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**PRIVATE HIGHER EDUCATION IN RUSSIA: THE QUEST FOR
LEGITIMACY**

A Thesis in

Higher Education

by

Dmitry A. Suspitsin

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The thesis of Dmitry A. Suspitsin was reviewed and approved* by the following:

Roger L. Geiger
Distinguished Professor of Education
Thesis Co-Advisor
Co-Chair of Committee
Chair of Graduate Program in Higher Education

David Post
Professor of Education
Thesis Co-Advisor
Co-Chair of Committee

Gerald K. LeTendre
Professor of Education

Johann Baumgartner
Professor of Marketing

*Signatures are on file in the Graduate School.

ABSTRACT

This dissertation examines the issue of how Russia's newly established private higher education institutions gain legitimacy conferred by the government, sponsoring organizations, the clientele, and other constituencies and stakeholders. The study describes the private institutions' forms and sources of legitimacy; their legitimacy-management strategies; and the forces and constraints in the external environment that facilitate or impede the Russian private universities' chances for gaining organizational legitimacy. Drawing on Burton Clark's tripartite framework of coordination and DiMaggio and Powell's notion of organizational field, the study presents a stakeholder model of organizational legitimation, identifying relevant societal audiences in the realms of the state, the market, and higher education community.

To this end, this largely exploratory, qualitative study employs a multiple case study approach as the primary research method. The cases are built around types of institutions categorized based on legitimation orientations, or ways of constructing institutional identities in order to gain social recognition. The institutional typology includes four types: westerners, statists, cultural revivalists, and entrepreneurs. The results of the study point to the federal government as a powerful legitimizing entity. It exercises its control through accreditation based on law and tradition. The study provides evidence on how accreditation enhances private institutions' social security and acceptance, student enrolment, and institutional survival. Both conforming and manipulative strategies for attaining accreditation by private institutions are laid out and illustrated.

The data come from semi-structured, in-depth interviews with university presidents, deans, government officials, and researchers, as well as from extensive observations, and analysis of written documents, including print media materials, governmental laws and regulations, and institutional documents.

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Chapter I

INTRODUCTION

Private higher education is a growing phenomenon that shows no signs of abating worldwide (Altbach, 1999; Levy, 1999). Private higher education is prominent in many countries of Latin America and Southeast Asia, including Brazil, Mexico, Peru, Japan, South Korea, and the Philippines. In recent years, countries of Eastern Europe and of the former Soviet Union have also seen a massive shift from public to private higher education, which has become the fastest-growing segment of their systems.

Consistent with global trends, a major development in Russia's post-Soviet higher education has been the emergence and proliferation of nonstate higher education institutions. These institutions have profoundly altered the organizational landscape of Russian higher education and have considerably expanded the capacity of the system to provide services to various segments of the public (Solonitsin, 1998). New legislation in 1992 permitted the operation of nongovernmental forms of higher education. As a result, this sector has experienced rapid and robust growth. Since the beginning of the 1990s, the population of nonstate institutions has mushroomed from a handful of institutions to about 400 colleges and universities, currently making up roughly 37% of all 1071 higher education institutions and serving 15% of all students in the country (CMSE, n.d.).

As in most post-communist societies, the proliferation of the Russian nongovernmental forms of higher education is linked to broader socioeconomic processes of the transition from centralized state control to a free market regime (Levy, 2004;

Lewis, Hendel, & Demyanchuk, 2003). The introduction of full-scale free market reforms in Russia in the 1990s diminished the authority of the state with respect to its financing and governance controls and diversified the sources of sponsorship and social support available to higher education, particularly for newly emerged nonstate institutions. Under the Soviet system the state had an exclusive role of sponsor, provider, and regulator of higher education. However, the new policies of decentralization, deregulation, and privatization allowed for the emergence of multiple and diverse entities of sponsorship and provision of higher education services: the state, individual consumers, and the nascent sectors of business and civil society.

As newly established organizations, Russian nonstate higher education institutions suffer from the liability of newness, or uncertainty about the value of new organizations' ways of doing business (Singh, Tucker, & House, 1986). They need to overcome a host of operational challenges to survive, including the competition for scarce resources, procurement of adequate capital flows, and development of organizational structure and routines. They also must prove their institutional trustworthiness and obtain social recognition from the external environment and its various actors, such as the government and other influential organizations and audiences.

Despite vibrant growth, the sector's social acceptance, or legitimacy, is marked with controversy. This stems from conflicting assessments among its relevant stakeholders in the marketplace, government, and higher education community at large. Emerged in conditions of a nascent market economy and cultural pluralism, nonstate institutions orient themselves toward the exigencies of new market arrangements and social values. They tend to coordinate study programs and student learning outcomes

with the customers' and employers' demands. Yet their legitimacy is frequently evaluated by the state and by the higher education establishment through accreditation based on the traditional standards of academic quality and professionalism that were characteristic of state-run universities. Given these powerful pressures, many nonstate higher education institutions find themselves between a rock and a hard place in the quest for legitimacy: while responding to the push to address state-imposed legitimacy requirements, they at the same time retain their inherent market orientation. They must find additional or alternative sources of legitimacy in the marketplace and among their constituencies and stakeholders of the civil society. How Russia's newly emergent nonstate institutions deal with the challenges of legitimacy acquisition is the primary focus of this thesis.

Statement of the Problem

Legitimacy is a central theme of organization theory, particularly among neoinstitutionalists and population ecologists who use it to explain many processes and relationships between organizations and their external environments. Organizational legitimacy presupposes an organization's acceptance as appropriate, trustworthy, and worthwhile by its constituencies and stakeholders who approve of, endorse, or support it. It is viewed as a prerequisite property for the survival of organizations.

While there are numerous studies addressing various aspects of organizational legitimacy, no systematic attempt has been made so far to investigate the processes by which a new organizational form acquires legitimacy in the context of post-socialist higher education. A combination of three circumstances makes this study distinct and worth pursuing. First, a paucity of empirical research exists that documents legitimation processes in the context of higher education. The few studies that investigate

organizational legitimacy in higher education either use its limited aspects or explore single universities. For example, Kraatz and Zajac (1996) analyzed the adaptation of liberal arts colleges in the 1970s and 1980s in the United States to the pressures from the external institutional and local technical environments. They found that professionalizing and vocationalizing their curricula, changes that would supposedly undermine the legitimacy of liberal arts colleges, had no negative effect on their enrollments and survival. Another study documented, through a social history, the processes by which a Canadian distance education institution of higher learning acquired organizational legitimacy (Moran, 1991).

Second, very little research in organization theory examines legitimation dynamics of new organizational forms and populations in higher education, with most studies focusing instead on already established, legitimate organizations whose task is not to acquire but to maintain legitimacy. To be sure, several studies concerned the legitimacy of new populations of organizations, but their focus was largely organizations in the realms of business and industry (Hybels, 1995; Eisenberg, 2002; Deephouse, 1996).

Third, the vast majority of studies in organizational legitimacy to date have explored organizations functioning in stable environments with institutional rules and norms being largely unambiguous and uncontested. In contrast, post-Soviet nonstate higher education institutions emerged in conditions of a rapid shift in societal values and against the backdrop of conflicting and contested regulatory and normative frameworks. With the authority of the state shrinking and with the emergence of multiple sponsoring and legitimizing entities, the organizational field for Russian nonstate higher education

has become more contested and challenging, offering at the same time more opportunity with respect to legitimacy acquisition. The reconfiguration of the legitimation structure and the involvement of multiple legitimizing audiences pose a series of intriguing questions.

Research Focus and Questions

This study seeks to determine the key collective, social actors who legitimize Russian private higher education. My goal is to create a comprehensive account of how various types of private higher education institutions in Russia acquire their legitimacy from different constituencies and stakeholders in the external environment. To this end, I ask three research questions: *1. Who are the principal stakeholders and constituencies that confer the status of legitimacy on private higher education institutions?; 2. What are the mechanisms, strategies, and tactics by which private higher education institutions gain and maintain legitimacy?; and 3. What are these distinctive types of Russian private higher education institutions that are identified by their orientations toward resource and legitimacy acquisition?* Addressing these questions will illuminate legitimacy acquisition by part of Russian private higher education. This study examines the interaction of institutions within the external environments. Question 1 analyzes the external environment and its composition of legitimizers. Question 2 examines the agency and behavior of institutions themselves and show their motives, interests, and behaviors. Finally, Question 3 shows how external entities and the institutional actions interact to lead to the emergence of several distinct structural types of institutions.

Question 1 is intended to explore the primary sources of legitimacy available in the external environment and its legitimacy conferring entities. Collective, social actors

are extremely important to new organizations in their legitimacy building. Endorsing stakeholders and constituencies often shape the identity and behavior of new organizations through direct authority, through control over vital resources, or by the expression of good will. This study identifies major organizational actors in higher education and constructs a stakeholder model of organizational legitimation.

Answering Question 2 will help us understand the means by which Russian private institutions obtain legitimacy, the institutional behavior and activities leading to their increased legitimacy, and the patterns and modes of resource and legitimacy acquisition on the part of these institutions. This question centers on the issue of agency of private institutions in the interaction with the expectations and rules of social actors in the external environment.

Finally, Question 3 addresses the issue of how multiple sources of legitimacy and patterns of gaining resources and legitimacy give rise to the emergence of various distinct types of nonstate higher education institutions in Russia.

Delimitation of the Study and Definitions

The study's level of analysis examining the relation between higher education institutions and the environment is an organization field. An organizational field is an intermediate unit between organization and society levels. My study delimits the discussion of legitimacy to the influence of actors in a higher education organizational field. As a result, the legitimating effects of broader societal structures and processes, such as public opinion and the mass media, as well as those of intraorganizational stakeholders, such as administrators and faculty, are beyond the scope of the investigation.

Several terms used in the study have slight differences in meaning and usage in the U.S. and Russian higher education contexts and need clarification. The terms *nonstate* and *private* are used interchangeably in this study although they are slightly different in meanings and connotations. The word *nonstate* is generally found in Russian legal discourse and in institutional charters to refer to nongovernmental institutions of higher education that are founded by entities other than the state and independently financed through sources (typically tuition and fees) other than subsidies from central government. The advantage of using *private* is that the word conveys a number of essential characteristics of these institutions, such as their market origin and entrepreneurial spirit. *Private* is also commonly employed by comparative education scholars worldwide to refer to similar sectors of higher education.

Broadly conceived, privatization in Russian higher education is understood as the transference of property rights from government (mainly federal) to other nonprofit or profit-making organizations. Privatization turns property owned by central, regional, or municipal governments (or the state) into property owned by other entities collectively referred to as nonstate. Nonstate property may be owned by either private or civil (public) organizations, as well as by state-run organizations, such as universities, hospitals, and museums. If, for example, two state-run universities decide to establish a new independent university, this institution will be considered nonstate property (Volkov, Vedernikova, & Romyantseva, 2004). Fine-grained conceptual descriptions of *private* can be found in Geiger (1986) and in Levy (1986).

The word *university* in the plural is used generically and stylistically as a substitute for higher education institutions. Russian nonstate higher education institutions

include universities, academies, and institutes, all offering tertiary education degrees consistent with Level 5A programs of the 1997 International Standard Classification of Education.

Significance

Russian private higher education is an under-studied phenomenon and is poorly understood, particularly in systemic terms. In general, the growth of private higher education is inherently linked with the entire system of education and its major issues, including enrollment growth and the provision of access, institutional autonomy and accountability, and quality assurance and evaluation (Geiger, 1986; Levy, 1986). Inquiry into the patterns, contours, and scope of the private sector's growth and its relationship with the public sector will advance our understanding of the linkages among elements within a higher education system. Within the Russian context, nonstate higher education represents not only the emergence of a new organizational form but also expansion of educational opportunities and institutionalization of new market-oriented disciplines with their novel research paradigms. The new status of the private sector renders it important for ascertaining its impact on the entire system of Russian higher education, particularly in light of this sector's absence from the Russian educational landscape for several generations.

This study places the development of Russian private higher education in a broader context of the startling growth of private initiatives in higher education worldwide and helps fill in the gap of serious scholarly reflection and research on the subject. As Levy (1999) notes, "the international privatization of higher education is so rapid and multi-faceted that we struggle to track it, let alone to understand it" (p.17).

Similar to researchers, policy makers appear to have been devoting more time and effort to enabling private institutions to emerge than to analyzing how and why they develop their policies that produce the observed outcomes. This study will be useful to policy makers as well.

Growth rates in private higher education worldwide show no signs of abating (Altbach, 1999; Levy, 1999). This vibrant proliferation is largely connected to broader socioeconomic changes that “often reduce the centrality of the state and its public institutions while opening up possibilities for alternative organizational goals and means to legitimacy” (Levy, 2004, p.1). It is possible that in Russia private higher education has introduced new normative criteria into assessments of legitimacy rooted in the market-based activities of these institutions. An understanding of these criteria of legitimacy and their impact will be beneficial to policy makers and researchers alike.

The study of legitimacy in private higher education also is important because of the connection between legitimation and entrepreneurship. As Etzioni (1987) observes, the level of societal legitimation greatly affects all aspects of entrepreneurship. For example, without widespread knowledge and social approval of new organizations’ activities, entrepreneurs may have difficulty maintaining the support of key constituencies. Many private colleges and universities in Russia exhibit entrepreneurial behavior. They are forced to use innovative ways of operation in order to survive (Hare, 1997), including opening new market-oriented programs of study, seeking academic linkages with their foreign counterparts, and diversifying their governance structures by involving foreign universities and international organizations as co-owners and governance partners. Inquiry into the legitimacy of Russia’s private sector of higher

education is therefore important in order to understand entrepreneurship in the context of an emerging free-market economy and the success of institutionalization of agents of a new economic order.

Organization of the Study

The dissertation is organized in eight chapters. Chapter I introduces the reader to the crux of the issue of legitimacy acquisition on the part of Russian private institutions. Chapter II focuses on the review of the pertinent literature in the field of private higher education and in organizational sociology. The former literature describes the configurations of worldwide systems of higher education with public and private sectors, the generalized classification of institutional types, and constituencies and stakeholders of the private sector of higher education. The latter literature is used to construct a theoretical framework. Chapter III is devoted to issues of methodology and research design, including limitations of the study. Chapter IV describes the private sectors of higher education in Russia, detailing the turbulent sociopolitical context of early free market reforms and educational policies on privatization in higher education. It highlights the genesis and growth of these institutions and elaborates on major features of nonstate higher education, including curriculum and instruction, faculty recruitment, student admissions, and financing mechanisms. Chapter V examines the legitimizing role of state in the survival and development of private higher education, with a particular focus on accreditation as a major certification mechanism crucial to legitimacy perceptions. Chapter VI investigates the role of external organizations as legitimizers of private education. Both Chapters V and VI analyze strategies and tactics that private colleges and universities employ to acquire legitimacy. Chapter VII offers a typology of Russia's

private higher education institutions and their orientations toward legitimacy acquisition. Finally, Chapter VIII provides the summary of major findings, policy recommendations, and directions for future research.

Chapter II

THEORETICAL AND CONCEPTUAL FRAMEWORK

My study draws upon a number of organizational theories and explores private higher education through a qualitative research design. My theoretical and conceptual framework is informed by the literature on both private higher education and organizational sociology. While the former literature helps to identify major structural features of private higher education sectors, to define typologies and stakeholders and constituencies of nonstate institutions, and to inform the conceptual apparatus in general, the latter provides theoretical bases for organizational legitimacy.

Worldwide Context of Private Higher Education

To understand better the role of Russian private higher education in systemic terms, it is useful to place it within the context of the entire system and juxtapose it with public higher education. Additionally, Russian private higher education can be placed in a worldwide context by being viewed in terms of its system's structural features in comparison with other countries' systems of higher education. According to Geiger (1986; 1991), systems of higher education can be classified as belonging to one of three

basic types of mixed public and private sectors: mass private sectors with restricted public sectors, parallel public and private sectors, and comprehensive public sectors with peripheral private sectors.

Mass private higher education is found in a number of countries, particularly those of East Asia and South America. Japan, Brazil, Peru, Columbia, the Philippines, South Korea, and Indonesia are known for educating the greatest numbers of students in the private sector. In these countries, private sectors have emerged in conditions of limited access to public higher education to accommodate a large proportion of students in low-cost, low-quality institutions created to absorb excess demand. In some cases, private colleges and universities are often vocationally oriented and thus are more directly responsive to national and regional job markets; in others, they are selective in admissions and are often considered elitist; in still others, they offer additional access to education for disadvantaged students and others who find their needs unmet by state-operated institutions. The major dilemma of systems with mass private sectors is whether low-quality higher education is preferable to no higher education for large numbers of students (Geiger, 1986; 1991).

In another organization of public and private sectors of higher education in a national system, public and private sectors have virtually parallel status. Under this approach, which is found in Belgium, Chile, and the Netherlands, the government subsidizes heavily both private and public institutions. For the system with such characteristics to emerge, three conditions are necessary: “1) the existence of ‘legitimate’ cultural groups whose interests are represented in the polity; 2) a single high national standard for university degrees; and 3) extensive government subsidization of private

institutions in order to equalize conditions with the public sector” (Geiger, 1991, p. 236). In systems with parallel public and private sectors, heavy subsidization from the government typically leads to extensive state regulation of the private sector, as the government tries to contain costs and to assure compliance with laws affecting higher education. The effect of increased regulation of the private sector is often a decline in institutional autonomy and loss of freedom to innovate.

The third approach to managing systems of higher education is what Geiger (1986) calls “peripheral” sectors of private higher education. In nations with such systems, private institutions have been created to serve special purposes that are not acknowledged by the state as legitimate roles of government-operated institutions. Because of their special missions, private institutions in countries with peripheral private sectors tend to be closely linked to specific clientele and to gain social and fiscal support from certain sponsoring groups. Peripheral private sectors of higher education are now found in Great Britain, Australia, Germany, Mexico, and some other countries.

In addition to distinguishing between systemic structural features, it is also analytically useful to consider a typology of institutions in the private sector of higher education. Levy (1986) distinguishes three principal types of private institutions: elite institutions with high academic standards, institutions promoting cultural differences or particular values, and institutions that absorb demand that is not met by the public sector. The elitist institutions, by definition, cater to students from privileged backgrounds, drawing their sustenance from a narrow but deep base—those who select universities with more stringent academic and financial requirements. One of the consequences of

this narrow support base is that many elite institutions of higher education find it difficult to attain scope, to engage in research, or to move to graduate-level education.

A second category of private higher education emerges based on social interest in promoting pluralism and the idea that private institutions should represent particular ethnic, religious, and other cultural values in society. Examples of this type include various religious-based and women's private colleges and universities. One of the dangers for this sector is that tough and extensive regulations are applied when cultural and value differences are seen by the government as anti-social and divisive. However, one advantage of "parallel systems" is that government regulation becomes easier to handle as the same quality assurance mechanisms may apply to both public and private sectors of higher education.

Levy's third type of institutions includes demand-absorbing education created to meet excess demand. This category of private higher education typically emerges in systems with mass private sectors where the public sector is not willing or able to finance a rapid increase in college enrollments. These institutions thrive and expand in permissive regulatory environments, often taking little responsibility for providing the public with high quality education. Typically, the demand-absorbing institutions are small, opportunistic, and oriented toward provision of programs with immediate market returns. They draw largely upon students who are not capable of getting into public institutions and, hence, cater to academically less prepared students.

Conceptual Aspects of Organizational Legitimacy

Legitimacy is a multifaceted and complex concept that embraces legal, ethical, political, and cognitive dimensions. Etymologically, legitimacy derives from the Latin

word *lex-legis*, which denotes law and conformity to legal norms. Its meaning is often described in relation to such highly ambiguous concepts as norms, values, and cognitions. Its complexity comes from its property of being an intervening variable. As Zelditch (2001) explains,

legitimacy is a ubiquitous phenomenon, but it seems always to be auxiliary to some other process. Its dependent variable is always the extent to which it increases the acceptance of, or reduces the resistance to, something else, but what is accepted or resisted always seems to be observable only in the dependent variable of other processes... It is a fundamental social process, but only because it is auxiliary to so many other social processes” (p. 5).

In general terms, legitimacy of a phenomenon presupposes its acceptance, which can be reasoned or unreasoned (Berg, 1988). The latter kind of acceptance may be a taken-for-granted, social fact, based on tradition or widespread existence. The reasoned acceptance, however, always involves normative evaluation, as individuals and social groups judge the reasons for existence of a phenomenon in light of their values or the values of the broader society (Berg, 1988).

Legitimacy of social patterns can only be inferred relative to other institutions, policies, and practices, and the degrees of legitimacy vary depending on the context (Etzioni, 1987; Berg, 1988). According to Berg (1988), the degree of legitimacy is largely a function of the relative priority of different norms and the relative popular support for these norms, and it is often indeterminable because these two factors appear to be equally influential in generating legitimacy. As Berg (1988) observes,

There seems to be no way of deciding, for example, whether a policy that is regarded as highly morally acceptable by a narrow majority has a higher (or lower) degree of

legitimacy than a policy that is regarded as barely morally acceptable by an overwhelming majority (p. 23).

Most conceptualizations of legitimacy provided by organization theorists emphasize the normative aspect of legitimacy. In the context of organizations and their environments, legitimacy of an organization occurs when it establishes congruence between its goals and values and the values of the organization's stakeholders and constituencies and of the larger society (Clark, 1956; Dowling & Pfeffer, 1975; Deephouse, 1995; Parsons, 1960; Pfeffer & Salancik, 1978). Although legitimacy is ultimately conferred from outside the organization, it is also affected by the acceptance of an organization's goals by its members. As Elsbach and Sutton (1992) put it, "legitimacy is conferred when stakeholders-that is, internal and external audiences affected by organizational outcomes-endorse and support an organization's goals and activities" (p. 700).

There are various audiences involved in conferring legitimacy upon an organization. Because of the diversity in the values in a society and those of its various social actors, an organization's goals may be in line with some groups' values but inconsistent with values of others (Clark, 1956; Pfeffer & Salancik, 1978). However, an organization does not need the support of all the segments of society to remain legitimate. As Pfeffer and Salancik (1978) note, a legitimate organization can be endorsed by a segment of society large enough to ensure its survival in the face of adverse reactions from some social groups. Thus, an organization may deviate from individuals' values but be still legitimate because the deviation draws no widespread public disapproval (Berg, 1988; Pfeffer & Salancik, 1978). Even if an organization is negatively evaluated it can still be perceived as necessary or inevitable and therefore socially acceptable.

Definition and Typologies of Legitimacy

In organizational sociology, attempts to develop inclusive typologies of organizational legitimacy are found in the works of scholars working from different research perspectives. Population ecologists Aldrich and Fiol (1994) propose a schema, classifying legitimacy into *cognitive* and *sociopolitical* elements. The former component of legitimacy refers to the extent to which organizations are perceived as being taken for granted. The latter component combines normative and regulatory controls.

Legitimacy figures most centrally in theories of institutions. Neoinstitutional theory posits that the institutional environment is primary to organizational action. The environment shapes action through the influence of omnipresent, taken-for-granted understandings rooted in the collective memory of a society and its path-dependent historical processes, as well as through the imposition of collective norms and values and through the enforcement of the regulatory apparatus (Meyer & Rowan, 1977; DiMaggio & Powell, 1983; Scott, 1998). According to Scott (2001), these institutional processes constitute three distinct realms of social structure that elicit three interrelated but distinctive bases of legitimacy: Cultural-cognitive, normative, and regulative. A *cultural-cognitive* component of legitimacy stems from shared cultural meanings and “prefabricated organizing models and scripts” (p. 58). A *normative* element of legitimacy underscores moral, often internalized assessments based on values and norms. And *regulative* legitimacy emphasizes conformity with relevant legal requirements usually in the form of governmental laws, regulations, and policies.

Similarly, Suchman (1995) identifies three major forms of legitimacy: *pragmatic* (based on actors' self-interests), *moral* (based on normative approval), and *cognitive* (based on the condition of taken-for-grantedness). In his synthesis of institutional and strategic management literatures on organizational legitimacy, Suchman (1995) arrives at an 'inclusive, broad-based' definition: "Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (p. 574).

Synthesis of Legitimacy Components

The typologies presented above distinguish four elements of organizational legitimacy: Cognitive, normative, regulative, and pragmatic—all relevant to the field of higher education. The ambiguous nature of legitimacy and its application to institutions of higher education merit further explication of this concept.

