the university newspaper, June 2005). Employees were motivated and progress at each institute was clear-cut. By 2004 seven institutes existed at BSTU. Amongst others, The Institute of Armament Systems and The Institute of Control systems were established (both in 2000). The Institute of Rocket and Space Building was established in 2004. It is worth noting that the three named institutes trace their roots back to Voenmeh faculties in Soviet times and, together with The Institute of International Business and Communication, they constitute the academic structure of the university as it is today (Fig. 9.7).

Having come through its severe transformation, the university academic structure today includes four institutes with eight faculties in which about 6000 students receive their education within 37 specializations (the university publicity, 2007). Starting in 1992, BSTU provides graduation for bachelors (four years of studies) and masters (six years of studies) as well as “specialists” (five-five and half years of studies).



**Figure 9.7** The academic structure of BSTU in 2007  
 [Source: the university publicity, 2007]

Since 1936 the faculty of military education functions at Voenmeh (Fig. 9.8). The reform of military education in Russia closed down military departments at many HEIs. BSTU kept its right to have the faculty, but also became one of 29 Russian (one of five in St. Petersburg) civil HEIs in which an educational military center to train career officers has been established<sup>135</sup>. In addition, BSTU expanded its activities to the Central region of Russia (the university branch in Tver) and even abroad (the university branch in Bishkek, Kirgizstan). In 2008 BSTU also plans to include two colleges in its structure. So the development of the academic structure is in process.

<sup>135</sup> Nowadays, a military faculty at a HEI serves as an important marketing stimulus for male school-leavers because graduates of a military faculty (male students used to combine military education with a basic one) will not be called in for obligatory military service (RosBusinessConsulting, 8<sup>th</sup> of Sept., 2005).



**Figure 9.8** Representatives of the department of military education at the university assembly hall, 2007  
 [Source: a private archive of a BSTU student]

## 9.2 Material resources

In the 1980's, the institute expansion and updating of its material and technical base continued. The institute built a new educational laboratory complex. In 1989 several million rubles were spent on institute renewal; Voennmeh became computerized. A long-term plan for material base development existed requiring about 40 million rubles yearly. The institute management was optimistic and worked to attract necessary investments (The Complex Plan of the Institute's Economic and Social Development in 1986-1990, 1986; the university newspaper, 1990). The commission evaluating Voennmeh at the beginning of the 1990's stated that the material and technical base of the institute had been developed; an educational laboratory complex, auditoria, and laboratories "*gave a favorable impression*<sup>136</sup>" (the university newspaper, Sept. 1991).

In his report for the 1993/1994 academic year, the principal mentioned that computer techniques needed updating (the university newspaper, Aug. 1993). In 1997 the New Year's letter, the principal admitted that there was a considerable lack of state funding. The principal also divulged dramatic statistics: comparing the years 1997 and 1990, state funding had

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<sup>136</sup> Translated by the author.

decreased five-fold, the scale of research done on a contractual basis had decreased 230 times over, and the salaries of teaching staff had decreased 4-6 times over (the university newspaper, June 1998).



**Figure 9.9** One of BSTU auditoriums in 2001  
[Source: a private archive of a BSTU student]

Lack of state funding left the university in a critical condition (the university newspaper, Jan. 1997, the university newspaper, June 1998):

- The laboratory base had not been renewed for many years
- 90% of the university building facilities were worn out
- About 6000 m<sup>2</sup> of the roof surface needed renovation
- All buildings needed repair work (Fig. 9.9)

In addition, the building of the new educational-laboratory complex had been frozen. It was also a problem with regard to keeping the university warm and the lights on (the university newspaper, Apr. 1998)

For these needs the university did not receive a kopeck from the state in 1996; ordinary “household” expenses had to be covered from university off-budget incomes. The principal really meant this, stating that “*the university catastrophically lacks financial resources*”. So,

one of the main goals for the university was to earn more money (the university newspaper, Jan. 1997). However, income from the university's commercial activities could not cover all running expenses. By January of 2000 the university's debts for water-supply, electric power and rent were estimated at 16 million rubles (~600 thousand US dollars), while the state owed the university about 12 million rubles. The suppliers took action against the university and in 2000, according to the verdict, all university accounts were arrested. The active work of the university administration towards obtaining state funding and making offset deals on debts, using financial assets of the university and other methods such as staff/students strikes, led to a normalization of the situation (the university newspaper, Jan. 2001).

In spite of these difficulties, the university kept functioning and slowly modernizing its material and technical base. One of my interviewees characterized the state of affairs as follows: *"The interior of BSTU had become awful and reminded you of ruins. Sometimes auditoria were not heated, so we had to give lectures with winter clothing on and even had to wear gloves. In the beginning there was nothing to rely on, just financing from the state. But in a while, we had developed the provision of higher education on a commercial basis, as well as other commercial educational programs. We had even learnt to apply for state grants. So we were progressing"* (Int. 4).

In 1998, BSTU computerized eight auditoria thanks to income from off-budget activities (the university newspaper, June 1998). The financial independence of the institutes at BSTU in the late 1990's – the beginning of the 2000's also involved passing some university administration responsibilities from university administration to institute administrations. For instance, The Institute of International Business and Communication invested about 60 % of its income in repairing auditoriums and updating its material and technical base (the university newspaper, March 2000). Some auditoria and laboratories were renovated and

equipped with modern techniques thanks to the research development organizations at BSTU, but also thanks to foreign partners and strategic industrial partners. And finally, during the transition period many university laboratories were maintained and kept functioning thanks to teaching staff repairing the equipment inherited from Soviet times (the university newspaper, Jan. 2004). One professor I interviewed confirmed that at some sub-faculties this was still the case at the beginning of 2007: *“Yes, the laboratory course was developed 40 years ago. But nowadays there is still no opportunity to buy new equipment. That is why we try to save what we have. If you ask students, they will confirm that this is the only serious laboratory course they have in the schedule. They use powerful equipment and each laboratory task is developed as a micro scientific project. If I lose this laboratory, I become a so-called “newspaper professor”. But my students read more newspapers than I do, what will I teach them? This is why professors deal with research - to be able to teach something no one knows about. That is why we try to save our laboratory during such completely illogical conditions. This is how we prolong our lives. As a result, we teach our students, based on modern research activities we can still devote ourselves to”*.



**Figure 9.10** One of the BSTU auditoria in 2007  
[Source: gazeta.voenmeh.ru]

Since 2005, the interior of BSTU is in the process of being renewed (Fig. 9.10); state funding for capital repairs and equipment was doubled compared to 2004. Moreover, 10 % of the off-budget incomes of the university were reserved for those needs (the university newspaper, Feb. 2005). The efforts of the university administration resulted in 30 million rubles (1,1 million US dollars) as additional funding for the repair of the buildings and technical renovation of the sub-faculties (the university newspaper, Apr. 2006). The process of renovation is now going on.

### 9.3 The faculty

This sub-chapter stresses the problems exposed in Chapter 7: low salaries, the increasing average age of lecturers and the worsening quality of teaching. These are the unwanted results of market-oriented transformations not just at the University, but in society as well. So how did BSTU cope with these challenges?

#### 9.3.1 Salary issue

In 1990, the principal was pleased to report that salaries for all categories of institute employees had been increased. Researchers' salaries grew four times more than the average wage increase in industry. Another positive conclusion was that the institute created opportunities for every one of its employees to exploit their own potential (the university newspaper, 1990).

By the middle of the 1990's, the situation had changed drastically: state financing was so poor it could not even pay small salaries to university employees. As one of my interviewees commented, *"it is better to forget the period of the 1990's regarding this issue...[cannot find words]. In those days a lecturer's salary was barely enough to buy food, sometimes not even sufficient for this basic need. This was a very hard period, especially for intellectually*

*developed people, for those who could compare...Those were very hard times... Very hard”*  
(Int. 5).

Payment of salaries was often delayed and salaries were not paid in full. For instance, the rise in wages for professorship, compensation for books and pensions were neglected. Things got worse and worse for each month. In October, 1996 the Ministry of Education estimated a lecturer’s work to be worth 336 thousand rubles ( $\approx$  62 US dollars) (the university newspaper, Jan 1997). In February 1997 the state paid just 69 % of this salary (Letter №81-195, 1997<sup>137</sup>). The debt to the university employees was increasing.

The Ministry kept assuring university principals that the financial situation would change for the better and the debt would be paid off; principals were calming down their staff by spreading the Ministry letter around the university (Letter №81-196, 1997<sup>138</sup>). In addition, BSTU spent a half of all off-budget incomes raising the salaries of university lecturers to 600 thousand rubles<sup>139</sup> ( $\approx$  111 US dollars). But even this new salary hardly provided enough to eke out a living (the university newspaper, Jan of 1997). The grim humor of these days was worded in such striking slogans as, *“These wages are not even enough to buy a patch!”*<sup>140</sup> (the university newspaper, Nov. 1996). The situation was aggravated by rapid inflation in the country and the devaluation of the ruble. Due to these issues, university salaries were twice decreased in the period September-December of 1999 (the university newspaper, Jan. of 1999). It is hard to imagine that, during these severe conditions, the university still managed to keep hold of its basic teaching staff and in fact increased the number from 500 to 730 employees by 1997. One of my interviewees commented, *“those who stayed were females*

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<sup>137</sup> Letter № 81-195, 1997. About financing in February, 1997. Ministry of General and Professional Education. Letter dated 27.02.1997.

<sup>138</sup> Letter №81-195, 1997. About financing in February, 1997. Ministry of General and Professional Education. Letter dated 27.02.1997.

<sup>139</sup> Other categories of employees received even lower wages.

<sup>140</sup> In Russian: «На эту зарплату не купишь и заплату».

*financially supported by husbands or people really devoted to their business. But what kind of ideals are we talking about if there was nothing to eat?”* (Int. 4). Another interviewee added: *“everyone who works here has his or her own reasons. Only a few will say they work at Voennmeh because they enjoy it or because they have good salaries”* (Int. 9). Whatever the motivation was, it allowed the university to survive the hardest times, to adapt itself to new ways of functioning and launch many new specializations (the university newspaper, Jan. 1997).

By 2004 the situation had stabilized: the university had paid off its debts to the employees and even found resources to grant a New Year bonus, promising to keep such a practice going in coming years. Since the new principal, Mr. Ipatov, assumed his position, the salary issue has been one of the major concerns of the administration. Average university salary did in fact grow - albeit slowly (the university newspaper, Apr. of 2006). I asked one of my interviewees about the differentiation in fees at BSTU. The answer was *“yes, the salaries of a PhD student and of a professor differ. The same system existed in Soviet times. But what is worth considering is the salary of a professor compared to the salary of a worker. There has been a dramatic fall in the social status of a professor. The salary issue is still a very serious problem at BSTU”* (Int. 5). I deem this real-life situation to be dramatic. The labor market and the low prestige of the teaching profession, as well as low state funding created a new agenda. A paradoxical situation arose whereby sanitary technicians and cleaners at BSTU had higher salaries than professors (the university newspaper, Feb. 2005). In addition, then gap in salaries between the teaching staff and the administrative staff was growing (the university newspaper, Sept. 2007). Hence to survive, most of the teaching staff at BSTU had to combine several jobs at one or different organizations; this especially concerns PhD students (the university newspaper, Feb. 2005).

### 9.3.2 Employment and age issues

Employment difficulties and, as a consequence, ageing faculty are other outcomes of the transition period. One of my interviewees talked about employment at Voennmeh in Soviet times and compared it with the situation today: *“I graduated from Voennmeh at the beginning of the 1970’s. After four years of work due to assignment, I returned to the institute and got a job at a research laboratory at the Voennmeh campus. This laboratory provided personnel for our faculty. However, it was not easy to gain employment. In Soviet times there was competition: only high-quality employees could gain a job from the faculty administration. A vacancy only arose on someone’s death. Nowadays we can only dream of hiring teaching staff in this way. We experience the opposite situation. A 70-year old professor would be glad to give his place to a younger colleague, but there is no one to give it to. Thus, when someone at the department dies, the rest of us have to share his/her duties”* (Int. 5). It also proved hard to get a job at the humanitarian sub-faculties of the Soviet Voennmeh: *“In the 1980’s it was difficult to get a full-time position at Voennmeh; we had to wait for our turn, until someone would give the position up. So I started at the institute as a part-time worker. Nowadays, unfortunately, the situation is different”* (Int. 1).

I do not need to clarify again why this employment problem came into being: the previous sub-chapter provided a full overview of this issue. Already in the beginning of 1993, the university administration pointed to this negative tendency of the transition period, involving the outflow of young lecturers from the university to commercial structures, as well as the fall of interest in taking PhD studies. Another negative trend can be mentioned here: many university employees previously involved in research for industry had to quit their jobs or go on unpaid leave (the university newspaper, March 1993).

In 1996, because of delays and reductions in state funding, the principal had to issue an order prescribing a halt in the hiring of employees of any category (Order, 199-K, dated 13.11.1996). In 2000, the new state government first tried to increase University staff salaries, at the expense of staff quantity (the new regulation prescribed ten instead of eight students per lecturer). So state financing of BSTU employees decreased forcing the administration to dismiss about 400 (of 1864) employees. However, the principal opposed such a practice and promised to do his best to avoid lay-offs (the university newspaper, Jan. 2001).

Nowadays, poor salaries and the low prestige of the profession result in difficulties in terms of attracting youth to teach at the university and, hence again, an ageing teaching staff (Fig. 9.11). At a particular technical sub-faculty *“the average age at the department is 62. We still have personnel who work here from the time the department was established [more than 50 years ago]. The rest of us came here after “the laboratory school”* (Int. 5). In general, *“because of low salaries, it is hard for the university to employ high-quality lecturers nowadays. University personnel are now mostly elderly people. Young lecturers are rare; you can easily count them. First of all, technical sciences are really hard to study. This demands a lot of brain power and moral fibre. Resulting in what? It is not even well paid* (Int. 4).



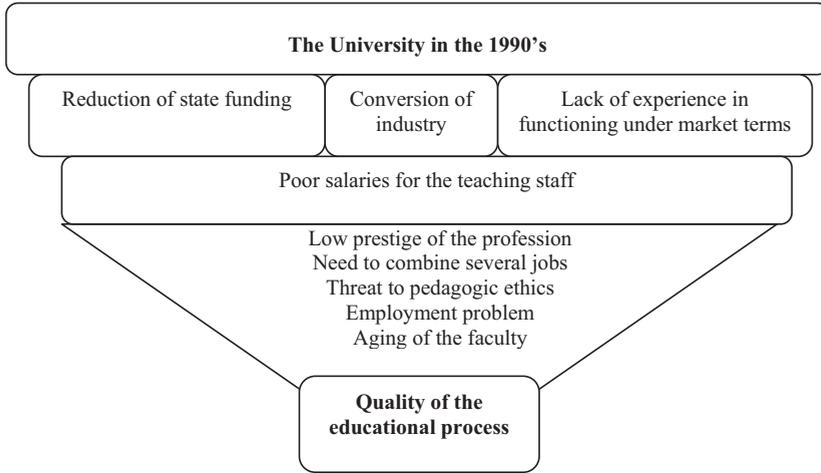
**Figure 9.11** The faculty of one of the BSTU sub-divisions, 2007  
 [Source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru)]

“Very low salaries” is the most popular answer to the question why young lecturers reject teaching at BSTU: *“A salary of about 100 dollars a month is nothing... for males supporting a family. This is why in many cases teaching is just a formality: lecturers earn money conducting research for enterprises or taking additional jobs”* (Int. 2). Another opinion, *“I was recruited and attracted to teach here only because I am a PhD student. My full-time monthly fee is 50 US dollars. It has just been increased to 100 US dollars. This is the salary of a lecturer with higher education at HEI! Does it make sense to work for an HEI if I can earn ten times more money at another workplace?”* (Int. 3).

### 9.3.3 The quality of education

One of my interviewees stated: *“Even if we get involved in three more research projects and get paid three times as much, this salary will still not suffice to live in a city like St. Petersburg. In addition, the quality of work will suffer. So taking more work on to survive is not the right way to go”* (Int. 5). Summarizing the discussion in the sub-chapter I have attempted to draw a chain of problems caused by the reduction of state funding in particular and by the overall changes in the country. Figure 9.12 illustrates this chain of events.

So the quality of the educational process at BSTU represents another stage in the chain of the discussion. With most faculty staff thinking about “their daily bread”, new types of tutors emerged. Former Voenmeh students (1998-2006) characterized these people as “slackers”: *“We also had tutors who slacked in their work; they did not require much. I think that paying low wages to these lecturers is fair. What they do for students, I mean training, life-orientation etc, is absolute rubbish. Having prior experience in teaching and research, they can probably “sell” themselves. But not many of their students can be shown off as the product of their activities worth paying for”* (Int. 6).



**Figure 9.12** A chain of problems concerning the professional resources at BSTU in the transition period

However, during the hardest times BSTU “*survived, first of all, because of the old “cadres”*. *They, of course, were the patriots. “Cadres”, patriotism and the enthusiasm of the BSTU staff*” (Int. 11) made up the ground base for overcoming the transition period. The old cadres (Fig. 9.13) continued to provide students with high-quality education. “*The department’s “old residents” were demanding, in the finest sense of the word. They cared about our training and professional development while younger lecturers slacked in their work*” (Int. 2). These lecturers were “*devoted to their subjects and shared their knowledge - I was on the point of applauding sometimes. The lectures were interesting, cognitive and useful*” (Int. 6). “*Some cadres at BSTU date back to the Soviet period. They use the first opportunity to try to share their knowledge. This is really inspiring*” (Int. 9).

But even if the Soviet pedagogical school seems stronger in many senses, the university administration needs to concern itself with renewal of the faculty. As a former student of BSTU pointed out “*elderly lecturers can be consultants, for instance. I would say they are not as advanced in modern technical skills. We were taught how to perform calculations manually. But, then I got a job according to a specialization, and a mass of new calculation*

*programs rained down on me. It turned out that being a technical university graduate, I had never heard about such computer programs for engineering” (Int. 2).*



**Figure 9.13** One of Voenmeh’s extraordinary tutors, Evgeniy Vuila (2006)  
[Source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru)]

Times have changed; the country and the people also... Their priorities, principles, and ideals have, to a major extent, been transformed. However, what has always attracted students to their tutors is their intellect and high moral principles, their dedication to the subject and tutors’ sincere interest in students’ upbringing and education (the university newspaper, Sept. 2007; the university newspaper, Sept. 2004; the university newspaper, Feb. 2007). These BSTU tutors provide their students with education of the highest quality, nowadays and at all times.

#### **9.4 Students**

Together with faculty staff, students constitute one of the most important resources of any university. Commercialization of education has made students even more important. If, during the last 16 years, the university administration has been concerned about students’ admission to the university, the BSTU faculty has for its part concerned itself more with students’ basic

grounding and their zeal for study. In addition, marketization of higher education in Russia gave birth to “a class” of students Russians call “commercial students” and to a general trend of combining job and studies. This sub-chapter looks further into the announced issues. However, I would like to start with a few words concerning student welfare which was also severely damaged during the transition period.

#### *9.4.1 Student welfare*

Those studying at BSTU in the period 1990’s – the early 2000’s experienced the “care of the state” together with faculty staff. Every year they sat freezing in cold auditoriums and observed the deterioration of the university and of its material and technical base, not to mention dormitories lacking showers and full of cockroaches. The students received tiny scholarships (10-15 US dollars per month) and even payment of these were delayed (the university newspaper, Jan. 2000; the university newspaper, March 2000). The students, together with the faculty, participated in strikes, meetings and other forms of protest. The student slogans certainly cut to the chase: “*I want to eat!*”, “*Give scholarships to students!*”, “*No*” to *pro-west liberal-market reforms!*” (the university newspaper, Nov. 1996). The factors mentioned above are not particular to student life at BSTU; they constitute a general trend exemplified by the case of BSTU.

#### *9.4.2 Basic grounding*

*“Without doubt the basic grounding of school leavers held a higher standard in Soviet times. This worsens for every year”* (Int. 10) - this is the general opinion at the BSTU faculty and another general trend at the University. The faculty also provides an explanation of this negative trend: *“I would say that the basic grounding of first year students is worse, mostly because of them being non-residents. I taught a group consisting of students from Kazakhstan. They could not formulate their ideas in writing, not to mention discuss a real*

*problem” (Int. 14). In other words, “a lot of our students come to St Petersburg from all over Russia. The basic grounding of those who come from rural areas is very low; secondary schools are not good enough there. So this presents a major problem. However, we do try to help these students by making them attend classes and learn according to their study programs, etc.” (Int. 15). If the salary of a university professor is hardly enough to make a living, how can the salary of a school teacher in the countryside keep him/her alive, not to mention do active pedagogical work?*

There is, however, another strong argument to explain the lower basic grounding of BSTU students: *“maybe BSTU is not as popular as it was before, or these are just technical disciplines not in favor... It became more difficult to attract good students to study here. Hence, the basic grounding of BSTU students is lower than before. But student groups are very different. There are groups consisting of good students or just weak ones” (Int. 3). Thus, nowadays the management of BSTU should be concerned, not just about attracting enough school-leavers to study at the university, but about attracting more talented ones.*

#### *9.4.3 Commercial students*

“Commercial students<sup>141</sup>” is a term or, perhaps it is better to say, an idiom widely used in modern Russia. Commercial students are HEI students paying fees to obtain higher education. First commercial students were admitted to Voennmeh in 1992. Since then, the number of students in this category has varied between 300-500 each year: this constitutes about 25-30 % of all admitted students.

Who are the commercial students at BSTU? This is how my interviewees, lecturers/administrators, characterized them. *“About 40 % of commercial students failed to pass exams this year. Commercial students are mostly weak students, who did not pass*

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<sup>141</sup> In Russian: коммерческие студенты [kommercheskie studenty].

*entrance exams with good enough grades and hence, did not manage to attain a budget study place. Either they are not capable of studying here, or they do not have enough motivation. Most of the students we fail down are first-year students. So the university has to sacrifice its income with deference to itself” (Int. 5). There are “commercial students who entered the university just to avoid serving in the Army, for instance: they are not interested in their studies at all” (Int. 10). But on the other hand, “some of them [commercial students] simply did not manage to get a budget study place at a popular faculty. You know these places are limited. They can be wonderful students, much better than those who study for free” (Int. 10).*

However, commercial students are not a privileged group of students: *“At BSTU, commercial students are mixed with those who study for free” so “there is no difference” for the teaching staff and “all students are treated equally” (Int. 10).*

#### *9.4.4 The zest to study*

Another trend observed by the faculty during the years of transition is the lowering of students’ zest for studies. If during Soviet times, the faculty was often proud of its students, noting their interest and hard work (the university newspaper, June 1979), such comments now seldom appear.

The first alarm bells started ringing in 1990. Discussing admission results, the university newspaper (Sept. 1990) stated that most applicants had managed only a low average grade in taking their secondary schools certificates. The “cultural standard” left a lot to be desired. In the early 1990’s, the Committee of Education of St. Petersburg conducted a research study in order to find out the most popular professions amongst school-leavers. The results proved shocking, perhaps even absurd, but anyway characteristic, to some extent, of The Russian University’s new reality. The most popular professions mentioned here were “racketeer” and “prostitute” (the university newspaper, Aug. 1994). Already in 1994 BSTU students contrived

this little anecdote: *“Students are attending their examination. The lecturer says: “I offer grade “3”<sup>142</sup> to anyone who knows my name and middle name”, – no one knows, there is complete silence in the room. The lecturer goes on: “I offer grade “3” to anyone who knows my surname”, – still silence in the room. The lecturer then says: “I offer grade “3” to anyone who knows the name of the subject we have studied”. One student exclaims: “Let’s go guys! He is overburdening us [by asking too difficult questions]”* (the university newspaper, Aug. 1994). Every joke has an inherent element of truth; and this one proves no exception as confirmed by my interviewees.

In 1979 more than 90 % of students went through their session of exams successfully. By comparison, in 1999 this percentage had sunk to 64. So 36 % of failed students had to resit their examinations (the university newspaper, May 1979; the university newspaper, March 1999). Computer technology and the “black market” of educational services had done their part of the job. Instead of self-education, students found, for free or for fees, course papers and essays, changed the names of the authors on the front page and submitted them to a lecturer. Sometimes students did not even bother to read and edit the texts they presented as “self-work” (the university newspaper, June 2001). They were most upset when a lecturer pointed out for instance, the wrong gender of the author (written as it was for instance by a male, but delivered by a female) (Int. 14).

Not particular to the university, but rather to new public ideology, we can summarize: *“It is a trend at all [Russian] HEIs - students became worse. Nowadays there is no need to study; it is uninteresting. You will not be paid more for your learning. What is needed is a diploma and some practical knowledge. However, this is not the goal of the University. We teach a lot of fundamental disciplines...”* (Int. 4).

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<sup>142</sup> In the Russian grading system “3” is the lowest grade to pass an exam, while “5” is the highest.

Marketing ideology spreads much faster amongst the younger generations. One of my interviewee concretizes this as follows: *“I observed BSTU’s students being a student [2000-2006], now I deal with them being a lecturer. Every new academic year students arrive with lower motivation, knowledge and less zeal to learn something. They treat their student years not as labour or a self-development, but as a pastime. Someone can educate himself/herself without assistance; another can only study under pressure. In the meantime, the “under pressure” group has grown. Students would prefer paying for grades at examinations, than preparing properly in order to pass. They are just looking for the final product [a diploma]”* (Int. 3). Students themselves agree that they miss the desire and motivation to study. The moral component is lacking in society – instead it has now been substituted for materialism. Good food, an apartment, a car, travel, etc. - with rare exceptions, one cannot afford all this on the salary of an engineer. So why should students be motivated to study technical subjects - even if they wanted to (the university newspaper, Jan. 2004)?

