

## FINANCIAL CHANGES IN THE HIGHER EDUCATION SYSTEM IN RUSSIA

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The diversification of financial sources is a reflection of that support, which the society renders to higher education. And it requires the further expansion in aims of maintenance of higher education development, increase in its efficiency and maintaining up to the mark its quality and adequacy. The state support of higher education and scientific research still has the major value for the balanced decision of educational and public problems maintenance.

*Keywords: financing, higher education, private education institutions, state expenses.*

### Introduction

Within the conditions of formation of an economics of knowledge higher education in Russia becomes the central link to maintain the international competitiveness of national social and economic systems. The special place there upon in the sphere of education services is connected with formation of the economics of knowledge. Article 14 of the World declaration of higher education for the XXI century claims: “approaches and practical measures represent the higher education as a structure, which serves a society. Despite of special importance of public (i. e. government) funds, its financing assumes also the attraction of private investments” (Дистанционное..., 1999).

**Scientific problem.** The period of market transformations has led to formation of nongovernmental high school services sector. Commercial higher education offers professions and educational programs which correspond to varying requirements of a national labor market. Due to higher education evolution in Russia emerge necessity to evaluate structural changes in its financing.

The **object** of the research – higher education in Russia.

The paper **aims** to examine changes of financing of the higher schools and colleges in Russia during market transformations.

The **objectives** set for the research are:

- to identify the last decade changes and reasons of financing the higher education in Russia;
- to appoint consumers preferences of educational services;
- to highlight regional differentiation of private investment in high schools;
- to envisage strategic problems of financing higher education system in Russia.

**Research methods** – systemic comparative and logical analysis, mathematical statistical methods.

## Results

The diversification of financial sources is a reflection of that support, which the society renders to higher education. And it requires the further expansion in aims of maintenance of higher education development, increase in its efficiency and maintaining up to the mark its quality and adequacy. The state support of higher education and scientific research still has the major value for the balanced decision of educational and public problems maintenance.

The period of market transformations has led to formation of nongovernmental high school services sector. In 2008 the number of the state and private high schools in the country was almost equal – 690 and 674 accordingly (Тенденции ..., 2009). Commercial higher education offers professions and educational programs which correspond to varying requirements of a national labor market.

The operating experience of state educational services confirms its operative reaction to the changes of market operating conditions of national economy. Such a dynamism is caused by the independent private financing, mobile management and the development of a modern marketing network, etc. The appearance of the educational services sector, as an alternative to the state sector, has led to occurrence of the differentiated financing sources. So the statistical data (see table 1) testify that in 2000–2007 expenses for education in Russia increased as from state and private sources of financing. Since 2000 the share of the consolidated budget expenses on education has increased in gross domestic product (GDP) from 2.9% to 3.9% in 2006.

Table 1. Budgetary expenses for education ([Кравченко](#), 2009)

	2000	2001	2002	2003	2004	2005	2006
The consolidated budget on education, billion rubles	214.8	277.8	408	475.6	593.2	801.8	1033.3
The federal budget	38.1	54.5	81.7	99.8	121.6	162.1	201.6
Territorial budgets	176.7	223.3	326.3	375.8	471.6	628.6	831.7
Share of expenses of the consolidated budget on education in GDP, %	2.9	3.1	3.8	3.6	3.5	3.7	3.9
The federal budget	0.5	0.6	0.8	0.8	0.7	0.8	0.8
Territorial budgets	2.4	2.5	3	2.8	2.8	2.9	3.1
Share of expenses for education in the consolidated budget of the Russian Federation, %	9.7	9.7	10.2	12	12.7	11.8	12.3
Share of expenses for education of the federal budget in expenses of the consolidated budget, %	1.7	1.9	2	2.5	2.6	2.4	2.4
Share of expenses for education of territorial budgets in expenses of	8.0	7.8	8.1	9.5	10.1	9.4	9.9

the consolidated budget, %							
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In 2005 the share of expenses on higher education in the federal budget was 70%; in 2006 it has grown almost to 77% and has remained at this level in the federal budget of 2007. At the general growth of an education financing from the federal budget in 1.3 times the expenses on high school have grown in 1.43 times.

The budgetary contingent in 2006–2007 remained almost invariable. Changes in financing have led to the sharp growth of budgetary expenses on 1 budgetary student in state high schools: on the average in 2004 the expenses on 1 budgetary student's education were 18 thousand rubles, in 2005 – 25.6 thousand, in 2006 – 37.5 thousand, and in 2007 – 51.6 thousand rubles ([Кравченко, 2009](#)).

