

# National-Regional Relationships in Federal Higher Education Systems: The case of Russian Federation<sup>1</sup>

Isak Froumin\* and Oleg Leshukov\*\*

**Abstract.** The issue of the coordination between different levels of power in the governance of higher education is crucial for countries with high levels of regional heterogeneity. This paper analyzes the features of transformation of national-regional relationships in higher education in Russia based on the framework of governance and management in higher education systems. Analysis of “higher education federalism” shows that the current highly-centralized governance model in Russian higher education is the result of a chaotic transformation process after the collapse of the Soviet Union. Also paper explains that actual coordination between national and regional levels is insufficient for real participation of universities in regional social and economic development.

**Keywords:** governance, higher education federalism, national-regional relationships, transformation.

## Introduction

Higher education systems are becoming increasingly more extensive, complex, and diverse. Higher education models that represent the system as a homogeneous body of universities are insufficient for the development of effective higher education policy. Focus is being given to approaches that take into account differentiation among universities, as well as the connection and interaction between actors within the education system (Clark, 1983; Freeman, 1984, *etc.*).

These studies are especially relevant if they are applied to states characterized by a high level of social, economic, and cultural diversity. These include, first and foremost, countries with a large territory and a federal government system such as Russia, the United States, Canada, Great Britain,

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\* Professor, Academic Supervisor, Institute of Education, National Research University Higher School of Economics, Russia, e-mail: ifroumin@hse.ru

\*\* Junior Research Fellow, Laboratory for Universities Development, Institute of Education, National Research University Higher School of Economics, Russia, e-mail: oleshukov@hse.ru

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Australia, Germany, Brazil, India, and China.<sup>2</sup> All of these nations have one common feature—namely, a “federal type” higher education system. We use this term to describe higher education systems that comprise several levels of governance, and as a result, include higher education institutions (HEIs) that are subordinate to different government levels.

The different “federalization” models in these countries have evolved gradually throughout history. The important issue today is the efficiency of the regulation and governance model in higher education. The efficiency of the coordination model that is applied to the relations between national and regional government determines whether or not the nation-state achieves its goals in education. Systems of this complex level constantly strive for balance in the cooperation between the central government and the regions, depending on the type of tasks that the higher education system faces. The search for ultimate balance between coordination and diversity is the basis of studying the issue of federalism in higher education (Brown *et al.*, 1992). It is crucially important for higher education reform in Russia as well. It assumes analysis of the historical background of the current higher education governance system, particularly concerning coordination between national and regional government, and studying the way the system works today. This analysis is the main goal of this paper.

The first part of the research is dedicated to review and analysis of various approaches and models that describe regulation of higher education systems, substantiating the necessity of studying the characteristic features of the relations between the national and regional governments in terms of governing HEI systems. The second part covers the Soviet model of higher education system governance. The final part, in turn, contains research of the transformation that the Soviet national-regional relationship system has gone through during the post-Soviet period.

### **Models of higher education system regulation and governance**

The most popular analytical model applied to higher education governance is the “triangle of coordination” developed by Burton Clark (Clark, 1983). This approach divides governance between three main stakeholders, namely, the state, the market, and the academic oligarchy. The specific way in which higher education is managed in a given country is defined by the distribution of power among these key players. Many studies have made their own adjustments to this approach. Neave and Van Vught distinguish between the state-control model and the state-supervising model (Van Vught, 1989; Neave & Van Vught, 1991), which are based on different roles and functions assigned to the state in managing the higher education system. The state-control model is characterized, on the one hand, by a high degree of power possessed by the state bureaucracy, and on the other, by the

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<sup>2</sup> China, while not a federative state, does possess a high degree of regional diversity and an education system that is governed on several different levels (the province level and the national government level), which allows us to include this nation among others on the list.

relatively significant influence of the academic oligarchy within the universities. This model gives the state an opportunity to interfere in all significant aspects of HEI activity. The state-supervising model, in turn, features a much weaker state bureaucracy. In this case, the power is divided between a strong academic community and the universities' internal administration. From this perspective Neave introduced the concept of the "Evaluative State" (Neave, 1988, 1998), which acts as a somewhat updated state-supervisory model. Instead of the regulation of various higher education aspects, it is based on the evaluation of HEIs' activities and on determining whether the results have been achieved with a significant degree of freedom in managing the study process.