Cognitive Legitimacy

Cognitive legitimacy refers to the spread of knowledge about organizations. It is assessed by the level of public knowledge about an organizational form. The prevalence or density of institutions of a particular organizational form is often used as an indicator of cognitive legitimacy. The more prevalent the organizational form is, the more socially acceptable it becomes. As population ecologists argue, "growth in numbers of organizations gives force to claims of institutional standing and also provides economies of scale in political and legal action" (Hannan & Freeman, 1989, p. 136). The level of legitimacy increases with density but at a decreasing rate. At high levels of density, the forces of competition become dominant and induce a negative relationship between density and founding rates. The highest level of cognitive legitimacy is acquired when an

organizational form is taken for granted and assumes what Berger and Luckmann (1967) call the ‘quality of social facticity.’ Thus one may imagine a continuum of cognitive legitimacy running from being recognizable to being perceived as ‘natural’ and ‘normal.’

Cognitive acceptance appears to be a most potent form of legitimacy (if not the most) because it is formed at the broadest societal level of a macro environment and because it is firmly internalized in the schemas of observers and participants. According to Scott (2001), the cognitive dimension is the ‘deepest’ because it is predicated on ‘preconscious,’ taken-for-granted understandings. Cognitive elements are “more basic to the operation of social systems and provide frameworks on which normative and regulative systems are constructed” (Ruef & Scott, 1998, p. 879).

Berger and Luckmann (1967) further explain the primacy of cognitive legitimation in relation to normative: “There must be first ‘knowledge’ of the roles that define *both* ‘right’ *and* ‘wrong’ actions within the structure....Legitimation not only tells the individual why he *should* perform one action and not another; it also tells him why things *are* what they are. In other words, ‘knowledge’ precedes ‘values’ in the legitimation of institutions” (pp. 93-94). Similarly, Suchman (1995) notes that the condition of taken-for-grantedness represents the most subtle and influential form of legitimacy because when “alternatives become unthinkable, challenges become impossible, and the legitimated entity becomes unassailable by construction” (p.583). Thus, for instance, receiving education at organizations other than colleges and universities is a deeply ingrained practice. Similarly, most nonprofit organizations, such as the United Way or the Red Cross, enjoy the reputation of socially responsive and valuable organizations.

Normative Legitimacy

Normative legitimacy rests on prescriptive evaluation of an organization's activities and values by its constituencies and stakeholders. Organizations are viewed as worthy of support if their values and goals are in line with the general societal and the social actors' expectations, values, and norms. For example, universities may be perceived as morally acceptable to the extent they contribute to the welfare of society through the production of 'public goods.'

Organizations can be subject to the prescription of generalized societal norms such as justice as well as narrower norms of a profession or organizational field. Broader social norms can be extrapolated to more specific contexts. For example, norms of property rights and ownership and of free enterprise that govern broad-based market activities are often generalizable to the context of private higher education. Similar to cognitive elements, norms and values are largely internalized and operate at a macro-societal level, which implies that it takes more time for organizations to attain normative and cognitive legitimacy.

Clark (1983) distinguishes four sets of values against which institutions of higher education are judged by their relevant audiences: Justice, competence, liberty, and loyalty. The set of values subsumed under the *justice* umbrella includes equal access to higher education and equal treatment manifest in uniform standards across a system. Preference for *competence* comes in the form of the quality of students and faculty members, emphasis on research and graduate education, and the effectiveness of institutions. Quality is a central issue in the normative environment for higher education

because it is closely linked with reputation and prestige orders of institutions. The *liberty* values and norms refer to choice, initiative, diversity, and innovation in higher education. And *loyalty* means supporting government initiatives in higher education in the name of common welfare. Clark argues that these values and norms are inherently at odds with one another:

The conflicting values press behavior in contradictory directions and encourage antithetical forms and procedures. The value of social justice presses toward open-door admission, mass passage, and uniform graduation. But the interest in competence everywhere argues for selection at the outset, a willingness to fail and weed out, and for graded certification that will label some persons as more capable than others (p. 252).

Regulative Legitimacy

Regulative legitimacy is indicated by whether an organization is legally established and whether it operates in conformity with relevant laws and regulations. Regulatory processes involve rule-setting, monitoring, and sanctioning activities (Scott, 2001). Often times regulative powers are vested in governmental organizations which establish legal frameworks, issue policies, supervise compliance to rules and regulations, and manipulate rewards and punishments. In higher education, for instance, regulatory powers reside in national ministries of education. As D'Aunno, Succi, and Alexander (2000) observes, regulatory frameworks and pressures for accountability are particularly pronounced in fields such as education, where output cannot be readily evaluated.

Ruef and Scott (1998) who studied the legitimacy of hospitals in the United States suggest that regulation is performed through systems of certification, particularly in highly institutionalized fields, such as healthcare and education. As they argue, “hospital organizations improve their survival chances insofar as they are successful in obtaining legitimacy from such normative sources as the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) or the American Hospital Association” (Ruef & Scott, 1998, p. 883). In higher education this certification occurs through systems of quality assurance, including accreditation, licensing, attestation, or registration. Accreditation may be considered a normative mechanism in systems or fields where it is not rigidly defined by laws and not regulated by coercive processes. Thus, attainment of accreditation is an indication of a university’s regulative legitimacy. In Russian private higher education, the continuum of regulative legitimacy runs from registration to license to accreditation.

Pragmatic Legitimacy

Pragmatic legitimacy rests on the self-interested calculations of an organization’s stakeholders and constituencies. Social actors approve of and lend their support to an organization in exchange for some practical benefits that the organization brings them. From this perspective, pragmatic legitimacy “boils down to a sort of exchange legitimacy—support for an organizational policy based on that policy’s expected value to a particular set of constituents” (Suchman, 1995, p. 578).

Perhaps more than any other form of legitimacy, pragmatic legitimacy is indicated by the flow of resources and is instantiated in resource accumulation because it is closely related to market-based activities of resource exchange and because resources are media

by which approval and consent are expressed (Hybels, 1995). An act of resource exchange is, in effect, an act of legitimation. Any concrete act of endorsement or support from influential social actors expressed through exchange-based relationships and the resultant flow of resources not only lends some additional legitimacy to the organization receiving support, but it also signifies and acknowledges the legitimacy of that organization. Terreberry (1968) explains the relationship between resources and legitimacy this way: “the willingness of firm A to contribute to X, and of agency B to refer personnel to X, and firm C to buy X’s product testifies to the legitimacy of X” (p. 608).

Pragmatic legitimacy seems to be particularly critical to the process of establishing new organizations because it is closely connected with resource acquisition that helps sustain these organizations. When there are low levels of institutional components of legitimacy in new organizations due to the liability of newness (Singh, Tucker, & House, 1986), pragmatic support is the only means to legitimacy. According to DiMaggio (1988), the founding of new organizations is an expensive enterprise that requires a high level of resource and interest mobilization. The legitimation of an organizational form involves two major dynamics: 1. construction of ‘public accounts’ or ‘public theories’ by ‘institutional entrepreneurs’ in an attempt to justify organizational trustworthiness and use and 2. support of this organizational form by ‘subsidiary actors’ who benefit in some way from the establishment of new organizations. This process of generating legitimacy on the part of new organizations is undertaken as an ‘institutionalization project’ in which both parties involved have interests in their exchange relationships. As DiMaggio (1988) puts it,

in order to render its public theory plausible, then, an institutionalizing organizational form requires the help of subsidiary actors. The claims of institutional entrepreneurs are supported by existing or newly mobilized actors who stand to gain from the success of the institutionalization project. Subsidiary actors provide legitimacy to the new organizational form by providing resources that render its public account of itself plausible....To the extent that an institutionalization project succeeds, subsidiary actors are themselves legitimated and institutionalized...” (p. 15).

The pragmatic form of legitimacy appears to be epiphenomenal to the institutionally derived elements of legitimacy in that exchanges are governed by institutional rules. Acceptance based on self-interest is determined and shaped by the primary and more profound elements in the institutional environment-regulative, normative, and cognitive. Pragmatic acceptance is only possible if the organization is already acknowledged as acceptable with some minimum level of institutional legitimacy. Some minimum level of cognitive, normative, and regulative legitimacy is necessary to be accorded by the organization (e.g., through legal frameworks). In other words, institutional forms of legitimacy precede the pragmatic acceptance.

Organizational Legitimacy and the External Environment

Legitimacy is largely obtained from the external environment. As DiMaggio and Powell (1983) note, organizations acquire legitimacy by becoming isomorphic with the environment in which they operate. Specifically, organizations are confronted with constant pressures from the external environment to adhere to prevailing normative and regulatory frameworks in order to acquire and maintain legitimacy and stability.

Environments vary with respect to their stability and legitimation dynamics (Scott, 1998). Stable environments with clear-cut institutional standards and few sources of legitimation, as was the case in highly centralized systems of Soviet-type higher education, offer unambiguous patterns of conformity. Turbulent environments, on the contrary, may entail changes in institutional rules and standards to the extent that institutional frameworks may become contested and conflicting making adherence to them difficult for organizations (Goodrick & Salancik, 1996). In particular, significant social transformations, such as those that occurred in the countries of the former Soviet bloc, may allow for the emergence of new sources of legitimacy and for reconfiguration of the entire legitimation structure (Levy, 2004). Rapidly changing environments during the time of social reforms are often characterized by changes in populations of organizations that proceed in a dynamic of legitimation and de-legitimation by the state and the market (Halliday, Powell, & Granfors, 1993; Levy, 2004). Shifts in the main sources of legitimacy occur when the authority of the state either expands or shrinks, or when market practices are discredited, reinforced, or introduced as novel. As a result, organizations may find themselves orientating toward multiple and competing legitimation sources adopting different legitimacy-building strategies (Levy, 2004).

Sources of Sponsorship and Legitimacy in Higher Education

Scholars of higher education have identified several major centers of power of social systems, which lay demands on, regulate, and endorse higher education institutions. Burton Clark (1983) distinguishes among three major forces that coordinate higher education systems: state authority, the market, and academic oligarchy. State coordination refers to a framework of rules designed to “steer the decisions and actions of

specific societal actors according to the objectives the government has set and by using instruments government has at its disposal” (Neave & van Vught, 1994, p. 4). Market regulation is conceived as arising from exchange relationships viewed as a method of structuring behavior and managing interdependencies among the actors in an exchange (albeit different from governmental frameworks of coercive rules). And academic oligarchy refers to the coordinating agency of ‘academic guilds’ to guide decisions and behavior in higher education. Clark (1983) positions higher education systems within a triangle, with each corner of the triangle representing the extreme manifestation of one force and marginal influence of the other two. These features are ideal types, and usually manifest themselves in various configurations. In different national contexts, these types may be thought to vary and change.

Clark’s triangle of coordination in effect represents major sources of legitimacy and sponsorship available to higher education institutions in the organizational field. Coordination or regulation on the one hand and legitimation on the other are interconnected processes to the extent that conformity to regulatory controls is an organizational mechanism effecting an organization’s legitimation (Scott, 1998): conforming to frameworks and rules signals adherence to expectations of appropriate behavior which is rewarded with perceptions of legitimacy and with other assets.

Different processes of legitimation characterize Clark’s centers of power. The *state* typically legitimates through systems of certification by what DiMaggio and Powell (1983) call ‘coercive isomorphism.’ This process imposes compliance with its policies by ensuring that an organization is legally established and operates in conformity with relevant laws and regulations. In higher education this certification often occurs through

systems of quality assurance, including accreditation, licensing, attestation, or registration. The *market* generally legitimates through its fundamental regulatory processes of supply and demand and resource exchanges. Higher education institutions are legitimated when their enrollments grow or when employers hire their graduates. Legitimation is also evident when influential social actors and exchange partners contribute resources to higher education institutions thereby expressing their endorsement and signifying and acknowledging the legitimacy of the receiving institutions (Hybels, 1995). As DiMaggio (1988) explains, “Subsidiary actors provide legitimacy to the new organizational form by providing resources that render its public account of itself plausible” (p. 15). And *academe* provides legitimacy through the normative pressures of professionalization by devising frameworks, distinctions, typifications, and guidelines for action (DiMaggio & Powell, 1983).

To specify further the constituencies and stakeholders in higher education which confer legitimacy within the domains of the state, the market, and the academic sphere, it is important to supplement Clark’s model with DiMaggio and Powell’s (1983) notion of ‘organizational field’ defined as a community of organizations with some functional interest in common, including “key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products” (p. 148). While retaining Clark’s entities of state authority and the market intact in this research, I enlarge the academic oligarchy element with a broader notion of ‘higher education community.’ This includes and accounts for a critical role of peer organizations, particularly public universities in the Russian context, in providing legitimacy. Clark’s three sources of influence can also be conceptualized as three

overlapping circles, rather than as a triangle, to emphasize the idea of mixed, hybrid arrangements and the interaction among the legitimation entities in a higher education field.

With this adaptation, Clark's and DiMaggio and Powell's concepts can be effectively applied to higher education contexts in Russia and in many Eastern European countries. Each major realm of sponsorship and legitimacy consists of a set of constituencies and stakeholders which are capable of conferring legitimacy. In Russian higher education, the state authority is represented by the Ministry of Education and Science and its accreditation agency. Other ministries run their own colleges and universities, and various central, regional, and municipal legislative bodies and administrations have some control over higher education centrally or locally. The market dimension in Russia includes student clientele, employers, sponsoring business and industry organizations, and privately owned, entrepreneurial educational enterprises. And the Russian academic community comprises academic institutions whose legitimacy is well established, namely state-supported, public colleges and universities and specialized research institutes and academies, including the Russian Academy of the Sciences and the Russian Academy of Education.

Adaptive and Legitimation Strategies

Organizational theorists are concerned with understanding adaptive organizational strategies. For instance, Thompson (1967) classifies the strategies directed toward altering the state of existing environmental affairs as either cooperative (e.g., contracting, co-opting, and coalescing strategies) or as competitive (e.g., institutionalization and prestige enhancement). Scott (1998) maintains that organizations operate simultaneously

in technical and institutional environments, using a variety of strategies to gain legitimacy, reduce uncertainty, and enhance survival. The technical environment refers to factors directly related to the cycle of production and organizational efficiency, while the institutional environment includes a system of shared beliefs and rules sanctioned by society (Scott, 1998). In pursuit of stability in their technical environments, organizations employ a variety of strategies, including co-optation, formation of strategic alliances, joint ventures, and associations, and use of governmental connections.

In response to the pressures in the institutional environment, organizations use the following institutional bridging strategies: structural, procedural, and personnel conformity. Structural conformity refers to the specific structural requirements imposed by environmental actors on organizations as a condition for acceptance and support. Procedural conformity occurs when "organizations are placed under pressure from institutions in their environments to carry out specified activities or to carry them out in specified ways" (Scott, 1998, p. 214). Personnel conformity is an organization's adaptation to governmental or professional requirements for qualifications that entails the hiring of specific types of personnel.

Chapter III

RESEARCH METHODS AND DESIGN

Rational for the Research Design

The issue of legitimacy in organizations has been studied both by quantitative (e.g., Ruef & Scott, 1998) and qualitative researchers (e.g., Driscoll & Crombie, 2001; Suddaby & Greenwood, 2005). My study includes three qualitative methods: interviews, document analyses, and a multiple case study. With their focus on the particular and idiographic and their naturalistic setting (Guba & Lincoln, 2001), qualitative methods are best suited for this exploratory study of legitimacy in private higher education. Interviews and documents provide rich perceptual and factual data on people's experiences and phenomena (Kvale, 2001; Whitt, 2001). Seeking both individual perspectives and facts, I address the first two questions of this study -- *who are the principal stakeholders and constituencies that confer the status of legitimacy on private higher education institution and what are the mechanisms, strategies, and tactics by which private higher education institutions gain and maintain legitimacy*. These questions can best be answered with the help of interview and document analyses. The third question--*what are the structural types of Russian private higher education institutions determined by their orientations toward resource and legitimacy acquisition*—is more complex in that it builds on the data

from interviews and documents. The typology of Russian private colleges and universities is accomplished through a multiple case study.

Scholars of organizations in general and higher education researchers in particular have used case studies in research of various types of organizations (Clark, 1956; Driscoll & Crombie, 2001; Epper, 1997; Hammond, 1984; Selznick, 1949; Suspitsyna, 2005; Van Loon, 2001). Case studies allow researchers to examine organizational phenomena unobtrusively without effecting change in the situation (Stake, 1995). Compared with single case studies, multiple case studies have a greater analytic generalizability in that they enhance the validity of theoretical conclusions (Yin, 1989). In this dissertation, the multiple case study of Russian private higher education sector is designed to follow what Yin (1989) calls the logic of literal replication: all schools arrived at the same outcome of legitimate private higher education institutions, albeit by different means.

Research Sites and Sample

The selection of research sites was guided by several criteria. The first criterion was comparability, including extreme, typical, reputational, and comparable cases (LeCompte & Preissle, 1993; LeCompte & Schensul, 1999). Another criterion was Patton's (1990) suggestion of information richness. The selected institutions were specifically examined for the following attributes: location in large central and regional population centers with advanced market infrastructure, the status of accreditation (accredited/unaccredited), the primary focus of disciplinary offerings (economics, business administration, and law versus the humanities), and founding entities and the ties with external constituents and sponsors, including international organizations and foundations.

As a result, 43 private institutions were selected in five cities: Moscow (18 schools), Saint Petersburg (15), Novosibirsk (6), Barnaul (2), and Kursk (2). The locations of the institutions proportionally represent the distribution of Russian private universities in central part of the country and the regions. Approximately 80% of all private universities are located in the two largest cities: Moscow and St. Petersburg; the rest of the institutions are situated in less populous but still large cities, with populations ranging from two million to half a million people in Novosibirsk, Kursk, and Barnaul. The selected schools offered a wide range of degrees from economics to business administration to law and the humanities. Thirty six institutions were accredited while 9 did not have accreditation.

The respondents were selected by a snowball sampling technique. First, I interviewed experts who are known to be knowledgeable about the development of private higher education in Russia. The experts came from a variety of organizations ranging from recruiting and consulting companies to international foundations to leading public universities and research institutes. These respondents were identified through personal contacts and from the study of higher education publication materials (e.g., newspaper *Kariera*). Second, I interviewed rectors and vice-rectors of colleges and universities, whose names were recommended by the interviewed experts and policy makers. Third, I talked with administrators and faculty members, whose names were suggested by the rectors and vice-rectors. As a result of the snowballing technique, after interviews with experts, I identified 46 top administrators for interviews at the selected research sites. After talking to them, I added six more respondents among administrators and faculty on the basis of their reputed knowledge of the private sector. Some of these

administrators and faculty members worked simultaneously in private and public institutions of higher education or held positions in private institutions and in specialized research institutes.

Methods of Data Collection

Interviews. In total, 65 interviews were conducted with various actors directly and indirectly involved with the development of the selected private colleges and universities. The collected 65 interviews consisted of 53 interviews and 12 follow-ups. The 53 interviews were collected from 10 experts who did not have any formal affiliation with or employment at the selected research sites, 29 rectors, seven vice rectors, three faculty members, and three deans. Some participants were interviewed more than once.

The number of research sites, participants, and interviews accepted for analysis changed over the course of the study. Specifically, one institution was disqualified from the study when it became known that it changed its status from private to public. Subsequently, the rector of that institution was dropped from the study and so was the interview with him. A rector of another institution first refused to be recorded during the interview and then withdrew from the study altogether. Because it was not possible to collect data at the rector's institution without his support, the institution was dropped from the study, as was the interview with the rector. Both rectors were from Moscow. Two experts who were interviewed together asked to withdraw from the study because one of them accepted a position at a private university included in the study and felt uncomfortable about the possible conflict of interest.

The decision to exclude three faculty members from the study was based on the fact that their responses focused primarily on internal processes at their institutions,

whereas the focus of the study lies in the area of external interactions among entities in the organizational field of higher education. Simply put, the faculty members were not qualified to answer questions about their institution’s external policies.

While the six dropped interviews were excluded from the analysis, they were used to inform some of the interview questions and subsequent analysis.

Furthermore, the total number of interviews was adjusted to exclude double counts. In the initial count (marked in Table 3.1. below as Data Collection Stage), two of 53 interviews were counted twice, when in reality they represented two parts of one interview conducted at two different dates per respondent’s request.

Thus, at the stage of data analysis, the number of research sites was reduced from 43 to 41; the number of participants dropped from 52 to 45; and the number of full interviews accepted for analysis decreased from 53 to 45. Thirteen follow-up interviews lasted from five to 10 minutes long and served to clarify points raised by respondents in the full interview. The information from follow-ups was included in the analysis of 45 full interviews. Table 3.1 below summarizes the changes in the number of interviews, participants, and sites at data collection and data analysis stages of the research.

Table 3.1. Number of Interviews, Participants, and Sites, by Stage of Research

Stage	Interview	Participant	Site
Data Collection	53 Interviews; 12 Follow-Up Interviews. Total Interviews Collected: 65	10 Experts; 29 Rectors; 7 Vice Rectors; 3 Deans; 3 Faculty Total Enrolled: 52	Moscow 18; St. Petersburg 15; Novosibirsk 6; Kursk 2; Barnaul 2 Total Selected Sites: 43

Data	Dropped: 6 (1 joint	Dropped From the	Disqualified: 2
Analysis	interview with 2	Study: 7 (2 experts, 2	Total Sites Under
	experts; 2 with rectors;	rectors, 3 faculty)	Study: 41 (Moscow 16;
	3 with faculty).	Total Remaining	St. Petersburg 15;
	Double Counted: 2	Participants: 45 (8	Novosibirsk 6; Kursk 2;
	Adjusted Total	experts, 27 rectors, 7	Barnaul 2)
	Interviews: 45	vice rectors, 3 deans)	
	Follow-Ups: 12		

The interviews were semi-structured and lasted from 45 minutes to one hour and a half. All interviews were tape recorded, except for one interview with the rector who later withdrew from the study. The interview guide contained questions designed to elicit information on the following areas of college and university operation: process of accreditation; the institutions' major founding, funding, and sponsoring organizations; their missions and principal sources of funding; the strategies to enhance their "brand name" and visibility in the eyes of the general public; and the benefits from their membership in national and international professional associations. Since the content of the questions was not controversial and did not elicit emotional experiences, it was expected that the interviews would have no harmful effect on the respondents' psychological well-being or reputation. Nevertheless, in order to avoid unforeseen negative effects of the interview on the respondents' careers, the identities of the interviewees were protected by anonymity. Their names were assigned two-letter codes

and separated from the interview transcripts. The code list was kept in a safe place available only to me as a researcher.

Data collection through interviews presented certain challenges. Despite the valuable information that rectors and vice rectors provided, some leaders assumed a self-congratulatory stance or were reluctant to disclose pertinent facts about their institutions' operation. In such cases, I attempted to fill in the lacunas through the analysis of documentary materials. It also became apparent that more impartial sources of information were needed in order to understand the issues under study from various perspectives. Presented in the interviews with experts, the 'outsider' perspective was all the more valuable as it came from the individuals who not only reflected on the public discourse on private education but also influenced that discourse themselves.

Among various categories of respondents, faculty proved to be most difficult to interview formally. One explanation may be their lack of experience and familiarity with the procedures of formal interviews, including the practice of informed consent form and the recording of the interview. Because the interviewed faculty members were recommended by their rectors, there inevitably arose an issue of validity of the information they provided. Ultimately, since interviews with senior administrators were rich enough to reach the data saturation point, I decided not to recruit more faculty in the study.

Documents. Because they are formal bureaucratic organizations (Weber, 1947/1996), private universities have explicit mission statements, annual reports, organizational histories, and other documents describing the state of their current activities. These documents represent active efforts to establish themselves in society as

credible, valid, and rational organizations. They are designed to seek legitimacy and support from the stakeholders and external constituents (Pfeffer & Salancik, 1978). Consistent with Scott's (1998) conception of organizations as rational, natural, and open systems, the analysis of these texts may show the discrepancies between explicitly stated activities (a rational system's characteristic) and the implicit, underlying goals (a natural system's feature).

For this study, I collected two types of documents: institutional artifacts as described above and legal documents. The first group consisted of college and university websites, brochures and promotional materials, and course catalogues (for the list of printed materials used in the analysis, please see Appendix H). These materials were used to supplement the information gained from the interviews and to triangulate it to enhance validity of the data collection. The data gathered from these documents, together with the data from the interviews, illuminated the multiple cases of the study.

