

Modernization of Russian higher education: exploring paths of influence

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This article discusses the changes in Russian higher education policies and the role of international organizations—the World Bank and OECD—in promoting education reforms in this country. General and specific recommendations offered by the World Bank and the OECD expert teams to improve Russian higher education are analysed to determine if any of their suggestions have been considered and applied in recent government policies. We explore the mechanisms through which new policies are implemented at the institutional and national levels. Finally, we suggest that higher education institutions and the Russian government experience coercive, mimetic, normative and discursive pressures emanating from these global policy actors.

Keywords: *Higher education policy; Isomorphism; Neoliberalism; Reform; Russia; The OECD; The World Bank*

Introduction

The economic and political events of the past two decades have had a dramatic effect on every sphere of Russian life, including the education system. Education reforms of the early 1990s specifically targeted what was perceived as an ideologically impure Soviet system characterized by ubiquitous centralization, a bankrupt communist ideology and bureaucratic inefficiency (Zajda, 2003). These reforms brought new ideological and managerial freedom for universities as well as new opportunities and demands. The most notable changes in higher education were achieved through curriculum reform, institutional autonomy, the diversification and expansion of higher education and the introduction of tuition fees in public institutions. However, the situation in higher education was complicated by many problems resulting from Russia's economic difficulties and the transition to a market economy. The lack of appropriate funding, issues surrounding constitutionally guaranteed free higher education and the introduction of tuition fees, the commitment to quality assurance and the emergence of new degree programmes put enormous pressure on the university sector. At the same time, not all of the changes were unique to Russia.

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Being a part of the larger international higher education system, Russian higher education was experiencing similar pressures brought by the rapid technological changes and the integration of the global economies (Carnoy, 1999; World Bank, 2000). In fact, the global transformation of higher education seemed inevitable, as the forces behind the change were similar both in the OECD and Central and Eastern European (CEE) countries (Kwiek, 2001). Market logic emphasizing the cost-efficiency, the commercialization of services and the measurement of performance was on the educational policy agenda in these countries. Influential international agencies such as the OECD and the World Bank consistently promoted a marketized policy framework emphasizing the economic function of higher education (Henry *et al.*, 2001). For example, Kempner and Jurema (2002) argued that the Brazilian government's cooperation with the international funding agencies (the World Bank and the IMF) and the 'conditionalities' imposed by them intensified the process of privatization of the national economy and the dismantling of public higher education. The similarities across national settings and the transformations in the higher education sector can hardly be understood without the awareness of the global dimension and the role of international organizations.

Educational policies devised by the World Bank and the OECD are similar in their rhetoric, emphasizing competition, accountability and equity, the quality and flexibility of educational services and lifelong learning for all. By rendering financial and policy assistance, international organizations often oblige governments to implement their policy advice. The results of such cooperation could be observed in Russia's latest projects in higher education. In the government's proposed modernization programme, competition and finance-driven reforms are at the centre of education reform. Discourses of accountability, efficiency and effectiveness, which emerged in the Western countries' educational and social policies in the 1980s and 1990s, (Olssen *et al.*, 2004) permeate new Russian policies.

In this article, we explore the connection between recent Russian government initiatives and the recommendations of the World Bank and the OECD and the paths of influence on higher education policies. Two questions drive our analysis, 'To what extent current modernization program is informed by the policies of the World Bank and the OECD?' and 'What are the mechanisms through which new policy frameworks are introduced in Russian higher education?' To address these questions we borrow the concepts from institutional theory (DiMaggio & Powell, 1983; Powell & DiMaggio, 1991; Scott, 2001), which explains how institutional systems become more alike or 'isomorphic'. For this study, *isomorphism* is defined as 'a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions' (DiMaggio & Powell, 1983, p.149). DiMaggio and Powell identified three mechanisms through which isomorphic changes occur: coercive, normative and mimetic. Coercive isomorphism results from formal and informal pressures by other organizations and by the cultural expectations that society places on the organization being pressured. Governments and institutions can feel these pressures in the form of economic control, force, persuasion or an invitation to join a plan. By virtue of its hierarchical position, the

state is able to place legal and technical requirements on universities to ensure eligibility for the receipt of federal or local funds. At the same time, the World Bank can pressure governments to implement specific policies by imposing 'conditionalities' to receive loans.