A large number of researchers have also tried to study higher education governance through the prism of market mechanisms. D. Cameron, for instance, highlights two models: coordination through regulation and diversification through competition (Cameron, 1992). The first model implies that the state imposes rigid standards while governing higher education. The second model, by contrast, describes a situation where the market stabilizes the higher education sector independently from the state. In this instance, the state acts as an authority that imposes common rules for the market and makes sure that they are followed.

This approach demands a more complex analytical framework, featuring such factors as the degree of centralization and decentralization in governing the system. Some authors do pursue this direction adding centralization levels to the model (Mok, 2013). It is important to point out that centralization is to be considered in this paper not as an institution-level phenomenon, including the low level of HEI autonomy, but rather as a characteristic of federalism that means the concentration of most power of the national government level.

Most of the approaches reviewed above regard the state as a uniform entity, which has a single set of principles and interests. In practice the management of higher education systems in large countries is characterized by competition and policy coordination between various levels of power where decision-making is concerned. The peculiarities of national government have a significant impact on the way regional higher education systems are controlled. According to William Riker, federalism has the following key features (Riker, 1964):

- (1) two levels of government rule the same land and people;
- (2) each level has at least one area of action in which it is autonomous; and
- (3) there is some guarantee (even though merely a statement in the constitution) of the autonomy of each government in its own sphere.

As a result, the "federal type" of higher education system presupposes at least two levels of power, each having a measure of authority and autonomy when governing higher education.

According to competitive federalism theory (Breton, 1996), the parties involved in federal relations (*i.e.* national and regional governments) are viewed as targets of administrative influence,

which are forced to adapt to the changing environment. This results in two types of competition: competition between national and local authorities and competition among local authorities. The entities compete for the best students and teachers; more funding for research and education; and more.

In part, this model may be applied to the American or Canadian higher education system of governance. Systems of this type are decentralized, as every region is granted exclusive rights to regulate its education sector. Ultimately, this leads to regional higher education systems competing with one another, given that the country in question offers relatively equal education opportunities. Considering the practices of the United States, the California Master Plan for Higher Education is a perfect example of outlining a uniform concept for developing a regional higher education system. Other American regions have also introduced similar documents, including, for instance, Act 188 of 1982 about Pennsylvania State System of Higher Education.

Cooperative federalism, in turn, is distinguished by a different type of cooperation between national and regional governments. This particular model lacks an administrative hierarchy. The center and the periphery interact through negotiations, which turn governance into a shared function distributed among all the decision-makers. Certain traits of this model may be found when reviewing the German model of higher education governance. The higher education policies of various Bundesländer (German states) are coordinated by the Permanent Conference of the Ministers of Culture of the Länder of the Federal Republic and through special negotiations between the regional and federal governments. All these examples show the dynamic and tense relationships between the regional and national authorities in the area of the higher education sector governance.

Robert Smith and Fiona Wood also singled out a few federalism types with respect to higher education (Smith & Wood, 1992). The so-called “soft federalism” is typical of nations that give their regions a large number of opportunities when managing higher education systems. Its polar opposite is “hard federalism”, which is characterized by the national government holding most of the powers.

All of these approaches serve as a basis for analyzing the distinct features of the manner in which the national-regional relationship model in higher education has been developing in Russia. Review of the current relationship model in Russian higher education would be impossible without first taking into account the historical context. Path-dependence theory (Liebowitz & Margolis, 2000) stipulates that the current status of a research subject depends on its development through history. As of late, this theoretical construct has been applied to analyzing education reforms with increasing frequency (Paradeise *et al.*, 2009). Use of the approach described above allows determination of the main reasons and factors that have influenced current development of the management model within the Russian higher education system, as well as to discover main patterns and unveil new unique features of the education system’s transformation in the national-regional context.