In addition to ideological changes in society, a number of other reasons influence students’ eagerness to study. As argued for in the previous sub-chapter, the lecturers certainly do. One of my interviewees commented: *“I had my own rule: I attended only those lectures given by a skilled lecturer: one who realized what he/she was talking about, who was keen on the subject and could present well. I attended these lectures no matter what the subject was”* (Int. 14). Personal features also need to be taken into consideration: *“I was a student of a technical department and had 12 group-mates. Half of them studied in the humanitarian class of a secondary school. It was easier for guys to study – they were closer to technical disciplines. But girls... we tried to understand subjects and managed this, thanks to assiduity and learning by heart. All of us treated studies differently; a lot of group-mates missed lectures. But everything was up to how a lecturer positioned himself”* (Int. 2).

Another relevant argument could be the age of students and their lack of life experience. Today the university admits mostly school-leavers (with an average age of 16-17). In Soviet times a high percent of students worked or performed military duty before deciding to attain higher education (older than 20 years). The BSTU faculty also compares regular and MBA students. *“MBA students are very motivated. They keep saying: “we do not just want to get a diploma. We can buy diplomas, but we need to study instead. We spend our time; we need to get real knowledge here”. I think it is a factor of maturity” (Int. 4).* Another interviewee confirmed this line of argumentation: *“Nowadays, I am disappointed with the approach to my studies. If I could start all over again, I would attend all lectures and would listen very carefully. But this is today’s position, because now I have job experience and I realize what kind of knowledge I need. In student years everything was new. So I just studied different subjects, learned them by heart, passed exams and forgot what I had learned. After a number of years a man perceives knowledge differently” (Int. 2).*

Many students had to combine work and studies affecting the quality of study: *“I got my first job being a student. My life had changed! Before I failed to attend lectures because I wanted to sleep longer and have some free time, now it was because I had started to work. I had colleagues at work who were students but also group-mates. They went to the university by turns and shared texts of lectures and information about tests and examinations” (Int. 14).* This is a general trend, though, triggered by the special characteristics of new times in Russia. The important thing here would be, of course, the poor welfare of students and low scholarships providing enough for three lunches a month (the university newspaper, May 1999; the university newspaper, March 2000). Another factor plays in here: the new demands of the labor market. Most business structures are willing to employ young people in qualified positions, only if they have some work experience (usually, not less than one year). The question is where a graduate could gain this experience. To avoid such a problem, students try

to get their first job experience while studying. Then, the education process loses meaning. As one of my interviewees exemplifies *“most [students] combining study with jobs came to the university just to attend “important” lectures and seminars. We all knew the rules of “the game”; we knew what we needed to do to pass an examination. Of course, there were some “extreme students” who came to the university just to pass exams. But they were very clever”* (Int. 14). As a matter of fact, the students learnt how to pass tests, but not the subjects themselves.

Modern society set new challenges and created new temptations lowering students' endeavour for their studies at the same time disorienting students in terms of choosing priorities - remiss students have always been there, at Voennmeh as well (the university newspaper, June 1979). Thus, staying on the subject of low endeavour to study, the factors of laziness, lack of ability and simply personal desire to study should never be neglected. It is also fair to note that in Soviet times the faculty and Komsomol organizations at the institute put a lot of effort into controlling study progress and improving the study process (the university newspaper, May 1979). Propaganda based on the best students' achievements and shaming the worse students provide examples of such measures (the university newspaper, Feb. 1979; the university newspaper, Apr. 1979; the university newspaper, June. 1979). Mutual aid in student groups and public work were popular and gave positive results; the best students helped those who lagged far behind by working voluntarily at the educational-upbringing committees of the institute (the university newspaper, Feb. 1979; the university newspaper, Apr. 1979). The best students were encouraged with gratuitous trips to sanatoriums (the university newspaper, Apr. 1979). Nowadays, however, commercialization of efforts and low university salaries do not leave much space for similar practice. However, as a number of tutors have continued teaching at BSTU through the hardest times due to their dedication to the university, a number of students have also started studying at BSTU because they agreed with the university ideals,

its history, tutors and graduates. BSTU has always been proud of its talented students who under very difficult conditions - not just in general for society, but also in private – through their efforts and skills - obtained education of the highest quality.

## **9.5 External relationships**

Broadening the perspectives of this discussion, I would like to continue with my analysis of external university relationships. The market economy and democratization of society in Russia enabled BSTU to modify and intensify its cooperation with secondary schools and industrial complexes, and also establish fruitful contacts with foreign HEIs. During the financial crisis and because of poor state funding, this meant the university making an enormous effort. So the more fascinating it becomes to trace these developments.

### *9.5.1 With the state*

I start with “the university-State” relationships undergoing considerable transformations. Compared to other HEIs, BSTU-state relationships were not that different, as discussed in Chapter 7, but even more dramatic because of BSTU’s defense specifics. In Soviet times, the state financed Voennmeh functioning, its material and technical base, and partly research. The state also guaranteed staff and student welfare. Since the 1990’s, the university has experienced the same “care of the state” as other Russian HEIs. In general, I have already focused on this issue. Here I will just look at some of the characteristics of BSTU - state relationships.

Voennmeh experienced its first problems with state funding in 1991. The institute found its budget reduced with regard to the purchase of equipment and furniture, household and office expenses, and also major repairs (the university newspaper, 1992). In the 1990’s, the university was cut off from regular state funding and experienced the same problems as other HEIs in Russia. I will provide just a few examples to visualize the situation. In January 1997,

the principal of BSTU stated that for two years the university had received almost no state funding: periodically, but not fully, the university received resources according to two (“Salary” and “Scholarship”) of eleven budget items. As a result, in 1996 the state owed the university more than ten billion rubles (about 1,8 million US dollars): two thirds of this sum were to cover household expenses, the rest were meant for salaries/scholarships (the university newspaper, Jan. of 1997). In 2000 the financial situation stabilized. However, the state covered only about 70 % of university “household” expenses.

In 2001 the state *“started to return to education”* (the university newspaper, Sept. 2001). BSTU could now look optimistically at positive trends in state support of the University such as for instance (the university newspaper, Jan. 2001):

- The increase of state funding for research (40 % more than in 2000)
- The increase of the state funding for salaries (20 % more than in 2000)
- State funding for books, equipment, major repairs
- Additional financing of HEIs for defense specific tasks (BSTU is one of the major actors)

Since then, BSTU has become a member of the federal educational programs competing for grants for renovation and further development of the university. It is also worth noting that, during the years of transition, the state did not reduce its amount of budget places; it kept financing about 900 students entering the university every year. However, BSTU defense profile limits its commercial opportunities, especially concerning foreign students, as BSTU functioning is regulated by the law “By State Secret” (BSTU Charter, 2002).

Relationships, though, are not just about taking, but also giving. During its lifespan Voennmeh graduated about 60.000 qualified specialists. Many of them became illustrious constructors

and engineers (Efremov, Kozlov, Utkin, and others), but also state officials (Naryshkin, and others), directors of industrial complexes (Yakunin, and others) and even cosmonauts (Grechko, Krikalev). Even nowadays, BSTU graduates as many as 70 % of all specialists joining the country's defense industry (the university newspaper, Sept. 2006; the university newspaper, March 2006). The 70<sup>th</sup> jubilee of Voenmeh was conducted under the slogan "The State and Voenmeh"; its 75<sup>th</sup> jubilee was even more sophisticated and the university administration received many greetings from high-ranking state officials, such as the President, the Minister of Defense, and the Chairman of the State Duma. The Prime Minister of Russia at that time, Mr. Zubkov, wrote: "*BSTU ("Voenmeh") is an outstanding representative of the Russian engineering school; it has been to maintain and multiply its achievements in the fields of national and world engineer-technical education*"<sup>143</sup>.

#### 9.5.2 *With industry*

In Soviet times, Voenmeh-Industry relationships were concentrated in the fields of research and construction. Voenmeh's research groups established long-term working partnerships with many industrial complexes in Leningrad and other regions of the country. Every year, the institute received a number of requests to carry out research and development for particular enterprises. The requests set special goals and named expected results. In many cases requests concerned improving the production process and/or its economic efficiency. This means that the results of research work were always evaluated in terms of the efficiency of new technical solutions. Besides research contracts Voenmeh ran evening faculties at several industrial complexes. Voenmeh sub-faculties were also engaged in consultative work with enterprises (the university newspaper, Dec. 1979; the university newspaper, Oct. 1984).

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<sup>143</sup> Letter №4840п-II44 dated with 16.11.2007. The Government of the Russian Federation. Moscow.

In 1990, prerequisites for extending relations between HEIs and industrial enterprises were created (Fig. 9.14). The ongoing perestroika process in the country allowed HEIs to educate students according to contracts with industrial companies; so this could count as another income item for the institute. However, the principal of Voenmeh evaluated this challenge to be a very difficult one; firstly, because of the ideology, institute scholars and representatives of industrial complexes shared being engaged in long-term research relationships, but mostly because of the ongoing conversion of the defense industry (the university newspaper, 1990).

In 1991, the institute kept fulfilling its research commitments for enterprises on a contractual basis “mechanically”. However, most of those enterprises could not pay for this, as the state reduced their financing. Thus, by February of 1992 the industry debt to the institute amounted to 2,3 million rubles (about 23.000 US dollars) – almost twice as much as the salary budget paid to the institute staff. The principal commented that there was a little hope that the dept would ever be paid off (the university newspaper, May 1992).

In the beginning of 1993, it became obvious that the traditional recruiting enterprises of Voenmeh graduates and research services were busy just surviving. They could not help the university. On the contrary, they actually caused damage to it. For instance, the factory “Bolshevik” closed one of the best Voenmeh faculties. The demand for Voenmeh graduates/specialists fell, so the university faced a challenge in reorganizing its work with industrial enterprises (the university newspaper, March 1993).

While Russian industry was renewing itself, BSTU was attracting foreign business partners. For instance, the cooperation with a German company FESTO, a leading European company in the field of robotics, automatics and mechatronics, established in the middle of the 1990’s, led to a form of educational laboratory centre at the university. According to the cooperation contract, the company invested about 500 thousand Euros in the building, technical and

methodological equipping of the laboratory (the university newspaper, Sept. 2005). In the North-West region of Russia, BSTU is the only HEI with such a laboratory allowing the education of high-qualified specialists in mechatronics and other high-tech fields. The next stage in cooperation is realization of a program of distance technical education. This is going to be a first time experience in Russia. The project is under development, with the idea being that students at three Russian technical universities<sup>144</sup> will get an opportunity to conduct joint seminars, laboratories, and lectures on-line (the university newspaper, Nov. 2007).

One more example of university cooperation with international business structures is the educational-scientific-commercial center Maxon<sup>145</sup>. The center was established at BSTU in 2007 and fully equipped by the Swiss company, the world's leading supplier of high-precision drive systems<sup>146</sup>. By request from the Norwegian Shipowners' Association, BSTU launched a program of continuing education aimed at training qualified engineers to work on Norwegian oil platforms<sup>147</sup>. During the space of just half a year students of the program adjusted their knowledge in engineering to the specifics of the offshore industry and maritime transportation. After graduation they were employed in Norwegian and Russian-Norwegian enterprises<sup>148</sup>.

As for Russian industry, it took some time to reorient itself, adapting to functioning in new conditions and finding new market niches. This has taken longer for the defense industry though. However, since 2004 it too has experienced positive trends: state order, growth of production, and establishment of holding companies. At the same time, defense enterprises lack qualified specialists because, during the transition period, salaries in the sector were kept low and the work was viewed as low-status. In other words, defense enterprises experience a

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<sup>144</sup> BSTU, Moscow Power Engineering Institute (Technical University) and Omsk Technical University.

<sup>145</sup> The official site of the Institute of Control systems - <http://www.insu.ru> ; information is valid for 01/03/2008.

<sup>146</sup> The official site of the company, [www.maxonmotor.com](http://www.maxonmotor.com).

<sup>147</sup> The official site of BSTU – [www.voenmeh.ru](http://www.voenmeh.ru).

<sup>148</sup> 'Voenmeh educates engineers for Norway', *Ekonomika I Vremya*, dated 28<sup>th</sup> of Aug., 2006.

crisis with their traditional “cadres”. In addition to state support and motivation management at defense enterprises, establishment of closer industry-university relationships is needed to solve the existing problem (Ipatov & Zaytsev, 2007). BSTU is taking steps in this direction. First of all, a bank of requests for specialists has been established at the university. In September of 2005, the principal noted that BSTU yearly got about 2.200 requests for its graduates from industrial enterprises or other commercial/research structures, while it graduated just about 700 each year. So a student can use this bank of job offers to get a practice placement, while a graduate can get a first job at the enterprise cooperating with BSTU. One of my interviewees commented: *“I know that technical departments of BSTU have agreements with research institutions, with enterprises at the defense industry, etc. There is a lack of well qualified engineers in the market nowadays because of low salaries in this field. So these enterprises offer trainee positions to our fourth – fifth year students. The training period is paid, and the goal of the enterprises is to attract senior students of the university so they continue working there after graduation”* (Int. 9).

BSTU is also developing a practice of “target education<sup>149</sup>”. This functions in the following way. A contract between the university, an enterprise and a student is signed. While a student gets his/her education at BSTU, he or she receives a scholarship from the enterprise. After graduation, the student receives a job offer from the enterprise, which he or she is supposed to accept. The university administration considers the development of such cooperation with industry to be a possible income item (Spb Vedomosti, №215/2007). As my interviewee assured, *“it is just the beginning. Business enterprises do not yet realize that they can prepare their own “cadres” at universities”* (Int.12). Neither do students. The Soviet system of assignment was buried, together with the Soviet Union, but new market mechanisms could not guarantee that a graduate would choose a construction bureau or a defense enterprise

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<sup>149</sup> In Russian: целевое обучение для предприятий промышленности.

requiring a specialist from the university instead of a business structure offering a higher salary (the university newspaper, Sept. 2005). So the state should adjust the legal system to ensure “target education” function and be profitable, both for universities, for enterprises paying for students’ education and, as a result, for the state.

Establishing basic centers of Russian industrial enterprises on the university campus is a new practice as well. For instance, “Pribor” branch was established at BSTU in 2001 (Fig. 9.14). It is being done in order to provide students with knowledge in new, modern technologies and control methods. In addition, it gives enterprises an opportunity to participate in the educational process, hence reducing the time needed for a young specialist to adapt to a work environment after graduation (the university newspaper, Sept. 2006).



**Figure 9.14** Kick-off meeting – ‘Pribor’ branch at BSTU, 2006  
[Source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru)]

By 2008, BSTU had received several lecture rooms with nameplates on the entrance doors. One of my interviewees commented on this practice as follows: “*on the one hand, it is a way for enterprises to advertise themselves. On the other, it is a way to create good conditions for the study process*”<sup>150</sup>. For the time being this process snowballs – more and more “name auditoriums” appear at the university”. BSTU also supports this form of cooperation with

<sup>150</sup> The enterprises, mostly of technical profile, make donations for maintenance of BSTU’s auditoriums.

industry as corporate education. For instance, the university became a unit of a corporate university at “PO Uralvagonzavod”<sup>151</sup> - a leading tank producer in Russia (the university newspaper, Nov. 2007).

Given examples just reflect the basic strategic steps taken by BSTU on their way to developing and strengthening relationships with industrial enterprises. At each university sub-division, you may find more examples of cooperation. I asked former students (1998-2004) if they observed BSTU-Industry relationships in action. Their answers help me to draw a more detailed picture of the cooperation. *“I was a student of the department that cooperated with a prosthesis centre”*, one of my interviewees says. *“Our lecturer took us on field trips there. He was involved in research and production of very complicated and modern prosthetic devices. But research was based on the other research scientific institution, where our lecturer was also employed. So he gave us some lectures on this issue”* (Int. 6). Another observation: *“by performing calculations, the specialists of our department were involved in cooperation with a nuclear power plant. I even remember that the plant offered job positions with accommodation to some graduates of the department”* (Int. 3).



**Figure 9.15** Soviet slogan left at one of BSTU sub-faculties until today (2007).  
 Still relevant: “Let the union of science and industry grow stronger!”  
 [Source: a private archive of a BSTU student].

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<sup>151</sup> <http://univer.uvz.ru/>.

Concluding this sub-chapter I would like say that industry is coming back to the university, but it is returning with a larger bouquet of partnership forms (Fig. 9.15).

### *9.5.3 Co-operation with secondary schools*

Development and strengthening relationships with secondary schools was very important in Soviet times. This is confirmed by different generations of Voemeh students and by my interviewees: *“some of my groupmates entered BSTU and this particular department because its representatives came to their secondary schools, presented the university and the department. In addition, Voemeh had agreements with these schools that school-leavers could pass entrance exams at school campuses during the weekends. It is convenient and many school leavers prefer such a way of entering HEIs”* (Int. 7). A yearly report on first-year student admission confirms that BSTU extends the educational market penetration by offering entrance exams at secondary schools in different Russian regions (the university newspaper, Sept. 2004; the university newspaper, Sept. 2005; the university newspaper, Sept. 2006).

Thus, nowadays the university-secondary schools relationships are as important as they have always been, with the only difference: competition in the educational market forces the university to strengthen its efforts and extend the geography of its cooperation.

### *9.5.4 Co-operation with foreign universities*

As mentioned in Chapter 7, the Soviet state limited contacts with foreign partners, especially within research and development in the military/defense field. However, Voemeh *“had cooperation with the HEIs of China and Vietnam. [Voemeh’s] professors gave lectures there”* (Int. 11). Bulgarian students were also educated at Voemeh (the university newspaper, Oct. 1979). The fall of the Soviet Union and new government enabled more freedom of international cooperation. So *“nowadays there is an international department at*

*BSTU; we cooperate with USA, Norway, France, Germany. We also keep relationships with some of the CIS<sup>152</sup> countries. We have even established a branch of the university in Kirgizia*” (Int. 11). This section accentuates how these relationships developed.

At the beginning of the 1990’s, one of my interviewees relates, *“contacts with foreign HEIs were developing by means of experience and communication. In 1991, as soon as it was allowed to build relationships with international organizations, we started to develop cooperation with USA and Norway. First, there were short guest lectures. Following adaptation to our schedule and the system, we started to offer joint educational programs”* (Int. 1). In August of 1994, the principal named nineteen foreign HEIs, which BSTU signed contracts of cooperation with. Mostly, these were HEIs of former communist countries (China, Bulgaria, Czechia) and the relationships were established in Soviet times, hence within technical and technological fields. But already by 1994, BSTU had established solid contacts with several American universities and Bodø University College in terms of language and business education (the university newspaper, Aug. 1994).



**Figure 9.16** Visit of Mr. Djupedal (to the left) to BSTU, Sept. of 2006  
[Source: [www.hibo.no](http://www.hibo.no)]

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<sup>152</sup> Commonwealth of Independent States.

The so-called “American program” at the university stuck to its original format – during one academic year, lecturers from the USA teach several business-courses in English at the university campus. “The Norwegian program” has been intensively developed and has taken several forms of cooperation in the field of business studies: from guest lectures, through “Master of Business administration and engineering” (MBAE), which has already graduated more than 500 students, to MBA and an international PhD program. New educational projects are being discussed and will soon be launched. Jens Stoltenberg, the Prime Minister of Norway, and Øystein Djupedal (Fig. 9.16), the former Minister of Education and Research, made their guest visits to BSTU and evaluated the educational programs highly (the university newspaper, Dec. 2006). Such cooperation has been favorable in many senses. Russian students could study business at European level, both in St. Petersburg and in Bodø<sup>153</sup> (Norway). Several joint scientific conferences have been held and a number of research papers have been published contributing to the development of cooperation in research as well. In addition, such a successful international program increases the prestige of BSTU business education and is used as an effective marketing mechanism to attract new students.

The relationships with foreign universities are being developed within technical disciplines as well. Among of recent achievements in the field of international cooperation is the contract of cooperation with University of Trencin (Slovak Republic). The objective of the cooperation is the exchange of lecturers and students within the profile of the main specializations (the university newspaper, Sept. 2007). The principal of BSTU, Mr. Ipatov, recently informed that several projects were being developed in cooperation with The Swedish Institute of Space Physics, which has solid experience in the field of “Space-Based Processing” (ABNews, 26.10.2007).

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<sup>153</sup> Every year the best graduates of the MBAE program receive an offer of obtaining a master degree at Bodø Graduate School of Business.

Concerning foreign students, in 1994 there were seven (five from Jordan and 2 from Bulgaria) of them at BSTU<sup>154</sup> (the university newspaper, Aug. 1994). At the beginning of 1997, the principal stated that providing chargeable educational services for foreign students should make up one of the main lines of university commercial activities (the university newspaper, Jan. 1997). However, it was not easy back then, and it is still problematic nowadays to implement in full measure because of the defense orientation of the university (the university newspaper, Nov. 2003). About 50-70 foreign students enter the university every year, mostly from CIS countries. Educational programs in English have not been developed yet. But all Russian higher education institutions are fulfilling the Bologna principles of intensifying their integration into the European educational market. BSTU is also developing its educational programs oriented towards foreign students. So the process continues.

## 9.6 Summary

I would like to summarize this chapter with the words of an interviewee: *“A lot [has changed at Voennemeh]... We changed status to being a “university”. New structures, institutes, and faculties were established. A range of specializations we provided education in, were extended. We obtained licenses and accreditations for our new educational programs. We established several subsidiaries, both in the country and abroad. The University got more freedom and rights. It became authorized to provide education on a commercial basis and be engaged in other off-budget activities”* (Int. 11). This rapid development took place, however, under severe conditions. A constant lack of state funding together with the conversion of the defense industry led to the destruction of fruitful Voennemeh-Industry relations, the exhaustion of the university’s material and technical base, and a dramatic decline in salaries for the university employees, etc. In addition, transformations in society affected the quality of one of

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<sup>154</sup> Not including students from the former USSR republics.

the main university resources – students. The university got the opportunity to broaden admission frames and increase the number of students, because of those who were willing to pay for education. At the same time, the faculty experienced worsening basic grounding, decreasing motivation and commitment to studies and the switch of student attention from study to work.

In technical terms, the state provided the university with “abrasion resistance testing”. The university passed this test with much effort and loss, but it did pass! Moreover, it kept developing and looking for innovative ways of functioning under the new conditions in the country. With small resources BSTU managed to achieve good results and progress, but most importantly, it managed to adapt itself to new market conditions by finding new niches, by increasing its specter of products and services, and by developing relationships with foreign HEIs and business structures.



## 10. MARKETIZATION AND IDEOLOGICAL CHANGE AT BSTU?

Figure 10.1 Banner of IB&CI in front of BSTU's "new" building<sup>155</sup>

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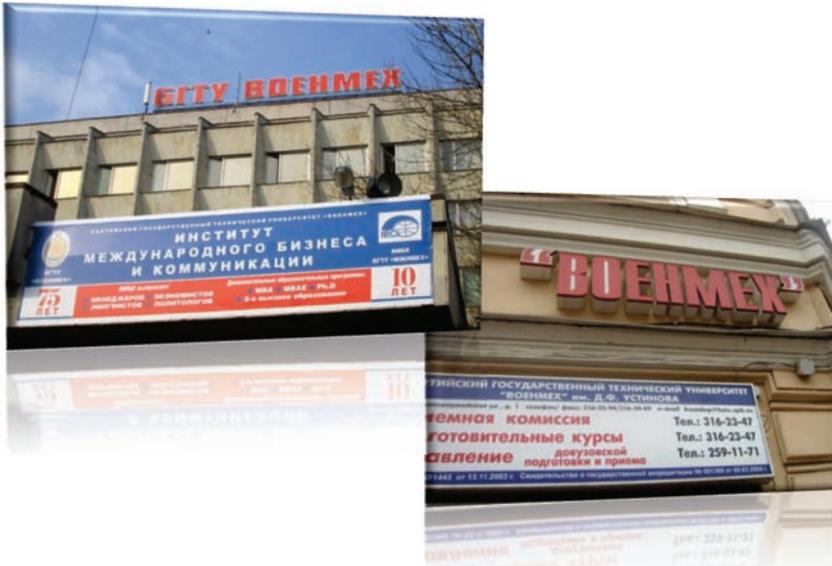


Figure 10.2 Outdoor advertising of the BSTU's admission office in front of the "old" building

*Using the analytical framework of this study, Chapter 10 emphasizes the engagement of BSTU in marketing activities focusing particularly on how the university has attracted off-budget financial recourses, how it has applied marketing techniques and how it has oriented itself towards the market and customers.*

<sup>155</sup> IB&CI – hereafter, The Institute of International Business and Communications at BSTU.

<sup>156</sup> Fig. 10.1, Fig.10.2 – source: a private archive of a BSTU student.

### 10.1 Market ideology and the main university actors

In 1990, the principal of Voenmeh stated: *“perestroika became the most important element in our lives. We are already different. The University is changing itself as well, albeit slowly”* (the university newspaper, 1990). Furthermore, the overall commercialization going on in Russia as well as the harsh conditions in the country at that time contributed strongly to changing the minds of the people: their systems of priorities, values, mentality, etc. This was instantly reflected in the university’s internal and external functioning. For instance, as early as in 1990, the principal of Voenmeh underlined that *“the going exchange rate of knowledge in society resembled the going rate of the ruble!”* Sales of vacuum-cleaners or shoes in the main St. Petersburg store stirred up a real furor at the institute, whilst interesting lectures and seminars were hardly noticed at all (the university newspaper, 1990).