Another mechanism is described as mimetic isomorphism. Organizations tend to imitate other successful organizations when faced with uncertainty and ambiguity. For example, one university might choose to model itself after another that it perceives to be more 'prestigious' or 'innovative'. Finally, a third mechanism of organizational change results primarily from professional pressures and is known as normative isomorphism. In the field of higher education, accreditation agencies, professional certification boards and training institutions reinforce normative expectations and impose standards, rules and values on universities. Practices are disseminated through global policy actors (e.g. OECD, World Bank and WTO), professional associations, conferences, exchange programmes, expert reports and publications, information technology and academic journals. In our study we explore these mechanisms at the institutional level and various paths of influence at the national level.

Methodology

Selected legislation, official documents and speeches of the Russian government as well as policy papers and reports of the OECD and the World Bank are reviewed in this study. Our selection of these agencies was based on the economic and social influence they exert globally, and because they were directly and indirectly involved in shaping current higher education policies in Russia. The years of government's cooperation with the World Bank and the OECD have affected the country's economy in general and its education system in particular. Our analysis focuses primarily on the policies adopted by the Putin administration between 2000–2005, which were reflected in the *National doctrine for education* (2000), the *Concept of modernization of Russian education* (2001) and the *Federal strategic program for the development of education* (2005).

The policy recommendations provided by the World Bank and the OECD are examined in connection with recent Russian government initiatives in higher education. Specific policy documents chosen for this study include the World Bank's *Higher education: the lessons of experience* (1994), *Education sector strategy report* (1999) and *Hidden challenges to education systems in transition economies* (2000) and the OECD's *Reviews of national policies for education: Russian Federation* (1998) and *Tertiary education and research in the Russian Federation* (1999). Our aim is to determine if any of the World Bank's and the OECD's recommendations have been considered and applied in recent government policies.

Official websites of the World Bank, the OECD, the Russian government (the Ministry of Education and Science) and mass media reports and interviews provide additional sources of information.

International policy actors: the World Bank and the OECD

At the beginning of the new millennium, a number of international organizations, including the World Bank and the OECD, were shaping educational policies around the world by financing educational projects and reforms, conducting studies and advising governments. The dissolution of the Socialist bloc in the 1980s encouraged the reorganization of the system of international organizations involved in education. For example, the OECD moved beyond its member-countries (the 'rich countries' club') to embrace the Eastern European 'economies in transition' as well as the 'dynamic economies' of Asia and Latin America (Henry *et al.*, 2001). This reorganization provided the setting for the institutionalization of international influences on education, mainly in the form of aid conditions, 'with the World Bank as the advisory, oversight and sometimes managing agency' (Samoff, 2003, p. 67).

The World Bank has become a powerful force in educational policy due to its lending activities, innovation programmes and research and publications. In the early 1990s, this institution played a fundamental role in redesigning higher education policies in Latin America through its structural adjustment programmes (Kempner & Jurema, 2002). The dependence on external funding and policy expertise leads to explicit conditions imposed by these agencies on the client countries and also to less direct, subtle influences. Samoff (2003) argued that the paths an external influence can take are 'multiple, varied, and often not obvious' (p. 67).

The World Bank education projects in Russia

Since the mid-1990s, the World Bank has been involved in several education-related projects in Russia. The 1997 Education Innovation Project was designed to improve, in selected higher education institutions, the quality and quantity of social sciences education, establishing a better governance system and encouraging efficient use of resources.

In May 2001, the Bank approved a US\$50 million loan to support the Russian government's efforts to improve efficiency and access to good-quality general and vocational education in the Russian Federation. All the components of this project were closely linked to the education development strategy approved by the Russian government and supported major long-term socio-economic activities (World Bank, 2001).