The second included the Constitution of the Russian Federation, federal laws and statutes, and various legal and policy documents issued by the Russian Ministry of Education. The utility of this group of documents was two-fold. First, they informed the analysis of legitimacy associated with the power of the state. Second, they were employed to triangulate the information gathered from interviews and organizational documents.

Data Analysis

The interviews were translated from Russian into English and transcribed. While the six interviews with individuals who dropped from the study were used to inform the

analysis, 45 full interviews and the clarification information from 12 follow-ups were employed as data sources to answer the three research questions of the study.

The transcripts of the selected interviews were examined for themes related to actors and legitimacy strategies and coded. The themes that emerged from the analytical investigation included 1. the state authority and state accreditation, 2. founders and owners of private institutions, 3. partnerships with governmental organizations, state universities, and employers, and 4. student clientele. These environmental entities, with their legitimation capacities, are first described in detail under separate subheadings and then synthesized in light of a stakeholder model of organizational legitimacy developed in the literature review chapter. Specifically, the key legitimizing entities are first identified from the narratives, and their legitimation roles are explored. The various players that make demands, regulate, or endorse private institutions are then integrated under the realms of either the state authority, the market, or the higher education community, and implications for the legitimation of Russian private higher education institutions are discussed. The results of the coding are reported in detail in Chapters V and VI.

Validity of the Study

I took several measures to enhance the validity of the study. First, throughout the duration of data collection I kept a journal of notes and reflections on interview situations, respondents' dispositions and nonverbal language, and my own evaluations of the interviews. The record of these observations helped me to reconstruct the interview situation during transcription and correctly reflect respondents' emotion or stance (e.g.,

irony, anger, disbelief) in transcription. Journaling also allowed me to check for my personal biases and assumptions recorded through self-reflection.

Second, following the suggestions presented in Guba and Lincoln (2001), Tashakkori and Teddlie (1998), and Creswell (1994), I sought peer debriefing with colleagues in Russia and the United States about issues related to private higher education in post-Soviet countries in general and in Russia specifically. Peer debriefing was especially useful in the cases when I came across organizational forms and legal arrangements I had not previously encountered and could distort their meaning without more grounded knowledge. Consultations with experts in legal issues of higher education were particularly valuable.

Third, I employed within and between method triangulation. Working with interviews, I used experts' responses to triangulate the answers of administrators. Composing cases about institutions, I utilized results of document analysis to triangulate the information about sites that I collected from interviews.

Chapter IV

OVERVIEW OF THE RUSSIAN HIGHER EDUCATION SYSTEM AND RECENT POLICIES

General Features and Legal Framework

Currently, Russian higher education is comprised of 662 state-supported and 409 nonstate higher education institutions that include universities, academies, and institutes. All these types offer theory-based, tertiary education degrees that correspond to Level 5A programs of the 1997 International Standard Classification of Education. Universities combine undergraduate and graduate education in several diverse disciplines and fields of study, emphasize research in a wide range of academic fields and sciences, and are leading academic and methodological centers in their respective fields. Academies offer both undergraduate and graduate programs and conduct research in one or few fields of science, the humanities, or social sciences. And institutes offer programs and do research in a limited number of disciplines and fields of study and may or may not have a graduate school. The status of a higher education institution as university, academy, or institute is formally determined by the Ministry of Education and Science at accreditation.

Higher education in Russia has a dual system of academic degrees. Introduced at the beginning of the 1990s, the system of baccalaureate and master's degrees functions in

parallel with the Soviet-era system of specialist degrees as a first tertiary-level academic credential. The duration of bachelor's and master's programs of study is typically four and two years respectively. Specialist degree programs usually last five years or sometimes six years (e.g., medicine) when studying full-time. Both the specialist and master's degree allow students to enroll in doctoral programs. Doctoral programs offer a degree of *Kandidat Nauk*, candidate of sciences, which is often viewed as roughly equivalent to a Ph.D. in the United States, particularly in natural sciences, mathematics, and other 'hard' sciences. This degree typically requires two or three years of study beyond a specialist program and the defense of a dissertation. The highest research degree of *Doctor Nauk*, doctor of sciences, is awarded by a special national body in recognition of outstanding original research.

Russian federal government has a central role in governance of higher education. On behalf of the state, it legally owns and funds state higher education institutions, exercising control through various ministries. The federal Ministry of Education and Science (MES) controls both state and nonstate institutions generally in strategic initiatives, national policies, and legislative coordination, as well as in matters of quality assurance (e.g., accreditation) and of curricula and programs of study. The MES has direct jurisdiction over 51% of state institutions, including all state teacher training institutions and federal universities of the Soviet era (Kouptson & Tatur, 2001), and in effect co-governs the remaining state institutions under the jurisdiction of various ministries (e.g., transportation, economy, culture and art, health care, agriculture, defense, etc.). Nonstate institutions are subject to federal control in issues of registration, licensing, and accreditation. They are institutionally governed by their founding entities,

which may include various state-run organizations, private businesses, civil and religious organizations, or private individuals.

Russia's higher education is regulated by two main federal laws: 1. law "On Education" of July 10, 1992 and 2. law No. 125-FL, of August 22, 1996, "On Higher and Professional Education," as well as by legislative acts and ministerial decrees of the federal government. These laws have undergone numerous amendments since the passage and, along with numerous legal acts and decrees, represent a diverse, complicated, and often conflicting legal framework for higher education.

The 1992 law "On Education" provides for the founding and functioning of educational institutions of all levels and of various legal organizational forms, including state, municipal, and nonstate (Federal Law on Education, 1999). It introduces the term 'nonstate educational institutions,' albeit without much specificity and clear-cut distinction between 'nonstate' and 'private.' Stipulated to be non-profit organizations, these institutions are described as ones established by private, civil (public), or religious entities. This law also establishes a foundation for the system of quality assurance through the mechanisms of licensing, attestation, and accreditation of educational institutions.

The 1996 law entitled "On Higher and Professional Education" makes specific reference solely to higher education and further develops the legal regulatory framework relevant to the issues of quality assurance and privatization in higher education (Serih & Buslova, 1998). The conditions of higher education financing stipulate that both state and nonstate institutions may be financed by their founders (the state in the case of state higher education institutions), by income generated by the institutions themselves (e.g.,

tuition), or by combined means of the founders and institutions. The law also accords higher education a status of high national priority and declares the promotion of nonstate higher education to be a factor contributing to the advancement of higher education.

The Turbulent Context of Early Reforms

What can be regarded as first post-Soviet transformations in higher education began with the 1989 Congress of National Educators. The Congress participants outlined directions for changing the goals of higher education and reforming university curricula and teaching methods. The initial enthusiasm for reforms soon had its reality check in the form of rigid rules and regulations about the structure and property of higher education institutions. The 1992 law “On Education” was welcomed as a solution to the inflexible legal framework of the Soviet time. Among other novel ideas, the law allowed the establishment of private institutions of higher education and stipulated rules for their licensing and accreditation. In a rather unprecedented move in Russia, private schools were granted the right for state funding provided they were accredited by state entities.

The liberal orientation of the 1992 law was soon to be tempered by the social and political processes in the country. In the early 1990s, under the leadership of Prime Minister Yegor Gaidar, the government initiated a sharp transition to the market economy, the so-called “shock therapy,” that led to disastrous consequences for the fabric of society. Prices were liberated and inflation was approaching 1000%. Millions of employees who depended on the state budget for their salaries did not receive their payments for months. Citizens began to stock pile food in anticipation of sky rocketing prices and soon enough grocery stores had nothing to show but empty shelves. Long lines for bread and milk became a common sight. In large cities, there was serious talk of

approaching hunger. Families with young children were hit especially hard: basic food and milk were in short supply; many day care centers closed and so did thousands of enterprises; as millions lost their jobs, young and recently hired employees were often the first to go. The disabled and the elderly were left to their own means and without the support of their family, many could not survive on their meager pensions devalued by inflation. Now free from censorship, the popular evening news often ended with the anchor asking Russians to brace themselves for the next day and do their best to survive.

The nation that had not recovered from the shock and humiliation the Soviet Union collapse was witnessing the complete paralysis of the social welfare system and the suffering of the people. To add insult to injury, amidst the general poverty of the population, a group of high-ranking government officials and heads of industrial enterprises were hastily privatizing the nation's factories, plants, and mineral resources into their own hands. Uncensored newspapers exposed the abuses of power by the nouveaux riches, contributing to the social tension. In these circumstances, it comes as no surprise that the words 'capitalism,' 'liberal,' and 'market' acquired negative connotations in the vernacular. The Communist Party of Russia was able to utilize the popular discontent toward their own political gain and its head Gennadiy Zyuganov rapidly rose in opinion polls to become President Yeltsin's challenger in the forthcoming presidential elections of 1996. At the same time, the communists gained considerable victories in Parliament. By the mid-1990s, at one end of the political spectrum the communists called for the return to the Soviet regime with its strong centralized control, at the other end the liberals in Yeltsin's Cabinet continued to push for a faster transition to the market irrespective of their plummeting approval ratings. In this context, the

government had to resume some of the control over the economy and society that it had abrogated years earlier. In 1996, the conservative amendments to the 1992 law “On Education” and the new law “On Higher and Professional Education” represent the state’s attempts to strengthen its control mechanisms in the field of education.

Recent Higher Education Policies and Changes

Reforms in the 1990s, including the adoption of federal laws on education, introduction of tuition and fees at state-run universities, the set-up of a national system of quality assurance, and adoption of baccalaureate and master’s degrees, considerably altered the entire configuration of Russia’s higher education. The system underwent diversification of institutional missions and of governance mechanisms and experienced an increasing trend toward reliance on tuition and other market controls, a far-reaching institutional change for a system previously financed entirely by state subsidies.

Social institutions tend to ‘ossify’ and lag behind the changes in the socio-economic environment (Etzioni, 1987), and governments often tend to make policies as a reaction to events and phenomena already underway (Levy, 2001). The Russian government’s reform agenda in the 1990s followed precisely this path, being driven by the imperative to reflect and solidify the socio-economic and organizational changes in education and in society at large and to impose regulation and accountability upon rapid and somewhat chaotic developments in higher education. The imperative to cope with the organizational crisis within the state sector of higher education, along with the unanticipated rapid growth of private initiatives in higher education, was a major reason for the promulgation of new laws and policies (Volkov, Vedernikova, & Rumyantseva, 2004).

Against the backdrop of shrinking federal subsidies for state higher education, the sole source of funding in the previous decades, the Yeltsin administration issued a decree entitled “On Immediate Measures of Support of the Educational System in Russia” in 1994 (Bain, 2001). Reconfirmed in the 1996 federal law on higher education, this policy allowed state-supported academic institutions to enroll a limited number of students for tuition and fees in study fields demanded by the labor market, including business administration, law, applied economics, and foreign languages. In 2004 caps on tuition-based enrollments were removed. Generally, the state still provides subsidies and targets to each state institution for a certain number of ‘tuition-free’ students, but an increasing share of students enrolls in tuition-charging programs where admissions standards are often loose. Both kinds of students frequently study in the same programs.

In 1992 new legislative provisions made it possible to introduce a system of baccalaureate and master’s degrees. The rationale for the policy was that the new system would provide flexibility and responsiveness with respect to clientele needs and market demands and be a move toward the integration of Russian higher education into western (particularly Anglo-American) systems (KIMEB, 2001). New impetus to the adaptation of the system was given in 2003 when the Russian government officially joined the Bologna Process. The MES is currently working on a draft legislation designed to facilitate and to induce widespread adoption of baccalaureate and master’s programs at Russian universities.

Policies on Privatization

Provisions for privatizing state higher education institutions, as well as for establishing nonstate institutions, were set in the 1992 law “On Education.” Yet the conditions for privatization lacked specificity, leaving much room for the interpretation of what the privatization of state higher education meant. As a result, debates in the professional community ensued, and the lobbying efforts on the part of influential interest groups, such as the National Association of Rectors and national unions of educators and academics, led to the reversal of the privatization policies in state-supported higher education. In 1995 a piece of legislation was passed prohibiting any change in ownership for state higher education institutions. Recently, however, the MES in the Putin Administration made a series of moves toward creating pressures for state higher education to rely more on market financial mechanisms and to privatize ((Lemutkina, 2005).

The current national discourse in higher education addresses privatization largely in relation to three developments: ‘nonprofit’ privatization of state higher education institutions, ‘latent’ privatization of state assets in higher education, and private or nonstate higher education. Most privatization initiatives in state higher education have been referred to as ‘nonprofit’ privatization. Institutions privatized in this way would hold the status of nonprofit organizations, and the state would either remain the owner or have a decisive right in the institutional co-ownership structure, giving institutions and their co-owners extensive, if not total, managerial control over the property and resources. The assets of such institutions may not be divided among co-owners and must be used only for the provision of higher education.

The federal government is currently deliberating on a draft legislation that will lead to the reduction of the number of state-supported higher education institutions and creation of a system of national and regional public universities with different financing mechanisms and ownership structure for each group (Volkov, Vedernikova, & Rumyantseva, 2004). There are over 600 state higher education institutions in Russia, with twice as many branch campuses. The Ministry of Education and Science proposes that there be roughly 20 national universities owned and fully financed by the central government, roughly 200-300 regional universities jointly financed by the central and regional governments, and other institutions supported by regional authorities, municipalities, or other sponsors. At the center of discussion is the proposed change in universities' ownership structure. The ownership specifics for 'regional' and other state institutions are still under discussion. It is proposed that ownership rights of many of these institutions be transferred from the state to institutions themselves. However it is not clear whether faculty, administrators, or other parties will be owners.

In the Russian context, 'latent' privatization refers to the appropriation of state assets for personal use by individuals in position of authority (e.g, rectors, deans, etc.) through some dubious mechanisms that are not manifestly prohibited by law (Filippov, Boiko, & Ostrovsky, 2001). For example, a dubious case would be renting out state universities' facilities to commercial enterprises or offering instructional courses in partnership with some organizations without legally explicit contracts stipulating the mechanisms of revenue generation and expenditure. Most often, rectors and other high-echelon administrators of state higher education institutions are implicated in this phenomenon. According to a former minister of education, Edward Dneprov, these

administrators have effectively become ‘masters’ of their institutions managing institutional resources without express accountability (Filippov, Boiko, & Ostrovsky, 2001).

Emergence and Growth of Nonstate Higher Education

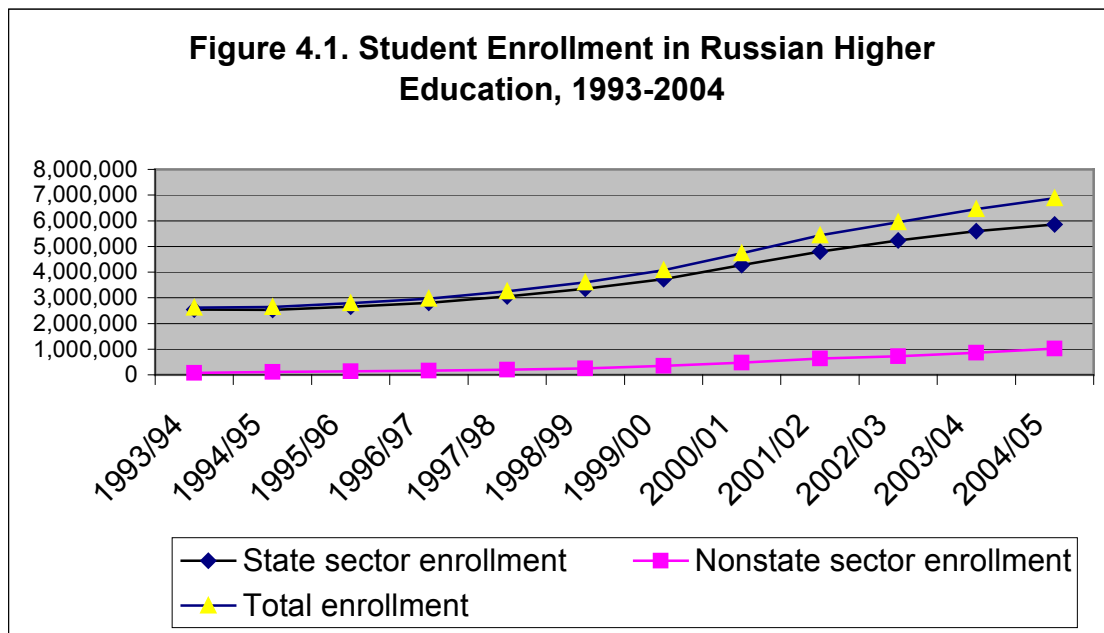
Research on worldwide private higher education has documented three major reasons for the emergence of private initiatives in education: 1. religious or other cultural purposes of various groups wishing to promulgate their values; 2. provision of elite alternatives to public higher education; and 3. compensation for the inability or unwillingness of the state and the public sector to meet the demand for higher education (Geiger, 1986; Geiger, 1991; Levy, 1986; Lewis, Hendel, & Demyanchuk, 2003; Reisz, 2003). For example, Levy (1986) notes these three rationales in his seminal study of private higher education in Latin America categorizing institutions into value-centered, elite, and demand-absorbing respectively.

In another influential study, Geiger (1986) similarly observes that the heterogeneity of demand for private higher education may take three forms, including *more* higher education to meet the excess general demand; culturally *different* kind of higher education to address cultural and religious pluralism; and *better* higher education to meet the demand for quality (mainly research oriented) education. As this study will demonstrate below, the disintegration of the Soviet state in Russia gave rise to the conditions for heterogeneous and immediate demand for more, different, and better higher education, leading to the emergence of Levy’s three institutional types of universities at the same time. The majority of nonstate institutions, however, were set up to respond to a massive demand for new, market-oriented education (Solonitsin, 1998).

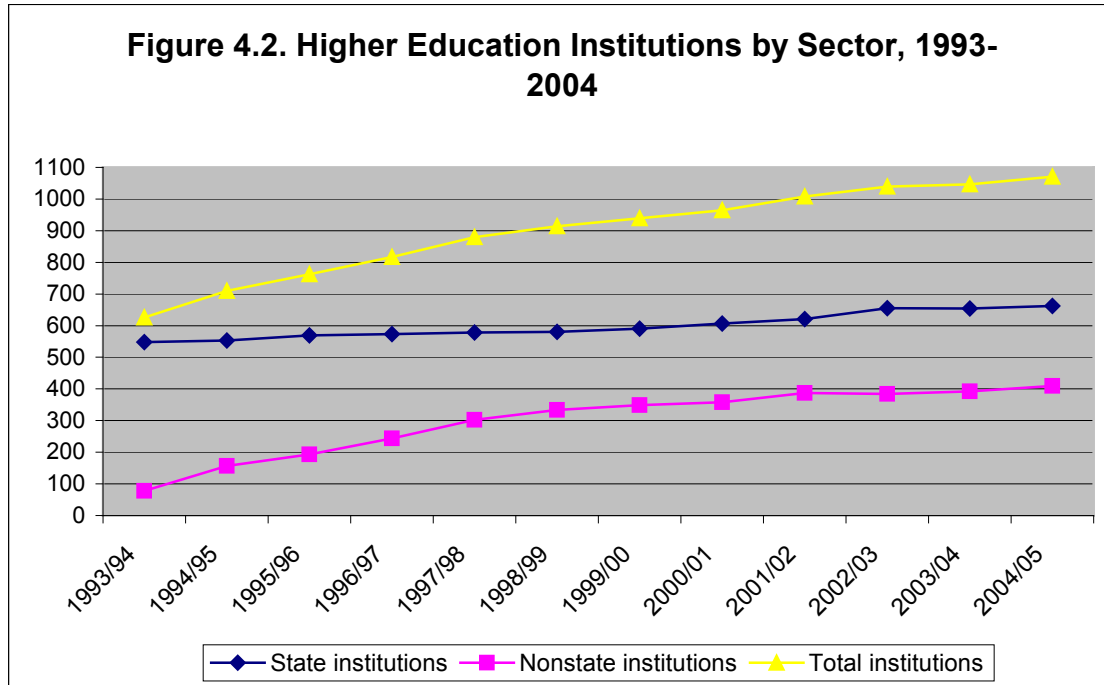
As indicated earlier, the conditions for the emergence of nonstate higher education institutions in Russia were created by the initiation of free market reforms in late 1980s and early 1990s (Kirinyuk, Kirsavov, & Semchenko, 1999). The new economic institutions of a market economy required an education that the state sector of higher education was not able to meet effectively. In particular, the nascent class of business owners needed a new kind of skills and competences in economics, business administration, and law to effectively operate in the marketplace. With its inertia and major deficiencies relative to the needs of a market economy, including the lack of emphasis for such disciplines as economics, management, law, and sociology, as well as neglect for adult education and retraining, the system of state universities initially produced human capital of little value for a new economic order. In these circumstances, the emergence of private higher education institutions with their lead in addressing the market needs was a force that helped enhance societal adaptation in the changing socio-economic environment (Etzioni, 1987).

The proliferation of Russia's private institutions generally followed the patterns that have occurred in other parts of the world, with its 'surprise' element of growth, lack of planning on the part of policy makers, initial explosion and subsequent stagnation in growth, and other common characteristics globally (Levy, 1992; Levy, 2002; Levy, 2006). The precursors of private higher education institutions appeared and gained momentum in the absence of any solid legal framework in the late 1980s, in effect functioning as for-profit enterprises that offered various professional development and certificate programs. After the passage of the 1992 law "On Education," the private sector became the fastest growing segment of the higher education market with respect to

the number of colleges and universities. Of the 451 institutions that opened their doors in the 1990s, about 80% were established in the private sector (Goskomstat, 2002). Up until 1998 the rate of institutional expansion was roughly 50 institutions per year. After the 1998 economic crisis, the growth stagnated, and marginal increases in the number of institutions followed. The dynamics of the system's development are detailed in Figure 4.1 and Figure 4.2 below, as well as in Appendix A.



Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>.

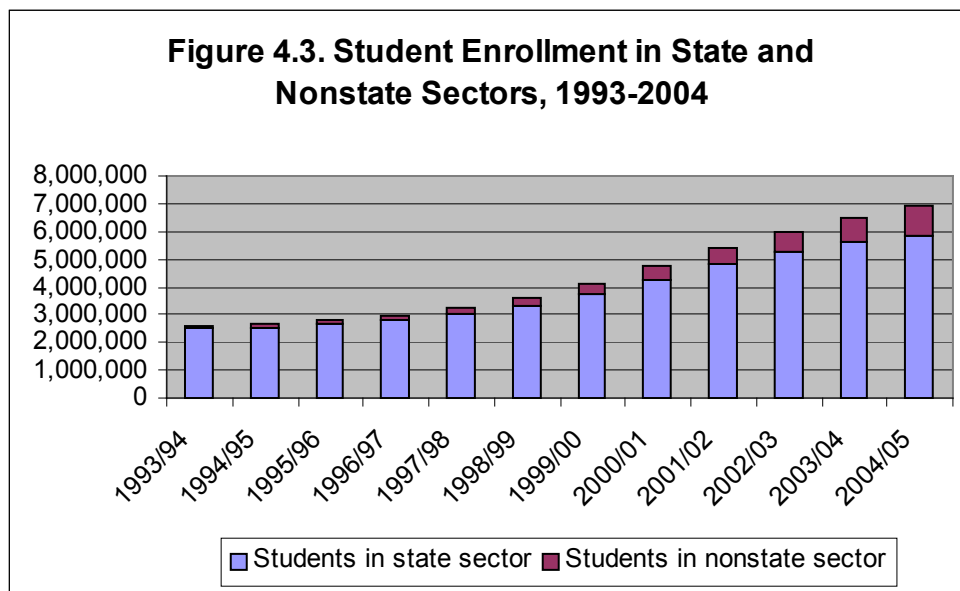


Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>.

After over a decade of impressive growth, the private sector has emerged as a vibrant and diverse component of the higher education system effectively competing with public universities in market-related fields of study. Emerging in conditions of a nascent market economy, almost all nonstate institutions orient themselves toward meeting the exigencies of new market arrangements and demands, offering education in business administration, economics, law, psychology, sociology, social work, and other disciplines that do not require much investment in equipment and research infrastructure. Since the emergence, the market-oriented focus of these institutions' programs of study has not changed much. However, several institutions in the fields of engineering and medicine have recently opened their doors.