### **Analysis of the national-regional relationship in higher education in the Soviet system**

During the Soviet period, the higher education system was centralized and subject to rigid control in adherence to the state's political agenda (Johnson, 2008). Education, along with all the other aspects of social life, was regarded as a part of the unified public economic system. In essence, HEIs were integrated into the national supply chains.

In order for higher education to become part of the state machine, Soviet policy-makers had to tackle the task of bringing the universities closer to the national economy (Kouzminov *et al.*, 2013). Before the 1930s, the authority over specialized sectoral HEIs was transferred to the corresponding executive authority bodies (the People's Commissariats—"Narkomats"): medical HEIs were governed by healthcare Narkomat; transportation HEIs by a group of transport-oriented Narkomats, *etc.* At the time, the centralized state-controlled higher education management system was gradually becoming more focused on separate territories and industries (Kouzminov *et al.*, 2013). This focus was manifested in strict regulations imposed upon HEI specialization and location by a special Soviet government authority — the *Gosplan*. The Gosplan, along with other central authorities, was responsible for such matters as:

- Defining the scale of the higher education system and its quantitative aspects, including the potential number and size of HEIs and the number of students necessary for renewing the nation's workforce;
- Defining the HEIs' curricula and outlining their structure;
- Planning the geographic distribution of HEIs. Some HEIs (for instance, teacher training institutes) were created in every region in order to meet the local demands for certain professionals. Other HEIs (for example, institutions of culture and art) covered several regions at once. Comprehensive universities, in turn, were to be located in the capitals of all the Union republics and autonomous districts;
- Developing and approving curricula, textbook publishing, and methodological support were the sole domain of national authorities.

The main innovation of the Soviet policy-makers, which allowed them to control the education system on a nation-wide scale, was the introduction of a system of mandatory job placement of university graduates into specific workplaces across the entire country. This "distribution" system allowed the government to open universities in those regions that formally lacked the necessary labor market and enterprises that could hire university graduates. After leaving school, a prospective student could move away from home in order to enter a university; and later on, after graduation, could be obligated to work in another city. In effect, centralized student job placement made it completely unnecessary for most HEIs to take into account the specific features and demands of their own regions' economy and labor market. For example, in the 1930s, Moscow was influenced by a surge in the number of engineering HEIs (for example, water transport institute, mining institute, *etc.*),

even though the city lacked a corresponding labor market. After completing their studies, the alumni of these HEIs received work assignments that required them to move to whichever city or town that had an appropriate job opening, often in another part of the country. This way, the job placement made the most significant contribution to the development of higher education on a nationwide scale.

With respect to higher education, the planned nature of the national economy led to an underdeveloped regional specialization of higher education based on the educational demands of the people living in each specific territory, and on the structure of economic differentiation across the regions (Kinelev, 1993). During the reforms of the 1950s and 1960s, the governance of HEIs was transferred to the Union republics, which could have been regarded as a sign of decentralization. However the regions within the Union republics were not given any authority over the universities.

Another channel of influence that helped HEIs strengthen their ties with the regions was the representation of local Communist party branches. Universities rectors and other academic leaders were members of the local political organizations, which gave city councils and regional authorities a chance to influence HEI policy, and established a weak connection between curricula and the regions' needs (Kouzminov *et al.*, 2013).

By the end of the Soviet period in 1988, the Union of Soviet Socialist Republics (USSR) had 896 HEIs under the jurisdiction of over seventy government departments and organizations. The matrix management model describes a system where HEIs are subordinated to several authorities at once. For example, agricultural HEIs were provided with funding and other supplies by the Ministry of Agriculture. At the same time, setting the educational norms and standards for these HEIs was the prerogative of the Ministry of Education. Such a complex management model diminished the efficiency of higher education management (Avis, 1990). It became evident due to duplicated functions; complications in the decision-making process; inefficient use of financial resources; *etc.* (Johnson, 2008).