Besides emphasizing its lending role in the process of education modernization, the World Bank also referred to the added value that came with the organization's involvement in the projects. For example, the World Bank (2003) mentioned that while preparing the study on the use of ICT in Russian education, the Bank provided the Russian government with the best international practices in the use of ICT to ensure that the country would receive the 'state of the art experience in this critical moment' (p. 22). According to the World Bank, it is probably the only international organization with sufficient resources to assist in a sector-wide policy reform in the Russian Federation and to mobilize and consolidate other donor

support. The 2001 Education Reform Project was complementary to the on-going projects of the European Union, the European Training Foundation (ETF), the Open Society Institute and the British Council (World Bank, 2005). Since 1992, the World Bank's commitments to the country have totalled more than US\$13 billion for 58 operations (World Bank, 2003).

World Bank's higher education policy. The 'knowledge resource' and 'advisor' role of the World Bank is expressed in the multitude of studies, technical papers and reports regularly published by the agency. 'Knowledge sharing' has become one of the important venues for the World Bank to demonstrate its function as 'the knowledge bank' and to disseminate 'lessons of experience' throughout the world.

In its 1994 report, *Higher education: the lessons of experience*, the World Bank examined the main dimensions of the higher education crisis in developing countries and explored strategies and options to improve the performance of higher education systems in developing countries and the countries with transition economies. The Bank argued that in all countries, higher education was heavily dependent on government funding, which became increasingly problematic in the era of fiscal constraints (World Bank, 1994). In order to overcome this crisis, especially in the developing countries and the countries in transition, the World Bank offered a list of general policies that could serve as basic guidelines for all countries. These policies included greater differentiation of higher educational institutions, cost-sharing with students, use of market forces (competition and demand) to stimulate the quality and efficiency of higher education and reliance on incentives and market-oriented instruments.

The Bank suggested that Russia should seriously consider the introduction of tuition fees to strengthen the financial base of its public higher education. Being a strong advocate for cost-sharing in higher education, the Bank was ready to assist countries to set up student loan and financial assistance programmes. Previously, the World Bank supported student loan projects in Mexico, China, Venezuela and Columbia.

In the *Education sector strategy* report, the World Bank (1999) posed that in the new millennium, education would become increasingly important for the future of a nation. Modern educational change was driven by rapidly spreading democratization, the prevalence of market economies, globalization of markets, technological innovation and changing public and private roles. The World Bank suggested that while governments in most countries played a major role in providing for education, they would no longer be able to do everything, considering competing claims on the public purse.

Another report, *Hidden challenges to education systems in transition economies*, addressed the state of education in the former Socialist countries. One of the pressing issues in the region still remained serious fiscal constraints due to the macroeconomic decline, which could seriously undermine education outcomes and fairness. User charges and the expansion of the private sector were cited as the most viable solutions to improving the higher education sector in this region (World Bank,

2000). An important implication was that Russia (like other Eastern European countries) had constitutional provisions of free education at all levels, or what some called 'the constitution that it could not afford'. The Bank stressed that a student-loan scheme and means-tested scholarships, which would require overcoming several formidable obstacles, should be implemented to complement tuition fees.

Summing up its review, the World Bank (2000) stated that its business strategy in education would focus on changing concepts and the 'rules of the game', providing incentives and improving capacities. Being a 'development' institution, the Bank wanted to ensure that policymakers based the decisions about education systems on more realistic premises and information. Policymakers should change their pre-transition values and standards and adopt the concepts of efficiency, Western-type fairness, human capital and market economy. Meanwhile, the Bank would ensure that the involved ministries (education, finance, labour and public administration) would understand what 'good' policies look like. The Bank would continue to base its lending-for-education decisions on defined priorities, including the realignment of education systems with those in open societies.