The growth of private higher education may not look as impressive when juxtaposed with the expansion of the state sector. The student population in the state

system has increased more than twofold from 2.5 million in 1993 to 5.9 million in 2004 over the past decade, largely due to the increase in tuition-paying students. The proportion of students (15%) in private higher education relative to the entire system may reflect the state of legitimacy in the higher education field if one accepts the density-dependent explanation of an organizational form's legitimacy proposed by population ecologists (Hannan & Freeman, 1989). My argument is that for a system of education previously totally dominated by state institutions, a proportion of 15 % achieved over the course of 15 years still looks notable. Figure 4.3 below demonstrates the growth of state and nonstate enrolments.



Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>.

Major Features of Nonstate Higher Education

Organization of Studies and Instruction

Currently, accredited private higher education institutions offer a specialist degree in 62 specialties (majors), with 36 % of these institutions offering a specialist degree in

law, 30% in finance, 26% in management of organizations, 24% in budgeting, 9% in psychology, 8 % in economics, and 6% in philology. These institutions also offer a baccalaureate degree in 28 majors, with 28% in economics, 26% in management, and 25% in law (Veniaminov, 2002).

As newly established organizations, Russian private higher education institutions suffer from the liability of newness (Singh, Tucker, & House, 1986), finding themselves competing with well established state universities and their peer institutions and continually justifying their right to exist. Given these challenges, many proactive nonstate institutions in Russia actively engage in various innovative activities in the organization of their curricula and of teaching and learning processes in an effort to differentiate themselves from and achieve an advantage over their competition.

Innovations undertaken by Russian private institutions are largely borrowed from academic practices of western universities. Although taken for granted in the West, some novelties are just in the initial stage of widespread acceptance into university curricula of Russian higher education institutions. They are generally designed to contribute to the efficient use of instructional time, to enhance the quality of education, to raise student motivation for learning, and generally to make institutions more attractive to prospective students and more competitive in the higher education field (Veniaminov, 2002).

As compared with the state sector, Russian private higher education institutions are generally viewed as more receptive to students' needs, more responsive to market demands, more flexible in their course offerings, and often more innovative in instructional methods (Veniamonov, 2002). As small specialist organizations, private institutions are able to create a welcome climate of a tight community for students and to

offer close contact between faculty and students and between administration and students. In general, with their narrow, career specific curricula, convenient class schedules and weekend programs, loose transfer requirements, personalized instruction in small groups, and use of practitioners to teach courses, private institutions are able to accommodate the needs of clientele, particularly those of part-time and nontraditional students such as working adults.

Additionally, private higher education institutions widely employ such flexible arrangements as independent studies, electives, and modular curricula, and their students often have great freedom in selecting programs of study. A frequent use of learner-centered active instructional arrangements, including case studies, role-playing, roundtables, simulations, and techniques of problem-based learning, allows private institutions to tailor the teaching and learning process to students' individual needs and to enhance learning outcomes.

Faculty Recruitment and Development

As of today, the 409 nonstate higher education institutions in Russia currently employ over 50, 000 faculty members, 47% of whom are full-timers (CMSE, n.d.). Since the inception, the private sector gradually has been expanding its staff of full-time employees, testifying to its growing acceptance in the higher education community and in society at large. Among those working in private higher education, approximately 60% of both full-time and part-time faculty members hold doctorate degrees while the share of doctoral degree holders among the sector's full-time academic staff is 54 percent (CMSE, n.d.). Appendix E provides additional data on faculty members.

Heavy reliance on part-time teachers is a common feature in private higher education worldwide (Altbach, 1999; Levy, 1986; Levy, 2002). Most part-time faculty at Russian private institutions come from the state sector of higher education, often holding multiple part-time jobs in several institutions. In early 1990s, the proportion of part-timers from state universities working in the private sector was much higher. By employing faculty from state universities, the private sector was able to take advantage of their knowledge of how to organize effective teaching and learning processes. In turn, this practice helped state universities to survive by providing their faculty with additional sources of income in the private sector in circumstances of low salaries and severe budget cuts from the federal government (Kirinyuk, Kirsavov, & Semchenko, 1999).

In addition to monetary incentives, many faculty members from state universities are drawn to the private sector because of extrinsic rewards. They often consider private institutions as a testing ground for using new methods of instruction and their own syllabi and curricula (KIMEB, 2001). Faculty from the state sector also indicate other rationales for working at nonstate institutions, including high motivation for learning and active participation on the part of students, a high level of teaching and learning productivity, and the possibility of making new contacts, particularly relationships with their counterparts from foreign universities (KIMEB, 2001).

Student Participation in Nonstate Sector

Russia has achieved an unprecedented level of participation in higher education in the country. The entire system roughly has doubled in size over the past ten years. After a period of decline in the late 1980s and early 1990s, higher education has been showing steady and robust growth in enrollments. The total enrollment has increased two and a

half fold in the past 10 years, reaching an all-time high of 6.9 million students (CMSE, n.d.). Both state and nonstate higher education have been showing impressive growth. The student population in the state system has increased more than twofold over the past ten years, largely due to the increase in tuition-paying students. Although much smaller in size, the private sector followed an explosive developmental pattern and have significantly contributed to the entire system's expansion over the same period of time. The expansion rate of the private sector slowed down in recent years: between 1998 and 2001 the average growth rate of enrollments was approximately 36%, while the average increase rate between 2001 and 2003 was half as high (CMSE, n.d.).

The system of higher education currently serves 5.9 million students at state higher education institutions and over one million students at nonstate institutions (CMSE, n.d.). Students attending nonstate higher education account for 15% of higher education enrolment. About 53% of all students study at higher education institutions fulltime, and 58% are female (Appendices B and C). The proportion of part-time students in the private sector is higher than that in the state sector (roughly 66% versus 46% respectively). This pattern of attendance suggests that private institutions enroll more adult students and working professionals than their state counterparts. The share of female students in the private sector is slightly higher (by about 6%) than that in the state sector, standing now at approximately 63%. There have not been any significant trends or fluctuations in both patterns of attendance and women's participation rates in private higher education in recent years.

The great majority of students enroll in higher education in large metropolitan areas and medium-sized cities, with Moscow and Saint Petersburg accounting for 27% of

institutions and 24% of enrollments (CMSE, n.d.). Enrollment in Moscow and Saint Petersburg's private institutions as a share in total private higher education enrollment is currently 48 percent. The concentration of private higher education students in Moscow alone is staggering: 90 (23%) institutions and 344,000 (40%) students (CMSE, n.d.). In comparison, Novosibirsk, the fourth largest Russian city with a population of 1.3 million people, has 7 (1.8%) private institutions with 25,000 (3%) students. Concentration patterns of the private sector depend, among other factors, on the size of a local economy as well as on the size of the state-supported sector of higher education locally. Indeed, in early 1990s it was state higher education institutions that initially provided instructional personnel and other resources to the private sector (Kirinyuk, Kirsavov, & Semchenko, 1999).

Admissions

Admissions standards at many privates, except at institutions with graduate programs, are generally fairly loose, in some cases requiring only personal interviews. In the first years of operation, most private institutions admitted almost anybody ready to pay for their services (Solonitsin, 1998). Often the first enrollments greatly exceeded the most optimistic projections of the founders and presented difficulty in accommodating all those wishing to enroll. Over time, however, admissions requirements tightened as the government began to impose accreditation standards. In the year 2000, over 80% of students in private institutions gained admission on the basis of entrance examinations. By contrast, only 40% had gained admission in this way in 1994 (CRSS, 2001).

In a few institutions, particularly those oriented toward western models of education, admissions standards are as demanding as those at best state universities. The

New Economic School in Moscow, a research-intensive graduate school offering western-style master's degrees in economics, is one of these institutions. Applicants to the School are admitted on the basis of rigorous entrance exams, including tests in English and math modeled after the TOEFL and the Graduate Record Examination and an essay in economics (NES, 2004). On average, the School has an acceptance rate of about 60% and a yield rate (those actually enrolled among the accepted applicants) of 83 percent. Through a flexible system of institutional financial aid, the School maximizes the quality of entering classes. In its recruitment efforts, the School runs preparatory courses in English and economics, open houses, and outreach workshops in Moscow and in other cities throughout Russia and countries of the former Soviet Union.

Academic Degrees

In relative terms, the private sector is a major propagating agent of the baccalaureate degree and has embraced it more readily than state universities. Baccalaureate degrees account for 40% of all degrees awarded in the private sector, as compared with 10% in the state sector (CRSS, 2003). In part, the reason for greater acceptance of baccalaureate programs at private institutions is that they require less mobilization of resources to open a program. Additionally, given their simpler academic organization in comparison with specialist programs, it takes less time and effort to have baccalaureate programs accredited.

In general, many issues arise as to the compatibility and integration of the 'old' and 'new' degree structures, particularly regarding the integration of programmatic elements and student mobility among baccalaureate, specialist, and master's programs. Ambiguity exists with respect to the place of the master's degree in the structure of

graduate (postgraduate) education. For example, both specialist and master's degree holders are equally eligible for enrollment in doctoral studies (candidate of science degree programs). They go through similar admissions procedures and pursue similar plans of study once enrolled in doctoral programs. However, given the fact that it takes five years of full-time study to complete a specialist program and six years to obtain a master's degree, the former qualification has an advantage of offering a faster route to doctoral studies. In the year 2002, the share of master's degrees among baccalaureate, specialist, and master's recipients was negligible: 0.2% at private institutions and 1.2% at state institutions (CRSS, 2003).

Currently baccalaureate degrees in general and private institutions as major providers of these qualifications in particular are subject to two powerful legitimation pressures exerted by the state and the marketplace. On the one hand, Russia's accession to the Bologna Process in the fall of 2003 has been an impetus for the Ministry of Education and Science to promulgate the 'new' two-tier system of baccalaureate and master's degrees in order to conform to the European standards. On the other hand, the labor market is a major obstacle to the institutionalization of baccalaureate degrees in Russia. Employers generally regard bachelor degree holders as 'under-trained' professionals with incomplete higher education and often are reluctant to hire them (KIMEB, 2001). In 2002 baccalaureate and master's degrees accounted for about 10 percent of all first university degrees (excluding doctorates) awarded in higher education, as compared with 90 percent for 'old' specialist degrees (CRSS, 2003).

Funding Mechanisms and Financial Regulations

Financial activities of private higher education institutions in Russia are mainly regulated by the 1992 law “On Education” and by other laws, including the labor code and the taxation code. The 1992 education law grants nonstate institutions the right to charge tuition and fees. Article 46 of the law “On Education” stresses that charging tuition and fees is not considered for-profit activity if the revenues accrued through this activity support the teaching and learning operations of higher education institutions (Federal Law, 1999).

In general the government opposes any form of financing private higher education out of the federal budget (Veniaminov, 2002). When initially adopted, the 1992 law “On Education” provided for accredited nonstate institutions to be financed by the government. Later the law was amended, and the possibility of federal funding was withdrawn. Except in few cases, the government also excludes private institutions from participating in federally funded research grant programs (Volkov, Vedernikova, & Rumyantseva, 2004).

For several years now, the government has been developing a voucher-based system of financing higher education, referred to as Governmental Individualized Financial Obligation (GIFO). The system is a demand-side financing tool designed to improve choice and competition for state funding in higher education. The government is envisaged to finance higher education institutions through student choice of institutions rather than directly through defined targets. A key issue for the privates is whether this sector will be covered by the GIFO system.

In contrast with state universities, most private institutions rent their instructional and supporting facilities, incurring high costs. Rental costs may account for about 20% of the operational budget (Volkov, Vedernikova, & Rumyantseva, 2004) and, coupled with payments for utilities, take a lion's share of the budget of private institutions. These costs in the state sector are covered by the government.

A Swedish educational and economic consulting company that conducted a large-scale survey of Russian private institutions in 2002 estimates that the private sector has invested 250 million U.S. dollars into the Russian higher education economy since 1992 (Swedish Development Advisers, 2002). These investments include owned premises, refurbished facilities, instructional aids and equipment, libraries, and so forth. External loans are estimated to account for about 10% and founder contributions for 5% of total investments.

Private higher education institutions are largely financed through tuition and fees. Other funding sources include 1. monetary or in-kind grants and gifts; 2. income generated through commercial and non-commercial activities, including renting out premises, consulting, publishing, and research contracts; and 3. non-monetary contributions, such as waivers for rental or other costs, rental of facilities at rates below the market value, barter transactions, and other similar arrangements.

Nonstate institutions have to compete with the state sector for tuition-paying students. Today over 50% of higher education students in the country pay tuition and fees, and are enrolled largely in the state sector (CMSE, n.d.). Roughly, four in five students paying tuition go to state institutions. At state institutions the share of tuition-paying students is about 40% (Volkov, Vedernikova, & Rumyantseva, 2004). The vast

majority of private higher education institutions charge tuition, except a tiny minority mainly supported by religious groups. Generally tuition is higher at state higher education institutions than in the private sector that uses lower prices as a competitive strategy to attract students. The most well established private institutions charge tuition on a par with their state-supported counterparts, while low-quality private institutions tend to offer inexpensive academic programs. According to a national survey recently completed by researchers at State University-Higher School of Economics (SUHSE, 2005), a think tank for government initiatives in education, the average tuition at private institutions, as of now, is \$427 per semester, as compared with \$463 at state universities. Compared with the year 2000, tuition at privates has risen by 55 percent.

Non-monetary contributions are a common and important source of income for the private sector. These are usually rendered by local governmental structures and by state universities through partnership arrangements. Local and regional administrations are active co-founders of many nonstate institutions, particularly in the provinces (Suspitsin, 2007). While some of these founders are important to nonstate institutions in symbolic terms, others bring assets by providing access to physical plant and buildings (often conveniently located in downtown areas) and offering rent at reduced prices. As indicated above, private institutions established by state universities take advantage of parent institutions' resources and are able to reduce operational costs through various mutually beneficial cooperative arrangements (e.g., rent waivers).

Chapter V

THE LEGITIMIZING ROLE OF THE STATE

A System of Quality Assurance

A comprehensive system of quality assurance in higher education is a recent and still developing institution in Russia. The main reason for the system's emergence at the beginning of the 1990s was the need for regulation and accountability of higher education institutions, following the crisis in higher education and in society at large. In brief terms, the system's main components include national standards for higher education and the practices of licensing and accreditation understood as both a process of external evaluation and its outcome.

State Standards

In Russia, the federal government is a guarantor of educational quality insured through the imposition of national academic standards, referred to as *State Standards* in legal documents. Initially introduced through the passage of the 1992 law *On Education* and further established through other legislative acts and executive orders, the standards were a result of a large-scale national effort, involving the work of hundreds of academics and administrators in higher education (Kouptsov & Tatur, 2001).

Encompassing all educational levels, including elementary, secondary, and higher education, the main purposes of the state standards are 1. to ensure quality of higher education; 2. to provide a common basis for objective assessment and evaluation of educational programs; and 3. to facilitate the determination of equivalency of international qualifications.

The standards seek to establish a balance between the interests of the state in maintaining a unified educational space and cultural traditions of Russia's regions and various ethnic groups, involving two components: federal and regional (Kouptsov & Tatur, 2001). In higher education, the federal component covers the general requirements and structure of educational programs and specializations (e.g., the optimal combination of liberal and specialized education courses, or the natural sciences and the humanities in academic programs); a program's minimum content with respect to its composition of various disciplines and the number of classroom hours to be spent on each discipline; and maximum student workload and time limits for fulfilling program requirements. In addition, 'model' curricula for various academic disciplines are offered.

The federal set of standards provides only a minimum, invariable component of higher education curricula. To meet education interests and needs specific to various ethnic groups and regional populations, regional higher education authorities may supplement federal standards with regionally important specializations and content. For most regions, the regional component accounts for about 20% of curricula and includes such disciplines as native language and literature, regional history and geography, environmental studies, and the arts. As the law on Education (Federal Law on Education, 1999) states, the regional component of education standards ensures the diversity of

educational programs and preservation of “national cultures, regional and cultural traditions in the context of a multinational state” (p. 4).

Licensing

A prerequisite to accreditation and the first level of regulatory legitimacy is licensing, defined as the right of an institution to provide educational services (Federation Law on Education, 1999). A license allows an institution to offer educational programs approved by the government as meeting state requirements for a set of input parameters, including physical plant; library, educational aids and equipment, and other resources; faculty and staff qualifications; and student services (social, medical, and residential facilities). In essence, licensing is a determination of the capacity of an institution to provide proposed educational programs in specified fields of study and specializations at certain levels (baccalaureate, master’s, or specialist).

Licenses are typically granted through the process of institutional evaluation for a period of five years, and they need to be periodically renewed. A federal entity in charge of licensing and accreditation, as well as of enforcing licensing requirements and academic standards is currently the Federal Agency for Supervision of Education and Research subordinate to the Ministry of Education and Science.

Accreditation

Accreditation is arguably the most important indicator of state-imposed legitimacy of higher education institutions. It signifies an institution’s right to award degrees whose quality is recognized by the state as conforming to national standards. While licensure offers institutions a minimal level of regulatory legitimacy, allowing them to begin performing educational services, accreditation takes institutions to the next

and ultimate level of state-imposed legitimacy by enabling them to award academic degrees on behalf of the state. I explain and present a detailed analysis of the legitimizing effects of accreditation below.

In general, accreditation is a comprehensive process of internal and external evaluation of various input, process, and output indicators of institutional activities to ascertain institutions' conformity to state educational standards. It formally determines the type of an institution as a university, academy, or institute. The status of accreditation is granted to an institution generally as well as to each specific academic program. Under review are many aspects of teaching, research, and service, including student achievement; qualifications and experience of the faculty; research productivity and professional involvement of the faculty; funding and facilities for research; student services and social facilities; instructional resources, including libraries and information technology facilities; financial viability; internal quality assurance of academic programs (internal assessment and evaluation); and job placement rates of graduates.

Through a process of external assessment and evaluation known as *attestation*, accreditation seeks to ascertain whether the content and organization of the curriculum meet regional and federal components of the educational standards for baccalaureate, master's, or specialist programs and whether graduates' competencies and skill are commensurate with those set by state standards. To determine the graduates' knowledge, reviewers look at their specialist or master's theses and at the results of final graduation examinations. An educational level, content, and organization of the programs offered are reviewed by simply comparing them with 'model' curricula.

Obtaining the status of accreditation includes several stages: 1. submission of a self-assessment report; 2. a site visit and evaluation by an expert committee; and 3. preparation of the Ministry's report on the results of external evaluation. An external review committee is usually composed of Ministry's officials, members of local governments, rectors of higher education institutions, representative of the faculty from peer institutions.

Policies on Quality Assurance and Accreditation

When initially introduced in 1992 through the law *On Education*, the system of quality assurance was more favorable and less restrictive (than is currently the case) toward the private sector of higher education in Russia. The legislation encouraged the development of nonstate higher education, according it social privileges almost equal to those of state universities. For example, obtaining accreditation was a condition for federal funding, irrespective of the form of institutional ownership, and students at licensed, non-accredited private institutions were eligible for military service deferment. When the law was amended in 1996, the possibility of federal support for the private sector was revoked, and the deferment of military service was tied to the attainment of accreditation.

The original law "On Education" was adopted by the parliament during the tenure of the liberal government headed by Prime Minister Gaidar under president Yeltsin in 1992. Later referred to as the 'shock therapy' policy, the Gaidar government initiatives pursued a course of rapid and massive privatization, decentralization, and liberalization in the economy and in other societal spheres, including higher education. However, the reforms in higher education met with staunch resistance from several political and

interest groups, including an influential faction of communists in the parliament, the Russian Rectors Union and local councils of rectors (all rectors of state universities), and some government officials. While the communists were opposed to the idea of privatization for ideological reasons, the other two groups also had vested interests to mount fierce opposition. According to several analysts (Foundation for Information Support of Economic Reforms [FISER], 2002, p. 220-222), as the liberal policies started to take shape, government officials feared that the level of autonomy offered by the new legislation might limit governmental control over the private sector. Similarly, as the private sector of higher education began to mushroom, rectors of state universities saw an emergent competitor for tuition-based students. As a result of these political pressures, the 1996 amended version of the law “On Education” adopted a more restrictive stance toward nonstate higher education.

The ambiguous and somewhat erratic developments in higher education, particularly in the private sector, also induced the federal government to control many aspects of higher education operation through accreditation. One such aspect was titles of higher education institutions and their institutional types. In early 1990s, there emerged many private institutions that called themselves universities. To enhance their image and to attract students, they also used such words as ‘international,’ ‘global,’ ‘American,’ and ‘European’ in their titles. Meanwhile, many state-supported institutes and academies changed their names to universities. There emerged a distinction between Soviet-era and newly named state universities, the former being referred to as *classical* and the latter as *professional*. In the mid-1990s, the government mandated regulation that an institutional

status of university be acquired through accreditation and formalized institutional types of a university, academy, and institute.

Since the mid-1990s, the government has tightened regulations and raised accreditation requirements for the private sector. In addition to increasing targets for full-time faculty employment and per capita space of instructional facilities, it has recently devised an *index of economic viability*, with the eye toward the private sector. The index establishes a minimum level of annual per-student expenditures in various specializations as a condition for obtaining accreditation (Ministry of Education, 2001). For example, for a group of economics or management majors of 25 students, annual costs of education are set in the range of roughly US \$11,000 and US \$21,670, amounting to US \$440 per student annually. To open a new program, an institution needs to demonstrate even higher levels of expenditures. This regulation is largely designed to control low-cost, low-quality programs offered by academically weak private institutions, particularly at their branch campuses.

Reliance on part-time instructors has been a contentious issue for Russian private higher education institutions, many of which lack a solid base of full-time employees. The Ministry of Education and Science ties this issue to the acquisition of accreditation. An executive order sets increasing targets for full-time faculty relative to the duration of institutional operation as a requirement for obtaining accreditation (Executive Order 3207, Ministry of Education and Science, 2000). For example, institutions in their fifth year of operation are required to have at least 30% of their faculty working full-time and those in their tenth year need to employ over half of their faculty full-time. The rationale for this policy is that heavy reliance on part-time employees lowers academic quality

presumably because of the lack of commitment to the place of part-time work on the part of these faculty. In 2002, there were 80 private institutions whose share of full-time faculty exceeded 30 percent (Zernov, 2003).

Another problematic area for the acquisition of accreditation is research productivity. Institutions orientated toward research and academic quality are impeded in their pursuits by path dependent cultural factors, liabilities of most *de novo* organizations, and governmental policies. During the Soviet era, most research activity was separated from higher education institutions. It was largely conducted in specialized research institutes, centers, and laboratories, leaving teaching to universities (Hare, 1997). Lacking institutional research traditions, many nonstate higher education institutions are struggling to establish themselves as credible academic entities.

Most faculty in the private sector, particularly at institutions with graduate schools, do engage in scholarly activities, but their research is often non-refereed, commonly published by their institutions locally, and hardly known to the wide professional community. This practice of locally published research is encouraged to a good degree by accreditation standards. Institutional research productivity is evaluated based on the number of research projects to be published either locally or in publications authorized by the Ministry (Volkov, Vedernikova, & Rumyantseva, 2004). The Ministry's belief that local publishing promotes institutional research activity comes at the expense of extensive dissemination of its products nationally. Additionally, the federal government does not generally support the private sector through its research grants, excluding the vast majority of private institutions from the participation in various federally funded research programs. Access to federally supported research programs

would considerably enhance publishing opportunities for research-oriented private institutions and would help them meet accreditation targets for research.

Perceptions of the State and Accreditation

The data analysis revealed five themes related to the legitimizing role of the state: tradition and law as sources of authority, state authority through accreditation, social rights and security, student enrollment, and institutional survival. The table in Appendix F summarizes the themes, offers exemplary quotes to illustrate them, and indicates the pervasiveness of these themes in interview responses.

Sources of State Authority

A recurrent theme in the interviews was a perception of the state, or federal government, as a powerful legitimizing entity. The following excerpts illustrate two common understandings of the sources of state power: cultural tradition and law. *“The tradition remains that people value only state authorized academic degrees, and this is right; this is an indication of quality, and it means that the institution functions in accordance with the federal law and conforms to the state standards for higher education,”* stated an administrator (YX, Administrator). Another respondent emphasized Russia’s statist tradition this way: *“a special characteristic of this country is that everything coming from and authorized by the state has been valued by people more than the nonstate”* (YY, rector). In the first quote, the respondent defines state authority in terms of the historical legacy of centralized control, implying the role of the state as a powerful, credible agent and a guarantor of quality in higher education. The second respondent views the roots of state authority in the cultural norms that value government over other social institutions. Both excerpts acknowledge the legal foundation of state

authority, being consistent with the sociological theory of the state as legitimizer based on Weberian forms of traditional and legal-rational authority (Scott, 1998).