At the same time, the university faculty lacked understanding and experience in promoting its research under market conditions. As ironically put by representatives of the BSTU scientific commercial department in the middle of the 1990’s: *“we swam into the market economy, and if we do not now learn to float or swim, we will, all together or separately, choke with water and drown”* (the university newspaper, June 1995). While in countries with well-developed market economies the product of intellectual work was valued as one of the most esteemed commodities, Russian scholars were preoccupied with the idea of not having anything to sell. *“Be wide awake! There is a market economy outdoors. So act properly!!!”* (the university newspaper, June 1995). This slogan became important for every actor involved in the running of BSTU. How did the studied university follow the slogan? How has market ideology spread at BSTU: among its structures, its employees, and its students? These are the issues to be discussed further on in the sub-chapter.

In 1990, the principal Mr. Saveljev proclaimed that *“the term “commercial activity” had not just to make an appearance in the dictionary, but also had to enter the minds of every institute employee”* (the university newspaper, 1990). However, recent observations do not support the claim that the teaching staff helps make the university more market-oriented and more sensitive to the “customers” of university services: *“Perhaps only 1 % of all lecturers at BSTU concern themselves with making their lectures interesting. I think what slows down the spread of market ideology within the university is the conservative attitudes of many lecturers. Instead, they should be concerned with attracting students and providing them with relevant knowledge”* (Int. 9). This is not just the personal opinion of an interviewee. During the interview in Feb., 2005, the new university principal Mr. Ipatov confessed that the situation at the institute was much worse than he had realized during the pre-election campaign. What particularly struck him was the psychological apathy of the staff (the university newspaper, Feb. 2005).

In 2007, a very common idea amongst the faculty was, *“university pedagogy has never been the profession in which to make one’s fortune”* (Int. 5). Hence, extending the university profile and ensuring diversification of university services has been criticized by the older faculty staff: *“what a school leaver can study at Voenmeh has been well known from the “Reference book for HEI’s entrants” for many years. But how the university can earn money, is another question. I think that diversification of BSTU educational services has been done just to earn money. But I am the follower of another ideology, “less of it but better quality” [about establishing of the Institute of International Business and Communication<sup>157</sup>]* (Int. 5). However, new generations of teaching staff also regard university marketization and its commercialization feature with incredulity: *“At our department we keep practicing the old methods: education should be for free, independent of money. Maybe it is not right in the*

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<sup>157</sup> Hereafter, IC&BI.

*modern world, but this is the principle. In Soviet times, we had a good system of higher education - in many respects because it was for free” (Int. 3). An administrative worker and also a BSTU lecturer concluded that only a few university employees move with the times, refreshing their attitude with regard to the opportunities provided by the market, looking for these opportunities and knowing or learning how to cash in on them. “Nowadays, the success of a department or a faculty at Voennmeh depends on its leader and his abilities to orient himself in the market. It is difficult to find customers who will place an order at a university because the leaders are mostly academics with a technical education. A man must be able to present and sell a service or a product. At the same time he must be in charge of financial reports, he must be responsible for delivering a service or a product according to an agreement. Only a few individuals at the university are capable of taking advantage of the situation and succeeding. Everything at Voennmeh holds its ground based on the enthusiasm of such leaders” (Int. 4).*

University students on the other hand have not, for the most part, felt like “customers”, neither have they initiated changes in the educational process. One of my interviewees remembered memories of study years at BSTU (1998-2002) thus: *“Students try to influence... The group I studied in made an attempt to go to the dean’s office. We asked for a lowering of assessment standards in one of the technical subjects we studied. As far as I remember, the faculty agreed to this” (Int. 7). Even in Soviet times educational law encouraged students to make suggestions to HEI administrations concerning how to improve various aspects of the study process (the university newspaper, Sept. 1988). In both BSTU Charters dated 1994 and 2002, a student’s right to participate in the discussion of all important issues of running the university is proclaimed. Today “the university administration also welcomes any collective forms of student address; considers them and takes the appropriate measures. Such cases are very rare though” (Int. 4).*

In students' minds, as well as in the minds of the teaching faculty, the Soviet ideology of the educational process and "influence" is treated / perceived as "complaining". One of my interviewees commented: *"no, I think students feel they lack rights. The Russian mentality sees the teacher as the lord. The flip side of this medallion is that students do nothing themselves. They always wait for the teacher to say something or explain. Our education system functions this way: the teacher is the master of the situation. So students may influence a study process, but they are psychologically not ready to do this. They have their own opinion, they may be satisfied or dissatisfied, but they do not want to solve the problem in hand. Second, this is just an issue of student consciousness - acting in unison and making complaints"* (Int. 4). Just in 2005 an independent Student Government was established at BSTU with its Student Council to promote student interests. The same year the university student newspaper published its first articles (Sfera №1, Oct. 2005).

A former BSTU student (2000-2006) and a current PhD student and lecturer addressed a philosophical side of the dilemma: *"probably students can influence affairs, the question is: should they? Mostly, students do not like studying any of the subjects and they will always support an opportunity to remove a subject from the schedule. Most of the subjects we study are just for one semester, so this is not a problem"* (Int. 3). Once again it is obvious that the term "students' influence on a study process" is not clearly understood at the university: neither by students, nor by the faculty.

In general, nostalgia for Soviet times or rudiments of Soviet ideology lodged in people's sub-consciousness challenged the progress of university marketization. Even in 2007 my interviewees claimed, *"the Soviet system of higher education was good enough, I am inclined to believe that it should not be changed,"* (Int. 3) or *"Many people in Russia still live according to the Soviet principles and norms; it is not easy to implement changes at the*

*university” (Int. 9).* And this is not just – a personal opinion, rather the opinion of the masses in Russia. A public opinion poll carried out in the fall of 2007 proved that one third of the Russians considered the Soviet political system to be the best one, whilst one fourth missed the economics of developed socialism (Petrov, 2007).

## **10.2 BSTU earns money**

Commercialization of educational services is one of the main examples of market ideology diffusion at the Russian University. I touched upon this in Chapter 7. This section illustrates the phenomenon in details based on the BSTU case. The emphasis is on developing and diversification of BSTU’s commercial product/service mix. However, the Soviet past of BSTU is also taken into account as it contrasts, on the one hand, with the reality of BSTU in the transition period and, on the other hand, it uncovers some aspects of “marketing thinking” that Voennmeh actors already shared during Soviet times.

In Soviet times, Voennmeh, like many other universities and HEI’s, eked out an income through contract research. As one of my interviewees noticed, *“in Soviet times there were no chargeable educational services at HEI’s. Maybe just tutoring that has always existed”* (Int. 10). Anyway, in the late 1980’s, a list of chargeable services at Voennmeh was offered to civilians. Mostly, these services were of a non-educational character, such as housing in dormitories, kindergartens, sanatoria, and tourism. The only chargeable educational service in Soviet times, particularly at the end of the 1980’s, was chargeable admission courses, even though non-chargeable admission courses existed as well (The Complex Plan of the Institute’s Economic and Social Development for the period 1986-1990, 1986).

Poor state funding of the university precipitated commercialization of its services. There was little point in hoping for an increase in state funding. BSTU had to survive and “pick up the running” (the university newspaper, Oct. 1998). So, the university started educating students

on a contractual basis, organizing chargeable admission courses in different forms and developing additional chargeable educational services. This was indeed the logical route to take - obtaining economical profits while minimizing time and financial efforts. In 1997, the principal of BSTU officially proclaimed the staff's ability to earn money as one of the main goals for 1997. All types of entrepreneurial activities undertaken for the university's sake were encouraged (the university newspaper, Jan. 1997). However, BSTU as a state university was a non-profit organization. Up until today, *"all educational services the university offers on a commercial basis are off-budget activities"<sup>158</sup>, but they are non-commercial. This means that income from off-budget activities must be and actually is invested in university development"*, - a BSTU representative from juridical department explained it this way. *"A part of it goes to wage raises for the employees, but most of the income is spent on repairing the university buildings and improving its material and technical base"* (Int. 11). In terms of low state funding, BSTU, like all Russian state universities, kept functioning thanks to income from the off-budget activities. I elaborate on this matter in the following sections.

### *10.2.1 Access courses at university*

In Soviet times, there was The Preparation Department<sup>159</sup> at the institute, as well as the access course in a framework of so-called "The Small Faculty"<sup>160</sup>. The Preparation Department at Voenmeh was established in 1970 as the result of new state policy to increase the educational level of workers<sup>161</sup>. The department offered adult learners (working youth or former military servants) an opportunity to complete the pre-qualification required for admission to Voenmeh. For eight months the attendants became students of a so-called "zero" year of studies. They

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<sup>158</sup> To some extent the university is financed by the state: the state provides the university with property (buildings, etc.), pays salaries to the university staff and scholarships to students, etc. This constitutes the budget of the university. The university is allowed to earn money and these are the off-budget activities.

<sup>159</sup> In Russian: подготовительное отделение [podgotovitelnoe otdelenie].

<sup>160</sup> In Russian: малый факультет [maly fakultet].

<sup>161</sup> 'Ob organizatsii Podgotovitelnykh otdeleniy pri Vysshikh Uchebnykh Zavedeniyah [About Establishment of Preparation Departments at HEIs], Postanovlenie TsK KPSS, Soveta Ministrov SSSR N 681 dated 20.08.1969, <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=ESU;n=546;fld=134;dst=4294967295;div=LAW>.

received scholarships from the enterprises they had worked for and the scholarships were 15 % higher than their salaries. This is how the state motivated young people to take higher education. Those who successfully passed their final pre-qualifications were automatically admitted to the institute (the university newspaper, March 1979; the university newspaper, March 1984). In addition, an access course was also provided specially for school-leavers, first in the framework of The Small Faculty. Later in the 1980's, this course was also provided outside the institute as well, in other towns of the North-West region of Russia. In taking the access course, school-leavers prepared for entrance exams to the institute, but also learnt more about the institute, the study process at Voenmeh, and also their future profession (the university newspaper, March 1979). This course was held on a self-payback basis and attendants had to pass the entrance examination.

However, now and then the idea of attending an access course was more or less the same: *“every HEI has its own mission, traditions, and hence specific entrance exams. So, to prepare for entrance exams, it is sensible to attend the access course of the institution you plan to enter”* (Int. 3). The difference, though, is that by 2008 the preparatory educational structure at BSTU had changed beyond recognition. Now, The Preparatory Department at BSTU or Administration of Pre-university Training<sup>162</sup>, as it is called now, has acquired more complicated duties. The Small Faculty still exists and keeps its traditions. School-leavers are educated there for two years for four academic lessons, held in the evenings three times a week. The education is chargeable. Besides The Small Faculty, preparatory work is organized as access courses of different duration (six months, five months, three months, short-term (a week, for instance)), in different subjects (but only in subjects needed to enter BSTU), and in groups of different size (30 to 35, 12 to 15, 3 to 4 attendees). All courses are chargeable and tuition naturally relates to the special characteristics of the course concerned. Access courses

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<sup>162</sup> In Russian: управление довузовской подготовки [upravlenie dovuzovskoy podgotovki].

are also held by correspondence (half-yearly and yearly): one-two tests in physics or math are sent out to an applicant along with methodical instructions. An applicant has to solve these tasks and return them to BSTU for control and comment. Such “a service” costs in the region of 150-300 US dollars, depending on the course duration<sup>163</sup>.

One of my interviewees, who was both a student and a lecturer, and also an administrative worker at BSTU, explains the large variety of access courses. *“Everyone wins from access courses. By attending access courses, school leavers prepare themselves to pass entrance exams and acquire a study place at the desired faculty of the HEI they prefer. Lecturers prepare future students to satisfy the requirements of a particular HEI, so they are able to cope with the studies. The only problem is that not every family can afford to finance studies at these access courses”* (Int. 9). Another dubious aspect is that an increasing number of access courses take on “perverted forms”. Here I can offer an example, which I got from my interviewee: a former student of a technical department. As mentioned earlier, the university has a military department providing the opportunity to get additional military education and a commission for free while studying a basic profession. Market ideology arrived in this faculty as well. In the beginning of the 2000’s, the faculty organized an access course for those wanting to receive a study place at the military department: *“At the beginning we were threatened that those who did not attend the access course might not get a study place at the military department. The argument was that the number of study places was limited, so the acceptance to the study program had to be on a competitive basis. This is why the entrance exam was necessary. The idea of the course was to help us to pass the exam successfully. The course did not cost much and the lectures were interesting. No one forced us to attend the course, but it was highly recommended. Anyway, everyone who had applied to the study*

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<sup>163</sup> News of BSTU dated 01.03.2008, [www.voenmeh.ru](http://www.voenmeh.ru).

*program was accepted” (Int. 3). So some access courses may even seem obligatory because of specific, “threatening” marketing.*

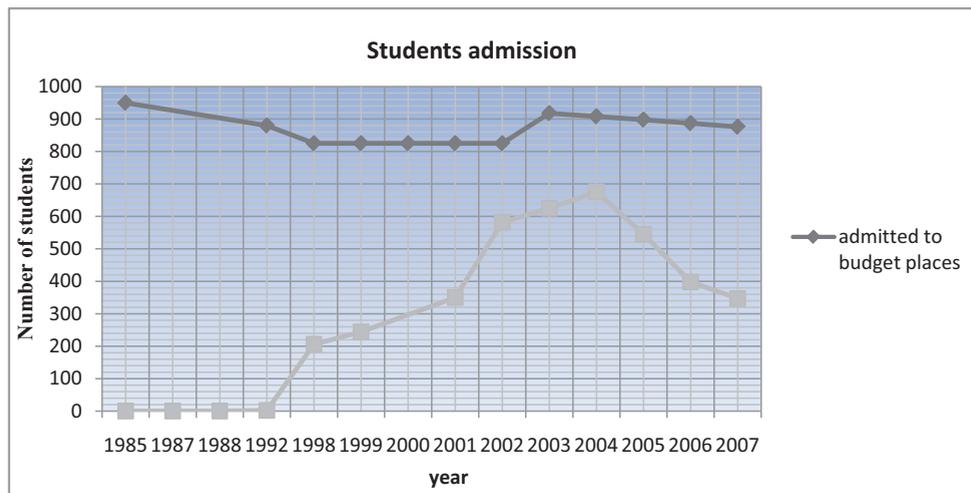
#### *10.2.2 Higher education on a contractual basis*

Starting in the beginning of the 1990’s, BSTU provides students with their first higher education on a contractual basis as well. Mostly, this service is for those school-leavers with examination grades not competitive enough to receive one of the limited budget places. It can also be that a small number of budget places exist for a specialization like management, while this specialization is popular in the broad masses of people. Then, most students willing to study this specialization have to pay tuition fees. A tuition fee is different at different faculties and is being reconsidered for each line of study year by the Academic Senate of the university. In June, 1999 a study year cost about 8.000-11.000 rubles (€ 1.300-1.800 US dollars), depending on the specialization chosen (SPb Vedomosti, 29.07.1998).

However, if a commercial student shows excellent progress and a vacant budget place appears during his or her years of study, the student can apply for transfer to the vacant budget place. Such cases are regular because of the high percentage of students sent down from budget places for low progress (the university newspaper, June 1999; official internet resource of BSTU).

A high percentage of commercial students BSTU have to be sent down: they show poor study progress or just do not study at all. *“There are those whose parents made them study. They do not treat their studies seriously. Those commercial students, who are sent down during their first year of study, do not study at all; they are not interested in studies. I can give you an example. One of our students did not attend classes during the semester, but paid for it. During the examinations someone from the dean’s office called her cell-phone to find out the reasons and the student explained: “My parents pay money for me, so they should go and*

*study, not me". Students who study for free do not behave this way; it is harder for them to enter the university"* (Int. 10). The statistics of development of education on a contractual basis illustrate the story (Figure 10.3).



**Figure 10.3** Students admission to Voenmeh in 1985-2007

[Based on the articles of the university newspaper published in September issues in 1985-2007]

As Figure 10.3 shows, the number of commercial students at BSTU increased each year until 2004. So in the 1990's The Center of Educational Services was established at BSTU to deal with drawing contracts up with students. The data also shows that since 2004 there has been a considerable decrease in the admission of commercial students. It has, however, been explained using different reasons (the university newspaper, Sept. 2005):

- The total decrease in the number of school-leavers due to the demographic decline in Russia
- The need to launch new, popular specializations and market them properly
- The lack of dormitories: this cost BSTU the loss of 100 commercial students in 2005
- The increase in tuition fees

But even though in 2005 the university admitted 24 % commercial students less than in 2004, it experienced a 9 % increase in income due to the raising of tuition fees.

### *10.2.3 The programs of continuing education*

Most of the programs of continuing education at the university are provided by IB&CI and The Center for Continuing Education, one of institute departments. Some learning opportunities are designed for students; mostly for BSTU students eager to combine their main studies with obtaining additional education. The institute also offers an MBA program for adults with practical management skills. These programs are either “local” or developed with international partners. All programs are chargeable. I will shortly describe their specifics.

First chargeable programs of supplementary education were in foreign languages for school-leavers and in business studies for BSTU students in their first three years of studies. All lectures were held in English by teaching staff from the USA. Thus, many BSTU students, especially from The Faculty of International Industrial Management, were attracted by the international context, the ability to improve their language skills and widen their horizons in management education.

MBAE (Master of Business Administration and Engineering) – is a unique project BSTU launched in cooperation with Bodø Graduate School of Business in 1993. Its uniqueness is in providing MBA-like education to the students of a technical university. Every year the program attracts about 40 attendees for two years of studies. As one of my interviewees commented, *“I attended this program. The price was very affordable. Quality provided was high. Foreign teachers gave the opportunity to learn new things. Such programs are very useful to have at the university. They provide the opportunity to go deeper into some areas appreciated by the student. It also offers useful contacts, and provides meriting points in a CV. I think the university contacts with good international teachers and with people who have*

*made a career in a practical field is absolutely necessary for students<sup>164</sup>*” (Int. 7). However, the program is not considered as profitable by the institute administration, rather instead a marketing tool: *“if you are thinking about the costs, this program is not profitable. But the university management made a decision to keep it. The program is considered a flag for the university: a student can obtain a quite reasonable but attractive business education and the opportunity to continue studies abroad”* (Int. 4).

Further development of the international cooperation with Bodø Business School led to the development of a new educational program – MBA (Master of Business Administration). According to a representative of the institute administration, *“this program is licensed and adjusted according to Russian educational standards. The graduates receive a standard state diploma. The students mostly consist of middle-level managers with higher education in technical subjects. So they come to structure their practical knowledge in business. The program lasts two years and includes 2.500 study hours”* (Int. 4). This program is profitable for the university even though the price is not high, 8.500-9.500 Euros, compared to MBA programs in St. Petersburg and Moscow. Thus, a very regular question the staff of the Center for International Educational programs<sup>165</sup> gets from people looking at the MBA program is *“Why is it so cheap?”* (Int. 4). Another attractive feature of the program is that its attendees have practice placements in Norway, visiting Norwegian enterprises. For the time being, the administration of the program aims at broadening the category of attendees and is looking for opportunities to provide corporate MBA programs.

IB&CI also offers programs of second higher education within such specializations as *“Management of organization”*, *“Economics and administrating at enterprises in the machine-building sector”*, *“Theoretical and Applied linguistics”* and *“Politology”*. These study

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<sup>164</sup> Translated by an interviewee.

<sup>165</sup> Also a department at The Institute of International business and communication, BSTU.

programs are offered to the students in their third to fifth study years, so they may graduate with two diplomas of higher education, and for adults - with higher education. Starting in 1999, the institute offers students who study management the opportunity to get a second higher education in engineering within the specializations “Safety of technological processes and production” and “Automated systems of information processing and administrating” (the Institute of International business and Communication booklet distributed in 2007; BSTU official internet resource). Another BSTU institute also provides students with a second higher education: this is related to the field of “Information systems and technologies”. Second higher education is chargeable. The program most recently mentioned costs about 10.000-12.000 rubles ( $\approx$  380-460 US dollars) per semester (the program lasts three and a half years - or seven semesters) in the 2006-2007 study year<sup>166</sup>.

Besides the named programs, the Institute of International Business and Communication offers the course of guide-interpreters in St. Petersburg and suburbs and chargeable courses in foreign languages. The Institute of Control systems offers courses in “Informatics”, “Internet-technologies” and “Training for the exam in “Informatics””; these courses are designed for school-leavers mostly<sup>167</sup>.

Prices for all chargeable programs are reconsidered, mostly towards increase, each semester or a study year depending on the inflation rate and overhead costs, but also on prices for the similar educational services at other universities (Int. 4).

#### *10.2.4 Research on a commercial basis*

BSTU’s Charter of 1994 stated that providing customers with research-and-development, experimental-design and other scientific services on a contractual basis, was one of the

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<sup>166</sup> Official site of the Institute of Control systems - <http://www.insu.ru/secedu.shtml>; information is valid for 01/03/2008.

<sup>167</sup> Official sites of institutes: [www.insu.ru](http://www.insu.ru) and [www.ibci.ru](http://www.ibci.ru); information is valid for 01/03/2008.

university off-budget activities. In Soviet times, Voenmeh had their Research Unit<sup>168</sup>, and the main part of the research done on a contractual basis was implemented by this Research Unit. It functioned as a separate structural sub-division of the institute. Its sub-units were functionally connected with the institute sub-faculties, but also with industrial enterprises (the university newspaper, 1990). However, in the middle of 1992 the pro-rector in research issued Instructions<sup>169</sup> to liquidate The Research Unit as a structural sub-division. This was done in order to reduce overhead expenses and increase the economic efficiency of research. Researchers were offered to continue their work at scientific units of the institute sub-faculties. But as mentioned earlier, in the beginning of the 1990's the number of researchers decreased dramatically because of a lack of orders from industry.

During the transition period, *“some of the university departments registered small business enterprises of their own. They dealt with applied research, mostly. They paid the rent to the university, but they were free to distribute their income the way they wanted”* (Int. 11). So, the research enterprises were BSTU customers. The university provided them with rooms and laboratories, juridical address, communication services, etc. By 1997 these services made a 30 % profit, and all profits were reinvested in development of the educational process at the university (Order №95-0, 1997<sup>170</sup>). According to the same document, in the 1990's, the university supported the development of small business enterprises at BSTU: if they did not perform economic activities during a year and could confirm this by way of a balance-sheet, then charges were minimal (just for juridical address, communication services and office services).

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<sup>168</sup> In Russian: научно-исследовательская часть - НИЧ [nauchno-issledovatel'skaya chast].

<sup>169</sup> 'About work to execute the order №245-0 dated with 25.06.1992', instructions [Указание] of the Pro-rector in Research №10 dated 26.06.1992, BSTU's internal documentation.

<sup>170</sup> 'About norms of agreed price for services to small business enterprises', Order №95-0, dated 26.03.1997, BSTU's internal documentation.

*“Nowadays at BSTU there are some sub-faculties and departments that learnt how to earn money. They found their niches in the market. They take real orders from business enterprises and both researchers and students participate in executing the orders”* (Int. 4) says one of my interviewees. For instance, let us take the firm “RITEM”<sup>171</sup> at the Institute of Control systems. Today anyone can find its developments and systems presented for sale on a page of the Institute’s internet home site<sup>172</sup>: a system for positioning of satellite antennae, digital electrocardiographs, optical rate-of-turn sensors, etc.



**Figure 10.4** Visit of the President of India to BSTU and Laser Systems Ltd in 2005  
 [Source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru)]

Another example of an enterprise launched and successfully developed at BSTU is “Laser Systems Ltd (LS LTD)” which manufactures modern high-tech laser systems. It has brought the company world-wide recognition. On its official internet resource it is stated that *“for more than ten years LS LTD has been at the cutting edge of the world high-tech market, being involved in customized project development mainly for research and training centers in many different countries”*<sup>173</sup>. They started by exporting unique laser-technology to China, India, Japan, etc (Fig. 10.4). Today they also have Russian customers, even from The Ministry for

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<sup>171</sup> In Russian: ИПФ «РИТЭМ».

<sup>172</sup> <http://www.insu.ru/resisu.shtml>.

<sup>173</sup> Official internet resource of the company - <http://www.lsystems.ru/eng>.

Extraordinary Situations of the Russian Federation. The authority of the company makes it easier to get grants for research-and-development, hence attracting the university's teaching staff and students. In 2006, five employees of LS LTD got grants as young scholars<sup>174</sup>.

In general, such enterprises established at BSTU departments and faculties helped save the university's scientific schools. Moreover, they launched new research fields heightening the prestige of the university. They also contributed to saving the connection between science and education at the university: many of the firm's employees are also members of the BSTU faculty.

#### *10.2.5 Tutoring and chargeable re-examination*

Chargeable re-examination is another example of the commercialization at BSTU - a very extreme one. This was in demand at the end of the 1990's, but it is not allowed anymore. The idea was as follows. If a student did not pass an exam<sup>175</sup>, he or she could re-sit on a commercial basis. This was a legal practice. A student came to an office of The Center of Educational Services at BSTU and paid for tutorial time, as well as re-examination. So how did this function? *"It depended on the tutor. I know cases when a tutor spent the hours [a student had paid for] explaining the peculiarities of the subject. However I was myself, twice in such a situation and I was less lucky. The first time I had paid for the hours with a tutor and my lecturer said that I just had to study at home by myself and then come back for re-examination. So, I had paid not for tutoring, but for examination postponement. Another time, I had paid for tutorial time and came to a tutor who just asked me what kind of grade I wanted. So once again I paid not for tutoring, but for a grade"* (Int. 6).