In its report, *Knowledge societies: new challenges for tertiary education*, the World Bank (2002) elaborated on its previous policy research and analysis presented in its earlier publications, *Higher education: lessons of experience* (1994) and *Education sector strategy* (1999). The 2002 study focused on the growing importance of the advancement and application of knowledge, and the contribution of tertiary education to building up a country's capacity to participate in the increasingly knowledge-based world economy. The Bank investigated policy options that could enhance economic growth and reduce poverty, arguing that social and economic progress could be achieved primarily through the advancement and application of knowledge. Therefore, the role of tertiary education should be to effectively create, disseminate and apply knowledge in order to build technical and professional capacity of a nation. Developing and transitional countries would continue to be at a risk of being further marginalized in a highly competitive world economy because their tertiary education systems were not adequately prepared 'to capitalize on the creation and use of knowledge' (World Bank, 2002, p.xix). To combat these negative tendencies, the state should put in place an enabling framework that would encourage educational institutions 'to be more innovative and more responsive to the needs of a globally competitive knowledge economy and to the changing labour market requirements for advanced human capital' (p. xix). The Bank would assist its client countries by drawing on its international experience and by mobilizing the necessary resources to improve the effectiveness and responsiveness of the higher education sector.

OECD's education reviews

Reviews of national education policies constitute a major part of the work that the OECD has carried out in Central and Eastern Europe, Latin America, China and Africa. Reviews usually focus on the role of education in the economic development

of a given country and provide a list of recommendations on how to improve education and establish a policy direction.

In the late 1990s, the OECD conducted a series of studies on the state of Russian education in order to assess the situation and to foster the system's long-term development. These studies were reflected in two OECD reports: *Reviews of national policies for education: Russian Federation* (1998) and *Tertiary education and research in the Russian Federation* (1999), which described the most recent trends in schooling and education policy in the country and analyzed the 1990s reform initiatives. While the 1998 report primarily dealt with the state of education in Russia, the 1999 study provided a broad-based analysis of tertiary education and generated a list of general and specific recommendations.

The World Bank and the OECD recommendations

General recommendations. The agencies' general recommendations centred primarily on the implementation of new models of organization and operation in the higher education sector, addressing the issues of funding, flexibility, access and efficiency. Funding for higher education should become more demand-driven and be based on economic and social rationales. The Russian government should shift financing of higher education to a capitation formula based on explicit financial norms; universities should spend resources more efficiently, and user charges should be introduced (OECD, 1999; World Bank, 2000).

Regarding the state's responsibilities, the World Bank (1994, 2000, 2002) consistently argued that the state should be responsible for developing an enabling framework that would encourage higher education to be more innovative and responsive to the needs of the globally competitive knowledge economy; quality assurance mechanisms (evaluation, national examinations, institution ranking, accreditation and publication of information); financial controls to which public institutions should conform; and intellectual property legislation.

Specific recommendations. One of the areas of concern pointed out by the OECD and the World Bank was the transition process from secondary to tertiary education. It was recommended that the Ministry of Education design and implement a competitive entrance examination system that would be equitable and transparent.

The OECD and the World Bank stressed the need to improve conditions for students and teachers. Tuition fees should be introduced gradually, accompanied by 'a state-backed student-loan scheme' (OECD, 1999, p. 169). Additionally, the government should alleviate the plight of academic staff, protect the status and attractiveness of the academic profession and increase staff salaries.

Financial reforms in the Russian Federation would require more money for higher education and better utilization of the available funds. Financial policy strategies would be essential for the viable and successful future of the higher education system. At the same time, the government should revise existing quality standards by

shifting from input to output measures of learning and employability and sign and formally ratify the Lisbon Recognition Convention.

The recommendations and policy solutions provided by the World Bank and the OECD are consistent with the overall policy framework promoted by these international agencies. Their policies converged around the issues of economic globalization, human resource development, marketization, rationalization, flexibility and efficiency. Both the OECD (1998, 1999) and the World Bank (1994, 2000, 2002) advocated for increasing cost-sharing and private investments as the most viable way to solve the financial problems of higher education in Russia.