The authority of the federal state over higher education in Russia is expressly rooted in the country's legal framework. Article 43 of the Russian constitution (Constitution of the Russian Federation, 1999) mandates the "establishment of federal state educational standards," giving the state vital responsibility for higher education. A scholarly review team from the Organization for Economic Co-operation and Development (OECD, 1999) describes such significant, constitutionally stipulated involvement of the Russian federal government in the provision of higher education as "unusual" (p. 64).

Accreditation and State Authority

The control of the federal government through the national standards and systems of licensing and accreditation are further proscribed in the 1992 law "On Education" and in the 1996 law "On Higher and Professional Education." The federal government legitimates nonstate academic institutions through administrative regulation and symbolic recognition in the form of state accreditation. Accreditation signifies the endorsement from the state, presumably the most powerful societal player in Russia, thereby enhancing an accredited institution's status, desirability for the clientele, and ultimately chances for continued survival.

The interviewees attached a lot of significance to the 'state-authorized' status of academic degrees, a major legitimating outcome of accreditation. A rector of a well-established accredited institution in Saint Petersburg believed that the principal benefit of accreditation is that "*the institutional status becomes higher, and so a nonstate higher*

education institution awards state-authorized diplomas” (ZY, Rector). The implicit message of this quote is about the status of enhanced legitimacy that occurs as a result of the endorsement of an institution by the federal government through accreditation conferral. The change in institutional status from independent and self-regulating to state endorsed and state regulated may bring wider societal acceptance or legitimacy. More specifically, the institutional status of legitimacy may be perceived as enhanced because of the endorsement from the state, the most influential actor with regulatory authority, which, by bestowing accreditation upon an institution, weaves it into the legal organizational fabric of the higher education field, embedding it into the existing hierarchy of other higher education institutions. Sociologist Rao (1994) explains this process of legitimation as follows:

More concretely, legitimation consists of creating an account of an organization, embedding that account in a symbolic universe, and thereby endowing the account with social facticity. Professional societies, ratings agencies, auditors, and governmental regulators may endorse an organization and the very act of endorsement embeds an organization in a status hierarchy and thereby builds the reputation of an organization. (p. 31)

Institutional theory purports that the use of symbols is an integral part of legitimation (Mayer and Rowan, 1977). As Rao (1994) argues, “legitimacy flows from symbols” and “organizations acquire standing when they use environmentally preferred symbols and their actions conform to institutionalized rules” (p. 30). For Russian private higher education, accreditation offers important elements of symbolic recognition from the state. By conferring the status of accreditation, the state in effect entrusts institutions

with the right to grant academic degrees on its behalf, certifying the appropriateness of accredited institutions and backing them up symbolically with its full authority. Upon accreditation, an institution receives the right to use an official seal and other symbols of the Russian Federation, as well as official, standardized forms of diplomas (Federal Law, 1999). These rights are proscribed in the law “On Education,” which indicates the importance the state attaches to these symbolic rights. Additionally, an institution receives a certificate of accreditation that resembles an academic credential both in appearance and substantively (e.g., qualification as a mark of quality). Typically, these credentials, including certificates of license and of accreditation, are readily and proudly displayed in the most conspicuous places (e.g., admissions offices, web sites, etc.) to indicate to prospective students symbolic recognition and support from the state.

Ascertaining the ‘state status’ of higher education institutions is an objective of accreditation, as stipulated in the two principal laws on education mentioned above. Article 12 of the law “On Education” (Federal Law, 1999) introduces the idea of ‘state status’ to be acquired upon accreditation conferral: “State status of an educational institution is established at state accreditation of the institution” (p. 12). ‘State status’ is understood as a notion composed of three major elements: 1. an institutional type as determined at accreditation, including university, academy, or institute; 2. a level of academic programs offered, including undergraduate, graduate, or continuing education; and 3. a set of rights for institutions and social privileges for students and graduates that come as a result of attaining accreditation.

Social Rights and Security

Social rights granted to institutions through accreditation pertain to both institutions and students and graduates of accredited institutions. For institutions, the symbolic benefits of accreditation, including the use of official seal and standardized forms of diplomas, are undoubtedly important. They make private institutions look similar to their more legitimate state-run counterparts. But a more vital privilege is the possibility of federal funding for accredited private institutions on a par with state universities. As noted, this provision was declared in the original version of the 1992 law “On Education,” but it was removed from the statute in 1996.

Data suggest that social benefits accrued to students of accredited institutions are a major incentive for students to attend these institutions, which prompts institutions to seek accreditation. Many interviewees argued that accredited institutions offered more social security to their graduates and consequently were more desirable for students and clientele, as compared to their unaccredited counterparts. As illustrated by the following quote, these rights include student deferment of military service, ability to occupy positions in governmental organizations after graduation, and a right to enter graduate school at state universities:

Nowadays it's tough without accreditation. The difference between a degree from a state university, or from an accredited nonstate institution, on the one hand and that of an unaccredited institution awarding its own institutional diplomas on the other hand is that a graduate with a 'nonstate' diploma [from nonstate unaccredited institutions] has fewer rights. First, the person cannot enter graduate school at state universities; then this person does not have the privilege

of draft deferment for the duration of the study; and third, there are some positions in the state sector where only 'state' diplomas [from accredited institutions] are required. (ZB, Rector)

This statement reveals vital interest on the part of nonstate institutions in the acquisition of accreditation because an accredited status makes institutions more socially desirable and their students and graduates more socially privileged and accepted, as compared to the counterparts without this status. Moreover, some professions are to a great extent reliant on state regulation and require state authorized education. According to a rector of a law institution, state authorized education is particularly important in the legal profession:

For lawyers, accreditation is very important to have. Our graduates work in state-run organizations and even in the regional and local administrations; they provide qualifying exams to judges. These state positions require state-authorized education; so we need accreditation. (AB, Rector)

The acquisition of 'state status' by nonstate (private) institutions through accreditation does not affect their ownership structure; they are still privately owned and governed, and referred to as nonstate in documents and in social discourse. Rather, it means that nonstate institutions become closer associated with and more tightly regulated by the state, and they get to exercise many a rights on a par with their state-run counterparts. For instance, the emphases on state involvement and the resemblance to the state sector of higher education are illustrated in the following quote:

We have gone through the accreditation procedure twice over the past 10 years and have been accredited twice, which is very important because we now award

state-authorized degrees. So with this accredited status our students have all the privileges that the state university students have, except stipends: our students do not receive stipends from the state. (MH, Rector)

Despite many benefits of accreditation acquisition, private institutions are often frustrated with the restrictions for federal funding. Private institutions generally are not eligible to participate in the federal grant programs for research funding. Exceptions are made for some institutions, but these cases are rare (Volkov, Vedernikova, & Rumyantseva, 2004). Additionally, Government is about to introduce a student voucher system known as GIFO. It will replace direct institutional subsidies from the federal government with funding going directly to students and then to institutions of student choice. Many rectors of private institutions express pessimism regarding the prospects for the private sector to be covered by the GIFO system.

During interviews, several respondents saw a contradiction between the declarative nature of law and the real attitudes from government officials and the state sector of higher education toward accredited private institutions with regard to the conception of 'state status' and its actualization. Despite achieving the state of accreditation, private institutions felt discrimination and lack of trust on the part of these actors. One rector expressed her frustration with the 'double standards' this way:

The entire [private] sector is at a different developmental stage now, as compared with the beginning years. There are strong institutions and really sham institutions among us. We now talk about the equality of rights based on the accreditation status. If we are accredited, then give us the same rights with the state sector. There should not be a division based on the status of state and

nonstate; the main difference should be in terms of the accreditation status: accredited or not. The argument is that if nonstate accredited institutions are given the right to award state-authorized degrees, why are we worse than state universities? (DG, Rector)

The implication of this rector is that attaining accreditation with all the ensuing rights and privileges does not guarantee uncontested legitimacy and equal status with the state sector with respect to social rights and attitudes in the professional community and government.

According to several respondents, not only did the attainment of accreditation and the ensuing social privileges contribute to institutions' desirability, but it also made them more understandable and predictable for prospective students and clientele. As a result, students felt more comfortable enrolling in accredited institutions. One respondent drew attention to the aspect of reliability and security stemming from the state involvement in authorizing academic degrees: *"accreditation is needed for students to make sure that their diplomas are approved by the state"* (SB, Rector). Another administrator captured the idea of security stemming from greater comprehensibility with the following statement: *"to tell the truth, accreditation calms down the public; the impression is that it [an accredited institution] is a trustworthy higher education institution operating under the Ministry control"* (NB, Rector). As the quotes indicate, the association of nonstate institutions with the government may render them comprehensible, reliable, and trustworthy for student clientele and other exchange partners. In sociological terms, accreditation provides credibility, or cognitive validity, to institutions by effectively 'explaining' institutions to the public.

Student Enrollment

Attaining accreditation appears to bear a major impact on the ability of institutions to recruit and retain students. The majority of the institutions visited saw considerable increases in enrollments in general and in male enrollments in particular, as well as higher retention rates, after they got accredited. These dynamics, the respondents believed, were connected to the acquisition of accreditation. When asked about a possible positive association between the acquisition of accreditation and enrollment growth at her institution, a rector of an institution specializing in hospitality and tourism management responded in the affirmative: “*Absolutely. After we got an accreditation, the male student population increased, boys started to enroll in numbers; before we had almost all female students. The boys needed the draft deferment; so accreditation played a big role*” (NS, Rector). This excerpt illustrates how accreditation serves to enhance rights and privileges, influencing male students’ matriculation decisions: accredited private institutions can exercise an important right of the state institutions in draft deferment. Given the perpetual war conflict in Chechnya (a province of Russia) and other local conflicts, this deferment becomes literally a matter of life and death for male students.

Small institutions often experienced larger increases in enrollments whose impact on their operation was pronounced. One such institution (a total enrollment of about 50 students) that specializes in oriental languages and cultures reported: “*when we got our institute accredited, we saw the number of applications triple*” (BG, Rector). This dynamic suggests that enrollment growth often may be a by-product of attaining accreditation. Put differently, attaining accreditation as a form of state-imposed,

regulatory legitimacy may effect legitimation from the clientele in the marketplace through increased enrollments for accredited institutions.

Yet some institutions remained unaffected by the legitimizing force of accreditation in its impact on enrollments. As one rector confided, *“after accreditation we saw a small increase in enrollments and applications for admission. It’s hard to tell whether the accreditation status influenced enrollments a lot: every year we have had more applicants, as compared with the previous year, over the past 10 years”* (VH, Rector). While the reasons for this slight influence may include economic, organizational, administrative, and other developments, one explanation offered by a respondent was sociological, involving change in the institutionalization of accreditation itself:

You see, maybe today this [the influence of accreditation] would be more important because everybody knows more about accreditation and talks about it; there’s a lot of information about accreditation in the press. But in the first years of our operation it was not as important. You see we are organizationally the first higher education institution of law in Saint Petersburg that is nonstate. At that time nobody knew even the words like accreditation, attestation, and such. Even today many students are not familiar with what accreditation is all about. Today, of course, it has a wider resonance in society, but at that time nobody cared about that and nobody understood what it meant. (AB, Rector).

This excerpt indicates that accreditation emerged as a powerful legitimating force only after it became more understandable to the public and generally more institutionalized in the higher education organizational field. Its legitimating impact was not as significant in the initial stage of its recognition and consequently could not affect student choices as

much. The following quote explicates the institutionalization processes by which accreditation emerged as an important institution of quality assurance in higher education, including publicity in the mass media, endorsement in the higher education professional community, and government regulation:

This was made possible due to the ministry policies and tighter supervision over the past years and the spread of knowledge on accreditation in the media and in general greater social emphasis and talk about accreditation in the professional community. Before, at the beginning of the 1990s, not much emphasis was placed on accreditation. (BG, Rector)

Institutional Survival

The vast majority of institutions expressed the view that accreditation was vitally important to institutional stability and survival, particularly at present. They emphasized the efficacy of mass media in shaping the perceptions on accreditation in society. When asked about the importance of accreditation to her institution's long-term stability, a dean of an unaccredited institution expressed the view that, while in the short run an institution could function satisfactorily without accreditation, the state endorsement would be needed in the long run:

The first 5 years [without accreditation] will be fine. Qualified faculty and innovative curricula could attract students and inspire trust, but Russian education is divided into black and white institutions, that is those with diplomas authorized by the state and those awarding their own degrees. All the publicity, the media and the press always emphasize the value of the state-recognized degrees. These information sources would say that if a graduate has an

institutional diploma, as opposed to state-authorized one, he or she would not find a job. (AC, Dean)

The absence of accreditation created major problems in admissions for institutions as accredited status was an important consideration for prospective students in their college choice decisions. As one rector of an unaccredited institution indicated with frustration,

The absence of accreditation becomes problematic during admissions. People call on the phone to get information, and the first question they ask is: 'Are you accredited?', and when they find out that we are not, they do not want to talk any further and listen to how good we are. It causes problems for admissions, for institutional financing, for institutional resources, and other things. A lot depends on accreditations. (HB, Rector)

This quote reveals the economic impact of accredited status through enrollments on institutional stability: attaining accreditation is a matter of economic fitness and ultimately survival, given much tuition dependence of most private higher education institutions in Russia.

Strategies for Accreditation Acquisition

The data analysis suggested three themes related to strategies for accreditation acquisition: conformity, manipulation or “backdoor” approaches, and challenges to accreditation acquisition. The group of manipulation strategies was further subdivided into misrepresentation of information, corruption, and use of government connections. Table in Appendix G summarizes the themes, offers exemplary quotes to illustrate them, and indicates the pervasiveness of these themes in interview responses.

The examination of institutional strategies for the acquisition of accreditation revealed two approaches: conforming and manipulative. Conforming behavior was evident by institutions' following the 'rules of the game' set by the accrediting agency. In response to the accreditation requirements, private institutions exhibited what Scott (1998) calls "structural, procedural, and personnel conformity" (p. 213-216). They followed the guidelines for academic programs and curricula in order to meet the structural targets and indicators and to comply with the national standards. The accreditation process followed the specified procedures, including internal and external program evaluation. And institutions attended to the requirements for the appropriate qualifications of their personnel, especially the requirement for fulltime faculty with PhDs and full professor status.

For many institutions, certain requirements were unrealistic to fulfill. In those cases, institutions engaged in manipulative behavior and used 'backdoor' approaches to actively influence the decision-making process by government officials and members of the review committee and/or to circumvent the requirements. The most common 'backdoor' strategies included misrepresentation of the information in internal program reviews and use of government connections and lobbying. Several responded acknowledged the possibility of corruption in accreditation acquisition, although they never cited any concrete cases of bribery.

Conformity

Most interviewees, particularly those from accredited institutions, noted their genuine and conscientious efforts to meet accreditation requirements. A typical response was the following,

We have gone through the accreditation procedure twice over the past 10 years and were accredited twice..... We did not have problems in terms of accreditation because when we established an institution, we tried to follow the law conscientiously. We just worried a lot, but we were fine in terms of meeting criteria. (MH, Rector)

A dean of a well-established institution proudly described the achievements of his institution and the institutional capacity that met accreditation targets for physical plant and qualified teaching staff in this way,

We have our own infrastructure and in this respect we are autonomous. In these somewhat tough conditions, we were able to develop two-tiered academic programs of bachelor, specialist, and master's degrees; plus we have a graduate school. All the faculty teaching graduate school are ours [fulltime]. To open a graduate program as stipulated by the accreditation requirements, we needed to employ fulltime not fewer than 3 full professors with Doctor of Science degrees in a particular discipline. We conformed to this regulation easily. Even state universities cannot surpass our level of qualified faculty. (YX, Dean)

Responses such as these are designed to render an idea of conformance in structure with national standards for higher education. The implication is that the private sector abides by the rules and therefore should be awarded with perceptions of legitimacy on the part of the government, higher education community, and the public at large.

Institutions often exhibited conformity to certain accreditation requirements for pro forma reasons, rather than for reasons of genuine interest in improving their programs and activities. For example, an accreditation target is linkages with foreign universities.

The criteria for international relations are somewhat vague. They reflect simple numerical information without the qualitative assessment of their efficacy. For example, the standardized form that institutions need to submit at accreditation, along with a self-review report (internal program evaluation), asks for information in three areas: 1. international conferences or seminars conducted either at an institution or with its substantial involvement in the organization of these arrangements, including numbers of conferences, of total participants, and of international participants; 2. data on the numbers of cooperative agreements with foreign universities or other academic organizations (e.g., letters of intent, memoranda of understanding, etc.); and 3. an indication of whether or not an institutional academic council discussed the objectives of the Bologna Process (yes or no).

While some institutions really seek international linkages to reap the benefits of internationalization, others exaggerate their international activities to simply meet accreditation targets or misrepresent their international activities by emphasizing inactive agreements. When asked about collaborative relationships with foreign universities, a rector confided that her school's activities were superficial and were carried out only to meet the accreditation requirements for international academic linkages:

We do not have really close linkages with foreign universities yet, but we are working toward this goal. Well, we do have formal agreements of cooperation with a college from Bulgaria and the Netherlands, with Helsinki Technological University, Plymouth College. These are exchange study abroad programs for students. They address accreditation requirements for international ties. (MH, Rector)

A most contentious accreditation requirement concerns the qualifications of faculty members and their fulltime status. As noted, an institution over five years in operation is supposed to employ up to 40% of faculty on a fulltime basis. This institution also needs to have not fewer than 8.5 % of faculty with the qualification of Doctor of Science degree, the highest doctoral degree in Russia. To meet these targets, many private institutions are interested in hiring professors for the sake of the academic title itself, rather than for the sake of genuine expertise and experience in a discipline. What often happens is that a full professor has to teach many courses in disciplines outside of her research interests and expertise in order to maintain a fulltime equivalent status (load). As one rector explains,

The notion of full-time employment is in principle unsuitable for a small institution. We often invite acclaimed professors to give a series of lectures on a part-time basis. But if I employ somebody fulltime, I need to provide the person with a salary, which means with a teaching load for a full-time faculty. The situation is that Russian higher education is interested in hiring a Ph.D. professor for the academic title itself, not for the sake of knowledge, and it does not matter if the Ph.D. is, for example, in engineering [but not in social sciences required by the institution] or that it was obtained a long time ago and this person probably forgot everything he or she studied. The hiring institutions typically give this professor a broad spectrum of disciplines to teach, such as for instance psychology, philosophy, sociology, history, etc. in order to provide this professor with a full-time teaching load. (HB, Rector)

As the preceding quote indicates, conformance with accreditation requirements in a superficial fashion just to look appropriate undermines academic quality, the very purpose intended by the imposition of these accreditation indicators.

Challenges

Three major issues perceived as obstacles to accreditation attainment emerged from the interviews, including small size, innovativeness, and emphasis on entrepreneurial activities at the expense of academic activities. As noted, the first hindrance may be called the liability of smallness. For small institutions, accreditation indicators of fulltime employment of faculty and faculty qualifications are real challenges. In this regard, a rector of a small, accredited institution (total enrollment of 50 students) specializing in oriental languages and cultures noted,

Some of the accreditation indicators really work for quality improvement, but others are not really applicable to nonstate institutions, such as ours. For example, a percentage of faculty with PhDs. who are full-timers makes sense for state universities because this is related to state subsidies, that is to funding formula based on the number of fulltime faculty; but for us this indicator does not work. We could hire a full professor part-time to teach a lecture course and no professor would agree to trade fulltime employment at the state institution for a position at a nonstate institution. (BG, Rector)

Another rector of an unaccredited institution offering instruction in psychology called accreditation standards ‘wrong’ because, in his view, they were devised for large institutions and stood in the way of the very existence at small institutions:

All in all we enroll 130 people. We planned our institution originally to be small and elite. Our mission statement says that encyclopedic scientists should not be forged in an assembly line. But the accreditation requirements are in total contradiction with our plan to be a small elite institution. That is according to accreditation standards, it turns out that a small institution does not have a right to exist, which I think is totally wrong. The accreditation standards are devised in such a way that they can be fulfilled only by a large institution. (HB, Rector)

To sum up this line of argumentation, many institutions are so small and specialized that they are unable to provide fulltime workload to the majority of their faculties, an arrangement that is not feasible for them from an economic and organizational point of view.

A second issue is what Reisz (2003) calls the ‘liability of innovativeness.’ Because many private institutions were set up to offer novel curricula to meet the emerging market demands, these novelties are not reflected in the accreditation standards due to inertial forces of conservative structures that typically lag behind social innovations (Etzioni, 1986). A rector of an innovative institution offering instruction in special education puts the problem this way:

We went through accreditation in 1998. The challenge was that by the time the new standards were adopted, we already operated a program based on our own curriculum previously developed, and the committee challenged the compatibility and quality of our programs compared with the ministry standards adopted later. But when they did the entire program evaluation and tested the student knowledge, they were satisfied. (KM, Rector)

A third barrier to achieving accreditation is institutions' images as 'commercial' organizations. Through accreditation standards, the government is trying to crack down on institutions that it perceives as 'rip-offs,' or those concerned only with income at the expense of academic quality. Indirect indications of overly emphasis on income-generation are low tuition levels and business (as opposed to academic) backgrounds of rectors. As noted, the Ministry came up with the "index of economic viability" designed to control low tuition, low quality institutions. A dean of a state university who was dissatisfied with his experience in the private sector elucidates the issue of 'commercialism' in this way:

The thing that ticked me off and that was why I left the institution was that the main goal was revenue generation, resource acquisition and money accumulation.....A higher education institution is not a financial, commercial and profit making enterprise in the first place, if it wants to be called a higher education institution. It is legally a nonprofit organization. But if the priority is related to money making, then the quality of education, of the faculty and of other things will suffer. I think that such a goal is outrageous. To generalize, I can say that a considerable part of the nonstate sector in Russia suffers from this flaw, that is patent disregard for the academic quality, for the qualified full-time employees, for research activities. (PA, Dean)

The Ministry often treats with suspicion institutional leaders with business backgrounds who lack academic credentials. As a result, institutions headed by former business persons may experience difficulty in attaining accreditation. As one respondent

indicated, professionalism of institutional leaders facilitates accreditation attainment whereas their business backgrounds impede the process:

You see higher education institutions in this country are set up for two reasons: 1. one reason is ideational, that is a person was not able to realize his or her professional goals, and he or she decided to set up an independent organization and 2. a second reason is when a founder views a higher education as a usual commercial enterprise. I have a feeling that the former group obtains accreditation easier and earlier than the latter group of founders. The difficulty for the commercial group is that they hire people based on some business ethos—'I am paying you, and you are supposed to do this job.' But higher education is like an art; it's such a sphere that one cannot use an industrial production approach; so those who create institutions based on nonmonetary interests go through accreditation easier, and they are treated by the Ministry as professionals, that is with respect; and that's a different attitude than the ministry assumes when it accredits the commercial institutions. (ZB, Rector)

Manipulation and 'Backdoor' Approaches

To overcome the challenges of accreditation requirements, institutions often use 'backdoor' approaches. One such approach is misrepresentation of information that may range from slight overstatement to considerable exaggeration to outright cheating. A dean of a state university who has extensive experience working in the private sector of higher education described the circumventing strategies for accreditation acquisition as "cheating:"

The Ministry is trying to regulate the quality of the faculty, but the privates find ways around it. They simply cheat on their claims of qualified faculty in the documentation. Their claims of the faculty with PhDs are so high that it is unusual even for the state sector institutions to have such high ratios of Ph.D. holding faculty. (PA, Dean)

This respondent went on to specify the practice by which private institutions inflate their statistics on faculty qualifications:

They provide misleading information in order to successfully go through the review at accreditation. I myself am not without sin in this respect. I am listed as working in the position of full professor at two nonstate institutions located in provincial cities where I do not show up at all, but I am nominally employed there as adjunct and listed in the course catalogue. (PA, Dean)

According to this account, private institutions boost the profile of their faculty by inviting academics with high credentials and degrees to join their faculty as adjuncts. The job responsibilities of adjuncts are deliberately described in vague terms so it is possible to be an adjunct at an institution without real teaching responsibilities. The boldness of this practice is illustrated by this respondent's own career: residing in Moscow he is on the faculty in several institutions in the provincial cities hundreds of miles away. One important implications of this practice is that, because the state committee for statistics relies on the data submitted by institutions, distortion of information is possible. In particular, one professor can be counted several times depending on the number of institutions that he or she works at as adjunct.