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<sup>174</sup> The interview with Boreisho (professor, the scientific director of the company) published at the internet recourse of BSTU students – [www.boehmex.ru](http://www.boehmex.ru).

<sup>175</sup> Those days, it was allowed to pass an exam and resit it two times, free of charge. But those students who did not manage this could use "the service" of chargeable reexamination.

I do not find any evidence of this practice in the university newspaper. A reason for this is that in the period the late 1990's – early 2000's the university went through a financial crisis. The newspaper was issued irregularly and mostly thanks to the efforts of the main editor (Int. 13). I venture the supposition that chargeable re-examination was allowed by the administration in order to create opportunities for the teaching staff to obtain additional income. Another argument might have been to reduce the percentage of students sent down and, by doing so, keeping the funding which the university got either from the state, although minimal in those days, or from students themselves if they studied on a contractual basis. Excellent students were not aware of the practice of chargeable reexamination: *“chargeable reexamination? I do not remember such a service, but I remember that we passed an exam for a bottle of Cognac,”* (Int. 7) - another example of extreme practice during the transition period.

However, no service comes about without there being demand: *“some students passed an exam during several years”* (Int. 6). Was such a measure necessary? *“This is a philosophical issue... Ideally a student has to study a specialization he is fond of. If he has any questions according to any of the studied subjects he has to clarify them during the semester. Thus, he comes to an examination just to confirm his knowledge. In practice... why do students fail examinations? This happens either because they are not smart enough to study this particular specialization, or at this level, or finally they have not prepared for an examination thoroughly enough. Such a measure just makes a student's life easier”* (Int. 9).

Nowadays, BSTU is back on its feet and holds high its traditions as regards education quality. Students with poor progress who do not pass exams in time including allowed re-examination are sent down (Int. 5). Tutoring, however, is privately allowed: *“At our department, for example, we practice tutoring of students individually. If a student is weak and is not able to pass examination in time, then lecturers can determine how many hours this student has to*

*work individually with a tutor from a department. This may cost up to 500 rubles [17 US dollars] per hour. And it is approved by a head of the department” (Int. 2).*

#### *10.2.6 Other services*

Letting property was among other off-budget activities in the transition period. Situated in the center of St. Petersburg, BSTU could easily find a number of newly established commercial structures eager to open a store, a bank or a night club on BSTU territory. In the 1990’s BSTU let some floors in dormitory areas, hence decreasing considerably the number of rooms available to students. The rooms on the ground floor of the main university building were also let commercially, depriving students of a big canteen and laboratories with heavy equipment. In 2006, a new boutique opened its doors in the main university building. Here a professor at a technical department shared his fears: *“I was worried about saving the unique equipment in our laboratory that had not been repaired during the last 20 years. Now I am even more worried that I can lose my laboratory because it is on the ground floor of the university building and the university may decide to rent this room out to traders” (Int. 5).*

Who is right, who is wrong – this is a philosophical issue. On the one hand, the university needed the financial income brought in from letting their premises in order to pay salaries and keep functioning during the period of crisis. On the other hand, students coming to study at BSTU from other towns and cities had to live in small rooms with two to four room-mates or even reject studying at BSTU - as no dormitory place was available. Students had to spend lunchtime standing in long queues to buy rather expensive lunch or dinner (the cafes located on the university campus were also commercial outfits looking to make a profit). The students ate their lunch standing, as there was not enough room to provide tables and chairs. My interviewee continued by saying *“we need the market and so on. But my heart aches for problems of vital university importance” (Int. 5).*

*10.2.7 Marketing arguments for the university commercialization*

This final section of the sub-chapter summarizes the arguments for commercialization of the BSTU offerings. Many university departments provide services on a commercial basis, even the sports faculty and the university library. Checking on the library services, I found an official document which may explain why commercial activities came into being at BSTU. According to “Regulations on chargeable services provided by the BSTU library<sup>176</sup>,” chargeable services are offered to individuals and legal entities in order to:

- Realize the rights of the customers and serve their additional needs
- Extend the range of efficient help offered to users of the services
- Make services of the library more convenient
- Reinforce the economic motivation of the employees
- Strengthen the material and technical base

Such argumentation proves the marketing vision of the university administration, but also its ability to word strategic issues professionally in marketing terms. Satisfaction of customer needs as well as offering profitable services are both basic principles of the marketing approach used by a commercial organization. The arguments presented above also emphasize care for the employees. Commercialization of services at the university happened under the pressure of the financial crisis, so one of the reasons to commercialize the services and market them was to get profit to increase salaries of the university staff as argued in Section 10.2.5.

However, strategy developed at high management level does not necessarily mean that this is being realized the same way as was originally planned or worded. As one of my interviewees

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<sup>176</sup>The Official internet resource of the BSTU library – [www.library.voenmeh.ru](http://www.library.voenmeh.ru).

warned me: *“if some people wish to study and pay for this, why not offer them a competitive product? This is exactly what we do at the business school, for instance. However, I think that now and then this product lacks the characteristics it must have by definition. Thus, the quality of the product leaves much to be desired... We have almost learned how to pack our products nicely, but this gives no guarantee of quality to our students”* (Int. 9). The following section sheds light on who does the marketing at BSTU and how it is carried out.

### **10.3 Marketing BSTU**

While conducting interviews at BSTU, I wanted to find out what my interviewees know about marketing activities at BSTU? I noticed that interviewees of the “old” generation discussed the issues based on their associations with the Soviet Voennemeh. On the contrary, the interviewees of the “new” generation compared BSTU with business enterprises. It struck me that the terms “market” and “marketing” bewildered my interviewees, even the ones who are actually involved in marketing. While interviewing, I tried to avoid using “professional” and “scientific” terms, except the words “market” and “marketing” which I assumed could be used as basic terminology. During the last twenty years these words were, so to say, on everybody’s lips. It turned out that everyone knows these words but many, even “specialists”, are far from understanding what the words really mean. Some of my interviewees asked me to explain the terms; some of them tried to avoid the questions and redirected the conversation. My purpose was to find out how BSTU engaged itself in marketing activities. The rest of the chapter looks further into the issue of applying the marketing techniques at the university.

#### *10.3.1 Who deals with marketing at the university?*

The common answer to this question given by the interviewees was: *“I do not know who works with this at Voennemeh, but at our department/faculty – “no one””* or *“Never heard of people working with marketing at BSTU”*. In January 1997, the principal Mr. Saveljev

underlined the importance of establishing “management structures” that could provide communications between the university and educational/labour markets. That day he meant a board of trustees that could lobby the university’s interests and widen its opportunities (the university newspaper, Jan. 1997). Just in 2004 the principal, Mr. Ipatov, ordered the establishment of The PR and Advertising Department at the principal’s office (Order №163-0, dated 15.04.2004). Nowadays, the principal’s press secretary deals with some issues of the university’s PR and advertising (Int. 4, Int. 12), while The Admission Committee of the university also deals with some marketing issues (Int. 12).

Some of the faculties/institutes have an employee who is to some extent involved in marketing. He or she may not hold the position of “marketing manager”, but is nevertheless involved in some marketing activities. The PR manager at one of the university’s institutes remembers: *“When I took this position several years ago, there was no advertising of institute services. I started from nothing. Today, I am PR responsible for the institute, and I am also responsible for advertising its services. I think this is organized the same way in all four institutes at BSTU”* (Int. 12). Mostly, marketing is one of the managerial functions of directors of institutes, deans, and heads of departments.

The picture looks diverse, though: marketing efforts are decentralized and *“there is a need to establish a common marketing department”* (Int. 12). But marketing efforts are being made. An administrative representative of The Institute of International Business and Communication gave me a fresh example: *“Today you approach Voenmeh and see the big red banner of the business school [Fig. 10.1]. This is outdoor advertising. From now on, people will see that Voenmeh is not just technically based, but has business faculties as well. Some internet sites do exist, but they are not used enough yet. There is a PR specialist at The Institute of International Business and Communications, but he works just a couple of years.*

*Having experience of working at the marketing department of a private business enterprise, you always think of how you would organize marketing here. Now I see that at least some steps in this direction are being made, and this is already great*” (Int. 9). The next section discusses BSTU’s marketing in practice.

### *10.3.2 Marketing activities*

*“In Soviet times, in our totalitarian state, competition existed only in the highest circles, so-called “administrative competition”. A university had to show how good it was, however, not to its students or school leavers, but rather to the administration and government officials the university was placed under. This was a vertical type of competition aimed at “knocking more money out of the state”. Now the competition has mostly become horizontal: between the universities themselves”* (Int. 5). Even if the nature of competition was different, then and now, the university has needed to inform and attract school-leavers, to “lobby” the university interests and improve public relations.

Another point worth making here is that in Soviet times the term “marketing” was not used, yet marketing activities were still rather intensive. The institute administration called this “*propaganda and elucidative work*” to “*inform about the educational programs*” and “*improve the admission of students*” (The Five-Year Plan for the Institute Development, 1972). One way was to assign representatives of the Voennmeh faculty or the administrative staff to factories, other industrial enterprises within the institute’s subject field and also to secondary schools in order to tell about the institute and its faculties and spread publicity. In 1986, each faculty was responsible for “elucidative work” at secondary and technical schools of Leningrad. Until 1971, because of the shortage of dormitory places, such “elucidating work” was only done in Leningrad, and later on, also in the towns and villages of the North-West region of Russia. In the 1980’s, the institute organized admission courses in other towns

of the region. The best Voenmeh students accompanied faculty staff to those meetings. Another informal propaganda measure was to use first-year students to do PR work for Voenmeh in the secondary schools they had studied in before entering the institute (the university newspaper, May 1979; the university newspaper, Nov. 1984; complex plan of the institute economic and social development in 1986-1990, 1986).

One more way of presenting Voenmeh in Soviet times was to hold an Open Day<sup>177</sup> at the institute, as well as open days for the faculties. In the 1980's, there existed The Center of Vocational Guidance for school-leavers at Voenmeh helping school graduates to choose a specialization to study and providing them with film lectures (complex plan of the institute economic and social development in 1986-1990, 1986). Free admission courses were also used as a way of attracting potential students. "Catalogues for entering HEI's giving a short description of all Russian HEI's were used for advertising purposes. These, together with word-of mouth, proved rather efficient ways of attracting students from the different regions of Russia.

Finally, as one of my interviewees remembers, "*in those days the institute did not publish advertising booklets in the long run, so the institute newspaper was used as a mean of mass communication*" (Int. 13). It was also used for advertising purposes. One issue a year was devoted to the institute entrants: this contained information about the history of Voenmeh, its faculties and departments, famous graduates and the terms of admission. Voenmeh entrants could obtain the newspaper at The Admissions Department.

In 1992, student admission to Voenmeh was at risk. If, in Soviet times, Voenmeh developed specializations based on resolutions of the Party (The complex Plan for the Institute of Economic and Social Development, 1986), one now looked to the market to define "the rules

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<sup>177</sup> In Russian: день открытых дверей [den otkrytyh dverei].

of the game”. Many specializations that Voennmeh had provided education in during Soviet times suddenly became less in demand, so there was a need to “improve the product offering” and force diversification of the specializations. A serious marketing effort was indeed put into effect: in a short space of time, the university departments developed additional specialized subjects for student training (humanitarian, business, natural-scientific) and combined these with the more traditional ones. Additional advertising of new specializations was implemented and attracted about 2.000 school-leavers to seek entrance to the university (the university newspaper, March 1993). During the last twenty years, the university has indeed done an outstanding job in this area increasing the number of specializations from 13 (in 1986) to 37 (in 2007).

Another marketing step made in the transition period was the university expansion to another state (Kyrgyzstan) in order to strengthen relationships established there in Soviet times. BSTU expanded to another region. The BSTU filial in Tver<sup>178</sup> was established in January, 2002 as a separate unit of the university. The fast launch of the branch in Tver can be explained by the need to train cadres for enterprises of the military/industrial complex, but also by civil science intensive technology in the city and region. The Tver branch educates in three technical specializations - both gratuitously and on a commercial basis<sup>179</sup>.

The number of HEIs and universities has grown dramatically; the character of competition between them has changed and has also become more complicated. Nowadays, BSTU competes for students, for their “quality” and for their money. But also the university marketing efforts address different groups of stakeholders: the state, business, local and international HEIs, secondary schools and colleges, research organizations. Thus, there has been a need to reinforce promotion activities.

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<sup>178</sup> Tver is in the Central Region of Russia situated 167 kms from Moscow and 485 kms from St. Petersburg.

<sup>179</sup> The official cite of the filial – [www.voennmeh.tver.ru](http://www.voennmeh.tver.ru); the information is valid as of 01.03.2008.

The university, as a whole, and each particular institute issue their own colourful booklets, internet pages, Power Point presentations, films, etc. My interviewees added, *“the internet site provides one of the main media channels for advertising. The university entrants are PC competent: the first thing they do is check the home page of a HEI”* (Int. 12). *“Voenmeh addresses school leavers by issuing publications in the mass media, but also during the university Open Days. Conferences work for the image of BSTU. We organized several state-level conferences during the last few years”* (Int. 14).

In addition, BSTU holds on to its “marketing” traditions, inherited from Soviet times. They are modified to suit the demands of time: *“We have developed a network of relationships with secondary schools all around Russia. For years, BSTU has had an influence there. We give presentations of the university and its faculties; we conduct preliminary courses in disciplines which the school leavers will be examined in at BSTU. We carry out “olympiads” and contests, both at the university and at schools. All this makes up a very good marketing instrument”* (Int. 12). “Olympiad” – this word is used at BSTU for preliminary exams. During the period from March to June a university entrant attempts to pass all necessary tests before the main entrance examination takes place in July. Preliminary exams are organized in all subjects needed to enter any of the university faculties. These exams are held several times during the spring and have to be paid for. The result of such an examination is not a guarantee of entrance to a desired faculty at the university. Such decisions are made by the university examining board after the main entrance examination takes place; decisions are made based on available study places, grades, competition, etc. But olympiads are a good way for university entrants to reveal their potential and attain the best possible grades. Thus, many school-leavers try tests several times during the spring to get the highest possible grades for examination. The university has started with outreach olympiads, and each year the

geography of olympiads extends (the university newspaper, Sept. 2004; the university newspaper, Sept. 2005; the university newspaper, Sept. 2006).

When it comes to PR and advertising in the mass media “*mostly, Voennmeh do advertise programs for continuing education: MBA and secondary higher education. For example, we are now conducting an advertising campaign, and publish our advertisement in the “Education” column of one of the most readable St. Petersburg business newspapers. Sometimes, we publish articles there too. We also do some advertising for school-leavers, but this is mostly in the form of publication in the Annual Guide to Russian HEI’s*” (Int. 12).

Recently, articles about BSTU, as well as interviews with the principal of the university and other representatives published in public newspapers became available on the official site of the university. Major events such as a jubilee and conferences are being filmed and reported in the news programs of main St. Petersburg and Moscow TV channels.

As for marketing research at BSTU, the university has made efforts to help its researchers to market the results of their work as well. In 1995, the so-called Scientific Commercial Department<sup>180</sup> was established at the university. Its main function was to help researchers to commercialize their work and promote their results abroad. In 1995, the department issued the first advertising volume “Catalogue of range of intellectual property and scientific-technical projects” offering the objects of intellectual property of the BSTU faculty. The first edition of the collection (just 100 copies) was distributed at the International Innovation Fair in Germany and resulted in several orders. The efforts of the department were enormous, it being hard to get the articles from the researchers (the university newspaper, June 1995). However, the practice kept alive, and catalogues in Russian/English were regularly issued, attracting more orders from abroad. The department attracted researchers from other Russian

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<sup>180</sup> The department was based at the patent department (renamed “The Department of Intellectual Property”) of Voennmeh tracking its history back to Soviet times.

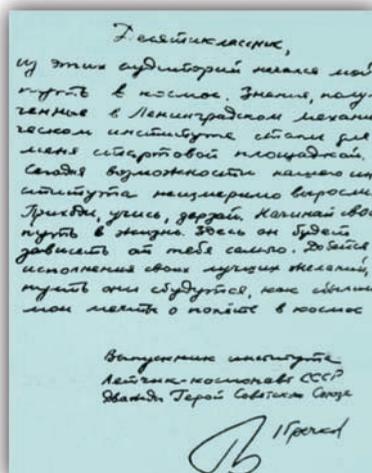
universities wishing to publish here, because “local ones” were not active enough. So the department had to publish articles in the university newspaper to advertise itself for researchers, but also to explain to them “what the market is about” and how to promote their projects/products and make them profitable (the university newspaper, Oct. 1998). Since the late 1990’s, The Scientific-Commercial Department “dissolved” itself in The Department of Intellectual Property it was a part of. Nowadays, BSTU is often presented at national and sometimes at international exhibitions thereby contributing to the promotion of research activities (Fig. 10.5).



**Figure 10.5** BSTU booth at The Third International Maritime Defense Show in St. Petersburg, Apr. of 2007  
 [Source: the private archive of a BSTU student]

In many respects the university uses the same marketing tools as in Soviet times. They have merely been adjusted, for instance, the promotion slogans. Now, as in the Soviet era, they are kept brief, reflecting the demands of the time. In Soviet times it was “*Come and study at Voennmeh, here you will become an engineer!*” (the university newspaper, Feb. 1986; the university newspaper, Jan. 1990): back in those days the choice of profession was of prior importance, but engineering was also highly respected by people in general. Nowadays, the slogan is “*It is prestigious to study at Voennmeh!*” (the university newspaper, Sept. 2005):

today BSTU offers not just engineering education, as peoples' demands are not to acquire a particular profession, but a prestigious education, hence, a prestigious job after graduation.



**Figure 10.6** A letter written by cosmonaut Georgi Grechko to school-leavers entering BSTU  
[Source: [www.gazeta.voenmeh.ru](http://www.gazeta.voenmeh.ru)]

What is especially new in the marketing efforts of BSTU is using The Board of Trustees and The Association of Graduates to promote the university. Both councils were established recently (in 2006 and in 2005 correspondently). However, BSTU has always been proud of its graduates. Already at the beginning of the 1990's, Voenmeh used a letter written by Georgi Grechko<sup>181</sup> for marketing needs. The legendary cosmonaut addressed school-leavers using the following words (in Russian, Fig. 10.6): “School-leaver! I started my way to cosmos in these auditoriums. The knowledge I got in Voenmeh became my jumping-off point. Today the opportunities available in our institute have grown beyond all measure. Come here, study and dare!.. Make your best wishes come true – just as I realized my dreams about space travel” (the university newspaper, Sept. 1993).

<sup>181</sup> Georgi Grechko (Russian: Георгий Михайлович Гречко) – Voenmeh graduate, doctor of mathematics, twice Hero of the Soviet Union, a Soviet cosmonaut who flew on three space flights.



**Figure 10.7** Georgi Grechko (to the right) and Sergei Krikalyov (the the left) at BSTU, 2006  
 [Source: www.gazeta.voenmeh.ru]

Today both Mr. Grechko and Mr. Krikalyov<sup>182</sup> (Fig. 10.7) number amongst 50 members of The BSTU Board of Trustees including state officials, scientists, prize-winning constructors and engineers, directors of industrial complexes and other business structures (Regulations of The Board of Trustees of BSTU, printed in the university newspaper, June 2006). As Mr. Krikalyov, the chairman of The Board of Trustees, stated, graduates of Voenmeh have organized The Board to help the university with strategic decisions and provide competitiveness in national and international educational markets. He also emphasized that BSTU's Board of Trustees is not a union of sponsors, even though some of them support the university financially, but rather a union of individuals devoted to Voenmeh (the university newspaper, 2007). During the 75<sup>th</sup> jubilee one could observe that these are not just the words. The speeches of the most famous graduates and the state administrators given during the celebration were reprinted in different Russian newspapers as free advertising.

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<sup>182</sup> Sergei Krikalyov (Russian: Сергей Константинович Крикалёв) – Voenmeh graduate with mechanical engineering degree, Russian cosmonaut and veteran of six space flights; awarded with the title of Hero of the Soviet Union, the Order of Lenin, the French title of Officier de la Légion d'Honneur, and the new title of Hero of the Russian Federation. He has also been awarded the NASA Space Flight Medal (1994, 1998). He took over Sergei Avdeyev's previous record for longest career total time spent in space (747.59 days) during Expedition 11 to the International Space Station. Krikalev has logged a total of 803 days, 9 hours and 39 minutes in space.

Today the university representatives have reached an understanding that marketing efforts, in the way they are being implemented, are not enough. The director of one BSTU institute assured me: *“To tell the truth, we [at BSTU] have to intensify these [marketing] activities somehow, to bring them up to standard. We have always assigned primary importance to the quality of education at BSTU. This is why our first generations of graduates became our free promotion and advertising. But things change. We need to attend to branding and other marketing challenges more seriously” (Int. 1).*

The lack of attention to marketing actions is not the only pitfall. After the long-term financial crisis the university still has to work at improving its material and technical base. In addition, up until today, there has been a problem with a lack of dormitory rooms and their low standard. Keeping this problem in mind, a PR manager at one BSTU institute formulated the marketing challenge as following”: *“Our problem now is the inability to provide all non-residents who wish to study at BSTU with a place in a hostel. We do not have enough accommodation resources, even for commercial students. This is why they transfer themselves to other HEI’s. Hence, our way of marketing is to build new hostels and improve the welfare of our students” (Int. 12).* Even if marketing and PR return with a high number of applicants, there is still a big chance that they will choose another HEI.

#### **10.4 Summary**

How did BSTU engage in marketing activities? This issue was addressed in Chapter 10, aimed at revealing the special hallmarks of marketization. The general impression stands firm: the diffusion of market ideology was not easy for the university actors. Both rudiments of the Soviet ideology, financial difficulties at the university and the lack of experience in functioning under market conditions challenged and, hence, influenced the way marketing has been interpreted at the university. My interviewee suggested that BSTU, like many other

universities in Russia, is being marketized in its own particular way: *“If it is said that we copy the American system...then we copy it in a Russian way, with some quasi-similarity”* (Int. 5). We cannot compare the Russian University with American HEI’s or European ones; on the other hand we cannot compare its marketing with the marketing practices of business enterprises in Russia, even those that trace their roots back to Soviet times. As one of my interviewees noticed, *“I very often observe a situation when you have to struggle, not just with external circumstances, but with the organization itself. In real business your challenge is to outbid competitors. To realize your ideas at the university, you have to submit them to approval at several departments first. This is doing it the hard way, and you question yourself: “Is it worth it?” There are masses of internal obstacles”*. The idea of the market is interpreted and spread in its own way at the Russian University in general and at BSTU in particular. This is one of the important outcomes of this chapter.

Another finding refers to the discovered fact that Voenmeh was already engaged in marketing activities in Soviet times; they just had different names back then. Anyway, Voenmeh worked hard at attracting students, at motivating potential students to get higher education, and at delivering study programs in a customer-oriented way. Most of the marketing practices the institute applied in Soviet times are nowadays used. During the transition period the scale of activities escalated though, so the university could keep up to date.

In general, it would not be appropriate to claim that market ideology overwhelmed BSTU, for better or for worse. There are just a few specialists dealing with marketing at the university, marketing efforts are decentralized and to some extent spontaneous, and most lecturers keep teaching in the Soviet manner. Many students do not behave like “customers” at the university. Until now, the efforts of the university administration have been directed at coping with the destroying consequences of the transition period: repairing buildings and

auditoriums, renewing laboratories, increasing the salaries of the teaching staff, etc. So, marketing ideology has been diffused at BSTU, but to some extent.



## 11. YIN AND YANG OF MARKETIZATION

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*“Market forces do not necessary produce positive results. They may be for better and for worse. How to ensure a wholesome development of market forces, how to maximize positive effects while minimizing their accompanying hazards, is perhaps the greatest challenge that ... higher education faces today. Herein also lies the key to its future success”*

*(Yin and White, 1994: 234).*

*Chapter 11 looks into the outcomes of BSTU marketization as seen by the university actors themselves: in the following pages I document their arguments “for” and “against” marketization. The issue seems to be too sensitive and is perceived too emotional even after come through the political, economical and social upheaval in the country. I have to emphasize that this chapter is written based on the views of my informants and with special reference to the BSTU case. So the picture drawn may seem somewhat limited. In a broader sense the outcomes of marketization are addressed in Chapter 12. This chapter, however, clarifies special characteristics of marketization common to all Russian universities. I consider it important to present this documentation from BSTU in a separate chapter.*

### 11.1 Negative sides of marketization

Nowadays, with the transition crisis having passed, the financial situation at the university apparently stabilized, and both the state and industry revived after the period of massive change in the country. So it has become possible to assess market-oriented transformations at the University in the transition period. The idea of this chapter came into being more or less by chance through my interviewees. To find out the outcomes of marketization I also wondered about the consequences of the transition period as experienced by the interviewees. A striking point here is that most of the BSTU actors I had recently conversations with, could not adequately discuss the consequences: they were automatically understood as “critics”. As most of my interviewees could not find any argument “for” marketization, the discussion of the outcomes of marketization starts with what the interviewees labeled “negative sides” of marketization. Analyzing the interview texts I have grouped quotations into the following categories of experienced “negatives”:

- Marketization threatens the integrity of the university
- Respect for tutors and for the study process itself disappears
- The quality of education is damaged
- Ethical conflicts take place

These and other consequences will now be further discussed.