Thus, even though HEIs were subordinated to different nation-wide sectoral ministries, one could not speak of a decentralized management system. The influence of regional Communist party committees was not strong. They mainly monitored the ideological aspects of the universities' activities. The socialist regime dictated that all the regional and local authorities faithfully follow the directions and policy of the national government. Essentially, it meant that the Soviet-era regional education systems were under full control of the national government. The Soviet education governance model was characterized by the government's disregard of the basic principles of the education system's development (including its regional genetics), which turned the system into a passive tool of the state (Dneprov, 2011). Actually no local initiative was tolerated (Kuhns, 2011).

### **Transformation and the current model of national-regional relationships in Russian Federation higher education**

Collapse of the USSR in 1991 led to the emergence of a new federative state—the Russian Federation. The country's constitution ensured equality among all regions when interacting with federal authorities. The power relations system encompassed three levels. The state was represented by the federal (national) and regional authorities. Municipal authorities were also singled out as a separate level of power, which *de jure* was considered not part of the state, but rather a form of local administration and the people's self-organization.

At the dawn of the post-Soviet period, the state lost its ability to sustain and reinvent the rule of law, to sustain social institutions, social cohesion, and social trust (Klein & Pomer, 2001; Zaslavskaya, 2004). This development brought about some radical changes in higher education.

The main transformation features include:

- Disappearance of a state planning and graduate distribution system; thus, the state ceased to be the only entity governing HEIs. HEIs themselves, in turn, began gaining more independence (Knyazev, 2001) and the people's preferences and demand for higher education began to change;
- Significant reduction in public funding of the higher education sector;
- The emergence of private higher education;
- Liberalization of education programs and increase in the university autonomy; and
- Transfer a limited number of universities under the jurisdictions of the regions.

Difficult social and economic conditions led to a plummet in the level of respect towards the government, which forced policy-makers to seek additional sources of legitimizing their own authority. Thus, many regions were granted more autonomy in exchange for loyalty to the government. The division of power between the national government and the regions stemmed from specific negotiations, which resulted in special agreements; by the late 1990s, such agreements had been signed by all the regions. Many agreements provided for the development and implementation of regional higher education development programs, as well as the possibility of a joint organization of HEI activity, shared by the region and the federation. In 1992, regions were granted the right to license new HEIs. This process turned out to be quite chaotic; however, and brought about the emergence of HEIs with low education quality in general. As a result, this initiative was abolished in 1996. Some regions were even allowed to alter their taxation systems and to spend some of the tax revenue on funding higher education. But the strengthening of fiscal federalism in the years to come would put an end to all these tax maneuvers.

During the transition period, the HEIs that had been created under the Soviet government had to adapt to a completely new environment. Regional HEIs were put in the most trying circumstances, facing lack of funding, the need to act quickly in order to adjust to the ever-changing market demands, deficient financial and human resources, *etc.* The abolition of a uniform work distribution system

inevitably led to an abrupt “regionalization” of the education system. That is, student migration was low, and education was structured in a way that did not meet the demands of enterprises located outside a given region. This meant that HEIs lost their nation-wide context and were no longer a part of a unified national economy. In order to survive, they were forced to look for a chance to establish stronger connections with the regions. In these conditions, the higher education system became even more diverse (Bain, 2003), while some HEIs found themselves in isolation, unable to adapt to the new social and economic demands of the regions (Leshukov & Lisytukin, 2014).

This transformed the governance model that was applied to the regional higher education systems. In 1991, control over most HEIs was given to the Ministry of Professional Education. The government also outlined a new policy, aiming to strengthen the regionalization of higher education (Bain, 2003); this effort was supposed to bring higher education more in line with the needs of the local labor markets. The main reason behind this reform attempt was the challenging social and economic environment. It was assumed that the regions’ financial contribution would ease the burden on the federal budget; from the region’s perspective, this was supposed to make them more accountable and flexible to the needs of their educational institutions (Bain, 2003). The State officially proposed that regional governments finance higher education, and that the central government would only fund the education of specialists deemed necessary by the State (Jones, 1994).