Such quantity of state expenses have to a certain extent formed the basis for the price dynamics on the terms of use of private investments of physical and legal bodies at the entering at the state high schools. Tax law changes promoted it. According to this legislation the tuition fee at the state high schools should not be less than the similar budgetary expenses. Since 2003 the tuition fee at the state high schools began to exceed a similar indicator for nonstate high schools. This situation can be explained, that the consumer of educational services prefers obviously the already formed state system of specialist preparing as more stable and qualitative. However it concerns not all professions. Private means are invested in preparation of the programmers, lawyers, managers, economists, sociologists, etc., who is most demanded on the market.

Making some conclusions, it is necessary to underline that nonstate education as the form of realization of the principles of market economy has revealed new possibilities of all education system. And it stimulated the development of its off-budget forms and also in the state higher schools.

Both state and nonstate higher schools put a strategic problem – the improvement of quality of educational services within the conditions of rigid restriction of financial sources.

At present budgetary financing of the higher schools and colleges in Russia comes to 0.7% of GDP, that is twice more low, than in the developed countries (average index of the OECD countries is 1.3% of GDP). Russian universities scientific budgets draw up no more than 0.04% of GDP, while in the developed countries it is 0.25%, 0.4%. In 2001 one budgetary student expenses in Russia were in 6.5 times below a similar indicator in the OECD countries. In 2007 this gap was reduced to three times because of the accelerated escalating of higher education expenses. However, insufficiency of financing of the higher schools from the point of view of its international competitiveness and an adequate quality achievement of education is represented.

It is necessary to underline especially the influence of financial crisis on the position of the Russian higher school. The Russian State Duma accepted in the first reading the law on a budget for 2010. The budget provides financing of fundamental

science with 77 billion rubles – that is 3 billion less, than in 2009. Education will receive less on 14 billion rubles in comparison with 2009 (Бюджет..., 2009).

Attracts attention an available differentiation of incomes of high school sector of Russian regions, the yielded commercial result in a context of decrease in the well-being standard generated by an economic crisis thus looks interesting (see Table 2).

Table 2. Higher education rendered paid services in some Russian regions (Тенденции ..., 2009)

№	Region	Education fee, thousand roubles		Per cent of change %	Share of the high school services, %*	
		1.09.09	1.09.08		1.09.09	1.09.08
1	Samara region	433876.6	441773.9	-1.8	99.3	99.3
2	Republic Tatarstan	328979.0	331551.6	-0.8	99.5	99.4
3	Saratov region	305969.0	275756.7	11.0	98.9	99.6
4	Nizhniy Novgorod region	290038.8	246795.3	17.5	97.7	97.2
5	Chuvash republic	181956.1	156612.3	16.2	99.5	99.4
6	Ulyanovsk region	88846.0	90 26.9	-2.1	93.1	99.0
7	Kirov region	86401.7	70368.3	22.8	99.6	99.4
8	Yaroslavl region	64669.4	59485.2	8.7	94.9	93.2
9	Mary El republic	52280.8	54486.0	-4.0	100.0	100.0
10	Penza region	52077.0	45394.8	14.7	96.8	99.8
11	Mordov republic	47128.7	43693.0	7.9	100.0	98.3
12	Kostroma region	20011.6	16795.9	19.1	100.0	99,7

Share of the high school services: the share of universities, academies, institutes in whole high school education services).

As of September, 1st, 2009 the volume of the rendered paid services in a segment of higher education of the country has decreased in relation to January of the same year on 0.8%. The statistical data testifies to serious differentiation of private investment in high schools. So, the volume of paid services in the Samara region more than in 21 times exceeded level of the Kostroma region.

The situation looks different from positions of comparison with the corresponding period of the last year. The best indicators on dynamics were marked in the Kostroma region, the Saratov, Nizhniy Novgorod areas, the Chuvash republic. Thus in the Samara, Ulyanovsk areas and republics Tatarstans and Mary El there was a decrease in volume of the rendered paid higher education services. The reasons of this situation are not equivocal. But it is possible to see distinctly some communication in the state and nonstate high schools average fees dynamics of the same Russian regions and size of the paid educational services (see table 3).

It is easy enough to mark a connection: regions in which there was a decrease in a commercial profit, offer the most expensive educational product (the Samara region, Tatarstan). In regions (the Chuvash republic, the Penza region) where there was a decrease of education fees, a considerable growth of volume of the rendered

paid services in sphere of the higher education is noted. If consider a fact that commercial educational institutions pursue, as a rule, the liberal price policy it is impossible to exclude the probability of increase in a share of commercial high schools in the Russian educational system.