#### *11.1.1 Marketization threatens the integrity of the university*

In the “Academic structure” section of Chapter 9, I underlined that in the period of the severe financial crisis the principal of BSTU decided to grant relative financial independence to establishing institutions at the university. This was especially profitable for those establishments attracting a majority of commercial students and having a various number of

commercial educational programs (for example, IB&CI and The Institute of Laser Technologies). The faculties were not allowed to have sub-accounts, however institutes could. This is why many BSTU institutes were established based on one faculty. During the period 1997-2003, seven institutes appeared at BSTU and they were to a major extent responsible for the institution's survival and development, renewal of the material, technical and methodological base, motivation of the faculty, marketing, etc.

It was generally considered that all institutes were united in the common university ideology, but each one had its own characteristics and they started behaving as separate organizations within the university. However, most of the traditional faculties and sub-faculties of Voennmeh were not in commercial demand. Institutes established on this basis were driven by different challenges such as attracting school-leavers just enough to fill up the budget places and reestablishing contacts with industry. So the institutes' development was not of equal rate; specializations popular in society attracted far more commercial students than BSTU's traditional ones. Hence, some institutes acquired more available financial resources to invest in their own development. For instance, the Director of the Institute of Control systems, commenting on this issue, stated: *"Until 2003 the institute had its own account and was obliged to pay about 20 % of its off-budget income to the university – in the short run this led to considerable results: the number of commercial students and research orders vastly increased, auditoriums and administration offices were repaired. Hence, the faculty's motivation and the off-budget component of their salary rose"* (the university newspaper, June 2005). At the same time, other institutes did not have enough resources even to increase salaries for the faculty, let alone renovate institute premises.

Starting in 2004, major reorganizations at the university occurred and nowadays, as a representative of the BSTU law department commented, *"one institute earns a lot, another*

*one earns almost nothing. But income from all institutes and departments is transferred into a common holding. Only a small percent of earned income can be used by an institute for its own purposes” (Int. 11).* So, this represented a step backwards with regards to the university functioning as a single whole.

Obviously such a measure was criticized by those who lost out from this new “integration” and “consolidation”. However, the whole thing was taken for granted by those gaining from the new situation. The following quotations present the polarized visions:

- An administrative representative of IB&CI: *“The institute was developing because we had an economic goal. Nowadays, it would be better for us to keep things this way because we attract most of the university’s commercial students. We are very profitable for the university: the institute pays approximately 75 % of its off-budget income to the university, so we “feed” many of the technical faculties here now” (Int. 12).*
  
- A professor of the Institute of Rocket and Space Technology commented as follows: *“Those university sub-faculties and specializations creating the brand for the university, are not at present commercially successful. The consumers of their graduates are not rich enough to be in popular demand on the labor market. If humanitarian and business education is in demand, that is great. But to my mind, in a big friendly family the income of all the members represents common stock and should be divided according to the age and needs of the family members. The father determines the future trends. Yes, we have been through different times, but dividing resources is a more sensible idea than stifling” (Int. 5).*

Even though market ideology tends to occupy all aspects of people's life, it is not yet strong enough to ruin established public institutions like the University. However attempts have been made to do this.

### *11.1.2 Respect for tutors and for the study process itself disappears*

*"Our profession has lost its prestige"* (Int. 15), one university lecturer says. This is one of the major negative aspects of the massive transformations in Russia. *"In Soviet times they [lecturers, professors] had everything: respect, status, adequate salaries. Now most of them have nothing left"* (Int. 12). I touch upon this issue repeatedly throughout the study: I argue about how and why it happened - that the "intelligentsia" and "poverty" became terms closely related to each other. Hereafter I would like to look at another important academic aspect – respect for tutors.

Poor salaries and teaching staff's low living standards made the profession unpopular in society. The commercialization of relationships and the priority of material values transformed the perception of a teacher. *"Businessmen are in favour. My father has taught at Voennmeh since 1959: he has always said that in Soviet times teachers were held in high esteem. Nowadays students do not think that teaching is an important profession"* (Int. 15).

This can clearly be seen when looking at discipline in the auditorium. Today's Russian students (as well as lecturers) still remember the times when they stood up to greet a teacher entering the room to give a lesson. This practice still takes place. Before this was obvious, nowadays it depends on how a lecturer "positions" him/herself, and if he/she manages to acquire the students' respect. Some lecturers work on establishing discipline in the student group before starting their lectures. Others do not reprove students for talking loudly or even sleeping in the auditorium during a lecture. Thus, some faculty staff reacts strongly to the bad manners of students. Certainly students, by no means all (but in general almost every student

group has troublemakers), do have such unintelligent behaviour condoned by some pedagogues. They may then behave in the same way in front of other lecturers, thus complicating their working life, careers etc. One of my interviewees provides an example, *“I come to teach a new group and must constantly prove that I am a teacher. I have to establish discipline in the room. I have to use plenty of semester time to establish normal relationships with a group. Teaching, even at an HEI, is an energy-consuming task - a poorly paid profession perceived as lacking status in society! Why would I want to continue being a lecturer at BSTU?”* Low respect for the profession is another argument aggravating age and employment problems at the university.

### *11.1.3 Quality of education is hit*

*“The quality of education suffers because anyone can get hold of higher education nowadays. Studying at an HEI is a way to avoid serving in the ranks of the army, for example. One can enter HEIs without passing any entrance examination and obtain higher education on a commercial basis. In Soviet times only those who really wanted to entered HEIs”* (Int. 3).

This is one aspect – the number of students increased dramatically, not because of a real relish for study, but because of the demands of time and society. For instance, it has become a norm that middle- and large-sized companies look for secretaries with higher education, no matter what field it was attained in; nowadays a bachelor degree is treated as unfinished education, so you study 5-5,5 years at a university level to work as a secretary! In Russia it is commonly thought that higher education is required in order to find one’s position in life. So many students study without any particular motivation in order to learn the nuts and bolts of a profession. As discussed previously, students actually do learn how to study - but not the subjects concerned.

Another aspect of the debate comes from the decrease in living standards for teaching staff and their need to combine several jobs and projects. I have emphasized this issue previously; here I would just like to sum it up. If education is commercialized, a lecturer's work is commercialized. The salaries teaching staff nowadays receive are so small that they have to work twice as much just to earn a living. Sometimes lecturers simply can not allow themselves extras: to answer questions in private or to give advice. Sometimes they are time-limited because they have to run to another workplace and know that time is money nowadays. Both cases tell us that the quality of education suffers.

Moreover, in order to hold students in commercial places and hence keep profits, the administration of faculties may encourage the practice of re-examination and even lower evaluation criteria for poor students - just to keep them at the university. *“Nowadays a BSTU student has the opportunity to re-sit several times. The university even has the experience of offering this on a commercial basis. The truth is that everyone may fail the examination once, but if you do not pass the same exam after two-four times, it means you are not preparing well enough. At the end, a student begs successfully for the lowest grade. The problem is that by encouraging these practices of re-examination, BSTU risks its status as a good school. On the contrary, it may graduate poor specialists and fall into disrepute” (Int. 5).*

#### *11.1.4 Ethical conflicts*

I have also argued that the marketization of the University had an impact on the ethics of the University: cases of bribery, ulterior extortion, and arriving at a negotiated price for exams became well-known procedures - both for teaching staff and for students. Loyal as I am to the ethical code of the researcher, I cannot here provide particular examples of *“‘pure commercialization’ in its true colours”* as my interviewee called it. However, based on the BSTU case, I would like to name some practices common to many Russian universities in the

transition period. My intention here is to call to attention the basic issues threatening to ruin the University ethics, which I also characterize as the “cost of marketization”.

First of all comes the issue of corruption and bribery. In general, as my respondents confirm, *“there are people at the university who can help students to solve any of their problems [to enter the university, pass examinations in different subjects or get a course paper accepted, etc.], it is just a question of price. Nowadays this business has become ‘a production line’”* (Int. 2). On the other hand, demand creates supply. The process works both ways – quite often students themselves initiate bribery. Such a story illustrates this point: *“In my student years I was in a situation when I offered money to a lecturer to pass an exam. There was a guy with me and we discussed how much should we offer. I had one thousand rubles [about 25 Euros] to offer for the exam, but he only had 500 rubles and wanted to pass both the exam and the course paper. Thus, he asked me to hide my money so we looked alike. I know that it is bad for lecturers to take bribes, but they have such poor salaries. In addition, students at the management faculty realize that we will not need any knowledge in the “resistance of materials” in order to manage a restaurant. So why should we try and study this difficult subject, if we can just pay up some money in order to pass an examination?”* (Int. 14).

Most of these “poor” students try to offer some money or a box of chocolates for passing an exam. They build up “the offer” with a sad story about why they could not attend classes or could not fulfill test requirements. One of my interviewees said that it is just an ethical filter preventing bribes being taken (Int. 5). However, if in the case of a bribed lecturer, the image of the university suffers, then in the case of a bribing student the image of the lecturer profession, already damaged enough, is sold short. At the end of each semester, instead of being proud that their pedagogical duty is done and knowledge has been shared and accepted by students, a lecturer can feel like someone whose feelings have been trampled on. My

young lecturer interviewee list confirms the fact that students do try to offer bribes for examination. This turns out to be another factor why young teachers do not wish to work at university level.

Besides direct extortion, legalized ways of indirect extortion appeared. In internal university circles there is reasonable explanation of this phenomenon – that it was provoked by the process of marketization: *“Because the structures of some courses were changed or the old courses were adjusted to new specializations, lecturers had to shorten some courses considerably. But some of the Soviet-style lecturers were not flexible enough at shortening the program. Instead they intimidated students into attending additional classes in their disciplines, either at weekends or during the lunch break. Of course, additional lessons were provided for a fee, but most of the students attended them, being afraid of failing tests or the final examination”* (Int. 9).

Doctors and teachers have something in common - doctors take the Hippocratic Oath, but teachers have to follow a code of ethics as well. One of my interviewees formulated the challenge triggered by marketization as following: *“Nowadays everything depends on personality and ethical norms. A combination of free and chargeable services is a turbid combination. This is a very difficult and intricate philosophical issue. In Soviet times education was free of charge. The percentage of weak students was about the same as it is nowadays. But we failed them at exams. Now they can restore themselves on a commercial basis and continue their studies - hence we have to educate them. Today, our salary rises depend on commercial students. To my mind, it requires fundamental moral principles from lecturers to make this combination function: only a moral filter can help us to avoid permissiveness”* (Int. 5).

## 11.2 Positive sides of marketization

Most of my interviewees at BSTU associated “transition of the university to the market” with “delivering educational services on a commercial basis”, these terms being treated as synonymous. That is why my interviewees mentioned “an opportunity to earn money” as the only (!) advantage of higher education marketization. For example, a lecturer involved in teaching at commercial educational programs explained: *“I treat these programs positively because they give additional earnings. We have a choice: either working overtime and earning money or taking it easier and trying to live on the ordinary salary”* (Int. 15).

On the other hand, *“with the University transition to the market, everyone who wants and even does not want, but is able to pay, can get a desirable degree”* (Int. 3). Commercialization of education broadened the spectrum of BSTU opportunities: opened up new markets, attracted new types of students and new funds, increased competition among university attendants, facilitated the choice of better ones.

Another argument for, however, is the survival of the technical institution. A professor at a technical department formulated it this way: *“if we did not have humanitarian and business faculties<sup>183</sup> at BSTU, our life would be very hard. Because of them we get a rise in wages periodically. All internal and external renewal/repair of BSTU is also financed from off-budget activities”* (Int. 5). One of the features of Russian University marketization is universitization. Although this did indeed modify the nature of the University, it also allowed many of the Soviet HEI’s to keep functioning in the transition period and “bought” them some time to adapt their main profile to the new demands of society.

The idea of this chapter was to present the outcomes of the University marketization in the words of BSTU actors, and I must now close the narrative. In general, the outcomes of the

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<sup>183</sup> Read: additional income.

University marketization are further summarized in Chapter 12. There, the evidence presented in this chapter is interpreted in a broader context. The following section closes the studied case.

### **11.3 Closing the case**

Concluding the four empirical chapters looking at the BSTU case I would like to raise the following issue “Is BSTU marketized?” Most of the interviewees reflected upon this question confidently: *“We are still in the process!”* Some of interviewees even used the future tense to answer the question: *“As our society is in transition to the market, in the same way the University will change itself under the circumstances...”* In regard to other institutional establishments *“HEIs are the latest ones in transition. We have had good shops and nice looking streets for a long time already. But it is just recently that BSTU is in the process of reviving itself”* (Int. 4).

Other interviewees used more powerful words when talking about the transition: *“BSTU is still in the process of surviving; the process of survival is not over yet!”* To be more specific I want to draw attention to the words of those who have experienced the process of transition from its very beginning: *“In order to ruin something it may be enough just to take a stone out and it will crash down. But to restore it takes time, desire, energy... and finances of course... And you know, pedagogy has never been for money”* (Int. 5). Defenders of this point of view do have arguments to support the claim – they simply compare the university’s functioning to how it was in Soviet times. The transition period severely damaged some of the vitally important levers of the institutional mechanism but also dramatically modified the university’s external environment. These levers need to be reinstated in order to guarantee that the university operates harmonically in the new times as well. For instance, looking at the professional resources of the university: *“We haven’t solved the problem with cadres yet: we*

*have hard times looking for qualified lecturers to teach for these low wages. The truth is we can not offer good salaries, even for commercial educational programs such as MBA. The problem with cadres is a common one for all departments of the university. That is why it is obvious to me that the transitional period is not over yet” (Int. 4).*

In addition, the market era in Russia created new challenges for the university. Until the university staff accepts them and shares the ideology of new times, it is hardly possible to characterize the university as “marketized”: *“...lecturers have to adapt themselves to teach under market conditions. Until our “old Guards” are not replaced by a new generation, we are not capable enough to meet the market challenges properly” (Int. 12).*

But there is a diametrically opposed point of view at the university: *“I would rather say “Yes, Voennmeh has transformed itself into a market-oriented university” than “No”. A criterion determining this for me is how flexible an organization is towards external changes. There was a need for implementation of a two-level system of higher education – BSTU responded and implemented the system in the short run. The market demanded economists, there was less need for engineers – BSTU launched new educational programs. Nowadays, MBA makes a noise in the world – BSTU offers MBA; advertises this and wins over its competitors. There were needs, and now they are fulfilled. This is remarkable for such an inertial machine as a university” (Int. 9).* Both points of view deserve to be recognized, if both sides accept that to some extent the university is in fact marketized. The analysis of the arguments and conclusions derived regarding the phenomenon of Russian University marketization are presented in the last chapters.

## PART V

### *So What? Novelty in Marketization of the University*

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- *Chapter 12. Lessons to learn*
- *Chapter 13. Discussion and conclusion*



## 12. LESSONS TO LEARN

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*“The most important lesson to learn from “perestroika”<sup>184</sup> is that we should not just rely on leaps and revolutions. This approach is peculiar to our [Russian] mentality though. We have always had to force our way; we have always had to defend ourselves and mobilize. For the sake of a grand idea or a goal, we went for broke. We finally need to stop hoping that everything can be resolved in one fell swoop. We need to stop rushing from one extreme to another<sup>185</sup>”*

*(Gorbachev, 2006: 367).*

This chapter presents and analyzes the main findings. First, the idea of the Russian University is formulated in the form of institutional paradoxes in order to summarize the empirical analysis of the unit of the study. The main objective of the study is to uncover the significance of marketization in the context of the Russian University. According to the analytical framework of the study, the findings revealing the investigated phenomenon are categorized as origins of marketization, market-oriented transformations implying both institutional change and the increasing use of marketing mechanisms, and outcomes of marketization. This chapter does not aim to discuss the results in the light of relevant literature or in relation to theory; I return to these aspects in Chapter 13.

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<sup>184</sup> In this quotation, we may want to broaden the interpretation of the term “perestroika” to transformations taking place in Russia during the period 1986-2004. In Russian, “perestroika” literally means “re-building”, hence it may be seen as revolutionary changes.

<sup>185</sup> Translated by the author.

### 12.1 About the Russian University

The present study argues that in order to understand the investigated phenomenon, a deep understanding of the unit of analysis is important. Chapter 6 briefly introduced the history of the University culture in Russia since its rise at the beginning of the 18<sup>th</sup> century. Other empirical chapters, however, have also contributed to an institutional analysis of the Russian University, more implicitly though. This section aims to summarize the discussion concerning what the Russian University is.

Nowadays, in considering any Russian university, with its history, people, problems and achievements, each of the cases will be unique. These unique cases of Russian universities combined together constitute the unique, contradictory and yet single “whole” (ref. Sadovnichiy, 1993): the phenomenon one might call “The Russian University”. Despite the hard times experienced by the Russian University, it has always been an important social institution, responsible for national heritage, the accumulation and reproduction of scientific and professional knowledge, and cultural treasures and norms. Nowadays, the Russian University is an institution in the process of modernizing itself, and yet also respecting its own legacy and traditions. Looking at the rise of the University culture in Imperial Russia, Pyastolov & Shatin (2004) conclude that this experience needs to be better used by reformers of the modern Russian University. Results of the present study support this view as well: one of the findings concerns the legacy that the Russian University inherited before the transition period started. Furthermore, I clarify the idea of the Russian University by addressing its legacy acquired in different periods of its institutional development.

At the beginning of the 1990’s, the term “legacy” had a negative flavour, almost synonymous as it was with “remnants” of socialism and communism (see e.g. Jones, 1994). Hence, the flip side of the coin was not checked: the emphasis had to be put on critics of the obsolete regime

and the “damage” it had done - to the University as well. In new Russia, the term “legacy” has gained a more positive flavour. Even President Putin, commenting on Russia’s situation with regard to the Bologna movement in 2004, claimed: *“We must implement modern educational standards into practice, moreover our education should satisfy the highest world standards, but we must not forget the home advantages we have achieved”*<sup>186</sup> (Putin, 2004). The Russian University treasures its legacy; but what is this legacy?

As stated earlier, in the present study, the Russian University is referred to as a national institution with its history and traditions. Table 7.5 summarizes the historical analysis of the institution – the development of the Russian University as a response to local and global influences. In general, going back to the origins, we can see the achievements of the Imperial University as belonging to the idea of the “academic university” and the first classic universities providing the basis for University system development. Ambiguity in defining the Russian University can also be traced historically back to imperial times. It is also worth noting that, from imperial times, the Soviet University inherited such a “burden” as class orientation and ideological pressure at the University (Lukin et al., 2003). But as a reflection of overall transformations in the country, this legacy, even if it was treated negatively, as a remnant of the Tsar times, did turn out to be well-preserved, if only in a different way. The ideological pressure was stepped up and substituted for the Communist one; class orientation was officially scorned, but indeed parents’ past, education and occupation kept playing an important role influencing the educational paths of many children (Jones, 1994).

The Russian University of post-perestroika times inherited such hereditary traits of the Soviet University as the upbringing function of the University, the teaching methods, and the complexity of the administrative structure for higher education governance (Jones, 1994).

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<sup>186</sup> Translated by the author.

Jones claimed that this legacy severely restricted “*the ability of the new society to create an educational system more attuned to a changed situation*” (Jones, 1994: 3). But, in my opinion, the scholar made too critical statements as he purely concentrated on one negative aspect of the Soviet legacy. One explanation of this is that Jones (1994) refers to Soviet times in their declining years when the overall perestroika in society had started to cause confusion in the settled functioning of the Soviet higher education system.

Already these few examples give some idea of the legacy brought with the Russian University, entering the revolutionary new stage of its development. But, the historical analysis of the Russian University presented in this study comes forward with an idea that, in all periods of its development, the Russian University dealt, explicitly or implicitly, with the same set of challenges. As early as two centuries ago, the University of Imperial Russia gave birth to several paradoxes<sup>187</sup> that are now not just relevant but very important, as the modern Russian University faces the same challenges. Pirogov’s thoughts on the Idea of the Russian University (1863/1985), so relevant nowadays, inspired me to draw this conclusion.

Table 12.1 introduces paradoxes in relation to the criteria for an institutional analysis of the University. The paradoxes discussed in the following discourse may be found in other university systems worldwide. Thus, they should not be seen as something specific or unique for the Russian University. However, these paradoxes are formulated, based on the empirical data of the present study, and are the outcomes of the historical institutional analysis of the Russian University.

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<sup>187</sup> In the present study, the term “paradox” is used in the meaning “one exhibiting inexplicable or contradictory aspects” (The American heritage: Dictionary of the English languages: Fourth Edition, 2000, www.bartleby.com).

Paradox	Concern in terms of the criteria for the institutional analysis of the University	Meaning
Science-Practice	Mission: education	Should the University education provide academic or applied knowledge?
Master-Servant	Mission: research	Does society determine new directions of scientific development or does science move society forward?
Talent-Mediocrity	Resources: student resources	Should the University be for talented youth or for mediocrity?
For the idea - For money	Resources: professional resources	Should the faculty serve the ideals of the University for money or “for the idea”?
Foreign-Local	External functioning: relations with the international community	To what extent should the international community have influence on national aspects of University development so it keeps its originality and at the same time becomes integrated into the international University community?
Autonomy-State control	External functioning: University-State relations	To what extent should the University be autonomous or to what extent should the University depend on the state?

**Table 12.1** The legacy of the Russian University formulated as paradoxes

*12.1.1 The paradox of “talent - mediocrity”*

Should the University be for talented youth or for “mediocrity”? As early as in the 19<sup>th</sup> century, some representatives of the nobility received their university education, purely because it became fashionable; because the university degree promised a career, because the parents could pay for the education. But these students were not interested in science as such. Pirogov (1863/1985) emphasized that only a microscopic group had a thirst for knowledge back in those days. This scholar pointed out that, already at this point in time, the University started focusing on “the mediocrity”, while “the talented” were left out. As the present study shows, the modern Russian University faces the same problem, just on a larger scale as the number of universities has increased almost 100 times since Pirogov’s observations. Nowadays lecturers do not refer to Imperial times, but many of them remember Soviet times and Soviet students being more motivated to study than modern students. The Soviet University did not just exist for the talented students alone - masses of people could obtain

higher education at other types of HEIs, and a lot of them chose technical<sup>188</sup> and vocational<sup>189</sup> schools. There was no big rush for the university degree, as can be seen in Russia these days. This actually constitutes one of the paths of Russian University development already predicted by Pirogov back in the 1860's. He wrote that if the University were to choose this way, then it would be turn into a professional school and would sacrifice the minority - the talented students (Pirogov, 1863/1985). Market ideology changed the nature of the Russian University and the nature of the people: successful branding, higher status, positioning in the educational market, the earnings, attracting more commercial students without judging their mental capabilities and the desire to study – all this now seems more important than talent, knowledge and science. So is talent left on his/her own? Is this not alien to University nature?

### 12.1.2 *The paradox of “science-practice”*

Since imperial times the Russian University has dealt with another dilemma: whether to teach scientific or applied knowledge? A hundred and fifty years ago the classic idea of the university was defended and the Russian University was seen as a scientific institution. However, already in those days society's needs for qualified specialists put hard pressure to change the educational character of the University. The University resisted, as this contradicted the classic idea of the University and as applied knowledge could be taught at other HEIs. However, speculating on the development of this trend, on the University becoming an institution teaching applied knowledge, Pirogov wrote: *“the state needs intelligent people, but moreover it needs specialists. The people look for education as well, but to a larger extent they look for an opportunity to provide themselves with the means of*

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<sup>188</sup> Technical school [in Russian: Техникум (Tehnikum)] – established in the USSR, a type of a special secondary educational institute, mostly with a technical profile providing cadres with special secondary education to different industries, agricultural sector, construction, communication, etc. (Russian Encyclopedia Dictionary, <http://enc.mail.ru>)

<sup>189</sup> Vocational school [in Russian: Профессионально-техническое училище (Professionalno-tehnicheskoe uchilishe)] – established in the USSR, a type of special secondary educational institute providing students with incomplete and complete secondary education with vocational education (Russian Encyclopedia Dictionary, <http://enc.mail.ru>)

*sustenance and of achieving a higher position in society. And as the state needs specialists, the people turn university education to their advantage*<sup>190</sup>” (Pirogov, 1863/1985: 369). Is this not precisely what the Russian University and Russian society face nowadays? Modern Russian students complain about the lack of practical knowledge to be gained at the University. They start working life in their second or third study year, not only because of material reasons, but also because they know that employers are not that interested in the degree. They are more interested in the job experience of a candidate and his or her network. Should the Russian University finally transform into the institution teaching applied knowledge or will it resist, by trying to keep to its institutional origins?

### *12.1.3 The paradox of “master-servant”*

Another everlasting University issue concerns the role of University research and science in society. Does society determine new directions of scientific development or does science move society forward? Should university science depend on the state ideology and satisfy the needs of society? Who is the master and who is the servant? The history of the Russian University shows that University science has always, if to varying degrees, depended on government. Increases in financing have always stimulated research at the University; but when the state turned its back on University science, it rapidly fell into decay. Only a few really devoted people kept Russian science alive in its darkest hour. The government has also often “dictated” or stimulated the prior directions of scientific development, financing them better. For instance, in Soviet times these were particularly the space and military fields; nowadays the focus has switched to nanotechnology and information systems. From this point of view, University science can be seen as the “servant”. On the other hand, it is generally taken for granted that the development of the state relies on the intelligence of the nation, scientific discoveries, and technological progress. Science is also socially responsible for

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<sup>190</sup> Translated by the author.

some outcomes of scientific progress: the atomic bomb, human cloning, chemical and bacteriological weapons, are potential world dangers (Verbitskaya, 2002). Thus, University science can in fact be the “master” of progress in society, but also of regress.