Russian higher education reforms

Reforms of the 1990s

The principal feature of the education policy of the Russian state were expressed in *the Russian Federation Law on Education* (1992) and *the Federal Law on Postgraduate Professional Education* (1996), which established the framework for the future education development in the country. Both laws covered a variety of issues including the role of education in modern Russia, state policy in education, issues of funding, educational standards and the economics of the education system. The 1990s legislation reflected the aspirations of the society to establish an education system that would resonate with the changes in the political and social life of the Russian state. In contrast with the previous Soviet rationalist emphasis on serving the needs of the economy, the new education philosophy stressed the need for the 'humanized' and 'individualized' education approach (Bain, 2001). In fact, some (e.g. Balzer, 1994) suggested that the proposed plans represented 'a human capital' approach in the best sense of the term. The OECD (1998) stated that the country had done an admirable job in a short time in changing its education course as it sought to move from a traditional to a progressive education system.

However, the worsening economic situation and social conditions in Russia during the late 1990s impeded a complete implementation of these laws. After the 1998 economic setback, Russia's leading politicians and experts affirmed the need to design a strategy for the country's future development and to adopt specific socio-economic policies to start post-crisis rehabilitation.

Reforms in the new millennium

In May 2000, the Strategic Research Center (SRC) presented *the Strategy for the socio-economic development of the Russian Federation for the period up to 2010*, which formulated economic, social and government institution reforms and laid the ideological groundwork for all consequent conceptual documents of the Russian government. The revised educational policy, articulated in *the National doctrine for education* and *the Concept of modernization of Russian education*, emphasized the role of education as a major factor in the country's economic development and transition to a truly democratic state. Both policy texts noted that education should reflect the

needs of the labour market and of the nation's socio-economic growth. For the first time, education was defined in economic terms as 'the long-term investment' and 'the most effective capital investment' (Government of the Russian Federation, 2000).

In 2005, the government adopted the *Federal strategic program for the development of education for the period 2006–2010*. The main goals defined in this document were to ensure Russia's global competitiveness, to introduce market mechanisms into the education sector and to eliminate obstacles to joining the Bologna process and the World Trade Organization (WTO). Competitiveness of the national economy on the global market; flexibility and innovation; the productive and allocative efficiency of the education sector; accountability and transparency; educational quality and responsiveness to the needs of the labour market; and the growth of the country's human capital were the leitmotif of this document.

Three 'pillars' of education modernization. The first modernization project, known in Russia as the Unified State Examination (USE), was introduced in 2000. The exam, which is often compared to the US SAT, was designed to replace the 'wastefulness' of university admission exams and to provide equal access to higher education. Despite much controversy and criticism surrounding this new model of transition from secondary to tertiary education, its universal implementation has been scheduled in 2008.

The second 'pillar' of educational modernization was the GIFO project introduced by the architects of the current reform in 2002. GIFO (*State Individual Financial Obligation*) vouchers would essentially change the financing of higher education in Russia. The government wanted to restructure the entire higher education system so that it would be regulated by consumer and market demands rather than administrative measures.

Russia's joining the Bologna process in 2003 is considered the third 'pillar' of the current reform. The signing of the Bologna Declaration was viewed as an important step on the way to the European integration of Russian higher education in particular and the country in general. According to the Russian officials, this integration would enable Russia to compete in the market of educational services and to attract more international students and resources. The process implies the development of the higher education system on the basis of the bachelor-master levels; the introduction of ECTS system and the diploma supplement; the creation of mechanisms for recognition of Russian and international education credentials; and the facilitation of academic mobility of students and professors (Ministry of Education and Science, 2005).

The three projects currently underway in the higher education sector can be considered a part of the government's mega-project to transform the Russian economy into a knowledge-based market economy and to secure Russia's place in the global economy:

The growth of country's competitiveness is the primary condition for strengthening the political and economic role of Russia and for improving on its population's quality of

life. In the modern world, which is moving toward globalization, the ability to adapt to the conditions of the international competition becomes a major factor in successful and steady development.

The main competitive advantage of a highly developed country stems from the ability to develop its human capital, which is defined mainly by its education system. (Government of the Russian Federation, 2005, p. 4)

Higher education would have to fulfill the need for highly trained specialists, who should be able to compete in the international labour markets and be mobile, entrepreneurial, dynamic and responsible.