However, there never was a real, nation-wide decentralization of higher education, which could have brought decision-making centers closer to the consumers. Universities did not believe the regions alone had the prospect of understanding or supporting universities (Bain, 2003). In addition, the fiscal federalism system also imposed a significant hurdle. Under this system, the budget and taxation policy are the prerogative of the national government, and regions have a very limited ability to alter their financial policy. The federal government has exclusive rules for redistribution of basic tax revenue among regions.

As a result, the regionalization process affected only secondary vocational education institutions (levels 4 and 5B under UNESCO’s International Standard Classification of Education), as this level of education requires far less budget expenditure, meaning that the regions could fund it themselves. All the colleges and technical schools were now subordinated to regional authorities which was supposed to optimize their activities, making them correspond to the needs of the local labor market.

In the early 2000s, the development of national-regional relations in higher education took a different path. There was a trend to restore state or federal power over the public sphere, including higher education, over which it lost control in the 1990s (Johnson, 2008). The federal government was attempting to regain authority and influence by providing public goods (Kuhns, 2011). This effort led to a greater centralization in higher education, aimed at the “compensatory legitimation” of federal power (Kuhns, 2011; Weiler, 1983). The issue of giving regional authorities power over HEIs practically vanished from the agenda.

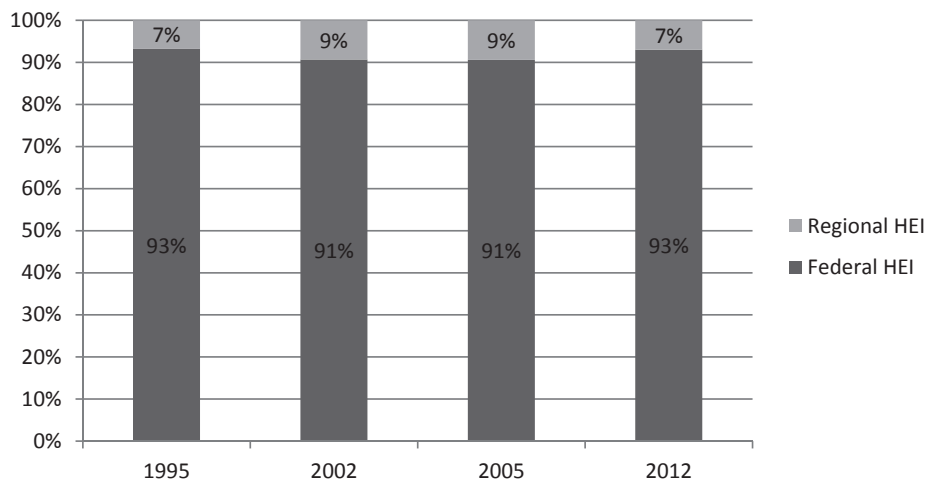


The legacy of the Soviet system, along with its dramatic transformation in the 1990s, had a significant impact on the quality of education. The development of education management practices in region-center cooperation has largely been inert and still remains so. The nation still retains its sectoral HEI management, even though the system itself is no longer sector-oriented. This causes inefficient HEI structure management. Under pressure from paying consumers, *i.e.* the population, many regional HEIs, with the exception of medical universities, have greatly diversified their educational programs (Kouzminov *et al.*, 2013). At one point, they began offering low-cost programs in sociology, economics, and the humanities, which were in great demand among the consumers. However, they did not have the faculty or funding needed to sustain these programs (Platonova & Semyonov, 2014). In addition, they had not really formed a connection with the regional economy and its demands, being controlled by the corresponding federal ministries. All of these factors led to a significant degradation of education quality (Kouzminov *et al.*, 2013)

Consequently, by the early-and-mid 2010s, the government had started paying most attention to the issue of higher education quality, growing aware of the need to influence the structural dynamics of the higher education system (Kouzminov *et al.*, 2013). The government realized that a regionalization of higher education was called for if the connection between HEIs and regions were to be enforced and the quality of education was to be improved. However, there was no initiative to offer to the regions any degree of real authority over HEIs. What was actually initiated was a reform that led to the creation of nine “federal universities”. Creation of these universities as regionally-oriented institutions was based on the merger of existing institutions and providing additional financing to them. The concept was to establish large education and research centers, working to meet the demands of various federal districts and acting as active drivers of regional development. In other words, the state has chosen a path towards educational regionalization, combined with retention of a highly centralized management system and federal control. Practice shows, however, that the reform aimed at creating federal universities cannot be considered successful.