Several respondents bitterly mentioned corruption during accreditation, although without concrete evidence to support their allegations. One rector observed, *“today anything can be bought, including accreditation”* and *“it’s possible to buy an easy accreditation, but to say that this practice is widespread would not be true”* (AD, Rector). Another rector of an unaccredited institution held the same view: *“As for accreditation in Russia, it is being easily bought; everything depends on the size of your wallet”* (HB, Rector). Interestingly, mainly administrators of unaccredited institutions voiced these allegations of corruption. These bitter attitudes may simply point to this group’s dissatisfaction with the accreditation system. On the other hand, as interested parties, leaders of accredited institutions may not be the most appropriate group to study issues of corruption in higher education.

The third manipulative strategy identified was the use of government connections. Two rectors cited the case of International University in Moscow to support their claims, and three experts acknowledged the possibility of this strategy as very plausible. International University was established by former minister of education, Mr. Yagodin, former mayor of Moscow, Mr. Popov, and a group of banks and businesses in the early 1990s. This institution was one of the first, if not the very first, to receive accreditation. The institution’s web site provides chronological data on major activities and achievements. International University in Moscow began its operation in 1992 and received accreditation in 1993. According to the 1992 law on education, accreditation may be granted after an institution graduates at least three classes of students. The implication here is that, had the regulations been strictly observed, the institution would have been eligible to apply for accreditation in 1997 at the earliest. It should be noted that

International University in Moscow is today a leading and well-established nonstate institution in Russia.

The following excerpt offered by a rector of an unaccredited institution explicitly mentions the case of International University's use of government connections to achieve accreditation. It is also illustrative of all the three 'backdoor' strategies, such as misrepresentation of information, corruption, and use of government ties, employed by private institutions to attain 'easy' accreditation:

The way private institutions go through accreditation is this: they have one set of papers and documents for the ministry officials and have other kinds of documents for other constituencies and stakeholders. That's very typical of Russia. Bribery is very possible. Laws are not working in Russia, and this applies to accreditation. No matter how good laws we have, they are not working anyway. International University, Yagodin and Popov's institution, got accreditation easily after one year, or at least without waiting for 3 consecutive graduating classes to measure the skills of graduates, which was proscribed in the law on education. (HB, Rector)

This quote indicates that the main reasons for the use of informal manipulative strategies is the absence of a solid legal framework and the lack of a tradition of law-abiding behavior in Russia. Data analysis suggests that informal strategies of accreditation acquisition appear to compensate for the lack of well-defined formal rules. This conclusion agrees with findings of other studies of Russia's educational sectors. For instance, Lisovskaya and Karpov (2001), who studied Russia's private schools, find extensive use of informal networks by school principals as a survival strategy. They

contend that because the legal framework is conflicting and underdeveloped, private schools often behave in legally dubious ways. “This inevitably results in anomie (perceived normlessness),” they observe, “that leads private schools’ leaders to search for additional means to secure the survival of their institutions. Such means are often found in informal connections with influential people in the government and business” (p. 53).

Unaccredited Institutions

My examination of the unaccredited institutions revealed several factors that have inhibited status attainment. What united all of these institutions was that they lacked ties to powerful audiences in either the business community, state universities, or government. Implications of inept leadership could also be observed. Finally, several institutions positioned themselves as radically different from all others to the point of assuming a maverick character. One institution in this group, which propagates the idea of *original, holistic, integrative, and encyclopedic* psychology, referred to itself as follows: “*In general, we are not a typical institution and we are an unusual institution, the white crow in this business*” (HB, Rector). The rector of this institution ascribed failure to attain accreditation after 8 years in operation to the sole orientation toward ideas and scientific principles at the expense of business orientation and prowess. He confided that their institution was on the brink of bankruptcy, which influenced the projection of an image of stable and effective organization. When probed about the reasons for the failure, he recounted:

One reason is that we have not had anybody at our institution with the management talents. We had only people of scholarship, science enthusiasts, who lacked the right contacts and the skills of dealing with the right, useful people. Typically, really

talented scholars are bad managers. I wanted to find a special person, a good manager and businessperson, but I have not found the right person yet so far.

(Rector, HB)

Another institution in the “maverick” group made many unsubstantiated claims (e.g., their academic programs adapted to *European* higher education) and overly emphasized its unique identity through a vague idea of “transcendental principles of empowerment of student learning potential” as its main instructional mode. Their unduly different character was further evident in the fact that they conducted classes in Esperanto and refused to admit students who smoked.

Another factor that significantly hampered accreditation attainment concerned institutions offering only masters’ level programs and was related to national policies for higher education. These regulations do not allow for operation of graduate programs without baccalaureate education offered at the same institution. In fact, some of the best Russian private institutions established as stand-alone graduate schools had issues with accreditation. For example, an internationally oriented institution, the New Economic School, specializing in western-style economics programs, is in this group.

Discussion

The Legitimizing Essence of Accreditation

According to Lindblom (2001 pp. 257-58), the state with its formal powers exerts regulation through the process of central coordination. The analysis in this chapter indicates that accreditation is a means of central coordination. The state grants legitimacy by top-down supply-side regulation of academic quality through the imposition of national standards for higher education at accreditation. Effected by what DiMaggio and

Powell (1983) call *coercive isomorphism* and the strategies of structural, procedural, and personnel conformity (Scott, 1998), legitimacy in this case mainly means conformity with laws and regulations and compliance with what Clark (1983) calls *competence* values, or adherence to academic excellence.

The forms of legitimacy that the state confers through the imposition of the system of quality assurance in higher education is regulatory and normative at the same time. The regulatory component is evident through legal compliance and adherence to governmental regulations and policies. The normative component is manifest in the state standards for higher education—the basis for evaluation, which have been developed by the professional academic community and entail conformity with the accepted professional standards and norms in various disciplines and generally in higher education. In fact, the procedures and the areas of evaluation at accreditation are so comprehensive that one may argue that it also partially gauges the legitimation effect of the market. For example, as part of the evaluation, the government-based accrediting agency takes into account employers' formal requests for graduates submitted to institutions. Additionally, great emphasis at accreditation is placed on educational capacity, or resource base of institutions. By looking at institutional resources, the government ascertains whether an institution is capable of providing higher education services. The marketplace is a principal arena where resources are acquired through various economic, exchange-based relationships. As Geiger (2004) observed, markets in higher education may include, among other things, markets for students and faculty. Thus, as indicated earlier in the conceptual part of the study, growing enrollments, high quality faculty members, and the

expansion of the facilities may be perceived as endorsements from market-based social players.

Yet the key legitimizing effect of accreditation is legal-regulatory in nature because accreditation is mandated by the constitution and laws on education, and because it is conducted by the central government represented by the Ministry of Education and Science. The principal outcome of accreditation is the ability of accredited institutions to grant academic degrees on behalf of the state. As a result, accredited institutions bear the state's hefty seal of authorization of institutional trustworthiness and merit, which facilitates their graduates' acceptance in society. To private higher education institutions, accreditation is particularly important because, in addition to quality implications resulting from the adherence to professional standards, it facilitates social acceptance in the public sphere through conferring a number of social privileges, including student deferment of military service, ability to occupy positions in governmental organizations after graduation, and a right to enter graduate school at state universities.

Chapter VI

ORGANIZATIONS AS GRANTORS OF LEGITIMACY

Institutional Founders

Institutional founders are extremely important to new organizations in their legitimacy building. Not only may institutional organizers determine the identity of new ventures (Stinchcombe 1965), but they also directly show which organizations and actors at founding support and endorse the *de novo* enterprises. The assumption is that the composition of founders may point to the initial sources of legitimacy and legitimation orientations of Russian nonstate institutions.

In this section, I examine how founding entities provide legitimacy to nonstate institutions in Russia. I describe the legal basis for establishing nonstate institutions by various kinds of founding entities, and I identify the roles of various kinds of founding entities in conferring legitimacy and generally in the workings of private institutions. Also, I derive from data the essential characteristics of founders capable of conferring legitimacy and interpret these legitimizing properties in the context of Russian higher education and the society at large.

Roles

Current law provides for the founding of nonstate institutions by organizations, private individuals, or their combination. Article 11 of the law “On Education” (Federal Law, 1999) stipulates that founders may include government authorities; Russian and international organizations of all forms of control (public or private) and their associations and councils; domestic and foreign foundations, both public and private; public, civil, and religious organizations or associations; and Russian and foreign citizens.

Founders may or may not be owners of institutions they established. As one respondent explained,

Legally founders own only the part of the property that they contributed at founding. If a founder contributed some property, it has the right to take it back when it withdraws from the founding structure of the institution. And on the other hand, the property acquired by the institution through its operation and the income generated by the institution and invested into the educational activities belong to the institution itself, and these assets do not belong to the founders. So, if any institution is closed down, then its property is supposed to be used for the needs stated in the charter, that is for the educational activities, meaning that basically the state will take the property and will reinvest it in the educational institution. (HT, Rector)

The composition of founders may change overtime, and original founders may be augmented or replaced with another set of entities. “This is a natural process of adjustment and change. The change must be approved and agreed upon by the Ministry,

this is not just institutional matter,” notes a dean (PA, Dean) in a state university in Moscow who formally participated in establishing two nonstate institutions. A vice-president from a banking institute in Saint Petersburg recounted that their original founders included a state bank, city administration, a group of private banks, and several individuals. Four years later the institution added two European universities as formal founders. Another institution in a Siberian city of Barnaul (about 750,000 people) started its operation with a founding structure of two formal organizations and one individual, the rector. When a new charter was revised and approved by the Ministry a few years later, the rector became the sole founder of the institution.

Real control of many institutions seems to reside with institutional leaders or rectors who also are frequent founders, and organizations often are included for symbolic or legitimizing purposes. A founder related his experience of limited influence in this way,

I still am a founding member at [X Institute]. There were six individuals who established the institution. I am now a consultant to the rector and I am paid 6,000 rubles [about \$200] for this job. Other than that, as a founder, I do not have any influence. We [the founders] meet regularly. We develop institutional policies and recommend them. Founders or boards of trustees do not really influence the financial activities and educational quality. Often their role is only nominal, and they are used as a façade. We [the founders] do not understand all the activities in detail, but we exercise some control. (PA, Dean)

Another administrator emphasized limited financial assistance from founders and their symbolic role,

When the institution was being established, our founders contributed really laughable resources; in 1991 each founder contributed 10000 rubles. At that time it was a laughable sum of money. And we got no more financial assistance from the founders since. We derive only symbolic, image-enhancing support in terms of publicity and association with them from our partners and founders, but no real assistance. All the financial resources we have we derive from tuition and fees.

(ZK, Vice-President)

However, when probed about other kinds of support from the founders, this vice-president recognized vital assistance from the city administration, a founding organization, which helped with the renting of premises in highly valued downtown locations at reduced rates. The respondent went on to recount the stable situation with their physical plant and facilities,

We have 3 buildings in downtown. We made a formal agreement for rent for the period of 49 years with the city administration in 1992. We do not own these buildings but we rent them based on a contract of a long-term rent, and we surely pay rent money, which is high because of the downtown location. Yet we have beneficial conditions of renting because we are a nonprofit organization, not a firm, not a store; we pay a reduced rent. (ZK, Vice-President)

Renting or owning physical plant is an important accreditation requirement designed to indicate institutional stability. Rental agreements vary from short-term to more beneficial long-term. In this case, the city administration lent considerable support to the institution by proving access to advantageous facilities. This support may have helped the institution to fulfill some of the accreditation requirements and generally raised the perceptions of

the institution as stable, credible, and trustworthy in the eyes of prospective students and the general public.

Legitimizing Characteristics

Analysis of the respondents' assumptions pointed to several founder characteristics that really counted in legitimacy granting. Not all founders were capable of conferring legitimacy, but their legitimating capacity was determined by several key features. These differentiating dimensions were largely framed in the form of binary, conceptual oppositions. They included public versus private, formal organizations versus individuals, state organizations versus private organizations, and nonprofit versus for-profit.

Several interviewees attached more importance to founding organizations as compared to individuals. One rector recalled the experience of co-opting founding entities and noted the higher regard of formal organizations, as compared to individuals:

When we became independent, a question arose to obtain some legal status and we needed founders. At the time we had no idea about what the purpose of the founders was, but we knew the founders were required by law; so four persons agreed to become founders out of those people involved in the oriental language work at the cooperative, and we offered two organizations to become founders: Kunstkamera [a famous museum of natural history and biology] and the institute of adult education. We needed the founders to be not just individuals but formal organizations as well. (ZB, Rector).

This quote reveals several assumptions about the role of founders. First, the fact that the institutional organizers did not understand the role of founders and approached

those organizations in a *pro forma* fashion strengthens the argument that the real control of institutions is in the hands of institutional leaders and that formal organizations are often used to publicize private institutions. In this case, the association of the new private institution specializing in oriental cultures with a famous museum must have helped to raise its status in the eyes of the clientele. Another argument is that individuals lack a legitimizing power, as compared to formal organizations.

The reason why individuals are not strong legitimizers when they establish institutions is not only because they usually lack authority or sufficient reputation, but because they may also be associated with motives of profit making. And Russian law does not allow for-profit educational institutions. One respondent explains this connotation in this way,

We are a nonstate, nonprofit organization according to the law on higher education, and we are not a forprofit, commercial organization, something that distinguishes us from many other nonstate institutions. I mean there are nonstate institutions established by a group of individuals and they absolutely understandably and naturally derive profit from their institutions. Our institution is established by a public [civil] organization, the Knowledge Society of Saint Petersburg and the Leningrad region. Our sole founder is a public organization. Private individuals are not part of the founding structure, and so all the revenues that we generate we invest into this building and the educational process. (NL, Dean)

This quote brings about an important distinction between the terms ‘private’ and ‘nonstate’ institutions. Both words have many connotations, but the one noted by the

respondent relates to founders. In Russia, if an institution is established by an individual or a group of individuals, it is often referred to as 'private,' and the public generally views such institutions as 'commercial' or profit-making. The term 'nonstate,' although generally inclusive of the notion 'private,' also normally applies to institutions established by formal organizations other than central government. Whether an institution is established by organizations or private individuals, it must be nonprofit as stipulated by the 1992 law "On Education." Thus the perception of 'private' institutions as profit-making is unwarranted and contradicts legal norms.

Moreover, private individual founders that evoke the idea of commercialization may undermine the legitimacy of Russian nonstate institutions (unless they are reputed academics, religious or public figures). As Lisovskaya and Karpov (2001) observe, noting the cultural schemas as a culprit:

Since no private entrepreneurship or ownership was permitted under communism, in people's minds it continues to be associated with a capitalist and foreign (and therefore alien) economy and ideology, and with the bourgeois lifestyle....

Despite several years of dramatic socioeconomic and ideological change, for many Russians 'private' still symbolizes evil forces, which are destructive of justice and their own well-being (pp. 50-51).

It is not only private individuals that lack the legitimizing potential. Private businesses may also be weak agents of legitimation unless they are well-established enterprises (e.g., Microsoft), particularly as compared to state-run organizations. The following excerpt highlights some cultural frames and mental models that favor state-run entities over private businesses in college and university founding. When asked whether

private businesses were co-opted into the institutional founder structure, a rector retold the following story:

This [organizing a private enterprise] was our first experience, and because we psychologically came from the Soviet Union and had this statist mentality somewhere deep inside, we felt uncomfortable about a for-profit business as part of our institution, even though we were setting up a private enterprise ourselves. We approached our organizational founders because they were state-run organizations and we could always refer to this state origin of the founders and use it to our advantage. Besides, we just did not have any contacts in the business community, which itself was just emerging. So if we approached any private business, we would be just outsiders for the businesspeople, and we had no idea how to deal with businesspeople. It just never occurred to us to approach businesses for founder purposes. (ZB, Rector)

In a similar vein, the efficacy of state-run organizations in conferring legitimacy is argued by the dean of state university who is on the founding board at two nonstate institutions. This respondent also elucidates the mechanism of legitimacy conferral, the transfer of status:

I know that the majority of nonstate institutional founders are not private individuals but state-run organizations. Often this is done because of the mutually beneficial relationships that are bound to develop between the founding and founded institutions, but also because of the status thing. The fact that a private institution is established by a state-run structure raises the status of the nonstate

institution. It is established by a state-related organization but not by some businessman outsider on the street. (PA, Dean).

To sum up, several differentiating characteristics of founders were derived from the analysis. These characteristics contribute to the legitimizing power of various founding entities. They include formal organizations (as opposed to private individuals); state-run entities, including state universities and other nonprofit organizations; and nonprofit (as opposed to for-profit) entities. Formal organizations carry more weight and more legitimizing potential than private individuals because they are collectivities and usually wield more power. Organizations are formal and more impersonate entities than people, and as such they may be less suspect of the motive for profit maximization when operating a higher education institution.

If founding organizations are nonprofit and state-related, their legitimizing potential increases. Nonprofit is a legally mandated characteristic of Russian nonstate institutions, and if institutions are backed up by other nonprofit entities, their reputations and status of nonprofit may be enhanced. On the other hand, because it is closely linked to profit maximization behavior in the minds of most clientele, in the government, and in the higher education community, the idea of 'private' may be incompatible in some respects with a nonprofit status of higher education institutions. As a result, private actors may be less of a legitimizing force in higher education, as compared to public and state entities.

The authority of the state was described in detail in the preceding chapter. The foundations for state authority in Russia are tradition and law. And Russian state

universities possess a considerable legitimizing weight rooted in their association with the state and in their professional, normative authority.

The mechanism by which founding entities provide legitimacy and the form of legitimacy are similar to those described in the section on partnering entities below. Legitimacy derived from the relationship between founders and institutions is of exchange-based, pragmatic nature. It is acquired through the transfer of reputational capital (a kind of certification by association) from a powerful, legitimate entity to a young organization seeking to enhance its legitimacy standing.

Sector-wide Founding Entities

I further delve into the role of founders in legitimacy conferral and generally in institutional performance by looking at the entire sector of nonstate institutions. My objective is to further explore how the legitimizing characteristics of founders that I have identified may be connected to institutional performance and stability. I use these legitimizing characteristics to make sense of a diverse population of founding entities. I group institutions according to these differentiating features and then compare the groups on several legitimacy and performance indicators. The criteria of group differentiation include whether the founders are organizations or private individuals; educational or non-educational organizations; state-related or independent, nongovernmental structures; for-profit or non-profit organizations; and diverse or homogeneous entities.

The exploratory analysis of sector-wide founders draws on institutional data from the Russian Ministry of Education and Science (CMES n.d.). Out of a total of 369 private institutions in the database, 308 cases were included in the analysis. Institutions were coded and assigned to one of four groups established by 1. private businesses and

educational entrepreneurial organizations (21%), 2. private individuals (34%), 3. state universities and research institutes as sole founders (23%), and 4. multiple and hybrid entities (22%). Then cross-tabulated descriptive statistics were used to compare the groups on several performance indicators.

Analysis of the founding entities has yielded four distinct groups of nonstate higher education institutions, revealing a multifaceted and complex structure of institutional founding. The founders represent a diverse group of entities running the gamut of private and public, for-profit and non-profit, academic and nonacademic, and state-run and independent organizations. They include private individuals, non-profit or for-profit companies, organizations, associations, and foundations, as well as governmental organizations and agencies, and state and nonstate academic institutions. The four groups of institutions are located in different places within Clark's triangle and have different degrees of privateness and of proximity to the state sector.

Group I (*Private Proper*) consists of institutions founded by independent entrepreneurial organizations, including businesses and privatized industrial enterprises, early private educational enterprises started before the 1992 law on education, and viable private higher education institutions that established other private institutions often as franchisers after several years of successful operation. Among other groups, this set of institutions is the most *private* in its founding structure and most independent from the state with respect to resource management. It accounts for 21% of institutions considered.

Group II (*Person-Only Founding*) includes institutions founded by one or several private individuals without formal involvement of organizations. This is the most numerous group accounting for 34 percent. Information on professional backgrounds of

these individual founders was not available. However, several institutions in my sample of site visits belong to this group. The insights from these site visits and interviews throw light on individual founders' backgrounds and help interpret their legitimizing potential and significance.

On the whole, the backgrounds of these individual founders are diverse, varying in the extent of closeness to either private or state-run organizations. They encompass entrepreneurs from the business community, top-level administrators and researchers from state universities and specialized research institutes, foreign and domestic individuals affiliated with religious or civil organizations, and others. Although this group includes many private entrepreneurs with business backgrounds and may appear to represent purely private initiatives, its founding structure is somewhat ambiguous due to the difficulty of assessing the kinds of supporting organizations behind the founding individuals. For example, many individuals are former or present rectors, deans, or department heads of state universities, maintaining close ties to the state sector of higher education. Also, there are several institutions founded by religious leaders. Although these religious institutions are formally founded by private individuals, they receive support from value-based organizations that stand behind these leaders.

Group III (*State University Proximate*) comprises 23% of institutions established by one or two state universities. This pattern exemplifies the prominence of state higher educations as critical resource holders and legitimating entities. Proximity to state universities allows this group to take advantage of their resources and to assume a veneer of state university resemblance crucial to legitimacy perceptions. In addition to these 23% of institutions founded by only state universities, the participation of state higher

education in private college founding extends to various partnership and co-founding arrangements with business and government organizations. As a result, my data indicate that various state-run higher education organizations are implicated in private college founding in over 50% of all cases. I describe the hybrid group that incorporates state universities in Group IV.

Group IV (*Hybrid, Multiple-Source*) institutions include multiple and diverse founding entities, embracing different configurations of actors from the previous three groups and additionally from various government organizations, such as local, regional, and central administrations and ministries. While the three previous groups show unambiguous patterns of founding, this group includes very diverse institutions with hybrid patterns of founding. A key feature is that co-founders are always multiple and heterogeneous composed to a different extent of audiences from two or all three of Clark's centers of sponsorship. For example, an institution from a multiple-source group may have the following combination of co-founders: a state university, a city administration, a private university, and a business. This group represents hybrid founding arrangements and interpenetration of the realms of the state, market, and higher education community. Due to its diverse founders, it presents analytical challenges.

Institutional group comparison on performance indicators reveals the higher stature of institutions established by multiple and diverse entities and by state universities relative to institutions representing independent private initiatives. This finding is consistent with the recurrent view in my interviews that private founders lack legitimizing capacity as compared to state-run organizations and that state universities are powerful legitimizers. The *multiple-source* and *state university proximate* groups have

significantly higher shares of accredited institutions, as compared with the *private proper* and *person-only* groups. Approximately nine out of ten institutions in the hybrid group and three out of four institutions in the state university proximate group are accredited by the state, while only two in three institutions enjoy accreditation in the remaining groups. Similarly, approximately one in five institutions in these groups enjoys the Ministry ranking, as compared with one in ten ranked in the *private proper* category.

The Ministry annually ranks roughly 60 private institutions out of the entire private sector as institutions meeting established standards of academic quality. Similar to accreditation, Ministry rankings are another certification mechanism (Rao 1994) signifying an endorsement from the state. The evaluative criteria for these voluntary rankings and accreditation overlap considerably, taking into account mostly institutional input characteristics and some performance indicators (e.g., faculty research projects and publications). Table 6.1 presents the study's descriptive statistics.

Table 6.1: Descriptive Statistics on Russian Nonstate Higher Education Institutions Grouped by Founders, 2003

	Group I Private Proper	Group II Person- Only	Group III Proximate to State Universities	Group IV Hybrid, Multiple -Source	Private Higher Education Average
N of Institutions	64	105	70	69	-
% Accredited	66%	66%	76%	88%	73%
% of Institutions Ranked by Ministry	11%	12%	21%	19%	16%
% of Institutions with Graduate School	5%	3%	6%	10%	6%
Average N of Graduate Students per Institution	1	1	4	20	6
% of Graduate Students among All Graduate Students at Nonstate Institutions	4%	5%	13%	68%	-
Area of Physical Plant	3.9	3.7	4.5	5.5	4.2

per Student (in sq. meters)					
N of Headcount Students per Institution	1,540	1,740	1,350	1,660	1,600

Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>.

Hybrid institutions are leaders in graduate education among the peers, whereas the scope of graduate education in institutions established by private initiatives is only marginal. Indeed, multiple-source institutions account for 68% of all graduate students in the private sector. Institutions that are offshoots of state universities also compare favorably on this indicator with institutions founded by private businesses and individuals. However, the comparison would be even more advantageous for state university spin-offs if the data accounted for a major advantage derived from their affiliation with parental universities, namely the ability of their students to enroll in graduate programs of the founding universities.