Discussion

Policy convergence

The analysis of Russian educational policies suggests the considerable degree of convergence between the World Bank's and the OECD's recommendations and policy directions and the specific measures adopted by the Russian government. The so-called 'three pillars' of educational modernization, as they are referred to in the Russian press, the Unified State Examination (USE), the new higher education financing scheme (GIFO) and the implementation of the Bologna Declaration, coincide with the major recommendations of the World Bank and the OECD.

The introduction of market mechanisms and new models of educational financing constituting the core of education modernization policy point to a definite shift in the direction of current education reforms. In 2004, the government amended *the Law on Education* (1992) to allow unrestricted admission of fee-paying students to specializations such as 'jurisprudence', 'management' and 'state and municipal administration'. As some government officials noted, this amendment signified the beginning of the privatization of Russian higher education.

Institutional 'isomorphism'

Being public institutions, universities are vulnerable to interest groups and reform movements, for universities are expected to reflect societal values and goals. The role of the state is significant because it occupies the dominant position and wields power over institutions. According to DiMaggio (1991), the state is a great source of stability or change. Shifts in state ideology have a profound impact on higher education, challenging its structure and previous institutional culture. Carnoy (1999) argued that the approach that governments take in educational reform depends on three key factors: the *objective* financial situation, the governments' *interpretation* of that situation and their *ideological* position regarding the role of the public sector in education. While the first two factors are very important to consider in implementing education reforms, the last one, the ideological position, is truly crucial for what governments make of their education system.

Russian universities are experiencing pressures directly from the government and indirectly from international organizations and seem to respond to them in a similar

manner. This phenomenon can be explained by the nature of state-university relations in Russia: the state sets the professional and educational standards and is a major resource supplier for universities. DiMaggio and Powell (1983) argued that the centralization of resources causes homogenization among institutions 'the greater the extent to which an organizational field depends upon a single source (or several similar sources) of support for vital resources, the higher the level of isomorphism is among the field's organizations' (p.155). Russian universities are funded primarily by the federal government and have to comply with new modernization policies and legislation if they want to receive funding. This process of complying is similar to the earlier described 'coercive isomorphism'.

The adoption of new higher education admission and funding policies (USE and GIFO vouchers), which received much criticism from politicians and the academic community, was completed through both coercive and mimetic processes of isomorphism. Initially, many universities were reluctant to accept the Unified State Examination as a criterion for university admission. Over time, a strong government position and additional resources accompanying these policies 'persuaded' even the most rebellious university leaders. Once administrations and staff felt that the USE and GIFO vouchers would bring legitimacy and ensure future funding for their institutions, they started joining the experiment. A mimetic process occurred whereby universities imitated the practices of other universities perceived to be more successful and innovative. However, institutional isomorphism is not solely the result of coercive and mimetic processes. These two processes are usually accompanied by the processes brought through professional mechanisms, such as academic exchange programmes, conferences, joint research and publications, which have the potential to change policy discourse and encourage normative isomorphism. For example, administrators, academics and students with direct experience of Western higher education are more likely to support reforms and welcome Western education models. At present, many universities are interested in offering internationally accepted programmes in business (MBA), law and foreign languages, which attract large numbers of fee-paying students.

Thus, all three processes of isomorphism, coercive, mimetic and normative, can be identified at the institutional level. By virtue of their dependence on and relation with the government, universities are directly influenced by demands of the state. Institutions which implemented new admission and funding policies set an example for other institutions. At the same time, new models (usually Western) are exported through professional mechanisms, which help to institutionalize these practices across institutions.

Paths of influence

Higher educational institutions are not the only actors experiencing external pressures. The government itself is influenced by international organizations, which impose 'conditionalities' on those in need of loans. With its considerable economic capital, the World Bank can require necessary changes. The OECD, on the other

hand, lacks economic resources and cannot exercise coercive power. As the bearer of symbolic capital, it exerts its influence by setting standards and propagating principles and rules, which are supposed to represent 'universal' values. The OECD's standards are often regarded as 'norms', and the organization itself is considered as 'a standard-bearer of universal Western norms' (Henry *et al.*, 2001, p. 58). Coercive, normative and mimetic processes can be observed in Russia's economic and social spheres.

