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# Reforming Russia's Educational System

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by Abdur Chowdhury and Inna Verbina\*

The Russian Federation inherited a fairly well-developed, mature educational system from the Soviet Union. Most school-age children had access to general education; literacy was almost universal. Transition exposed weaknesses in this system tailored to the needs of a centrally planned economy. Specifically, it had limited abilities to respond to the changing economic structures of a market economy.

With a view to bringing greater efficiency and accountability, a large part of the education sector was decentralised under the 1992 Education Act. Under this law, responsibility for general education and school finance was entrusted to regional (*oblast*) and local (*rayon*) level authorities. This rapid decentralisation attempt proved to be poorly designed. It lacked the commensurate transfer of resources and never spelled out the levels of government responsibility.

## State of education

Reform attempts since 1992 have encountered three major obstacles. First, in terms of budgetary provisions for educational needs, there has been a decrease in financial transfers from the federal to regional governments – both in absolute and relative terms and relative to what the regions themselves spend. Second, as a consequence of this regionalisation policy, many ethnic republics sought to establish their own educational systems and launch their own education reforms, creating a dissonance between the key elements of the federal and regional approaches to educational change. Third, the real incomes of teachers and educators have declined. As a result, many qualified managerial and teaching staff have left schools for better paying jobs.

There is genuine concern that the emphasis on educational decentralisation and diversity is creating greater inequities and contributing to a narrowing of educational choices and opportunities. Today, the education system faces growing social stratification, differentiation among educational institutions and the emergence of a system of paid educational services. All these developments are making education less accessible to low-income citizens. Sixteen of the country's 89 regions now spend at least a third more per student on compulsory education than the eighteen regions at the bottom of the spending scale.

The federal government has recently adopted programs that provide for a set of measures to modernise educational institutions and improve the quality and efficiency of education. The program provides for a transition to a 12-year education, introduction of a single state examination and inclusion of more technical subjects in the basic high school curriculum. The government also plans to shift the responsibility for financing school teachers' salaries from the municipal level to the regional level, while local budgets will still be responsible for maintenance of the infrastructure of educational institutions. The 2002

consolidated budget saw a 60 % increase in allocation for education relative to the previous year.

## Unfinished agenda

While these are steps in the right direction, much more needs to be done. Specific reform options worth consideration include giving schools increased financial autonomy for higher efficiency, implementation of a per capita financing formula and raising teacher qualifications. The government must also ensure that schools are geographically accessible, affordable and equipped with educational resources that meet minimum standards. Further, schools need to deliver a curriculum that does not handicap the student's access to higher education. This process could be promoted by a fair, affordable, and enforceable mechanism of compensatory finance between and within regions based on the interregional equalisation mechanism introduced in the mid-1990s.

Other authorities could also help out with various measures. For example, schools have to find innovative ways to attract private money to supplement public outlays. While there is a huge shadow market for educational services (about 1.5 % of GDP), public schools are unable to tap into this market due to their rigid policies. Indeed, money given by parents to school officials for various projects is seldom properly accounted for. Transparency of income flows and efficiency in spending are essential for an education system to flourish. Schools could also raise funds from private sources to finance targeted, well-designed programs. Various means could also be explored for attracting business funding for vocational and higher education.

Moreover, the government should make sure that students in all regions enrol in a minimum number of core courses to assure a common basis for educational assessment. Civil society could also be more involved in planning a merit-based education system where superior academic achievements are rewarded. Since spending on primary education is considered a means to improving the general welfare and reducing inequality, the distributional aspect should be stressed in any strategic plan, i.e. money should first and foremost be allocated to providing every child with a sound education. Finally, in lieu of the current state-financing of educational infrastructure, Russian education needs a targeted approach that rewards schools for providing high quality education. In places where parents can choose among several schools, the attractiveness of individual schools will depend on what they offer students.

An education system based on accessibility, quality, and merit is essential to ensure that Russia has the high quality human capital necessary for sustaining economic growth.

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