*12.1.4 The paradox of “foreign-local”*

This concerns international influence on development of the Russian University. As I repeatedly underlined in Chapter 6, the Russian University was grounded on the university idea imported from abroad: the basic principles, models, structures, but also the first students and the first teaching language. The Imperial University constantly imported books and scientific work, constantly imported foreign professors and also directed Russian youth to obtain university degrees abroad. However, with time the imported foundation of the University became nationally interpreted, thus developing the national model. The first universities only appeared in Russia as late as the 18<sup>th</sup> century, and since then political and economic reforms or, in other words, transformations of the country’s governance dramatically influenced the institutional foundations of the Russian University. Imperial Russia with its elitist higher education was by way of revolution cardinally transformed into Soviet Russia with its mass higher education system. Then, in about seventy years the state “was rebuilt” into “capitalist” Russia, perceiving and starting to implement global trends. However, nowadays the Russian University is rather careful in responding to the European appeal for, for instance, unification of the university systems. Yes, integration towards the international university community progresses rather slowly. To what extent should the Russian University let the international community have an influence on its development so it keeps its own originality, but at the same time takes a strong and established position in the international University arena?

*12.1.5 The paradox “for the idea or for money”*

Should the faculty serve the ideals of the University for money or “for the idea”? Since imperial times and the establishment of the first Russian university, material security of the University faculty has been on the agenda. In the middle of the 19<sup>th</sup> century the material existence of University members had not yet been safeguarded; however, the University as an institution was neither developed nor publicly popular back then. In Soviet times, communism and socialist ideology were motivating forces sufficient to ensure work “for the idea”. In addition, the University was relatively well financed. The present study shows that since the beginning of the 1990’s, the Russian University experienced a financial crisis: masses of University employees left the institution looking for better salaries and promising carrier opportunities. However, for different reasons, many lecturers stayed at the University and kept it functioning, sacrificing their individual material benefits in favor of the idea of the University. These faculty members of the Russian University have shown dedication to the institution. If, in Soviet times the material side of living was not a matter for discussion - the idea was the primary thing. Since the economic and political situations in the country have changed so radically, priorities have been turned inside out. The worst part, however, is that, for many years now, the salary of a university lecturer has been among the lowest in the country, comparable to the salary of a street-cleaner. Physiological needs, as is well-known, form the basis of the needs’ pyramid (Maslow, 1946), so they must be satisfied first. If not, then as demonstrated by this study, the individuals look for other ways of satisfying these needs. In the case of the Russian University this turned out to be additional jobs, bribery, and corruption. Reflecting upon this issue in 1863, Pirogov stressed that the material existence of the University faculty had to be provided for. However, it is in human nature to want more. Thus, an ordinary salary cannot hold a person on the road to science, if he/she does not belong here. The call to teach and research is rather personal; it amounts to dedication: “*where the*

*spirit of science dominates, great things are created with the least of means*<sup>191</sup>” (Pirogov, 1863/1985: 327). The history of the Russian University and its reaction to the recent challenges suggests that the material existence of the faculty should be secured. The extent of its provision is a philosophical issue, but it should at least be to the extent that it does not negatively affect the ideals of the University.

#### *12.1.6 The paradox of “autonomy-state control”*

This paradox refers to the relations between the University and the state in general. Here several points need to be addressed. First, throughout its history the Russian University has often suffered from the ideological and political control of the state: University autonomy was limited. Resentment has always been aroused in University circles as a result. But finally, the Russian University got used to this. This is why a sudden democratization of the University at the beginning of the 1990’s was so shocking: the University used to depend on the government. This is why the Russian University went through the crisis in the 1990’s: suddenly - no financial and no moral support from the state. But instead, the Russian University gained autonomy and was not exposed to political, ideological or religious pressures anymore. However, as Verbitskaya (2002) notes, University autonomy was limited anyway. This time this was due to economic pressure, as state University financing was dramatically reduced, while the legislative base regulating relations between the state and the University had not yet been developed. As articulated in the empirical chapters, this created a new mission for the Russian University – “to survive”.

On the other hand, the University resembles a child of the state - still too young and still learning how to deal with the “generation gap” - the everlasting issue between fathers and sons. By using this allegory, I lead into the discourse on how much freedom the University

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<sup>191</sup> Translated by the author.

needs/should get in order to be able to fulfill its social missions at the highest level. To take an example, I want to remind the reader of the discussion about the negative impacts of marketization on the University. For instance, the universitization wave destroyed the meaning of the University as it became a desperate run to achieve the high status of a HEI more than a necessity for developing the University as an institution. Another example is an infraction of ethical principles caused by marketization of the Russian University and provoking corruption at different levels of University functioning. Hence, fulfillment of the important university mission “to educate” also became threatened. The point is that if the University keeps being the national institution responsible for intellectual and scientific development of the nation, then there is a need to find a degree of freedom and control reasonable for both parties.

#### *12.1.7 Legacy and the idea of the Russian University*

The question fairly arising from this debate about the paradoxes is “*Why do these paradoxes keep step with the Russian University along its lifelong road?*” Is it because they have never been given proper attention by the University and the government simultaneously? Is it because the University, government, and society have never managed to compromise on these issues being, probably, “too selfish” in their judgments? Or is it because these paradoxes are simply in the institutional nature of the Russian University and may be in the University nature itself? What is obvious is that nowadays the Russian University is at a very important stage of its historical development. The state leaders have, time and again, proclaimed that the University is an important institutional element of the nation, that the heritage of the University must be respected and kept. However, they did little to articulate what this heritage actually was. Together with developed scientific schools, high quality of University education, a high position in society, etc. the paradoxes mentioned above also constitute a

heritage. Delving deeply into the history of the Russian University, we may clarify for ourselves a background of modern institutional problems, as many of them have been repeatedly addressed by elder statesmen and men of science. However, the debate on the named paradoxes initiated in the 19<sup>th</sup> century (see e.g. Pirogov, 1863) has lost its philosophical lustre as, first, political and economical pressures impacted the minds of scholars and University administrators, followed by economic and material benefits starting to dominate, leaving little room for the “romantic appeal” of heritage. How long will these paradoxes determine the nature of the Russian University? By now, this may sound more like a rhetorical question, but it is a question worthy of public attention.

## **12.2 About marketization of the Russian University**

The main research inquiry of the present study is formulated as “What does marketization mean in the context of the Russian University?” In Chapter 2, I emphasized that in order to investigate the phenomenon of marketization it is necessary to address the issues of diffusion of market ideology and market-oriented transformations at the institution. Based on the existing studies in marketization of higher education, I specified that in order to understand marketization of University origins, market-oriented transformations that imply both institutional change and increasing use of marketing mechanisms, and outcomes of marketization (Fig. 4.1) should be explored. This sub-chapter summarizes the findings using the same structure.

### *12.2.1 Origins and nature of Russian University marketization*

The present study documents the nature of Russian University marketization as extraordinarily dramatic. Here are the arguments supporting this claim. Marketization of the Russian University went on under severe conditions for the University. More or less no “preparation period” existed – marketization happened suddenly. The University and the

country itself were not prepared for such severe transformations: they were simply started without “*an accepted and comprehensive theory of system of change*” (Springer & Czinkota, 1999: 29). In contrast with many countries where marketization has been “a conscious objective of official action” (ref. Yin and White, 1994), the marketization of the Russian University was revolutionarily unconscious. The whole country experienced revolutionary changes marketizing itself. Marketization of the Russian University was inseparable from the overall marketization of society. As one of my interviewees put it, “*the University is a part of the country, a part of society. If the whole society transfers itself to the market, the University does the same. There is no other way.*” (Int. 5). On the other hand, the University was left at the mercy of fate and “to marketize itself” was the only way to continue functioning and developing. Thus, in the case of Russia, marketization was coercive, but not from the government – rather by its lack of attention and, hence, inevitable by its nature.

The marketization process was at times unpredictable and unmanageable. Russians simply lacked the experience of administrating public institutions and organizations under market rules. So when the planned mechanisms were destroyed, there was nothing functional to replace them with. Lack of knowledge about management, together with an unstable and chaotic environment in the country, an underdeveloped legal base, conversion of the defense industry, the new needs of society, but also new values, new types of relationships, etc. challenged Russian University marketization. The University has been undergoing marketization along the way through learning by its own mistakes, as marketization was checkered with uncertainty. Summarizing the epithets used to describe the process of marketization of the Russian University, Figure 12.1 displays the analysis of the nature of the studied phenomenon.

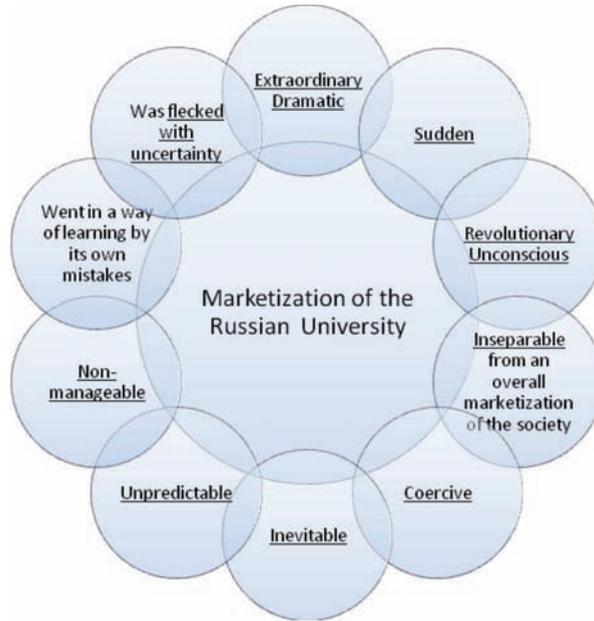


Figure 12.1 Nature of Russian University marketization

12.2.2 Features of Russian University marketization

According to the developed analytical framework (Fig. 4.1), market-oriented transformations at the Russian University are studied as institutional change at the University. However, emphasis has also been put on the increasing use of marketing practices. Summarizing the empirical evidence presented in Chapters 7-10, and co-relating the results of the institutional analysis of the Russian University documented in Table 7.5, this section structures the features of Russian University marketization into four groups according to the analytical model developed in Chapter 4. The further discussion refers to the “transition period (1992-2003)” in the history of Russian University development.

First, let us look at the features of marketization concerning the University missions. The issue of universitization has been repeatedly addressed in this monograph. A number of state universities have grown dramatically since 1991. This affected both the nature and missions of the Russian University. The nature of the University itself became more complicated, as

discussed in the previous chapters: “new” versus “old” universities, “specialized” versus “classical” ones, etc. Moreover, new university status became a challenge for HEIs. The “new” universities had a new mission – to serve as a university. The case of BSTU examined in the present study is a good example of a higher education establishment coping with this new status. Another new function typical for the Russian University in the transition period was “to survive”. Sudden and dramatic cuts in state funding made the Russian University learn how to operate in terms of self-sufficiency. We may say that enforced preoccupation with performing this mission took attention away from the traditional University functions which were damaged as a result. Research went on, but on “starvation rates”, as both the state and industry minimized their orders. This resulted in low salaries and a dramatic reduction in research staff, but also threatened the very existence of scientific schools at the University. The education mission suffered from outdated teaching methods inherited from Soviet times and a deterioration in the quality of education.

Secondly, I would like to look at features concerning the academic structure and main resources of the Russian University. The present study provides evidence that the academic structure of the University was considerably enlarged: faculties grew into institutes; centers for additional educational services and enterprises dealing with research were established; the University was eager to merge with secondary schools and colleges, etc. Moreover, the academic structure of any university, no matter what its original characteristics were, now included faculties of humanitarian and economic education. This led to an excess supply of educated specialists in these fields. Changes in the funding structure of the University and the sudden reduction of state financing made the University search for additional funding and earn money to survive. This is one of the explanations for academic structure enlargement and University focus on disciplines popular in society at the time. As for University resources, the studied period of marketization is characterized by shortage, but also imperfection of

resources. This especially applies to material resources as, for many years, the University did not have enough finances to renovate their laboratories, auditoriums, and dormitories, or renew libraries. But this also concerns professional resources because the impoverishment of the University and its inability to provide the faculty with sufficient salaries to make a living created a “cadre” problem – this problem still remains unsolved. The “brain-drain” - both external and internal immigration of University staff - was painful to the University, but difficult to prevent. Those faculty members who kept working at the Russian University experienced a dramatic decline in living and working standards: poor and sometimes even delayed salaries, and a loss of prestige and interest in the profession. So secondary or multiple employments of the teaching staff, at the same university or at several different universities, or at a university and or in business, provided the solution as people had to make ends meet with family budgets. As for student resources, there was a growth of the number of University students, because of the students applying to take higher education on a commercial basis. This trend developed competition between students for the budget places that were limited. Together with “massification” of the University, imperfection of student resources came along. The basic grounding of students was getting worse and students’ appetite for study was falling.

Thirdly, I would like to look at the features of marketization concerning the external relationships of the Russian University. The empirical chapters provide evidence that “University-State” bonds had weakened: the University received considerably less funding, and was out of strict institutional and ideological control. Marketization was also characterized by reestablishing “University – Industry/Business” relationships. As many Soviet enterprises had been converted or liquidated or even gone bankrupt, and new Russian business was developing under the difficult conditions of chaos in the country, it took some time for both Russian business and the Russian University to bring the relationships up to a

new level. If, in Soviet times, research orders served as basis for University-Industry cooperation, in the transition period the relationships grew into joint educational programs and conferences, sponsorship, orders for graduates, etc. Moreover, attracting foreign business structures to cooperate became a new trend in the relationships. In the hard times of transition, these new bonds contributed to establishing new laboratories at the University, new educational programs for potential students and new research opportunities for the faculty. Rapid growth of new contacts and joint educational and research programs with foreign HIEs was another trait of University market-oriented transformations in the transition period.

Finally, let us look at the features of marketization directly concerning engagement of the University in marketing activities. Compensating for a shortage of state financing, the Russian University commercialized its offerings. The basic income item from non-budget activities appeared to be tuition fees for providing higher education. Year by year the chargeable services and new educational programs were introduced to attract school-leavers, their parents, and local and foreign businesses and universities. The Russian University became, to some extent, market-oriented. For instance, the prominence of humanitarian and business education at the University was a direct response to society's demand for managers and specialists in other business functions. The University started developing new products based on the demands of the new times, and the new needs of society and individuals. However, the ideological vacuum appearing after the fall of communism broke acceptance of market ideology by University employees themselves. It is unlikely that the University became responsive to customer's wants and needs: to name just one instance, getting feedback from students on completion of a course or improving students' welfare were rarely practiced. As previously mentioned, the studied period of marketization was characterized by the constant struggle to survive: the University, the faculty, the students survived on their own or on taking advantage of each other. It forced misinterpretation of the marketing ideology by the

University administrators, faculty and students, and gave rise to bribery and corruption and also questioned the very ethics of University relations.

As for marketing activities themselves, the peculiarities of the studied period of marketization were as follows. Diversification of the offered “product” should be named as one of the features. The empirical evidence shows that the University repackaged its Soviet courses into more “marketable” and more attractive courses for potential students. The “delivery system” of the Soviet University was rather developed and these “marketing” achievements were not destroyed in the transition times. On the contrary, they were kept and further developed. For instance, a territorial expansion of the Russian University has been a marked trend since the beginning of the 1990’s: branch campuses of the “capital” universities and of some regional universities were established in many towns of Russia and even abroad, not that many though and mostly in the former Soviet republics. If not establishing subsidiaries providing higher and continuing education, then universities spread their admission courses/admission examination throughout the country for temporal or permanent residence. So the University came closer to direct and indirect consumers, satisfying both the individual needs of students for professional knowledge and the regional needs of enterprises for qualified cadres. The University established closer contacts with secondary schools that appeared to be intermediaries in the University admission efforts.

Concerning “communication”, I would say it is hard to generalize as a number of state universities grew dramatically and the nature of the Russian University became diversified. Even though all state universities were in a difficult financial situation, this varied based according to their status, geography, specialization, activity of management, etc. These university characteristics, of course, had an impact on the communication budgets of different universities. However, one thing can be established for sure – communication efforts, such as

advertising and publicity, were mostly oriented to promote chargeable educational services. Admission campaigns have also become more aggressive. For instance, one can list here the following: the extension of marketing geography, using alumni in strategy formation and in University marketing; organization of conferences as a PR instrument to attract attention from the state, industry, and research circles. Besides the clear goal of attracting more qualified applicants, a hidden motive can be seen: by attracting applicants, the University also increased their chances of getting more commercial students as those applicants who fail competition for budget places can always get a place on commercial basis.

Concerning tuition fees, the Russian University has widely used term/academic year pricing. However, lacking experience, the University had difficulties in getting their pricing strategy right.

Figure 12.2 summarizes the features of Russian University marketization as discussed above.

### *12.2.3 Effects of Russian University marketization*

Chapter 11 documents the effects of marketization as seen by BSTU actors: the negative ones dominate. If one follows the same logic as my interviewees and brings up the description of the marketization process as documented in Chapters 7-10, then the list of the negative effects might be expanded to include at least the following:

- Destruction of “the temple of science” / damage to the research potential of the University
- Withdrawal of the University from its role in developing student personality
- Ruin of the University’s material base
- Marked damage to student and faculty welfare

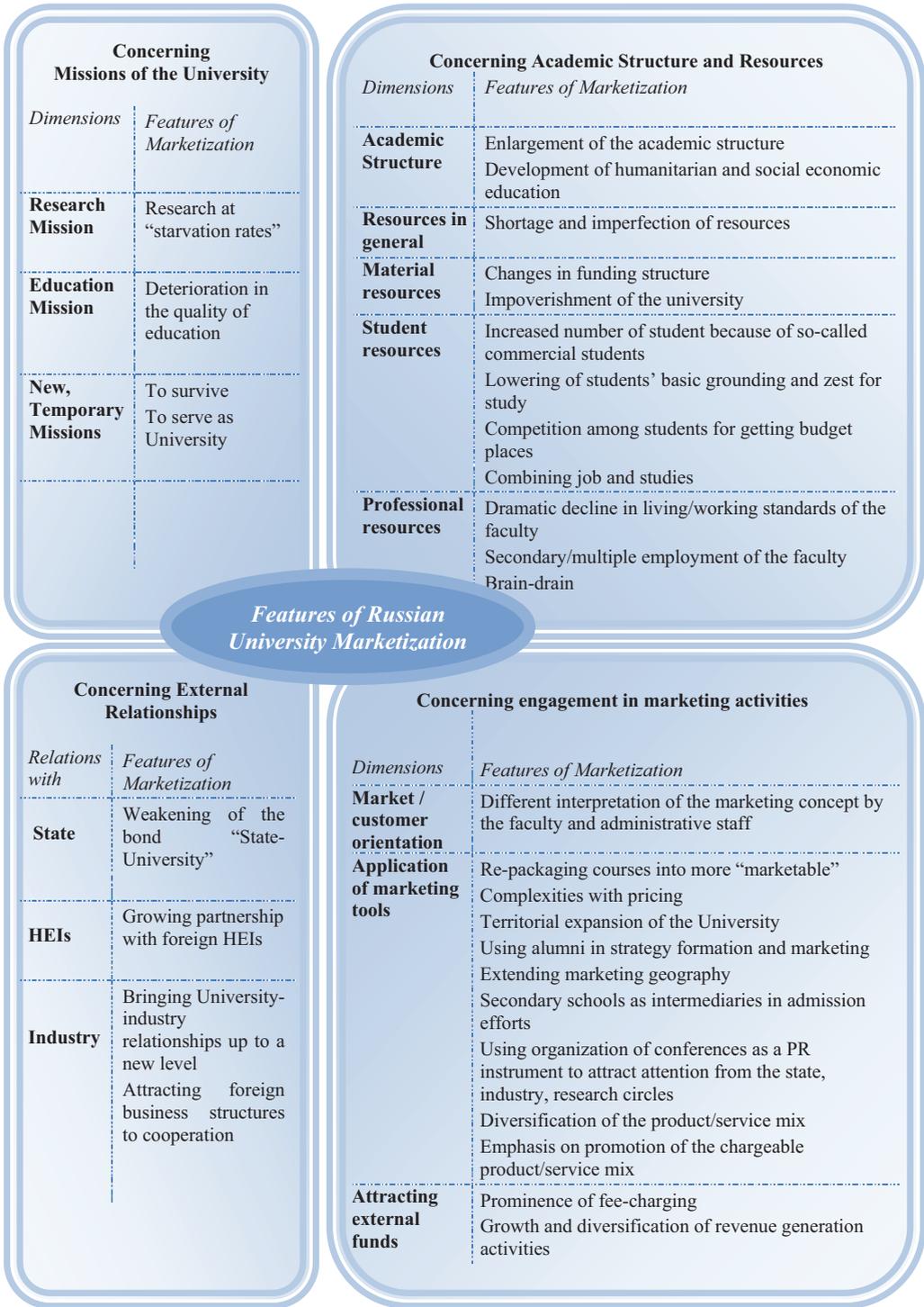


Figure 12.2 Features of the Russian University marketization

However, even the effects named by interviewees as positive, in a broader perspective might be seen from a different angle and, thus, might be judged. For instance, the main positive outcome of marketization my interviewees see is an opportunity for staff to earn money teaching on commercial educational programs. But since the beginning of the 1990's, the salaries offered by the faculty became so poor that they did not provide enough to earn a living without seeking other employment. Another positive argument the interviewees accentuated was that everyone who wanted and was able to pay could get a desirable university degree. Yes, the number of students at HEIs has increased more than twice since Soviet times, the same has the number of HEIs and the number of educational programs they offer. The University came closer to its students by improving its distribution system. These are the positive effects. The statistics visualize that higher education became more affordable to the people. But, if in Soviet times, affordability was based on the knowledge and talents of university entrants, nowadays it is measured by the capability to pay for education. Poor scholarships and underdeveloped loan programs worsened the situation. Thus, compared to the Soviet University model, there was a growing inequity of access to studies, especially to popular study programs. This negative effect on the equity of access to University education in Russia was emphasized by Steier (2003) as well. Moreover, during the transition period, higher education in Russia lost its prestige. To make it look prestigious, people got two-four degrees in higher education as well as scientific degrees. Many graduates do not work according to their studied profession as they were "forced" by society to get higher education. So they got education they could afford to get, even if they had known from the beginning that they were not going to work according to the studied specialization. This also proves that education and labour markets have been neglected by the government for many years and, thus do not function efficiently. As the planned mechanisms broke down, the market mechanisms have not yet managed to replace them, so that both education and labour markets

can team up for the sake of the welfare of the state. Finally, we must assess the issue of University survival during the hard transition times. Yes, marketization opened up new opportunities for the University to earn a living in times of dramatic decline in state funding, but could this have happened more smoothly, so the Russian University did not need to exhaust all its resources, but instead gain from being marketized?

There are of course some purely positive aspects of Russian University marketization. My interviewees may have been too preoccupied with the destruction of the Soviet style University, the impoverishment of the University and its actors, and negative ideological shifts in society. Nowadays, the memory of the hard years of the transition period still dwells too fresh in peoples' minds. Thus, in everyday life, dealing with issues of vital importance and still being concerned with survival, it is hard to see a brighter side to the phenomenon in a broader perspective: either because it is not obvious as of yet, or because the situation is not finally stabilized. Anyway, there are positive shifts in recent market-oriented transformations. For instance, the principal of Moscow State University, Mr. Sadovnichiy, named improving educational law and democratization of the University as positive features of the recent transformations (Sadovnichiy, 1998). Another positive outcome for the Russian University is the development of international contacts with both business structures and HEIs. It both brought financial investments and intensified exchanges in education and research, but also exchanges of student and professional resources. So the Russian University became more open to the international community and by doing so it obtained new knowledge, impulses, opportunities, plans and ambitions. Moreover, contacts with foreign HEIs serve as an attractive feature of a particular university – this can be used to effect in university marketing. However, all these effects (Table 12.2) and their negative sides may be explained by the nature of University marketization in Russia: it came into being or, perhaps more correctly,

coincided with other substantial changes and processes in the country. I suggest that the negative aspects of marketization addressed above should be seen in the broader context of the overall transformations experienced by Russia in the 1990's. The University as a mirror of the society, in terms of Pirogov (1863/1985), reflected the problematic issues of the time. The state was in crisis; the state turned its back on the people and on the University. Under these circumstances one had to survive as best possible and individually acceptable. This gave birth to the described negative aspects nowadays associated with University marketization. Obviously, these are not problems caused by marketization in the traditional sense of the word. In the case of the Russian University marketization happened as part of the marketization of society itself and as a part of the overall crisis in the state.

Negative effects	Positive effects
<b>Marketization threatens the integrity of the university</b>	Opportunities for the faculty to earn money teaching at commercial educational programs* <sup>192</sup>
<b>Respect to mentors and to the study process itself disappears</b>	The University education became more affordable to the population *
<b>Ethical conflicts take place</b>	The University survival during the hard transition times*
<b>Destruction of the “temple of science” / research potential at the University</b>	The University came closer to its students improving its distribution system
<b>Withdrawal of the university from the role of developing student personality</b>	An increased number and variety of the educational offers at the University
<b>Ruining the University’s material base</b>	Advancing of the educational law
<b>Marked damage to students and the faculty welfare</b>	Democratization of the University
	Openness to the international community

**Table 12.2** The main outcomes of the Russian University marketization in the transition period

On the other hand, these or at least many of these effects may be short-term. Nowadays, both the government and the University work at patching up the damage done to the University during marketization. It may be that analyzing the case in some tens of years, a researcher will

<sup>192</sup> Coloration of the outcomes marked with “\*” signifies that the effect of the outcome is seen as questionable by the author.

find more positive aspects of marketization than negative ones. Thus, as soon as the Russian University is fully renovated after the crisis of the transition period, it will be possible to discuss the effects of University marketization without emotion. Nowadays, however, one automatically mainly exemplifies the dark sides of market-oriented transformations at the Russian University, as they were extraordinarily dramatic, happening at the same time as the political, economical and ideological transformations putting the country “on the rack”.