The measure of physical plant infrastructure also points to Group III and Group IV institutions' higher levels of social support. This variable is calculated by dividing the area of physical plant in square meters, including instructional and supporting facilities, by a headcount number of students. For instance, an average area of the hybrid group's instructional and supporting facilities per student is considerably larger than that of institutions representing purely private initiatives. This same indicator for state university spin-offs is also larger than that for the institutions established by private businesses and individuals. Still a major advantage of state university satellites arguably is the fact that they enjoy access to facilities of their parent universities, which would further bolster their case if reflected in these data.

Group IV institutions with multiple and heterogeneous ties to influential social actors seem to have major advantages. Their more favorable position may be explained by their multi-source orientation toward diverse and powerful audiences, including state universities, municipal and regional administrations, and the business community. This strategy may provide them with dense and diversified interorganizational networks thereby enabling them to tap into a large resource and legitimacy base in the higher education field. The participation of governmental structures, especially local and regional administrations, in hybrid educational arrangements is particularly noteworthy. An example of an institution of this type is the International Banking Institute in Saint Petersburg. As noted above, the institutional founders included a city administration, a state bank, two private banks, and two European universities added later. The city administration provided assistance by arranging for beneficial renting conditions.

Partnering Organizations

In general, organizational sociologists view partnerships as part of a broader notion of interorganizational relations (Galaskiewicz, 1985; Gulati & Garguilo, 1999; Kraatz, 1998; Oliver, 1990). Most definitions of partnerships have been offered by strategic management analysts with reference to the corporate realm. For example, Mohr and Spekman (1994) define partnerships as “purposive strategic relationships between independent firms who share compatible goals, strive for mutual benefit, and acknowledge a high level of mutual interdependence” (p. 135). Within the resource dependence perspective, this conceptualization of partnerships typically corresponds to the notion of strategic alliances (Pfeffer & Salancik, 1978; Scott, 1998). Many private higher education institutions are created by market conditions, live off the market, and

inherently retain many of its essential characteristics. For this reason, the above-mentioned conception of partnerships may be generalizable to the realm of higher education, particularly when private universities are involved. Thus, in this thesis partnerships refer to collaborative, mutually beneficial relationships between universities that share their resources to achieve common goals, which are not easily attainable when acting alone.

A typical motivation for establishing collaborative linkages is to achieve a competitive advantage and gain access to various tangible and intangible resources, such as operational knowledge and know-how, new technologies, and others. For instance, Oliver (1990) proposes six determinants of interorganizational relationships generalizable across organizations, settings, and linkages, including asymmetry (i.e., exercise of power and the intent to control resources), stability, reciprocity (i.e., mutually beneficial relationships), efficiency, necessity (i.e., the need to meet legal and regulatory requirements), and legitimacy. Oliver's reasons for establishing interorganizational relationships and the advantages they generate may be reduced to two major imperatives of partnership formation described by Galaskiewicz (1985) as 1. resource procurement and allocation and 2. organizational legitimation.

Legitimacy and partnerships

As indicated earlier, Suchman (1995) describes three forms of legitimacy: cognitive (comprehensible and taken for granted), moral (based on norms and values), and pragmatic (based on actors' self-interest). Pragmatic legitimacy that Suchman describes as exchange-based legitimacy is especially important in the context of partnerships in an exchange relationship. Pragmatic legitimacy rests on the self-interested

calculations of an organization's stakeholders and constituencies. Social actors approve of and lend their support to an organization in exchange for some practical benefits that the organization brings them.

Collaborative relationships can serve two major functions: 1.) as conduits of material exchanges providing access to resources and 2.) as a form of certification by means of the transfer of status from reputable and legitimate organizations or individuals to their less established counterparts, particularly newly emerged organizations (Rao, 1994; Stuart, Hoang, and Hybels, 1999). As Stuart et al. (1999) explains, because customers and other potential sponsoring organizations or exchange partners cannot assess the value of new organizations on the basis of their previous accomplishments, they use other evaluative proxies of value indicators such as the identities and attributes of the associated organizations or individuals (Stuart et al., 1999). Young organizations associated with prominent and well reputable entities may be perceived by customers and prospective sponsors as trustworthy and predictable because of a presumably superior capability of the prominent associate to judge the value of a new organization in an exchange relationship. Simply put, prominent entities would not associate themselves with weak and worthless organizations. The outcome of such relationships is often the increase in a new organization's visibility, or cognitive legitimacy because the mere involvement of a prominent actor with a young organization may draw the attention of the media, potential employers, or customers to the young organization. As a result, new organizations may experience higher chances of social acceptance, or organizational legitimacy, coming from such important associations (Stuart, Hoang, and Hybels, 1999).

Perceptions of Partnerships' Legitimation Effects

Partnerships between State and Nonstate Institutions of Higher Education. Data analysis revealed a prevalence of state-nonstate university partnerships, varying in the degree of private institutions' dependence on their state counterparts. Pervasiveness of these partnerships was determined either by founding circumstances or generally by common interests of independent peer institutions. As I described in the section on institutional founders, state universities participated in establishing new nonstate institutions on a massive scale. These founding relationships represent instances of partnerships between agents of unequal status.

Some private higher education institutions founded by state universities remain dependent on their founding universities for resources and governance. Although separate statutory bodies legally, many private offshoots are often housed within state university premises, employ many of the same faculty members, and share many resources of the founding state universities, including libraries, sporting facilities, dormitories, and research laboratories. In these cases, private institutions in effect operate as branches of state universities.

Such closely interlocking relationships were particularly common at the time of private institutions' founding when the uncertainties stemming from their liability of newness were particularly pronounced. In effect, the founding state universities helped their spin-offs to develop and survive. One rector who was also a department head at a state university recalls the state of legal indeterminacy at founding and the assistance of the founding state university:

We had an agreement with a state university, and we actually enrolled the first two groups of 52 students overall in 1993...[pause] We got a license in 1994, so we enrolled students without a license at the time; the students had already higher education degrees in pedagogy, so they studied according to a shortened plan of study for two years [without general education coursework]; and we had them enrolled at Saint Petersburg State University the last year of their programs so they actually got a degree from a state university. This arrangement with the state university helped our initial development a lot: we got a license only in June 1994 and were not known at all then. (KP, Rector)

This quote demonstrates several things. In the circumstance of legal uncertainty, it was possible to enroll students without a license and receive it some time later into the operation. Nonstate institutions often had agreements with their founding state universities that provided the necessary infrastructure, including the teaching staff, and also what this rector called ‘social protection’ for the institution, referring to the operation in the state university premises without a license and other support described below. As the quote also reveals, these agreements often included provisions whereby students initially enrolled in a nonstate institution’s programs could be transferred to founding state universities and graduate from them with ‘state diplomas.’

Legally, such transfer agreements were possible by the arrangement of ‘external studies’ (i.e., independent study) stipulated in the 1992 law “On Education.” Phrased in vague terms and without specific reference to higher education, the provision of ‘external studies’ presupposed an arrangement whereby students could study a curriculum independently without formal instruction (e.g., family-based education) and then, upon

successfully passed examinations at an institution, gain admission to that institution. In fact, nine nonstate institutions in my sample used this practice of ‘independent study,’ exploiting the loopholes and gray areas in the legal framework to leverage their ends.

This rector further explains the notion of social protection conferred by the founding state university and elaborates on the ways in which students and faculty at her institution had the advantage of social security:

Initially we did not have accreditation, but the students knew that we had Saint Petersburg State University behind us, and the faculty at that time did not know much about the nonstate higher education sector and would not work full-time in nonstate institutions; and the fact that we had support from the department of the state university, and I am heading this chair now; so in this respect we were in part socially protected..... I mean, suppose we were closed down. The faculty working for us would not have been out of work because they were employed full-time at the state university. As for student rights, we had a transfer agreement with Saint Petersburg State University in case of a closure of our institution. (KP, Rector)

This quote demonstrates the mutually beneficial nature of the relationships between the founding and founded institutions. Private institutions minimized their risks of failure by taking advantage of a state university reputation and resource base, whereas the faculty at state universities had opportunity of additional income at private institutions.

Another respondent provides insight into how state universities derive economic rents from establishing a nonstate institution:

Let's take Moscow Independent Institute [the name is changed], for example. This is an independent, not-for-profit educational organization. Its main founder was a state university. This relationship is not publicized. The initiator of founding was a state university rector. The benefit of creating an independent institution is that this organizational setup helps to provide some more leeway in economic activities for the state university. Some revenues can be channeled through the balances of the nonstate institution. Nobody likes to talk openly about such arrangements, but they are beneficial for the state institution. I would not say such arrangements benefit founding rectors as individuals, but the state university benefits from the relationship. For example, take a look at the fourth floor where the classrooms of Moscow Independent Institute are located. It is being renovated now. The resources for the repair from the state budget are not available, but we can make repairs at the expense of and through the resources of the nonstate institution. (PA, Dean)

This kind of partnerships resulting from institutional foundings is a major factor that sustains the intersectorial interaction in a competitive environment for higher education. As I indicated in the section on institutional founders, over 50% of nonstate institutions were established with the help and participation of state universities and research institutes. While initially characterized by heavy dependence on parental state universities for governance and resources, many private institutions later emerged as strong independent organizations. As newly-born institutions grew stronger, they were able to break free from the orbit of the parental university, eventually enjoying autonomy. An indication of their independence, both physical and symbolic, often was the fact of

their relocation to other premises that were either purchased or rented for lengthy time spans.

Institutions that were able to achieve total autonomy from their founding state universities maintain their relationships through various academic projects. A rector of such an institution described her interface with the founding academy in the following way:

We maintain many contacts with state higher education and work closely with the Finance Academy who is a founder of our institution. We have many joint projects with the Academy and sometimes we do research projects commissioned by the Academy. We wish we had more such cooperative relationships. We jointly run professional development and in-service programs for working professionals and conduct academic conferences and seminars, and our student academic society works closely with the academy. We offer jobs to many faculty from the state sector and from the Academy. (IF, Rector)

Another form of partnerships is characterized by independent governance and mutual interests between well-established nonstate institutions and their counterpart state universities. These partnerships cover many areas of university operation from admissions to joint academic programs. Several of the most established private institutions in my sample provide education to students from state universities through partnership agreements of dual admissions. However, the most vivid example that is often cited in the press concerns Moscow Institute of Energy, a state-supported institution specializing in technological fields. This university has agreements with five private institutions whereby its students may obtain, in addition to their state university degree,

an optional parallel degree in the social sciences (e.g., economics) offered by a private partner institution (FISER, 2002). In exchange, private institutions that rent premises from Moscow Institute of Energy have their rental costs waived.

Another example of independent state-nonstate partnerships is a joint double master's program in political science and economics offered by Moscow Higher School of Social and Economic Studies, a private institution, and State University-Higher School of Economics, a public institution. This dual degree program offers students an opportunity to complete two master's degrees in a shortened period of time (in two years) due to a considerable curricular overlap between the two programs. The student cohort includes students from both private and state institutions who study together and have access to the resources of the two institutions. For students from the private institution this arrangement is particularly beneficial: not only do they obtain two master's degrees, but they also get to receive a degree from a prestigious state university. In turn, state university students receive a western-style master's degree that is presumably recognized by British universities. In Chapter VII, this nonstate institution is described in detail in a case study of western-oriented legitimacy acquisition.

A special instance of state-nonstate university partnerships is the interaction of rectors from state and nonstate institutions in a rectors' council in Saint Petersburg. This city is the only region in Russia where state university rectors allowed their counterparts from the nonstate sector to join their associations and to participate in economic development of their region. Rectors of Saint Petersburg's nonstate institutions value this experience as a useful networking opportunity and an arena to express their views and advocate the advantages of nonstate education in public, but above all they perceive their

equal participation as a sign of their recognition and legitimacy. As one rector indicated, “*We [nonstate institutions] became recognized due to association work as well. We now are members of the rectors’ council of Saint Petersburg and are on equal footing with state universities. Only accredited nonstate institutions may belong to the rectors’ council*” (KP, Rector).

Collaborative Relationships with Government and Business

Collaborative relationships of the nonstate sector are not limited by partnerships with their state counterparts. Their cooperative ties are diverse embracing governmental and business organizations as well. For example, Institute of Special Pedagogy and Psychology in Saint Petersburg runs professional development programs for the city administration and for government officials from the regions throughout Russia. An indication of recognition from the state, these programs are financed through various grant programs from local, regional, and even federal government. Funding usually comes through governmental grant programs and through tuition that various government officials bring to the institution. When asked about the kind of support her institution received from the state, the rector responded that in fact it was the state that received a lot of support from her institution, rather than *visa versa*. Acknowledging the contribution of grant funding from the state as important, she described her institution’s relationship with the state as follows:

You see, it’s probably visa versa: we support the state structures because 1. we educate 15% of students free of charge—these are the students who work in our system of special education; plus we enroll for free several physically or mentally challenged students; sometimes faculty visit these students at home, and our

students work with these students as well. Number 2, we help the state in terms of professional development of the administrators in the local or regional administrations, such as those from the city administration committee on education or on social welfare and security. We provide instruction to the administrators either for free or for a small nominal fee. So we are well respected. They support us through funding for social programs. We are funded in part through various social grant programs from federal, regional, or local administrations. They provide money for social programs targeted to parentless or physically challenged children, or to drug addicts, or homeless children. These are important grants; if we lived off of tuition only, we would not survive. (KP, Rector)

Perhaps the highest recognition from the state is the fact that Institute of Special Pedagogy and Psychology in Saint Petersburg is in the words of its rector “the only nonstate institution in the country that is the flagship institution in the Northwest Region of Russia with respect to professional development and in-service programs for school teachers and university faculty.” In other regions of Russia, this function is performed by state universities. As the rector argues, the institution offers innovative and even unique academic programs in areas not available in the state sector of higher education:

We offer training for specialists to work not only with physically and mentally challenged individuals, but also with runaway parentless kids, the area of social orphanage. Now our emphases also include deviant behavior and the prevention of drug taking. (KP, Rector)

The Institute of Special Pedagogy and Psychology in Saint Petersburg is a case of a tripartite partnership among the federal government, a state university, and a nonstate institution. Massive support from the Ministry of Education made it possible to establish this nonstate institution. The Ministry was willing to support innovative research of the rector and a group of scholars working in the field of special education and psychology. It commissioned this group of researchers to conduct 12 research projects. However, federal funding was not available to nonstate institutions. To resolve this dilemma, an unusual scheme was proposed and actualized. A new nonstate institution was established, along with an endowed chair at a state university that was financed from the federal government. In effect, the Ministry money became available to the nonstate institution through the involvement of a state university. The rector of this institution details the intricate scheme as follows:

The Ministry of Education supported us at the time. Our research, my own and that of my colleagues, was fairly well known in Russia, and the Ministry trusted us. At the time, Maria Pavlovna Lazutova was deputy minister; we did the following; we registered our nonstate institution, and at the same time the deputy minister had an endowed professorship and chair established in my name at Saint Petersburg State University financed out of the federal grant program “The Children of Russia.” The funding was provided for three years for this professorship. We were given funding for 25 FTE faculty positions and 17 FTE laboratory assistantships. All the faculty and assistants working for me were also employed by the state university. (KP, Rector).

Institutions widely engage in various outreach activities that involve government organizations. This strategy both enhances their status and publicizes their institutions in the eyes of the clientele. A rector of an institution specializing in tourism and hospitality management explicates the strategy in this way:

We conduct conferences and workshops in conjunction with the city administration, which typically get wide coverage in the press and the media; these events promulgate knowledge about us, and we feel how students increasingly begin to come to us after events like these. (NS, Rector).

The institution uses its students to lend the service to the city. For students, these activities may be class projects that earn them credits. The city administration, on its part, seems to greatly appreciate the public service, which contributes to the perception of the institution as useful. The rector goes on to clarify the service that her institution provides to the city, indicating that this strategy earns the institution recognition:

Also the tourism committee in the administration recognizes us and works with us very well. So we, a private organization, work well with the state administrative organ. We help the city with volunteers. For the city's 300th anniversary [Saint Petersburg], our students volunteered to work with the city administration to help host various events. Right now 20 of our students are servicing the economic forum tomorrow. We take part, as public service, in many city events. We have a reputation in town of an established, stable institution. (NS, Rector).

The same strategy of using government officials as a 'bait' to attract the clientele and to enhance visibility was used by a well-established private business school in Moscow at the beginning of the 1990s. The leader of that institution used more ingenious

ways, such as offering part-time consulting employment to government officials, to reap the benefits of associating themselves with the authorities. As the rector recalls,

The other strategy we used to make ourselves visible was our newspaper “Economics and Life.” At that time even ministers had low salaries, and the only opportunity for them to earn more money was to work part-time as consultants in some educational institutions like ours. So we set up a consulting center—Economics and Life. We would invite high-ranking professionals to work with us. It was the beginning of economic education in the country. If I showed you the first reference book on management, you’d be laughing at how naïve it was. So the ministers and officials would do the consulting on TV or in the press and then say that more information on the issues could be obtained at our institution and would provide our contact information. Because we invited ministers and famous professionals, we had large audiences at these consulting meetings. People often would come to these meetings not because they really wanted to learn something, but because they had a chance to talk with a minister and ask him for a phone number of his deputies. (MG, Rector)

To summarize, the major legitimacy-building strategies that private institutions use to obtain legitimacy from various organizations in the higher education field are relational in nature, as compared to the largely conformist behavior when dealing with the federal government. These strategies are based on networking behavior embracing various partnerships, associations, cooptation, and ties with government officials.

The nature of relational strategies, such as partnerships, and the form of legitimacy they engender is different from the state-imposed legitimacy. Partnerships

with well-established state universities are likely to act as 1. conduits of resource exchanges, and 2. the transfer of reputational capital and a form of perceived endorsements, and 3. the enhancement of visibility and comprehensibility of nonstate institutions. As a result of partnerships with state universities and governmental organizations, nonstate institutions have more resources or expanded access to resources. Perceptions of their trustworthiness and reliability increase. And they become more understandable and visible to the clientele. All these beneficial outcomes lead to enhanced legitimacy of nonstate institutions.

Legitimizing Entities and Institutional Strategies of Legitimacy Acquisition

I started my investigation of legitimizing entities with the tripartite framework based on Clark's triangle of coordination and DiMaggio and Powell's notion of organizational field. Rather than a triangle, I conceptualized the three major centers of influence and sources of legitimacy—state authority, higher education organizational community, and the market as overlapping circles to emphasize intertwined structures. This framework remains useful for descriptive purposes. Yet, ambiguities also arise from imposing this model. I address both the benefits and ambiguities below.

It is useful to conceptualize legitimizing entities as located within the realms of the state, higher education, and the market. The legitimizing entities in the state authority realm as identified in the analysis include first and foremost central government represented by the Ministry of Education and Science. The ministry regulates higher education through the system of quality assurance, including the national standards, licensing, and accreditation. Additionally, various governmental organizations legitimize private institutions through their participation as founders or through various partnership

arrangements. In this group, regional and local administrations are active and influential particularly in provincial localities. Regional and local legislatures also act as symbolic supporters of private institutions through their founder participation. Compared to administrations, local and regional legislatures have limited interaction with private institutions through cooperative relationships beyond institutional foundings due to their limited capability to provide resources.

The academic organizational community comprises institutions whose legitimacy is well established, namely state universities and specialized research institutes and academies, including the Russian Academy of the Sciences and the Russian Academy of Education. In addition, international universities are also potent legitimizers in the academic realm. Through joint master's programs (largely MBAs) and various validation agreements with private institutions of higher education, foreign universities impose western academic standards. This realm also includes well established nonstate higher education institution that partner with other less recognized nonstate counterparts.

The market dimension includes student clientele, employers, sponsoring business and industry organizations, and privately owned, entrepreneurial educational organizations. While the legitimation mechanism of students and employers is related to educational inputs and outputs and the supply and demand in higher education, business and industry organizations may exercise their influence through founding arrangements and various collaborative relationships.

Several ambiguities arise when trying to locate stakeholders and constituencies within the tripartite model. One issue is the position of state universities that may be presented as belonging to the three realms. On the one hand, state universities are part of

the state property that is financed and governed by the central government. On the other hand, they are part of the competitive market environment in higher education. In the marketplace, they compete with private institutions for faculty members and students. They engage in various partnerships with the government and the nonstate sector of higher education. As a result, they provide pragmatic legitimacy. Still state universities are the most powerful, collective legitimating entity in higher education with respect to professional authority and norms. State universities develop national standards for higher education that are used for accreditation evaluation. Additionally, rectors from state universities exert their influence through the national union of university rectors and through active participation in external review committees at accreditation.

Another ambiguity concerns state-run organizations, such as hospitals and museums. These organizations may be influential legitimizing entity for certain private institutions (e.g, those offering cultural studies or medical education). Yet they lack state authority and coercive power. They confer legitimacy through other mechanisms.

Data analysis suggested an underlying relationship between the kinds of legitimizing audiences and the actions undertaken by private institutions to acquire legitimacy. Private institutions differentially dealt with legitimizing entities and used a particular mode of action suitable to a specific audience whose approval and support they sought. Societal standing and a kind of power or authority that legitimizing entities possessed determined private institutions' legitimacy-building strategies. With the powerful federal government that possessed authority (or the legitimate use of power in Weber's terms), nonstate institutions largely dealt in a conformist fashion. With peer organizations or exchange partners such as state universities, state-run organizations (e.g.,

hospitals, museums, etc.), other private institutions, etc., they employed relational efforts of networking. With institutional clientele, including consumers and employers, they used communicative or ‘impression management’ techniques to influence their opinions and to project images of appropriate and desirable organizations.

A key characteristic of the legitimizing entities that determines particular kinds of strategies on the part of nonstate institutions appears to be power. Etzioni (1964, p. 59) distinguishes three forms of power based on the type of resource used to exert power: coercive, utilitarian, and normative power. The first form—coercive, is predicated on the physical resources of force and law enforcement. Utilitarian power is based on material or financial resources. Normative power stems from symbolic resources, such as prestige and esteem. These forms of power characterize different legitimizing entities and seem to play a role in how nonstate institutions approach various actors for resources and legitimacy. For example, the central state in Russia has coercive power and constitutionally defined authority over higher education. To be able to obtain legitimacy from the state in the form of accreditation, nonstate institutions largely have no choice but comply with the accreditation requirements. To be sure, institutions use government connections and other avoidance efforts to obtain accreditation. Yet the majority of institutions must comply with what the government want from nonstate institutions. Similarly, peer organizations may exercise utilitarian power through resource dependence. In this case, nonstate institutions will engage in networking activities of relational nature, such as various cooperative relationships, to obtain resources and legitimacy from these organizations.

Based on this inherent interconnectedness between legitimizers' character and the mode of actions used by institutions to deal with these entities I distinguish three major legitimizing entities and three kinds of legitimacy-building strategies. I construct a legitimizer-strategy matrix to reflect this relationship. The legitimizing categories include 1. the federal government 2. organizations, including founding and partnering organizations, and 3. market-based institutional clientele, including collective audiences of employers and students. Similarly, my strategies are based on method that institutions use to address the expectations of a particular stakeholder or various powerful audiences. They include conformist, networking, communicative strategies for legitimacy acquisition.

Conforming strategies signal allegiance to the standards deemed appropriate. As indicated, they include structural, procedural, and personnel forms of conformity. 'Playing by the rules' evokes an image of a 'good citizen' and allows the conformist institution to reap the rewards. Networking strategies are designed to build relationships with resource holding organizations by offering some value and gains through beneficial exchanges. Communicative strategies focus on creating favorable impressions and shaping the perceptions of the clientele, the audiences that may want the products of nonstate institutions.

Chapter VII

TOWARD A TYPOLOGY OF RUSSIAN PRIVATE COLLEGES AND UNIVERSITIES

Cultural Logics and Institutional Identity

Theoretical Considerations

In this chapter I construct a typology of Russian private higher education institutions based on their legitimation orientation. This notion includes role identities of private institutions that are constructed by drawing on broader cultural logics, belief systems, or cultural frames. Before describing differentiating characteristics of the institutional types based on legitimation orientations, several concepts need to be explicated.