Table 3. The average education fee in some Russian regions  
(Кравченко, 2009)

№	Region	State high schools		Nonstate high schools	
		Per 1 semester, roubles	Increase * %	Per 1 semester, roubles	Increase %
1	Samara region	27640	4.1	22991	5.0
2	Republic Tatarstan	25431	2.9	17128	5.5
3	Nizhniy Novgorod region	24163	12.0	17889	-18.4
4	Yaroslavl region	24033	2.3	22100	0.0
5	Saratov region	22755	16.4	17428	15.1
6	Mary El republic	21129	15.4	19367	30.7
7	Ulyanovsk region	20905	0.1	20161	26.5
8	Penza region	19747	-7.7	17717	15.4
9	Kirov region	18597	13.4	14220	-1.7
10	Mordov republic	17248	-1.1	15512	12.3
11	Kostroma region	16567	14.6	16335	10.0
12	Chuvash republic	15589	-32.8	10000	-26,8

The given facts confirm a complexity of position in the higher school of Russia. According to a number of experts, to restore the effective system of higher education, the budgetary contribution needs to be increased in 2011 to 1% of GDP (including 0.15% of GDP on additional expenses on researches), and by 2015 make up 1.3–1.4% of GDP (on a high school science – to 0.3% of GDP). Investments of house economy in higher education of the country can remain stable (at level of 0.4–0.5% of GDP) while the share of the enterprises-investors should increase from 0.05% to 0.2–0.3% of GDP<sup>4</sup>. It is obvious that the Russian higher education system undergoes changes with high degree of complexity, caused by the problems of economic, organizational, social and cultural living conditions of high schools.

## Conclusions

1. The operating experience of state educational services confirms its operative reaction to the changes of market operating conditions of national economy. Such a dynamism is caused by the independent private financing, mobile management and the development of a modern marketing network, etc. Data confirm a complexity of position in the higher school of Russia. The appearance of the private educational services sector, as an alternative to the state sector, has led to occurrence of the differentiated financing sources.

Private education as the form of realization of the principles of market economy has revealed new possibilities of all education system. And it stimulated the development of its off-budget forms and also in the state higher schools.

2. The consumer of educational services prefers obviously the already formed state system of specialist preparing as more stable and qualitative. However it concerns not all professions. Private means are invested in preparation of the

programmers, lawyers, managers, economists, sociologists, etc., who are most demanded on the market.

3. The statistical data testifies obvious regional differentiation of private investment in high schools. The volume of paid services in the Samara region more than in 21 times exceeded level of the Kostroma region.

4. Both state and private higher schools put a strategic problem – the improvement of quality of educational services within the conditions of rigid restriction of financial sources. It is necessary to underline the importance of special attention of a society to an education system as a whole, including higher education in view of its special role in assistance to steady economic, social and cultural development of the country.

### Notes

1. The given topic is most debated. The education fee causes interest and ambiguous reaction of the scientific and ordinary public. The debatable problems are higher education commercialization; the place and role of the private high schools; questions of budgetary financing of the higher schools; mechanisms of the sphere of educational services financing, etc. The given article doesn't mention deliberately the questions of essentially new mechanisms of the higher school financing, such as the state returnable grants or educational loans.

2. Private expenses for education in Russia are noted in statistics as “The volume of paid services of an education system”. Dynamics of paid services volume of an education system shows its stable growth, and its rates overtake the rates of increase of budgetary expenses for education.

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## AUKŠTOJO MOKSLO SISTEMOS FINANSAVIMO POKYČIAI RUSIJOJE

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### Santrauka

Tyrimo objektas – Rusijos aukštojo mokslo sistema. Straipsnio tikslas – ištirti aukštųjų mokyklų ir kolegijų finansavimo pokyčius per pastarąjį dešimtmetį.

Ekonomikos transformacijos laikotarpiu sparčiai augo nevalstybinio aukštojo mokslo paslaugų sektorius. Šiuo metu valstybinių ir privačių aukštųjų mokyklų skaičius yra beveik vienodas. Rusijoje išlaidos mokslui padidėjo ir valstybiniame ir privačiame sektoriuose. Mokymo paslaugų vartotojai labiau vertina valstybinę aukštojo mokslo sistemą dėl jos didesnio stabilumo ir kokybės. Visgi ne visos studijų programos taip vertinamos. Didesni privatūs resursai nukreipiami į teisininkų, vadybininkų, ekonomistų, sociologų ir kitų paklausiausių darbo rinkoje specialistų rengimą.

*Raktiniai žodžiai: aukštasis mokslas, finansavimas, privačios mokymo institucijos, valstybės išlaidos.*

## ФИНАНСОВЫЕ ИЗМЕНЕНИЯ В СИСТЕМЕ ВЫСШЕГО ОБРАЗОВАНИЯ РОССИИ

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Период рыночных преобразований привел к формированию негосударственного сектора по предоставлению услуг высшей школы. В настоящее время число государственных и частных учебных заведений примерно одинаковое. Расходы на образование увеличились как в государственном так и в частном секторе. Потребитель образовательных услуг явно предпочитает государственную систему подготовки как более стабильную и качественную. Однако это касается далеко не всех специальностей. Средства частных лиц вкладываются в подготовку наиболее востребованных рынком юристов, менеджеров, экономистов, социологов и др.

*Ключевые слова: высшее образование, государственные расходы, частные учебные заведения, финансирование,*