### **12.3 Conclusion**

To emphasize some of the lessons we can learn from the study of Russian University marketization, I would like to highlight the following issues mentioned in this chapter. First, the Russian University initiated marketization following a natural instinct to survive in terms of overall chaos in the country. Thus, marketization of the University in the transition period was characterized as sudden, uncontrollable, and extraordinary dramatic. The term “marketization of the Russian University” might have the following synonyms: ruins, survival, commercialization, bribes. The study also shows that in the transition period it is important to consider marketization of the Russian University in the context of overall transformations within the country, as it is an inseparable part of the overall crisis and marketization in the country. Because of its particular nature and the unpreparedness of both the University and the society for the sudden freedom and domination of market mechanisms, the discovered outcomes of the marketization are rather negative.

On the other hand, the study provides evidence that in terms of marketizing itself, the University did not rush into using more sophisticated marketing techniques than in Soviet times. As discussed previously, the Soviet University was surprisingly active in using some marketing techniques such as promotion techniques and the distribution system, even though it was not familiar with “marketing” as a concept. During the transition period, the Russian

University improved some of the marketing techniques; it became market-oriented to some extent, but still not responsive to customers, especially with regard to “after-sale service”. Nowadays, marketing at the Russian University is still an insignificant component of both ideological and structural functioning. I would say the Russian University is still in search of a reasonable balance between performing its social missions and benefiting from engaging in marketing activities.

Chapter 13 discusses the findings of this study in relation to theory of historical institutionalism and in the light of relevant literature about marketization of higher education.



### 13. DISCUSSION AND CONCLUSION



*“The University is the best barometer of society. If this shows a time we dislike, we should not break or neglect it. It is better to look at this and act according to the time the barometer shows<sup>193</sup>”*

*Pirogov (1863/1985: 376-377).*

*This is the final chapter of the thesis. Discussing the results of the study summarized in Chapter 12 is one of the main objectives of this chapter. Firstly, the findings are explained by means of historical institutionalist theory. Secondly, the discussion moves on to relating the results of this study to existing knowledge of marketization as presented in Chapter 2. The chapter ends by formulating the main contributions of the study and suggesting the implications for further research.*

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<sup>193</sup> Translated by the author.

### **13.1 Discussion of the results of the study**

In Chapter 2 I emphasized that the purpose of the present study was to describe and investigate the phenomenon of Russian University marketization. Two research questions – *What does marketization mean in the context of the Russian University?* and *What does marketization signify for the particular Russian university?* - were formulated as complementary. Clarifying the objectives of the study, I also emphasized that its results would concern both the object of the study – the Russian University - and the subject of the study - the phenomenon of Russian University marketization with its origins, features and outcomes. The empirical Chapters 6 - 11 describe both the object and the subject of the study in a historical perspective. Chapter 12 summarizes, displays and analyzes the findings regarding marketization of the Russian University. This final chapter of the thesis discusses the results of the study. First, the problem of interpreting the modern University is addressed and the arguments for the national idea of the University are recalled, complemented with the findings from the present study. Furthermore, Section 13.1.2 explains the meaning of marketization in the context of the Russian University by means of historical institutionalist theory. Section 13.1.3 discusses the investigated phenomenon in the light of the marketization studies referred to previously in the thesis when the concept of marketization was “unwrapped”.

#### *13.1.1 The University as an institution*

In Chapter 1 I argued that the University as a global phenomenon has recently been exposed to a number of transformative forces. Expansion (Teichler, 1988; Frank & Meyer, 2007), organizing (Ramirez, 2006; Krücken & Meier, 2006), Europeanization (De Wit, 2003), marketization (Mok, 2000; Jongbloed, 2003; Russell, 2005), - to name a few. These processes have influenced the idea of the University dramatically. Nowadays the world is changing so

rapidly that probably a clear unifying vision of the University is no longer possible (Readings, 1996; Dahllöf, 1996; Gray, 1999; Barnett & Standish, 2003; Denman, 2005).

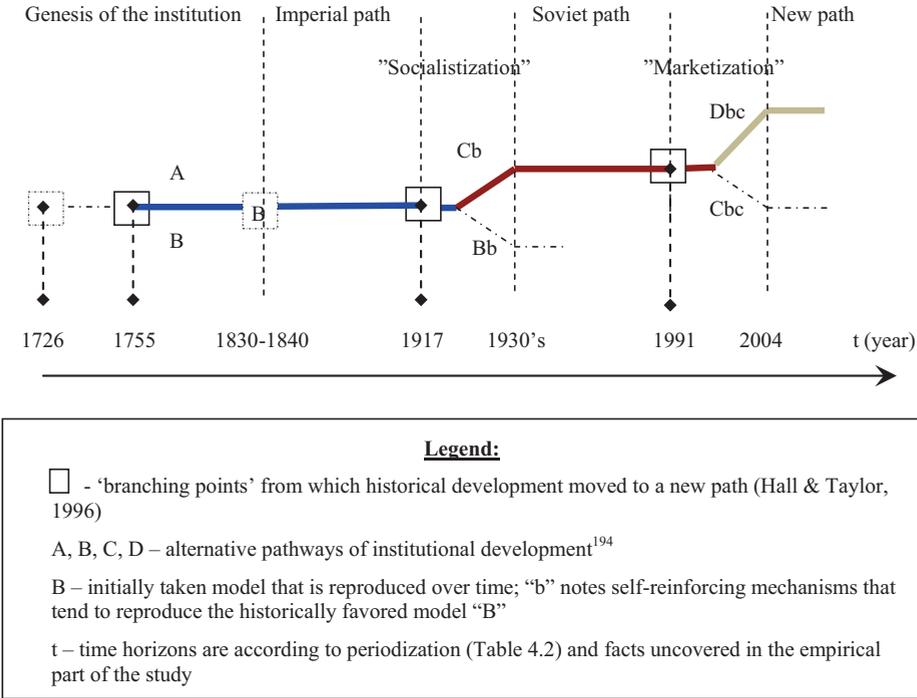
Facing this challenge, the present study suggests stepping back from “unification” in interpreting the University and rather speaking in terms of the University’s national identity. As we know today, the University is an institution with its “genotypic” characteristics shaping the traditions and constancy of the University over the years, as well as with its “phenotypic” features developed by the University as it was “translated” into different environments over the years (Spies, 2000). The present study does indeed empirically support this statement. In order to try and understand the University nowadays, we may need to explore the University’s phenotype, which is the totality of hereditary traits the University has gained while developing in various national and cultural settings. In opposition to Readings who claims that we cannot conceive of the University “*within the historical horizon of its self-realization*” (Readings, 1996: 5) anymore, the present study has shown that the view of the University as an institution with its history and national traditions is important. The present study has shown that the institutional development of the Russian University cannot be understood without taking the development of the nation into account. Thus, I argue, the institutional development of the University in different nations is integrated into their national contexts and thus, displays national characteristics. Even though the role of the nation-state in higher education policy is changing (Hölttä, 1998; Bleiklie, 1999; Jongbloed, 2003) and also decreasing, due to internationalization and Europeanization of higher education (De Wit, 2003; Krücken & Kosmützky, 2007), we may need to use the national idea of the University to gain an understanding of what the contemporary University is.

In the middle of 1993 in his report at the conference “Managing higher education”, Afanasiev (1994) noted a problem of Russian University institutionalization. He stressed that, in

communicating with colleagues from Europe and the USA, he observed their difficulties in recognition of the Russian University: the education, the curriculum, the methods of teaching, etc. Even though in 1994 the universitization process had only just started in Russia, already then Afanasiev (1994) claimed that, in order to achieve successful internationalization of the Russian University, clarification of the term “the Russian University” was needed. At the beginning of the 2000’s, the institutional nature of the Russian University became even more complicated: the idea of the Russian University tended to be blurred by rapid universitization and impoverishment, etc. Thus, initiating this study, one of the objectives I set was to clarify what the Russian University actually was. The study empirically supports the idea of considering the Russian University as a national institution initially imitating the European University models, but soon acquiring its own particular characteristics and qualities. The Russian University may be defined as an important social institution responsible for the heritage, accumulation and reproduction of scientific and professional knowledge, cultural treasures and norms, the institution that modernizes itself, keeping its legacy and traditions. To come to this conclusion, I had to carry out a historical study investigating the institutional development of the Russian University.

The present study belongs to the historical institutionalism tradition which provides certain conceptual tools for understanding institutional development. In Chapter 3 I introduced the theoretical arguments of path-dependant development of institutions. In particular, I emphasized the genesis of institution (Fig. 3.2) and the scenarios of institutional development after the passing of a branching point (ref. Hall & Taylor, 1996) (Fig. 3.3). The present study investigated the genesis of the Russian University and described its development as sequence of paths and critical junctures. Discussing the results of the study, I turn back to the theoretical grounds, revisit Figures 3.2 and 3.3 and develop a simplified model of the

institutional development of the Russian University (Fig. 13.1). Further I comment on Figure 13.1.



**Figure 13.1** Institutional development of the Russian University

Within historical institutionalism, “processes responsible for the genesis of an institution are different from the processes responsible for the reproduction of the institution” (Mahoney, 2000: 512). The Russian University is one of the multiple variations of a global University model. The present study provides evidence showing that the development of the Russian model of the University was based on attempts to imitate the most successful European models. Even if originally the ambitions of governors were to reproduce the German and

<sup>194</sup> The options exemplify either “path stabilization” (marked with a dotted line meaning that this option existed but was not “taken”) and “path departure” (marked with a colored firm line meaning that this option was in fact “taken”). The “path switch” option is not illustrated in the figure as the present study does not illuminate evidence of this option existing during those periods of the Russian University development. Concepts of “path stabilization”, “path departure” and “path switch” (Ebbinghaus, 2005) were highlighted in Chapter 3.

French University models as such, this did not last for long. In terms of historical institutionalism, these represented alternatives (marked as “A” in Fig. 13.1) of the institutional arrangement of the Russian University. After the reforms of the 1830’s-1840’s devoted to “nationalization” of the idea of the University in Russia, the initial University model imported to Russia went through considerable local adjustments. Thus, even though the Russian University initially imitated the European University models, it was just becoming more and more different with the passing of time (ref. Hedmo et al., 2005). As the study shows, the 1830’s-1840’s can be singled out as a branching point in the institutional genesis of the Russian University: the national idea of the University (marked as “B” in Fig. 13.1) was being developed and started to “capitalize” (Mahoney, 2000) (marked as “Imperial path” in Fig. 13.1).

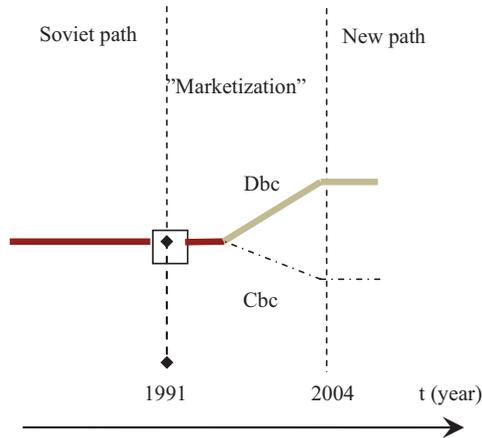
As highlighted in Section 12.1, the contemporary Russian University preserved some traits from other periods of its institutional development. After critical junctures (marked as “socialistization” and “marketization” in Fig. 13.1) that led to “path departure” (Ebbinghaus, 2005), the Russian University reinforced this historically formed institutional pattern into the future (marked as “b” in Fig. 13.1): the idea of “academic university” and first classic universities, ideological pressure of the state authorities, inequality in access to the University (Lukin et al., 2003), etc. After the critical juncture marked as “marketization” in Fig. 13.1, the Russian University inherited the Soviet institutional “template” (marked as “c” in Fig. 13.1) to some extent: teaching methods (Jones, 1994), reliance on state governance, etc. Historical institutionalists explain the historical legacy of institutions as institutional “stickiness” (Thelen & Steinmo, 1992). The paradoxes (Table 12.1) that the modern Russian University has to deal with also clearly show institutional “stickiness” in the context of the Russian University.

Even though students of historical institutionalism now acknowledge evolutionary institutional change and put efforts into investigating its peculiarities (see e.g. Streeck & Thelen, 2005b), within this school of thought there is a tradition to see institutional development as intertwinement of periods of stability and change (Hall & Taylor, 1996; Pierson & Skocpol, 2002; Hogan, 2006). This section highlighted the issues of institutional development of the Russian University in general, emphasizing timing, sequencing, “stable” pathways and institutional reproduction. These issues are important as they help clarify the notion of the unit of analysis, the Russian University. The present study however aims to investigate the phenomenon of marketization of the Russian University. I argued that marketization might be seen as a critical juncture in the institutional development of the Russian University (Fig. 13.1). The next section, hence, focuses on the issues of critical juncture and change.

### *13.1.2 Marketization of the University: institutional change at the critical juncture*

As noted in the introductory chapters of the thesis, marketization is a transnational trend (Djelic, 2006); however, its local “translations” vary around the globe (Brennan & Shah, 2000; Hansen & Lauridsen, 2004; Kozma & Polonyi, 2004). In Chapter 2, reviewing the studies of the marketization of higher education, I stressed that the origins, triggers and nature of University marketization do vary around the world (Scott, 1999; Baldwin & James, 2000; Czarniawska & Genell, 2002; Dill, 2003; Jongbloed, 2003; Kirp, 2003; Djelic, 2006; Munene, 2008). In some countries marketization may be seen as a critical juncture in the history of University development accompanied with revolutionary change (ref. Campbell, 2004), whilst in others marketization may signify more of an evolutionary development (ref. Streeck & Thelen, 2005) of the institution. Thus, in order to understand what marketization signified in

the case of the Russian University, it was important to investigate what triggered the change, how it continued and what it resulted in.



**Figure 13.2** Critical juncture: marketization

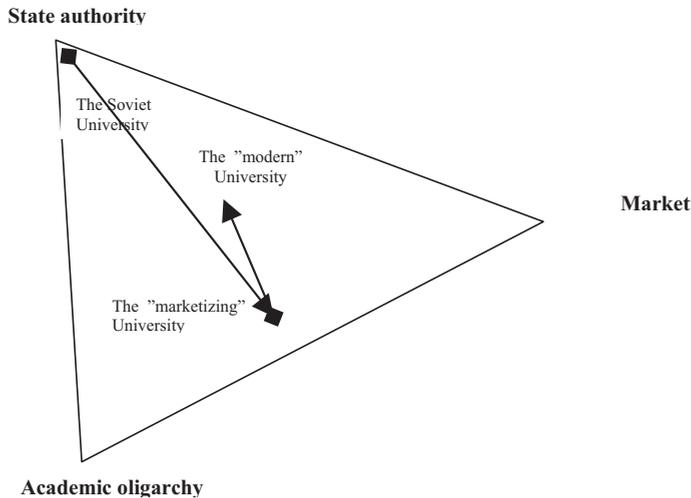
The present study suggests considering marketization as a critical juncture in the case of the institutional development of the Russian University. The part of Figure 13.1 concerning the critical juncture “marked” as marketization (Fig. 13.2) is more closely examined in this section.

### 13.1.2.1 Origins

Historical institutionalists see critical junctures as periods of “significant change” (Collier & Collier, 1991). This change is triggered by massive exogenous impulses (Mahoney, 2000; Pierson & Skocpol, 2002) such as economic crisis, military conflict or a conjuncture of various external forces (Hall & Taylor, 1996). In the case of the Russian University, this was a conjuncture of economic, political, social transformations in the country induced by the fall of communism and the collapse of the Soviet Union. However, marketization of the state may be named as one of the most powerful triggers (Czarniawska & Genell, 2002) forcing the Russian University to marketize itself. This is why the critical juncture in the institutional

development of the Russian University that took place in 1992-2003 is titled “marketization”<sup>195</sup>. However, on closer examination of the marketization phenomenon related to the Russian University, we find more précis and more powerful triggers provoking radical changes at the Russian University.

In Chapter 1 I introduced Clark’s triangle framework (Fig. 1.3) in order to underline that the state was the most powerful force regulating the functioning of the Soviet University. Clark described this situation as “the purest case of the triumph of the state over oligarchical and market interaction” (Clark, 1983: 142). Revisiting Clark’s triangle framework, allows a presentation, if only in a very simplified way, of what has happened to the Russian University since 1992 (Fig. 13.3).



**Figure 13.3** Clark’s triangle revisited: the case of the Russian University during the different periods of its development

After the state had held overwhelming control of the Russian University for some years, the University then experienced state withdrawal. This meant not just a weakening of state

<sup>195</sup> The same interpretation of the changes that have happened since 1991 at Russian state institutions can be found in work done by Wegren (2000). The scholar investigated changes in the Russian rural sector.

control, but also withdrawal of state financial support and state protection. As Wegren put it, the withdrawal of the state from the running of its institutions “*was thought to be the best strategy to facilitate more general democratization [in post-Soviet Russia], but having made those choices the economic impact of reform and the political consequences became magnified*” (Wegren, 2000: 51). This state withdrawal can be seen as the main mover of marketization of the Russian University. The consequences of this action were summarized in Section 12.2.3.

In the empirical part of the study, I noted that different Russian universities reacted differently to state withdrawal. Some universities remained rather passive for a period of time, awaiting stabilization of the situation in the country and state support to overcome the change more smoothly. In Chapter 12, presenting the findings on the origins and nature of marketization, I emphasized that the Russian University initiated changes following a natural instinct to survive in conditions of overall chaos in the country and state withdrawal. However, as the study shows, the Russian University as a whole hoped for the state to return and fought for this. This is why, in Figure 13.1 and 13.2, I emphasize that, after the breaking point, the University initially proceeded along its previous pathway - until a new path started to develop. As historical institutionalists put it, the critical juncture may involve “a period of reorientation” (ref. Collier & Collier, 1991), in which one or another direction of institutional development is taken.

In fact, the Russian University experienced the state returning, starting in 2004. However, the role of the state in University control and support was different than in the Soviet path of the University development. As summarized in Table 7.5, the Russian University moved from conditions in which the University was strictly controlled and managed by the government (on “the Soviet path”) through missing both moral and financial state support, but also

ideological control (during marketization), to more autonomous in terms of finances and curriculum conditions with the state providing considerable grants in order to implement innovative projects (on “the new path”) (Fig. 13.2). This is one of the examples of institutional change occurring at the Russian University during marketization. The narrative proceeds by uncovering the issue of change within a critical juncture framework.

#### 13.1.2.2 Change

Change is an important constituent of the concept of the critical juncture (Collier & Collier, 1991). According to the historical institutionalist school of thought, during the period of critical juncture, a number of transformations are made at the institution concerned in order for it to adjust to new environmental challenges (Pierson & Skocpol, 2002). The findings on changes of the University’s missions, academic structure, resources and external functioning are summarized in Section 12.2.2 and Figure 12.2. Marketization of the University during the transition period was characterized as sudden, uncontrollable, and extraordinarily dramatic. As the study documents, every single institutional dimension of the University (Table 7.5) underwent severe change. According to Campbell, *“if they all [institutional dimensions] change suddenly, after having been stable for a long time... we have an example of revolutionary change”* (Campbell, 2004: 40). The study exemplifies that, to a large extent, the changes at the Russian University were indeed of an abrupt nature.

Turning back to the theoretical discussion of the types of institutional change (Table 3.1), how can we identify the change accruing at the Russian University during marketization? As Table 3.1 shows, Streeck & Thelen (2005) distinguish between four types of change according to different processes of change (abrupt & incremental) and results of change (continuity and discontinuity). Based on the findings in my study, I would say that the model suggested by

Streeck & Thelen (2005) does not fully describe the change experienced by the Russian University.

Figure 12.1 summarizes the characteristics of the institutional change at the Russian University during marketization. Such epithets as “sudden”, “extraordinarily dramatic”, “revolutionary unconscious”, point to the process of change being abrupt. As for the result, the Russian University has continued existing “through and in spite” of the historical breakpoint (Streeck & Thelen, 2005). According to these two parameters, change at the Russian University may be described as close to type 3 in Streeck & Thelen’s (2005) typology: “survival and return”. The present study provides evidence of how the Russian University struggled to survive. To emphasize the scope and importance of the struggle for survival, I argued that the University, in fact, obtained a new, temporary mission – “to survive”. This was necessary during the conditions of sudden and dramatic cuts in state funding.

The issue of “return” seems somewhat more complicated. The study shows that during the critical juncture described as “marketization”, the Russian University developed a new path. Even though the University kept some of the legacy of the Soviet times, it is unlikely that the University ever “returned” to its before-juncture state. The University went through rather fast dramatic transformations adapting to the new environmental conditions. The University implemented transformations, learning by its own mistakes. Thus, “survival”, “revolutionary transformations by learning” and “path departure” are the characteristics of the type of change the Russian University went through during marketization (Fig. 12.1). I suggest that the model proposed by Streeck & Thelen (2005) may be developed and further explained. The issue of origins of change may be seen as a complement to the dimensions “process of change” and “result of change”.

### 13.1.2.3 The legacy of the critical juncture

Specifying the historical legacy is a constituent part of studies of critical junctures, as *“the importance or lack of importance of the critical juncture cannot be established in general, but only with reference to a specific historical legacy”* (Collier & Collier, 1992: 33). According to the historical institutionalist school of thought, the outcomes or effects of Russian University marketization accumulated and analyzed in Chapter 12 (Table 12.2) may be seen as legacies of the critical juncture (Collier & Collier, 1992; Thelen, 1999).

Because of the unpreparedness of both the University and society for sudden “freedom” and the growing power of the market mechanisms, the discovered outcomes of the marketization in the case of the Russian University are rather negative: ruining the University’s material base, destroying the “temple of science”, damaging University ethics, worsening the quality of education to name just a few of the main side-effects. The institutional ground elements of the Russian University had taken a real blow. The present study shows that marketization of the University originated as a desperate move, as a need to survive, and as a required initiative -taken by the University itself. Thus, “negative social consequences” are more obvious than in the cases of planned marketization.

However, the existing literature concerning marketization of the University addresses positive effects of the phenomenon (Scott, 1999; Oplatka, 2004; Levi, 2006). For instance, in some countries, marketization of the University *“improved institutional efficiency and personal productivity, increased accountability and, above all, greater responsiveness to socio-economic changes”* (Yin & White, 1994). In Russia these benefits of marketization are questionable, at least for the time being, as market mechanisms are not yet well coordinated. As historical institutionalists argue, *“the legacy often does not crystallize immediately after the critical juncture, but is rather shaped through a series of intervening steps”* (Collier &

Collier, 1992: 31). For the time being, the Russian University experienced marketization as causing trouble. Table 12.2, however, does point to some positive effects of marketization. Ongoing institutional and political processes influence which legacies of the critical juncture are to be institutionalized and perpetuated, and for how long (Collier & Collier, 1992). The present study did not aim to investigate the historical legacy of marketization, as more time is needed before these evaluations can be made.

### *13.1.3 Marketization of the University: final discussion*

The previous sections of the chapter discussed the results of the study from the chosen theoretical perspective in order to explain the meaning of marketization in the context of the Russian University. This section relates the results of the study to the existing knowledge on marketization as accumulated in Chapter 2.

Looking into the concept of marketization, I argued that, in order to avoid ambiguities, the peculiarities of marketization need to be revealed by exploring the origins, features and outcomes of the process. In fact, the phenomenon of University marketization attracted scholars' attention as it approved itself as a "multifaceted web" (ref. Levi, 2006). It has had different origins in different geographical settings even if the triggers were similar (Brennan & Shah, 2000; Kozma & Polonyi, 2004). It proved to have a number of common and rather unique features in different geographical settings (see e.g. Czarniawska and Genell, 2002). And its outcomes are the issues for debates (Kranchenberg, 1972; Baldwin & James, 2000; Gibbs, 2008). Origins, features and outcomes – these categories formed the analytical framework for the present study of Russian University marketization. Further on in the sub-chapter, the findings within these categories are seen in the light of the studies informing this research.

### 13.1.3.1 The origins and nature of University marketization

Reviewing the literature on higher education marketization, I came to the conclusion that in different countries marketization was either a governmental initiative (Scott, 1999; Baldwin & James, 2000; Jongbloed, 2003) or an academic one (Czarniawska & Genell, 2002; Dill, 2003; Kirp, 2003), or an initiative promoted by powerful international organizations (Djelic, 2006; Munene, 2008). The present study documents that in the case of the Russian University, marketization was forced by the temporal withdrawal of the state from the running of the University. This happened at the same time as the country, its institutions and people experienced revolutionary changes in political and economic life. The state withdrawal (ref. Wegren, 2000) from the University was rather sudden and contrasted with the Soviet University model dominated by state governance. This endowed marketization of the Russian University with a particular nature and features and led to dramatic outcomes.

Wedlin (2008) recently pointed out that the process of University marketization can be described as gradual, but that the process provoked a fundamental change in the ideologies and practices of University functioning. There are other studies showing that marketization of the University is a gradual process (see e.g. Yin & White, 1994; Scott, 1999; Mok, 2000; Baldwin & James, 2000). For the Russian University, marketization was a revolutionary change that destroyed, to a considerable extent, then existing institutional template and laid down the foundations of a new institutional template with the University becoming a more market-oriented institution.