### **Current arrangement of national-regional relations in higher education**

The current higher education governance model in Russia is the result of the chaotic transformation period of the entire higher education system. The failed regionalization reform of the early 1990s and centralization reinforcement in the 2000s preconditioned the fact that the ratio of regional and federal (national) universities has actually remained unchanged over twenty years (Figure 1). Territorial distribution of universities of regional subordination is presented at Figure 2. Only one third of all regions have subordinate universities; the majority of them only have one such university. Interestingly, twenty percent of the indicated regional universities are arts universities.



**Figure 1. Number of HEIs controlled by federal and regional authorities**



**Figure 2. Territorial distribution of universities of regional subordination**

Comparison to comparable large countries (the United States, Canada, Great Britain, Australia, Germany, Brazil, India, China) demonstrates that Russia is characterized by the most centralized management model in higher education.

As noted earlier, the industry-specific character of management of a number of the universities has remained until now. Today, the higher education system includes universities subordinate to more than twenty national executive authorities. Distribution of universities by their authority subordination is presented in Table 1.

Such a distribution of the authority subordination of universities makes critical the coordination of different management subjects, not only vertically (the national and regional authorities), but horizontally as well — coordination of decisions is required when managing industry-specific universities. At the same time, there is much research that attests that the majority of management actors within the higher education system (federal and regional governments, university heads) agree that the federal government is unable to regulate activities of such a number of universities, and it is necessary to create a real multilevel management system (Kuhns, 2011).

**Table 1. Distribution of higher education institutions in Russia by subordination (2011/2012)**

Department	Number of HEI	Percentage of HEI of total
<i>Regional authorities</i>	49	7%
Ministry of Education and Science	335	50%
Ministry of Agriculture	59	9%
Ministry of Healthcare	47	7%
Ministry of Culture	44	7%
Ministry for Railway Transport	9	1%
Ministry for Marine Transport	6	1%
Others	121	18%

### *Legal aspects of federalism in higher education*

Concerning the legal bases for the current stage of federalism in higher education, it should be noted that the Russian Constitution provides just a framework wording and asserts that the federation and region are jointly in charge of education. By contrast the majority of all federative countries have constitutionally established detailed powers in the regions to manage higher education (Brown *et al.*, 1992).

Detailed delineation of powers is approved by the Law of the Russian Federation “On Education in the Russian Federation,” which is dated 29.12.2012 No.273-FZ. According to it the majority of issues in the higher education sphere are related to the Federal authorities:

- Establishing, reorganizing and closing universities;
- Accreditation, licensing and control over universities and educational programs;
- Financing of higher education institutions, including provision of the state guarantees on execution of the right to free higher education on a competitive basis; and
- Developing educational standards, *etc.*

The main managerial functions at the national level are distributed among several authorities. The Ministry of Education and Science of the Russian Federation (MOES) provides general management over the universities; develops and implements national policy; and provides financial and methodological support to the institutions' activities. Sector-specific ministries affect the areas of development of their subordinate universities; finance their activities; and support and control educational standards and requirements. The Federal Supervision Service for Education and Science performs the functions of control and supervision in the sphere of education and response for accreditation and licensing of educational institutions.

With regard to the higher education sphere the regions of the Russian Federation are only in charge of the right to create universities of regional subordination and finance free education for students on a competitive basis. However, peculiarities of fiscal federalism virtually limit these abilities of the regions.