Coercive pressures. Much of the World Bank influence could be regarded as coercive pressure because government's dependence on the loans and technical assistance forces it to accept 'the agreed-upon' conditions or the structural adjustment policies based on budget cuts and pro-market reforms. The World Bank was consistently described as holding coercive power over the countries in need of funding (e.g. Carnoy, 1999; Brock-Utne, 2002; Torres, 2003; Rhoads, Torres, & Brewster, 2005). For example, Brock-Utne (2002) argued that directed by Western interests, the World Bank (together with the IMF) was using its creditor power to pressure the collapsing republics of the former Soviet Union to turn their battered economies into unrestricted markets.

According to Samoff (2003), as the reliance on foreign funds increases, so does the influence of both the external agencies and the finance ministry. In Russia, the current Minister of Economic Development and Commerce, German Gref, was one of the masterminds of the education modernization strategy, which was unofficially named after him ('Gref's program'). Consequently, the government is formulating its strategies for the public/education sector under pressure from the international lending organizations, which demand further economic liberalization and commercialization of education. Gref's announcement that the government would discontinue 'the institutional financing of the state higher education institutions' in the near future presents a perfect example of how the agendas flow from the external agencies, which insist on cutting public expenditure in social sectors, via government policies to higher education (Gref, 2000, p. 6).

Within the education sector, the World Bank's and the OECD's overriding neoliberal ideology led to the restructuring of higher education along entrepreneurial lines. According to this principle, the government should more efficiently use inputs (teachers, texts and tests) and introduce privatization and choice to increase competition and efficiency. This principle also implies a greater reliance on cost recovery through tuition fees and entrepreneurial activities. Shugurensky (2003) noted that the influence of international agencies and financial institutions on higher education policy is an important element to consider when studying the changes in the university system.

However, financial levers are not the only means employed by the international actors to exert their power over governments. Although Vaganov (2002) stated that without the World Bank's loans, the Russian government could not have launched its education modernization, the World Bank's lending portfolio in Russia is significantly smaller than that in other countries, including Chile, Brazil and China

(World Bank, 1999). In fact, the World Bank has been trying to establish itself as a 'knowledge bank', able 'to generate, synthesize, disseminate and share global knowledge to get local results and provide high-quality advice to clients' (World Bank, 1999, p. xi).

Agenda setting. Agenda setting, data collecting, conferences and workshops, studies and consulting, recommendations and dissemination of 'lessons of experience' are also major activities of the OECD and the World Bank. Unlike the World Bank, the OECD exerts its influence through these non-financial means. Papadopoulos (1994) acknowledged that the organization often plays a catalytic and integrative role, 'without which a number of developments in the countries would at least have taken much longer to occur' (p. 203). Thus, in its educational work, the OECD is not a mere reviewing and consulting agency; it is a catalyst for change.

Together with the World Bank, the OECD disseminates its policies, ideas and Western universal norms through conferences and publications. Researchers (Henry *et al.*, 2000; Kwiek, 2001) argued that these agencies had played a significant role in articulating and spreading views pervasive in their neoliberalism and new managerialism across the world. Through their aid, advice and 'lessons of experience', these actors inevitably introduce their ideological agenda into the national policy making. No wonder, that the recent Russian education strategy was designed on a different ideological platform from that of the 1990s legislation, seemingly in accordance with the conditions and recommendations of the OECD and the World Bank.

Discursive power. The influence of the international financial institutions on the Russian economy is an established fact. However, the most powerful paths of influence could be the least visible ones. Samoff (2003) argued that while it can be easy to identify the influences imposed by the global agencies through the conditions of their loans, 'policy directions' and 'recommendations', it would be more difficult to detect and resist the influences imbedded in conceptions of education that seem so ordinary that we take them for granted. Indeed, the analytical frameworks and discourses disseminated by the World Bank and the OECD, seem so obvious and common sensical that we often accept them without critical scrutiny.