### 13.1.3.2 Features of University marketization

Describing market-oriented transformations at universities in different countries worldwide, scholars point to different characteristics of University marketization. As emphasized in Chapter 2 (Table 2.1), these characteristics can be grouped as follows: elements of

institutional change at the University in response to market pressures (some aspects are highlighted in e.g. Yin & White, 1994; Mok, 2000; Wedlin, 2008) and increasing engagement of the University into marketing activities (see e.g. Scott, 1999; Mok, 2000; Czarniawska & Genell, 2002; Kirp, 2003; Maringe, 2005; Munene, 2008). In order to be more precise about the features of marketization in the context of the Russian University, I specified dimensions for the analysis of both institutional change and the University's engagement in marketing activities (Fig. 4.1). The findings regarding features of Russian University marketization are summarized in Figure 12.2. What do they tell us in relation to existing knowledge on the subject?

Displaying features of Russian University marketization in a structured manner is an important outcome of the present study. In this way one can show the special traits of marketization as applied to the Russian University. For the study I developed a particular framework to analyze the features of marketization (Fig. 4.1). However, the study is not comparative. Thus, each single element characterizing marketization of the Russian University cannot be compared to features of the process elsewhere. The findings displayed in Figure 12.2 may serve as material for further empirical studies about marketization, as well as for further theoretical development of the concept of marketization.

In relation to the studies concerning University marketization referred to in Table 2.1, features of Russian University marketization show that the various characteristics of the marketization process do depend on the context. The evidence from China (Yin & White, 1994; Mok, 2000), England, the USA, Australia and New Zealand (Whitty & Power, 2000), Poland and Sweden (Czarniawska & Genell, 2002), the UK and Germany (Pritchard, 2005), Australia (Scott, 1999), the USA (Kirp, 2003), Kenya (Munene, 2008), Zimbabwe (Maringe, 2005), worldwide (Steier, 2003) and now Russia, point to both global commonalities and local variations of the

phenomenon. For instance, a number of studies as well as my present research bring forth the growth of revenue generation activities and re-packaging of courses into more “marketable” as being clear features of marketization. On the other hand, Mok (2000), for instance, argues that, in China, marketization strengthened students’ motivation to study due to the adoption of the “self-financing” principle. My present study, on the contrary, refers to a lowering of students’ desire to study as a feature of Russian University marketization. So the characteristics of University marketization need to be analyzed in their different geographical contexts, both in order to develop our understanding of the phenomenon and to avoid making ungrounded generalizations.

#### 13.1.3.3 Outcomes of the University marketization

Formulating the research questions for the present study, I emphasized that marketization has its pros and cons. The existing literature on marketization addresses the positive effects of the phenomenon (Scott, 1999; Oplatka, 2004; Levi, 2006) while negative ones are often referred to as warnings, potential dangers or risks (see e.g. Hugstad, 1976; Litten, 1980; Yin and White, 1994; Gibbs, 2008) or articulated as “caveats regarding market forces” (ref. Steier, 2003). One of the caveats that scholars repeatedly emphasize (see e.g. Kranchenberg, 1972; Hugstad, 1976; Baldwin & James, 2000; Gibbs, 2008) arises from the unique social character of the University. Studying University marketization in underdeveloped countries, Maringe concludes that market orientation there is still “*an insignificant and inchoate component of both the ideological and structural framework of organizational strategy and policy*” (Maringe, 2005: 149). Engagement of the state Russian universities into marketing activities may be described in the same words. But whilst with these words Maringe (2005) criticizes the state of affairs, saying that there is a need for more marketing, I would like to point to how it is important for the University to balance between applying marketing techniques and

performing its long-term social mission. In Chapter 2 I highlighted some of the difficulties the University experiences in maintaining this balance. Hereafter, I turn back to this discussion, in presenting the results of the study in hand.

According to Hugstad, *“although a great deal of business expertise can be utilized in the successful administration of universities, the unique societal function of a university demands a commitment to the future of the constituencies it serves today”* (Hugstad,1976: 512). Keeping this point of view in mind, one may consider it as positive that hitherto the Russian University has not rushed into developing and applying sophisticated marketing programs. It is unlikely that the Russian University is customer-oriented and focused on satisfying the needs of each particular customer. This may be because the Russian University still perceives marketing as alien to its institutional nature. On the other hand, it may also be explained by the shocking outcomes of marketization during the transition period discussed earlier.

The scholars, for instance Kranchenberg (1972), Hugstad (1976), and Gibbs (2008), caution against the over-use of marketing techniques in everyday University life as this may jeopardize the social function of the University. As Kranchenberg puts it, *“marketing, by virtue focusing on what is being offered to people, and on how it is being offered and to the accomplishment of what ends, most insistently encourages a consideration of ethical issues. Marketing at once is an operational force and a social phenomenon. It brings with it both the opportunity for achieving greater levels of administrative efficiency and, as well, the challenge associated with demonstrating higher levels of moral behavior”* (Kranchenberg, 1972: 380). The present study provides evidence that this view is important. Massive development of business and humanitarian education in the 1990’s led to an excessive number of specialists in the named fields and a corresponding lack of specialists in teaching and engineering; a dramatic decline in university salaries ruined the standing of the pedagogical

profession, but also destroyed the development of the scientific schools - to mention just a couple of examples.

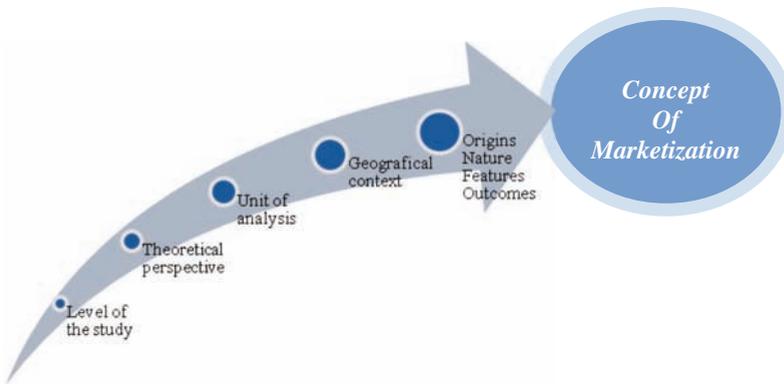
Kranchenberg also claimed that *“marketing is dynamic in nature in that as needs change so also should programs and activities directed toward meeting these needs. In such a context marketing activity is performing a basic service to society...If anything is undesirable about marketing it is not in the activity per se; rather it is in the motives of those guiding the activity and the manner in which it is carried out”* (Kranchenberg, 1972: 380). The results of the present study also point to the fact that it is not marketing techniques as such that are harmful to the University nature, but the market ideology that suddenly and uncontrollably is diffused at the University. The ethical issues include not just the University responsibility for offering the courses, but also the ethics of “faculty – student” relations.

#### 13.1.3.4 Overcoming the ambiguity

The argument I put forward on the first pages of the thesis referred to ambiguities in interpreting the term “marketization”. As emphasized earlier, the phenomenon of marketization is relatively new: complex studies of marketization are still rare and the existing studies often define “marketization” loosely (ref. Witty & Power, 2000). The studies that employ this term either use it as taken for granted without looking deeper into the concept (see e.g. Scott, 1999; Lowrie & Willmott, 2006; Maringe, 2005; Munene, 2008), or interpret it as synonymous to “marketingization” (see e.g. Hemsley-Brown & Oplatka, 2006; Lowrie & Willmott, 2006), or finally confuse marketization with other transformative processes to which the University has recently been exposed (see e.g. Whitty & Power, 2000; Munene, 2008).

Interpretation of the term “marketization” varies and depends on several variables that frame both the context and the results of marketization (Fig. 13.4). The level of the study, the

geographical context, the theoretical perspective, the origins, nature, features, and outcomes – all these aspects form our interpretation of the phenomenon. This was exemplified in Chapter 2. Various definitions of marketization cited there, whether they referred to the marketization of public services, or hospitals, or education, or schools, etc. all possessed the common core – they all pointed to introduction of market-type mechanisms in functioning of institutions for which market ideals and marketing were alien ways of thinking until recently.



**Figure 13.4** Variables influencing the interpretation of marketization

The present study aimed to reveal the significance of marketization in the context of the Russian University. The study was implemented at institutional level, using a historical institutionalist perspective, with the “University” as the unit of analysis, and the phenomenon of marketization was investigated in Russia. Describing diffusion of the market ideology and the introduction of market-type mechanisms (ref. Djelic, 2006) in functioning of the Russian University, the study revealed that, for the Russian University, marketization appeared to be a critical juncture in its institutional development. This critical juncture was accompanied by abrupt, severe and extraordinary dramatic change that appeared in the form of change in the institutional dimensions of the University and a growing University engagement in marketing activities.

### **13.2 Contribution and implications**

First, the study contributes to clarifying the idea of the Russian University for both local and the international communities. Table 7.5, which documents the results of the historical analysis of the Russian University, should be seen as one of the practical implications of the present study. This table presents the Russian University in a retrospective view by way of criteria decided on for the institutional analysis of the University. Thus, Table 7.5 summarizes the brief history of the Russian University and provides an overview of the flow of major changes with regard to the Russian University's missions, its resources and its external relations. The legacy of the Russian University documented in the form of institutional paradoxes (Table 12.1) is another outcome of the historical analysis. Here it is suggested that the outcomes of this study are worth looking closer at by the Russian authorities responsible for further development of the University.

Implementing historical analysis of the University and studying institutional change at the University required working out a set of criteria for the institutional analysis of the University - to be closer examined in each of the studied periods. A list of the criteria used for the institutional analysis of the University presented in Table 4.3 is considered one of the main theoretical contributions of this study. It constitutes the analytical framework for historical institutional analysis of the Russian University.

I was, however, challenged in my research work by the issue of periodization, so important for historical studies. So to tackle this challenge I chose to define four periods in the history of the Russian University. Sharing the view that the University is a mirror of society, I drew a distinct line between the periods based on the dates of the revolutionary transformations in Russia dramatically affecting all aspects of state functioning, people's lives and the University. Table 4.2 shows the periodization used to investigate the Russian University for

the means of the present study. This periodization is another contribution of the study, as it may be used for future studies of the Russian University, using an historical perspective.

The main objective of this research project was, however, to investigate marketization of the Russian University. Revealing the concept of marketization, I faced the problem of diversity and ambiguity in interpreting the term itself. The present study may be seen as a complex study of the phenomenon of marketization. First, the study systematizes existing knowledge of the phenomenon of University marketization. Second, the study investigates both institutional transformations of the University forced by market forces and application of the marketing techniques at the University. It also highlights the issues of origins and outcomes of the process. The analytical framework developed in this study (Fig. 4.1) is seen as another theoretical contribution of the present study. Figures showing the nature (Fig. 12.1) and features (Fig. 12.2) of Russian University marketization and the table summarizing the positive and negative outcomes of the studied phenomenon (Table 12.2) suggest how results of the study can be documented in each of the studied cases. Thus, the study contributes to the current debate on issues of marketization of educational institutions. Most importantly, the study describes and explains the significance of marketization in the context of the Russian University which has not previously been examined to any great extent.

### **13.3 Suggestions for further research**

The present study shows that further conceptual development of “marketization theory” is required. This should, however, be based on an understanding of the variables influencing interpretation of the concept “marketization” (Fig. 13.4). Thus, future research can concentrate on the base of existing studies of marketization, in order to classify them for further development of the concept of marketization.

To extend our knowledge of University marketization, more complex studies documenting how the process has been going in different countries, are required. The University is a national institution, thus its history, traditions, but also its external relations and state policy, influence its marketization. This issue was emphasized in the subject literature (see e.g. Levy, 2006) and the present study supports this argument.

I would also suggest several ways to proceed with the study of Russian University marketization. First of all, the present study might be extended by multiplying the studied cases, as each particular Russian university can contribute something new to the debate. It would also be valuable to consider a look at the private universities and investigate how they coped with the difficulties of the transition period. Moreover, the present study emphasizes the transition period, 1992-2003, when marketization was launched and developed. Since then, as the given empirical evidence illustrates, the Russian University has entered another stage of its historical development. At present too little time has elapsed, however, once the follow-up study proves possible, it may provide new evidence and new contributions to understanding the phenomenon of University marketization and, particularly, its legacy to the institutional development of the Russian University.

The present study made an attempt to analyze the institutional development of the Russian University. As this was not the overriding objective of the study, the history of the Russian University is presented in an abbreviated version. However, the present study demonstrates that the history of the Russian University is both interesting and valuable in order to gain an understanding of the current state of affairs and the current institutional problems at the Russian University, but also of the University as a global phenomenon. Thus, more detailed studies of the history of the Russian University are needed. For instance, the institutional paradoxes formulated based on the historical development of the University in Russia, might

be considered as common to the idea of the University as such. These may also be present in other local versions of the idea of the University around the globe. It might be interesting to investigate how these paradoxes appear and are dealt with in other countries. This falls, however, outside the frame of the present study.

#### 13.4 Final words

*“Market forces are tremendous. Once unleashed, they are not likely to be curbed with ease”* (Yin and White, 1994: 233). In the Chinese context, the scholars assume that the changes brought to the University by market forces *“can hardly be undone”* and *“will most probably stimulate still more market-oriented reforms”* (Yin & White, 1994: 233). I can say both “yes and no” when applying this statement to the Russian University.

“Yes”, more more-market oriented reforms will be implemented so the market steering recently added to the system of the University governance functions in coordination with other regulative forces (ref. Clark, 1983). The University educates the amount of specialists for different industries and sectors of the economy needed by society, and industries get specialists educated in a way the particular industry concerned requires. Research institutions are renewed and get more engaged in the world scientific community. The lower standard of general schooling gains educational ground again. The work at the University is repaid in a worthy manner and the system of student financing is further developed.

“No”, with regard to the fact that things that have happened cannot be just undone. The Russian government actually attempts to smooth away the damage done to the University during the transition period. With the state now “returning” to the University and considering the modernization of educational institutions to be one of its national projects<sup>196</sup>, there is a hope supported by real achievements, that some defects of marketization in the transition

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<sup>196</sup> Discussed in Chapter 6.

period will be eliminated. Here, I can name the merging HEIs and developing larger and stronger University structures as described in Chapter 6. Under market conditions, the universities should be modern and competitive; the universities should aim at constant development of all aspects of their functioning. Recently, Mr. Fursenko, the Minister of Higher Education, proclaimed that there are too many HEIs in Russia, with just 15-20 % of them being competitive and providing solid knowledge. According to the Minister, reducing the number of universities and HEIs - a “sanity” measure - may be a future trend (Komsomolskaya Pravda, 25.07.2008). Thus, universitization – one of the features of Russian University marketization in the transition period, may not be institutionalized.

Another recent example is the financial stimulation of young scientists’ work. On the 30<sup>th</sup> of July, 2008, the President, Mr. Medvedev, signed an order giving a “purse” to young Russian scholars for outstanding contributions to scientific research and development. Yearly, three prizes worth 2,5 million rubles (about 68.000 Euros), a rather substantial financial prize, will be awarded by the President (Decree №1144, 2008). This measure, however, reminds us of the Soviet practice of stimulating research work at the University and hence, suggests the revival of another tradition. According to President Medvedev, the Russian University is only engaged in research to a very small extent, contributing just 4 % of all research and development in the country. This is another defect of marketization in the transition period, about to be changed by the financial stimulation of research and by the establishment of a network of scientific-educational centers, including the leading Russian universities and research institutions. The President assures that the centers are planned to hold world standard and will attract foreign scholars (Komsomolskaya Pravda, 25.07.2008).

Under the current conditions of the global economic crisis, the state aims to support Russian students, and hence the universities, by financing more budget places in Russian universities.

In 2009, this will allow 25.000 of the best “commercial” students to slip paying tuition fees and finish their higher education “graciously” (Rossiyskaya Gazeta, 24.03.2009). Moreover, President Medvedev suggested that Russian universities set fixed tuition fees in rubles for the whole education period, not just for a semester or an academic year as previously. 300 HEIs have already supported this idea, acknowledging that this may decrease their income from off-budget activities (Kommersant, 21.03.2009). Having survived the crisis of the 1990’s, the rectors of Russian universities feel rather optimistic nowadays. During the 9<sup>th</sup> convention of the Russian Rector’s Union, the rectors emphasized that they view the contemporary crisis as an opportunity for further development (RosBalt, 22.03.2009).

So, ongoing and future reforms at governmental level are likely to reduce the negative consequences of the dramatic transition period and boost the positive aspects of market influence. However, nowadays it is hard to predict whether the Russian University will become more or less market-oriented, or which legacy of the critical juncture described in this study as “marketization” will last, and for how long. Thus, I suggest a follow-up study!

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## APPENDIX 1. LIST OF THE INTERVIEWEES' CODES

Int. Code	Description of the Code <sup>197</sup>
<b>Int. 1</b>	Head of one of the BSTU institutes; employed at Voenmeh since the Soviet period.
<b>Int. 2</b>	Lecturer at Physical-Technical Faculty of BSTU in 2003-2006; a student at The Physical-Technical Faculty of BSTU during the period 1997-2003.
<b>Int. 3</b>	Doctoral student and lecturer at The Information and Controllable Systems Faculty of BSTU since 2006; student at The Information and Controllable Systems Faculty of BSTU during the period 2000-20006.
<b>Int. 4</b>	Head of one of the departments at The Institute of International Business and Communication; lecturer at BSTU since the beginning of the 1990's.
<b>Int. 5</b>	Professor at The Avia and Rocket Building Faculty; student and doctoral student at Voenmeh in the Soviet period.
<b>Int. 6</b>	Student at The Information and Controllable Systems Faculty of BSTU during the period 1998-2002.
<b>Int. 7</b>	Student at The International Industrial Management Faculty during the period 1998-2002.
<b>Int. 8</b>	Chief of the BSTU Patents Department; student at Voenmeh in the 1960's, employed at the department since its establishment in the 1970's.
<b>Int. 9</b>	During the period 2006-2007 administrative worker at one of the departments of The International Industrial Management Faculty; doctoral student at The International Industrial Management Faculty since 2003; student at the International Industrial Management Faculty during the period 1997-2003.
<b>Int. 10</b>	A chief of one of the departments at Institute of International Business and Communication; Professor; a lecturer at the department of Foreign Languages since the Soviet times.
<b>Int. 11</b>	Representative of the juridical department of BSTU.
<b>Int. 12</b>	Marketing manager at one of the BSTU institutes.
<b>Int. 13</b>	Chief editor of the university newspaper; editor of the university newspaper since the beginning of the 1990's.
<b>Int. 14</b>	Lecturer at The Institute of International Business and Communication since 2002; doctoral student since 2005; student at The International Industrial Management Faculty of BSTU during the period 1998-2004.
<b>Int. 15</b>	Lecturer at The International Communication Faculty since 2003.
<b>Int. 16</b>	At the time of interviewing – deputy chief of The Patents Department; student at The Humanitarian Faculty during the period 1998-2004.

<sup>197</sup> Maintaining confidentiality with respect to personal information on my interviewees, I do not give a full account of each code.



## APPENDIX 2. THE QUESTIONNAIRE GUIDE TO INTERVIEWEES AT BSTU

Groups of questions	Questions to managers/administrators	Questions to lecturers	Questions to students \ Doctoral students
<b>Opening questions</b>	<p>How long have you been at BSTU? How did you start here? What was your 1st position, your "carrier steps"? What is your position at the moment?</p> <p>What are your main duties? Have you attended any managerial courses? Which ones?</p>		<p>When did you enter \ graduate from BSTU? From which faculty? Did you study on a commercial or gratuitous basis?</p> <p>What do you do for a living now?</p>
<b>1.1 Mission of BSTU</b>	<p>Please tell me how Voenmeh got university status? Why did this happen right after "perestroika" in the country? Do you know what the goals were? What does it mean to BSTU to be a technical university? Has the mission of BSTU changed on the grounds of getting university status or in light of the transition period in the country? How?</p> <p>Was BSTU (the faculty you work at) involved in research in the 1990's? How much are research activities being developed at present? In comparison to the 1990's, the 1980's, commercial research versus state orders?</p> <p>Has the process of administration staff \ lecturers' employment changed? How does it go now? How was it in 1990s, 1980s?</p>	<p>What does it mean to BSTU to be a technical university? Do you think that the mission of BSTU has changed on the grounds of getting university status or in light of transition period in the country? How? What does it mean to be a lecturer at BSTU? Has a status of lecturer / professor changed during the transition period in Russia?</p> <p>Are you involved in research? Yes \ No - why (personal interest, research project of the faculty \ research organization, do not have time, etc.)? How many scientific publications do you have per year? How was it in 1990s? 1980s?</p>	<p>BSTU is a technical university. In your opinion, what is a technical university? What does it mean to be a student at BSTU?</p> <p>To doctoral students: Why did you decide to enter a doctoral program at BSTU? Describe your working week. How does BSTU support your project financially? Do you plan to stay and work at BSTU after defense?</p> <p>How do you evaluate professionalism of lecturers?</p>
<b>1.2 Academic structure and BSTU's internal functioning</b>	<p>How have the structures of courses (methods of teaching, control over education quality) changed?</p> <p>What did change in the process of school leavers' admittance to BSTU during the 1980's-2006 (commercial \ free basis, entrance competition, access courses, etc.)?</p> <p>Please tell me about the development of BSTU's commercial activities? What was the starting point? Did Voenmeh have any commercial activities in Soviet times? Who plans \ coordinates commercial activities in the university \ at the faculty? Talking about higher education, what is the percentage of students getting education on a free basis versus commercial students (what were the dynamics)?</p>	<p>Have students changed (grounding, ability and wish to learn, behavior in auditorium, etc.)? Is there any difference between students getting education on free and commercial basis? How does it show up?</p> <p>Are you involved in teaching on a commercial basis (access courses, commercial educational programs)? What is your attitude to this? Are students "different"?</p>	<p>During the years of your getting education at BSTU, did you experience that the structures of the courses changed (methods of teaching, control over education quality). Give examples, please. Personally, what did you "come away with" after graduation?</p> <p>Why did you enter Voenmeh? How and why did you choose BSTU? How did the process of admittance go?</p> <p>Have you ever benefited from commercial educational services at BSTU? Which ones? Do you think it is helpful for a student to have an opportunity to obtain such educational services on a commercial basis? Why? Should this be developed and how?</p>

	<p>What is \ the role of the state in organizing and managing BSTU?</p>
<p><b>1.3 BSTU's external functioning</b></p>	<p>Do you know if BSTU cooperates now with industrial enterprises or other business structures? How did this cooperation develop? What was the status of Voennemeh-industry relations in the Soviet period?</p>
	<p>Do you just work for BSTU? If yes: are you involved in BSTU projects of cooperation with other HEIs? How did the cooperation begin and how was it developed? Results? Any negative sides? If no: what do you combine your work at BSTU with? Why do you combine jobs? What do you think are the positive and negative sides of combining the jobs?</p>
	<p>What do you know about BSTU cooperating with other HEI? Do you think this is necessary? Why? What are the positive/negative effects?</p>
	<p>What do you know about the Bologna process? How are the basic ideas of the Bologna declaration being realized at BSTU? Does BSTU need this? Why?</p>
	<p>In your opinion, can we establish the fact that BSTU is market-oriented? If yes: what does it mean when we say that a university is market-oriented? If no: What does BSTU lack in order to be called a market-oriented university? What is a market-oriented university?</p>
	<p>How do you understand the term "marketing activities at a university"? Based on your work/study experience at BSTU, what of the things that you have just mentioned are being practically realized at BSTU?</p>
<p><b>2.1 Understanding of BSTU's market orientation</b></p>	<p>Who deals with marketing at BSTU (at the faculty)? If there is no a specific department \ employee, is there a plan to create such a department \ employ such a specialist? Is there such a need for this at present?</p>
	<p>Are/were you somehow involved in marketing activities of BSTU? How? Do you think that lecturers could serve as good profiling (anti- profiling) for a university? How should the University use this? Does BSTU use this?</p>
	<p>Do you know who deals with marketing in BSTU? What does it involve? Do you think that graduates can serve as good profiling (anti-profiling) for a university? How should the University use it? Does BSTU use it?</p>
	<p>In your opinion, who does BSTU compete with in the market of educational services? How was this 5, 10 years ago? In 1980s?</p>
	<p>Can we assert that the period of transition to the market is over for BSTU? No: what else should be done? How long may this take? Yes: what other challenges does BSTU face nowadays?</p>
	<p>For BSTU, what are the consequences of transition to the market? Positive \ negative sides (quality of education, affordability, openness, etc.)</p>
	<p>How was the so-called 'idea of the market' spread within the university staff? Any meetings, letters to lecturers, other measures?</p>
<p><b>2.2. Spreading the market ideology within the university</b></p>	<p>In your opinion, do all BSTU (the faculty) employees realize and accept that BSTU is becoming market-oriented? What brakes \ braked the process of spreading market ideology within BSTU?</p>
	<p>In your opinion, how can one find a compromise between lecturer's academic freedom and market influences? Is this a relevant issue for BSTU, or is a lecturer still "above the market"?</p>
	<p>Can students influence the process of education? Are students' requests for curriculum \ pedagogy, etc. taken into consideration? How was this before?</p>
<p><b>2.3. Factors influenced on the university marketization</b></p>	<p>In your opinion, what influenced BSTU's transition to the market most (state orders, world trends, the necessity to adapt to the new post-Soviet environment, etc.)?</p>

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