### *Financial features of federalism in Russian higher education*

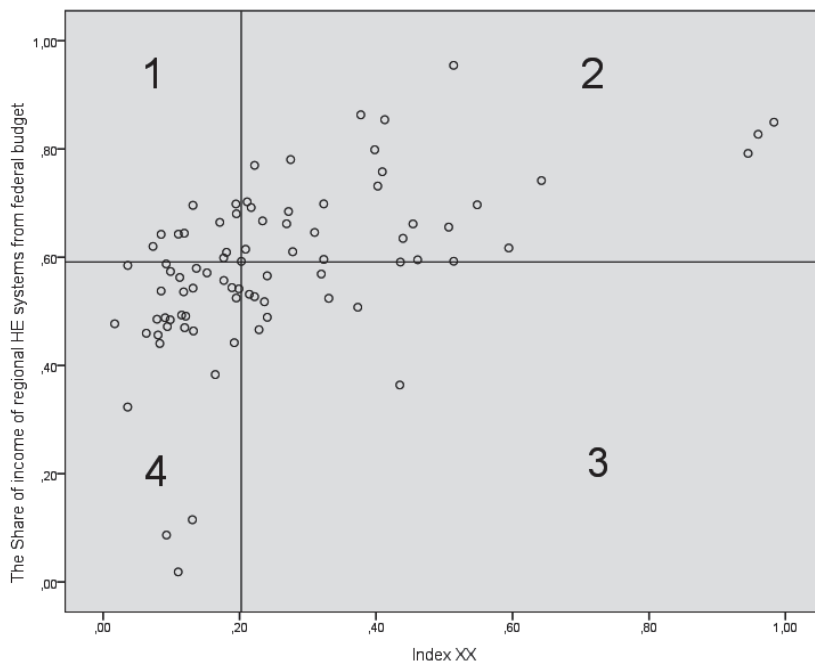
The total funding of Russian higher education sector is covered by fifty-five percent from the public resources (federal and regional budgets) (as of 2012). Ninety seven percent of the amount comes from the federal budget and only three percent is expenditure from the regional budget. However, it is important to note that the budget system of the Russian Federation is so constructed that the regions do not receive funds from the federal budget for organization or provision of higher education. It means that the regions have the right to spend only their own revenues on higher education. Moreover, taking into account that seventy out of eighty-five regions are subsidized and the federal subsidies cannot be spent on higher education, and the legislation does not clearly regulate this issue, there are actually no incentives for Russian Federation regions to interfere in the university sector. It creates communication difficulty when regional governments want to consider the higher education sector in their economic development planning (Kuhns, 2011).

Thus, the national government almost completely provides for functioning of the regional higher education systems. Under such circumstances, market mechanisms of higher education organization are virtually absent in some regions. Research that evaluates the level of competition development on the regional markets of higher education (Leshukov & Lisyutkin, 2014) shows that an overwhelming majority – fifty-eight percent of regional higher education systems – are highly monopolized by one or a few major public institutions. The monopolization index – the Herfindahl-Hirschman Index – runs as follows:

$$HHI = \sum_{i=1}^n N_i^2,$$

where  $N$  is the share of students attending university  $i$ , (from 1 to  $n$ ) among the total number of students attending the region's higher education institutions.

Let us compare this data with the share of federal financing in the total amount of funds of the regional universities (Figure 2). Such a comparison is appropriate as the average financing from the federal budget in the total budget funds in all the regions is ninety-six percent. The data demonstrates one of the groupings of the regions in quadrant 2. These regions are characterized by the highest monopolization indicators and highest dependency on the federal budget. Actually it means a situation when there are one or two universities in the regions, which are financed to the most extent are financed by the center. Most of them are located in the Far East or Siberia, but as can be seen, they are fully controlled from Moscow.



**Figure 3. Comparison of regional higher education financing and regional level of competitiveness**

Financing is provided by the Federal MOES or sectoral ministries within the framework of per capita funding. The scheme of such distribution is not transparent, and often is not balanced towards the real demands of the regional and national economies. It leads to the fact that universities do not actively participate in analyzing researching regional labor markets to bring their educational programs in accordance with them (Kuhns, 2011).