The analysis of the policy documents of the World Bank and the OECD suggests that their policies were framed within a neoliberal economic discourse. The unifying themes in their policies were the representations of change in the 'global economy' and the urgent need for economic and social restructuring to meet the challenges of global competition. Similar ideas of the 'new global economy' and 'knowledge-based economy' promoted by the OECD and the World Bank also run through the recent educational policies in Russia, where the neoliberal discourse dominates the education strategy rhetoric. This discourse, disseminated by the World Bank and the OECD, is evident in the key words and phrases, including 'free trade', 'transparency', 'flexibility', 'cost sharing' and 'reduced public expenditure', and 'human capital', which reflect the ideological stance of the international agencies.

Although definitely different in their structures and activities, the World Bank and the OECD have similar ideological positions regarding education policies. The

neoliberal discourse of economic globalization, accountability, competition, efficiency and effectiveness has a major effect on shaping the ways in which educational resources are allocated and measured. In combination with the enhanced globalization of the world's economy and the post-Cold War context, the apparent global dominance of neoliberal ideologies has weakened the policy options of nation-states. As a result, in many countries, including Russia, educational policies have been reframed by the new policy consensus resulting from the combination of globalization, which is used to explain everything, and neoliberal ideology (Henry *et al.*, 2001). According to Ball (1998), in education and social policy, generally, the new orthodoxy, the market solution, has become a new master narrative, constructing the topics, strategies and forms of response. This new neoliberal orthodoxy is disseminated and institutionalized through the policies of the global agencies. It also functions as a discursive framework which legitimates particular policy solutions and at the same time renders previous policies as 'unthinkable' and 'unaffordable'.

Conclusion

While the precise impact of the World Bank and the OECD on Russian higher education is difficult to assess, their role in shaping social and educational policies is significant. Shugurensky (2003) argued that these organizations have great coercive power over nations in need of funding, and that this power is exerted through structural adjustment policies as well as agenda setting. Perhaps one of the most important influences is the one that is least visible but potentially more enduring. This influence stems from the global actors' analytic frameworks and conceptions of education. For example, Henry *et al.* (2001) suggested that the OECD exerts influence over the educational policy-making processes of nation-states through reinforcing its largely instrumentalist view of education as a means for preparing students for the global economy, in which neoliberal and corporate managerialist ideologies are dominant. Although imposed conditions can be rigid and painful, they are usually explicit and clear and, therefore, can be challenged (Samoff, 2003). The discursive interventions are more difficult to detect and confront as they are presented as axiomatic and are usually taken for granted.

A government alone does not possess resources and expertise necessary to manage a large-scale higher education modernization, but requires informed and knowledgeable policy advice and financial assistance to implement reforms. As a result, the OECD and the World Bank export their ideas and agendas and influence the educational policy-making of the nation-states. In Russia, recent government initiatives in education have raised questions about the origins of current policies and the involvement and role of supranational organizations. Some critics of the Putin government's strategy observed that reforms closely resembled the conditions imposed by the World Bank in the 1990s. The Russian Deputy Minister of Education, Elena Chepurnykh, stated that the World Bank had lent money for the introduction of the single university entrance exam in Russia (the USE) and that no

connection existed between the new policy direction and the Bank's loan (Vaganov, 2001). However, according to the World Bank (1994), its support for higher education generally takes place in an agreed-upon policy framework with monitorable benchmarks. Furthermore, in *Ten things you never knew about the World Bank in Russia*, the World Bank (2004) acknowledged that the education reform supported by the institution had led to the introduction of a single entrance exam (the Unified State Examination) for all institutions of higher education.

Thus, to understand the origin of current educational reform and processes taking place in Russian higher education, one should explore policy recommendations and conceptual frameworks offered by the World Bank and the OECD. Although not explicitly stated, the ideological positions of the World Bank and the OECD formulated in their approaches to economic, social and education policies are consistent with the philosophies of neoliberalism. Awareness of these a priori established positions would help policy makers to challenge these assumptions and, perhaps, design policies that would reflect the nation's aspirations and values.

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