It should be noted that financial and legal issues of distribution of roles of the national and local governments are not clearly delineated. Remarkably, such a situation has been ongoing for two

decades, as such problems were critical for the higher education system as early as at the beginning of the 1990s (Bain *et al.*, 1998).

As mentioned earlier, the issue of federalism in higher education supposes agreement and coordination of different positions of the main stakeholders on the management process. To ascertain how stakeholders view the peculiarities of national-regional relations in Russian higher education today, a series of interviews was conducted with representatives of fifteen regional and national education authorities and ten top-managers of universities from nine regions of Russia. Analysis of the interviews revealed the following main peculiarities of national-regional relations.

- 1) Weak statutory regulation of the regional powers in the higher education sphere: *“often not regulated by statute, more often in certain areas of education: medicine, pedagogy, and engineering in the context of peculiarities of regional economies”*.
- 2) A high level of centralization that negatively affects the incentives of active interference from the regions when managing universities: *“distribution of authorities between the federation and the regions in the higher education sphere, and budget limitations block direct regions’ participation in the higher education system”*. Here it is important to add that presence of universities financed from the federal budget is advantageous for the region mostly from the economic point of view (Leshukov & Borisova, 2014). The respondents highlight that *“the regional authorities view the universities mostly as a source of attraction of additional state investments in the region”*.
- 3) The regions have only indirect channels of influence on the higher education sphere:
  - Support to the university president candidates upon replacement;
  - Coordination of the admission quotas. Currently the budget financing of education in Russia supposes a model according to which every university annually submits a request to the federal executive bodies with the desired number of students for each specialty. Financing is provided within the limits of these requests. The regional government participates in generating the mentioned requests;
  - Participation on rare occasions in the Supervisory Boards of the universities;
  - Target financing of student places and order of R&D (such practice is more an exception than a rule);
  - Property support (also rarely);
  - Taking into account the regions’ opinion when evaluating the university activities. Since 2012, annual monitoring of efficiency of higher education institutions was launched by federal government. Every year, all the universities of the country submit to the MOES data on their activities, based on which their efficiency is determined using statistical methods. Then a special commission comprising representatives of the national and regional authorities and employers determines further development areas for each university. This monitoring has become one more base for additional interaction between the national and regional authorities.

In any case, there is still no systemic basis for the regions to influence the university system. Effectiveness of interaction mainly depends on the personal traits of university presidents and regional heads, or on the specifics of some universities located in ethnic regions. As researchers point out, change in the governance scheme in the higher education system means not only change in fundamental beliefs of governments, institutionalized procedures and policy instruments, but also long-standing institutionalized exchange relationships between the political system and the public sector (Braun, 1999). As can be seen, Russia's case demonstrates another result. Under the conditions of complete change in the model of societal organization and economic structure, the system of national-regional communication in higher education management virtually did not change. The current federalism arrangement in higher education almost completely coincides with the model characteristic of the Soviet socialist state, which was supported by absolutely different principles – the state character of higher education, job placement system, economic planning, *etc.* The real regionalization of the higher education that is currently supported by many stakeholders has never taken place in the country.

## **Conclusion**

Soviet and Russian history of the development of higher education governance can be considered as a shining example of “hard federalism”, where the main power is concentrated in the hands of the central government. The higher education management system in Russia was, and remains, the most centralized among all comparable countries with a “federal type” higher education system. Actually, the Russian model supposes one-dimensional division of responsibility between central and local governments in delivering public services (Rondinelli, 1981). It means that more administrative power of the national government means less discretion of the local government.

Considering the current Russian model of governance in higher education two possible development scenarios can be developed. The first suggests that the current highly-centralized model of higher education regulation will be retained. At the same time the federal government can initiate programs and mechanisms that stimulate better interaction of the universities with the respective regions. Another scenario includes “real” regionalization and decentralization of the higher education system. It supposes the delegation of many legal and financial responsibilities in higher education sector from national to local authorities. Such reform requires major policy decisions, significant changes in legislation, rules, and the funding system. The fruits of such reform will be not immediate. So the first scenario is still more likely.

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