According to Ruef (2000), “Novel organizational forms are most likely to become legitimated when they fit into the pre-existing cultural beliefs, meanings, and typifications of an organizational community” (p. 661). In other words, legitimacy of an organization occurs when it establishes congruence between its goals and values and the values of the organization’s stakeholders and constituencies and of the larger society. Two key elements of legitimacy construction include the values that organizations

espouse and appeal to and the process of matching their beliefs and values with those of their organizational field and of the society at large. Cultural logics provide the criteria for legitimacy assessment.

Horn (as cited in Suddaby and Greenwood, 2005) views logics as “the underlying assumptions, deeply held, often unexamined, which form a framework within which reasoning takes place” (p. 37). These logics are belief systems that guide organizations’ actions. Suddaby and Greenwood (2005) clarify the connection between logics and legitimacy by noting that logics “encode the criteria of legitimacy by which role identities, strategic behaviors, organizational forms, and relationships between organizations are constructed and sustained” (p. 38).

Logics are based on complex and often conflicting belief systems, but the tension does not preclude a co-existence of different logics in a culture. As Suddaby and Greenwood (2005) contend, cultures or professional fields usually contain multiple logics, some of which are dominant and central and others are secondary or dormant, residing in the periphery of the field or culture. Logics may change, following the shifts in the political or economic environment (e.g., revolutions and regime change, social movements, political reforms, technological change, etc.). In the words of Suddaby and Greenwood (2005), “insurgent logics, then, may arise from institutional ambiguities and contradictions or as a consequence of exogenous shifts that cause a reconfiguration of field arrangements and allow the ascendance of new logics” (p. 39). These scholars’ key insight from their study of rhetorical strategies for legitimacy acquisition by law firms is that the contradictory relationship between and among different logics is an inherent

mode of the development of social institutions and that different organizational entrepreneurs use different theorizations of social change that stem from different logics.

Gumport (2000) provides an example of conflicting logics in current public higher education in the United States. She distinguishes between the ideas of higher education as a social institution and as an industry. A logic of economic rationality that pushes public higher education to demonstrate responsiveness to economic pressures through processes of academic management, academic consumerism, and academic stratification characterizes higher education as an industry. The other logic reflects the values of public higher education that “preserve educational legacies where human development and citizenship” are major imperatives (p. 79). Gumport points to the macro trend in the American higher education whereby the prevailing legitimating idea of public higher education has shifted from the latter to the former.

Cultural Templates in Russia’s Higher Education

It is useful to note briefly key features of Russia’s social and economic context of the early 1990s in which multiple logics became available. There remained a legacy of the Soviet political economy and culture that was antithetical to the market economy and democracy (Rutland, 1999; Martin, 2002). The socioeconomic crisis was very severe. It may be the dire crisis situation that led to rapid privatization and generally the abruptness of change in the economy. The development of new legal and normative frameworks was not able to keep up the pace of economic change lagging behind. As a result, a legal and normative vacuum in several societal areas, including higher education, occurred. Finally, the old communist cadre and the administrative class, the *nomenclatura*, retained control

of much of the economy. In higher education, the influence of the old ruling elite was evident through the control exercised by rectors of state universities.

Thus the structuring of Russian private higher education during the 1990s occurred against the backdrop of a turbulent socioeconomic environment with its ambiguous normative and regulatory frameworks, a rapid and unanticipated surge in private initiatives in education and in society at large, and acute and widespread societal debate about the private sector's legitimate roles and goals. The conditions surrounding this sector's development, such as legal disarray and swiftly changing socio-economic system, left an indelible imprint on these institutions' mode of identity construction and legitimacy acquisition. Functioning in the presence of *old* and *new* logics of organizational behavior, the private sector had been challenged to adhere to uncertain institutional standards and to orient itself toward multiple legitimating entities in the realms of the state, market, and higher education.

To sum up, these tumultuous processes gave rise to the emergence of new cultural values, but the old belief systems persisted retaining their efficacy. These interpretive schemas or cognitive models through which different constituencies and stakeholders viewed higher education institutions included a nascent, but influential system of western academic values and templates; an emergent framework of democratic institutions and civil society; normative traditions of Soviet higher education; cultural templates of the tsarist Russia that had been dormant and suppressed under the communist regime but reemerged in the post-Soviet period; and an economic logic of entrepreneurship and private enterprise that was largely introduced through imitation of western institutions. Table 7.1 below compares the pre-reform and reform socioeconomic contexts.

Table 7.1. Pre-Reform and Reform Contexts of Case Analysis and Classification

Features	Pre-Reform Period	Reform Period
System	Total centralized control by the federal government	Many elements of a free market system
Sources of sponsorship and social support	Central state	Diversified: consumers and nascent sectors of business and civil society
Environment	Stable with uncontested rules	Turbulent with contested norms and rules
Societal values	Soviet	Diverse: Western economic and academic; Soviet; pre-revolutionary (tsarist);
Legal framework	Private HIED not allowed	1992 law “On Education;” 1996 law “On Higher and Professional Education”
Political forces	Communist Party and state functionaries	Clash of liberal and communist ideologies in Parliament; Rectors Union

Legitimation Orientations

I identified several major characteristics of Russian private institutions of higher education that collectively make up their legitimation orientations. In a nutshell, legitimation orientations are private institutions’ primary ways of constructing legitimacy. Drawing on cultural templates and belief systems available in the professional field and in the larger socio-cultural environment, organizers of Russia’s private institutions construct an identity of their organizations in order to appeal and conform to their audiences’ values and norms and receive their endorsement, recognition, and support.

The principal defining characteristic is a kind of logic, or cultural templates, belief systems, and frames of reference on which private institutions rely in constructing their identities. I identify four major frames of reference, with their temporal and spatial dimensions, including 1. Western academic template, 2. academic tradition of Soviet

higher education, 3. cultural revivalist frames of the tsarist Russia, and 4. entrepreneurial logic. These are positioned along a temporal continuum that encompasses three historical periods, including 1. pre-revolutionary era of the tsarist Russia, 2. Soviet era, and 3. post-Soviet period. The spatial dimension is determined by the locus of referent values. The values toward which institutions orient themselves are located either within or outside of Russian culture.

The major element in any frame of reference is a system of norms and values. Because of the multiplicity of normative frameworks and value systems on which to draw, on the one hand, and constituencies and stakeholders that are capable of conferring legitimacy on the other hand, Russia's private institutions often have a considerable leeway in their actions and choice of legitimation orientations. They may choose which kind of role identity to pursue and which audiences to cater to in order to acquire resources and legitimacy.

As noted, the construction of institutional identities directly depends on the congruence of institutional values with core values within the field of higher education (e.g., production and dissemination of knowledge through research and teaching) and with higher-order societal values (e.g., social justice, freedom of choice, private property and enterprise, etc.). In other words, private institutions may choose which values and norms to assume as a backbone part of their identities. I identify two major sets of values imbedded in the frames of reference: academic and nonacademic. The former norms are oriented to the acquisition of academic (normative) legitimacy, and the latter to the attainment of moral or cultural-normative legitimacy. The academic orientation characterizes institutions that draw on the western academic template and on the tradition

of Soviet higher education. The broader cultural values are exploited by institutions with entrepreneurial and cultural revivalist frames of reference. These core values are usually encapsulated and reflected in institutional missions indicated in their charters, institutional catalogues, or web sites. However, my analysis probes deeper to include the examination of founding entities and partnering organizations as shapers of institutional identities.

Founding entities and cooperative relationships with peer organizations also determine whether private institutions construct their identity by drawing mainly on professional norms in the field (e.g., academic values of research) or largely on broader cultural values and norms (e.g., social justice as manifest in policies of open access and/or preferential admissions policies similar to affirmative action policy in the United States).

Finally, I explore the structure of curricula as a constitutive part of institutional identities. For some institutional types, the structure of curricula determines to a great extent their identity. For example, at Westerners institutions many courses are taught in English and the curricula are modeled after American or Western European universities. I also provide detailed descriptions of how institutional founders and partnering organizations, along with curricula, determine legitimation orientations in the ensuing case studies of private institutions. Table 7.2 below summarizes the key differentiating dimensions of my classification of Russian private higher education institutions. Collectively these attributes allow for the classification of four types of institutions: Westerners, Statists, Revivalists, and Entrepreneurs. I provide illustrations of institutional types by the following case studies.

Table 7.2. Results of Classification by Type and Institutional Attributes

Key differentiating attributes	Westerners	Statists	Revivalists	Entrepreneurs
Frames of reference	Western academic templates	Soviet traditions of higher education	Values and cognitive models of the tsarist Russia	Entrepreneurial logic
Temporal dimension	Post-Soviet	Soviet	Pre-revolutionary	Post-Soviet
Spatial dimension	Western cultures	Russian	Russian	Western cultures
Norms (academic vs nonacademic)	Professional-normative, academic	Professional-normative, academic	Cultural-normative, nonacademic	Cultural-normative, nonacademic
Founding and sponsoring organizations	Western foundations and universities	State universities	Diverse	diverse
Curriculum	Western-style	State university style	Various	Market responsiveness

Westerners

Moscow Higher School of Social and Economic Studies (MHSES)

Moscow Higher School of Social and Economic Studies (MHSES) was established in 1994 with the objective to create a new type of university that would combine the best academic practices of western and Russian higher education and integrate teaching with intensive research. The mission statement attests to the ambitions of the School that aims at becoming the leading research and graduate school of social sciences and humanities in Russia. In addition, the School website outlines several goals: to train specialists, assist in the development of social sciences and humanities in Russia, develop new courses and teaching methods in these fields, create a learning environment that encourages independent thinking, provide scholarships for the talented youth from all

over the country, create a working environment conducive to the professional growth of faculty and students.

From the very start, MHSSSES has been known as a creation of Teodor Shanin, a much respected and recognized rural sociologist in Russia and Europe. In addition to his academic reputation, Shanin is known for his political activism, particularly for his involvement in the development of the state of Israel. Incidentally, around the time of the foundation, Shanin was most likely the only Russian citizen who was awarded the Order of the British Empire for his contributions to the U.K. In the vernacular, the School is often called 'shaninka,' indicating the direct connection between the institution and its founder.

Currently MHSSSES is a highly regarded nonstate institution offering a master's degree in sociology, law, political science, cultural management, social work, and counseling and a Ph.D. degree in sociology and political science. The latest available enrollment information for 2001 indicates a small size of the departments: programs in political science, social management and social work, and sociology had about two dozen students each. Law and Cultural Management were larger, enrolling about three dozen students while MBA was by far the largest program with 49 students.

MHSSSES master's programs are approved by a British partner university, the University of Manchester, through a cooperative agreement of 'validation' as programs conforming to the academic standards of a British university. Upon the completion of a master's program, students receive two credentialing documents: a diploma of specialist and a master's degree granted on behalf of the University of Manchester and presumably recognized both in the UK and in Russia. MHSSSES also has a joint Ph.D. program in

partnership with the University of Essex whereby students study two semesters in the UK and two semesters at MHSSSES to fulfill coursework requirements and then work on their dissertation for one or two years.

Borrowed largely from western universities, teaching and learning models at MHSSSES also distinguish this institution from the majority of state and nonstate universities. Emphasis is placed on developing independent and critical thinking as well as presentation, writing, and generally research skills. Instructional methods are learner-centered and participatory, including term papers and essays, seminars, independent study, and presentations of scholarly papers at conferences. Students can select their course units, electives, and courses outside their major program and generally have a considerable amount of freedom to work out their plans of study. They have access to modern education technology and library. Faculty members actively involve students in their research projects, which often serve as a basis for student master's theses and dissertations. Student evaluations of teaching are also common.

The issue of quality assurance is paramount at MHSSSES. The University of Manchester periodically reviews the MHSSSES academic programs to ascertain their conformity to the conditions set in the validation agreement. And the Russian Ministry of Education and Science has recently accredited MHSSSES programs. Thus conveyed in credit hour units, the content and structure of MHSSSES curricula are in conformity with the Russian academic criteria for master's degrees and with British quality assurance standards.

Innovations of MHSSSES enjoy social and financial support from a variety of influential social actors, including the state, international universities and foundations,

and state-run universities. MHSSSES is one of the few nonstate institutions that receive grants from the federal government for its research programs. Additionally, the state recognizes the quality of MHSSSES academic programs through the process of accreditation. International endorsement comes not only through the partnerships with British universities, but also through considerable amounts of grants that MHSSSES receives for various academic projects from foreign foundations and programs, including the Soros Foundation, the MacArthur Foundation, the Ford Foundation, the World Bank, and the TACIS (EU-based) Program. And a sign of social approval and of high status enjoyed by MHSSSES is its partnership with two leading state universities, the state University-Higher School of Economics and the Russian University of People's Friendship, in offering a joint master's program in political science.

Providing Windows to the West

This group of institutions is the least numerous among others. The most notable institutions in this group include the New Economic School in Moscow, Moscow Higher School of Social and Economic Studies, and European University in Saint Petersburg. Mission statements of these institutions exhibit the alignment of Russian educational practices with those of western universities and orientation toward western academic traditions. For example, the mission statement of the New Economic School (NES) strives to provide instruction in modern economics and to bring the discipline of economics to world standards. The words 'modern' and 'world standards' imply western academic values and practices. The alignment of Russian and western academic traditions is evidenced in the mission statement of Moscow Higher School of Social and Economic Studies: "The results of the Moscow School's activities demonstrate that it has achieved

its main objective – an effectively operated graduate Russian-British university has been created, in which all aspects of the Western model of education function successfully, without the loss of any of the best traditions of Russian academic schools” (MHSSSES, n.d.).

Westerners have extensive ties to international granting agencies and international universities. They are typically founded as partnerships between Russian and western universities, and as a result, they are sponsored to a large degree by these foreign entities. The New Economic School (NES) was founded as a partnership of the Central Economic Mathematical Institute of the Russian Academy of Sciences and the Hebrew University in Jerusalem, along with a group of Western economic professors. The School was established with grant support from the Soros Foundation/the Open Society Institute, which, coupled with other foundation grants, largely sustained the School’s educational activities and provided full fellowships for the majority of NES students for almost a decade (NES, 2004). Foundation grants continue to be presently the main source of funding, though the School has been recently shifting its financing strategies toward greater generation of income through tuition and fees. Among the School’s major sponsors are the Soros Foundation, the MacArthur Foundation, the Ford Foundation, the World Bank, and the Eurasia Foundation. In 2004, 75% of revenues came from foundation grants, 11% from tuition and fees, and 14% from Russian sources, including businesses, foundations, and individuals (NES, 2004).

In Western-oriented institutions, curricula closely approximate those of Western universities. Most institutions in this group are research-intensive graduate schools offering western-style master’s degrees in social sciences. The courses are comparable in

content and standard to those offered in master's programs at Western universities. Their admissions standards are as demanding as those at best state universities in Russia. For instance, applicants to the NES are admitted on the basis of rigorous entrance exams, including tests in English and math modeled after the TOEFL and the Graduate Record Examination and an essay in economics (NES, 2004). On average, the School has an acceptance rate of about 60% and a yield rate (those actually enrolled among the accepted applicants) of 83 percent. Through a flexible system of institutional financial aid, the School maximizes the quality of entering classes.

Because the academic structure and content are similar to those at Western universities, many students at Western-oriented institutions have opportunity to study abroad. As indicated earlier, some MHSSES students has an opportunity to study two semesters in the UK through a joint Ph.D. program in partnership with the University of Essex. Similarly, the New Economic School in Moscow graduates about 60 economics majors, approximately a third of them continue their Ph.D. studies at best European and U.S. universities and return to Russia, following the completion of their doctorates. Among the 30 students admitted to the Ph.D. program in economics at Harvard in 2003, three were graduates of the New Economic School (NES, 2004). As the Russian economy improves, an increasing share of NES graduates assumes positions in prestigious private companies as well as in the government sector.

Because they have other sources of legitimacy outside Russia (e.g., Western universities), Westerners are less dependent on state accreditation than other nonstate institutions. They often use various 'validation agreements' with Western universities and international professional associations as legitimation means to their activities. On the

other hand, they experience difficulty in attaining state accreditation because most of them are graduate schools. As noted above, until recently, the Ministry did not grant accreditation to institutions without undergraduate divisions in their structure. At present, all of these institutions have received accreditation

However, when these institutions did not have state accreditation, they did not experience any problem enrolling students for several reasons. First, they offered a high-quality, research-intensive education. Second, their academic programs were different from those offered by their state-run counterparts, and they were in high demand (e.g., Western-style economics). Finally, the accredited status played a minor role in matriculation decisions of the applicants because the majority of students already had degrees from state universities and they were less concerned with the status that accreditation conferred on graduates of accredited institutions.

Statists

Saint-Petersburg Medical Technological Institute (SPMTI)

SPMTI was founded in 1993 on the initiative of two prestigious institutions: Saint-Petersburg State Medical University named after I. P. Pavlov and Saint-Petersburg University for Aerospace Equipment. The Institute offers two specializations: doctor of internal medicine and biomedical engineer of biotechnological machines and systems. The former is a six-year program, whereas the latter takes five years and a half to complete.

Although SPMTI opened its doors in 1993, it did not receive its official license to teach students until the fall of 2002. Remarkable still, the first program—doctor of internal medicine—was accredited by the Ministry in 2000, while the program in

biomedical engineering received its accreditation in 2002 three months before SPMTI received its license.

According to the institute website, the central idea behind the founding of SPMTI was to foster a deeper interaction between medicine and engineering by educating medical doctors with an in-depth understanding of biomedical systems and training biomedical engineers with a better knowledge of medicine. The Institute is also committed to innovative instructional methods and approaches. Specifically, SPMTI is a proud advocate of a combinatory approach to education that ensures disciplinary crossovers between the knowledge domains of medicine and engineering.

Today, SPMTI is a small private institution with about 180 students and 65 faculty members. The two founding universities provide classroom space for lectures and seminars as well as laboratories and teaching clinics for specialization courses. Similarly, the faculty of SPMTI come from the Medical University and the University for Aerospace Equipment. Unlike many state medical universities that have large classes and have to organize course schedules in two shifts due to overcrowding, SPMTI have small classes of 5-11 students and offer all their classes in the morning.

All students at SPMTI attend the Institute full-time. All students are also “contract students,” i.e. they pay for their education. Although the Institute website does not indicate the price of SPMTI education directly, it states that tuition fees are charged in the amount comparable to the costs of educational services at nonstate institutions of higher education in general.

The Institute owns its own buildings on the territory of the Medical University, which is located in the center of the city, and houses its students in one of the dormitories

belonging to the University for Aerospace Equipment. Students are offered to use the sports and recreation facilities of the two founding universities.

Retaining the Legacies of Soviet Higher Education

As indicated in previous chapters, the participation of state universities in founding nonstate institutions is pervasive. State universities are powerful legitimizers because they possess professional authority in the higher education field, and because they have several characteristics identified in this study as important to the process of legitimation. These features include the standing of formal organizations with their resources and power, nonprofit status, and close association with the state. Private institutions in the statist group emulate the best state universities and try to create an identity that resembles their state counterparts. In effect, this group of institutions largely develops through symbiosis, benefiting from the reputations and resources of their founding or partnering state universities.

The curriculum and instructional processes at Statist institutions often resemble those at state universities. The fact that many faculty members work at both the parent state universities and at the spin-off private institutions makes the coupling even tighter. Sharing instructional facilities and other premises between state and nonstate institutions sends a signal to the clientele about the interlocking relationships and the endorsement of private institutions by their more reputable state-run counterparts.

The Statist institutions orient themselves in the first place toward the acquisition of regulatory and normative-professional legitimacy forms.

Revivalists

Moscow Institute of the Humanities named after E. R. Dashkova

Moscow Institute of the Humanities (MIH) was founded in 1992 by humanities professor Larisa Tychinina. Tychinina's inspiration to open the Institute came from a remarkable 18th century woman, Princess Ekaterina Dashkova. A confidante of Empress Katherine the Second and a prominent figure of the Russian Enlightenment, Princess Dashkova was well known for her friendship with leading European philosophers, her philanthropy and her presidency over two academies: St. Petersburg Academy of the Sciences and St. Petersburg Academy of the Humanities. Princess Dashkova also made an invaluable contribution to the development of the Russian language, by overseeing the creation of the first Russian dictionary.

The preservation and promotion of her legacy became one of the missions of the Institute that launched the Dashkova Society in 1995. The Society undertakes educational, historical, and cultural projects related to Dashkova's work and time. In 1999, the Institute was instrumental in establishing gold and silver Medals for the Service to Liberty and Enlightenment. The Medal bears Dashkova's name and portrait. Since 1999 it has been awarded to several prominent Russian and international individuals from the world of politics, academia, and church.

The Institute consists of four faculties, Economics and Law, Intercultural Communication, Psychology, Journalism and Advertisement, which offer eight specializations in their respective fields. The course of study for full time students is five years or ten semesters. The tuition fees range from 26,800 to 38,300 roubles per semester (approximately \$1,000-\$1,400). In addition to traditional full-time programs, MIH runs

distance-learning courses to individuals who wish to acquire a second higher education degree. MIH offers five such programs: law, psychology, European languages and interpretation, finances and credit, and economics and management. The length of study in the second higher education degree programs is three years or six semesters, with each semester priced at about 19,000 roubles (a rough equivalent of \$700). The MIH website calls the students of the second higher education degree program the Institute's elite and promises them an intellectually stimulating atmosphere. The Institute is licensed to award the candidate of sciences degrees (a rough equivalent of a PhD) in several fields.

MIH reaches to pre- and post-college constituencies. For the fees similar to those of second higher education programs, the Institute offers high school students in their graduation year two-semester long preparatory courses. If the students complete their coursework successfully, they may skip the freshman year and get enrolled as sophomores. MIH also offers a program in college teaching for individuals interested in learning or improving their teaching skills at the college level and a program that prepares translators for professional settings.

MIH does not hesitate to demonstrate that it complies with all educational standards for nonstate higher education institutions prescribed by the Ministry of Education. The Institute website displays scanned documents that confirm its accredited status.

Back to the Imperial Future

The Cultural Revivalist group draws on traditions of pre-revolutionary imperial Russia. It is somewhat similar in role identity to Levy's (1986) value-based institutions. These institutions try to exploit broader cultural values in the construction of their

identities. They include religious institutions of various traditions, such as the Russian Orthodox Church, Islam, Judaism, and Buddhism. It also includes institutions that build identities around some great historical figures in pre-revolutionary Russia. The values that the institutions espouse and appeal to often imply a strong central state, nobility and aristocracy emphases, piety, Slavophilism and others. They present these values in the name of restoring tradition and serving society and some higher social purpose.

Moscow Institute of the Humanities builds its identity based on a prominent historical figure, Princess Ekaterina Dashkova. References to names of prominent historical figures, such as Princess Dashkova, to 'tradition,' to philanthropy, and to the cause of propagating the Russian language seek to legitimate institutional claims and goals by providing a sense of continuity between the past and the future. This strategy also attempts to evoke an emotional response from the prospective clientele, relating the history of Russian education to nationalistic sentiment.

Value-based identities largely appeal to broader cultural values and norms to legitimate their right to exist. This strategy often involves moral evaluations of the relative rightness and wrongness of proposed activities. Therefore the acquisition of moral legitimacy is a crucial condition for the operation of Revivalist institutions.

Entrepreneurs

Moscow International Higher Business School (MIRBIS)

Moscow International Higher Business School or, as it is known by its Russian abbreviation, MIRBIS was founded in 1988, one year after the collapse of the Soviet Union. Remarkably, at the time when Russia was still struggling with the soviet system of national economy, the school set an explicit goal of training managers and executives

who were capable of adapting to the needs of the Russian and global markets. Established as the result of an inter-government agreement between Italy and Russia, MIRBIS was created by joint efforts of two universities: the Plekhanov Economic Academy of Russia and the Italian Economic and Research Society NOMISMA. Soon MIRBIS became not only a leading center for business management training but also a provider of consulting services to the burgeoning private sector. To date, the school boasts about 18,000 graduates.

MIRBIS awards Bachelor's, Master's, and doctoral degrees. Undergraduate programs termed "first degree programs" follow the customary logic of general courses followed by specialization culminating in a thesis or a written paper. While undergraduate courses are offered locally in Russia, a lot of Master's courses are offered through MIRBIS partners abroad. The MBA program includes a course at London Metropolitan University (LMU) that requires student studies in England. In addition, jointly with LMU, MIRBIS offers Master of Arts in Human Resource Services. The MA program is a copyrighted product of a U.K. professor and the School has exclusive rights to it as a provider at the Russian market.

As the School's website proudly states, MIRBIS is the only nonstate institution in the country that has been granted the privilege to award doctoral degrees in the field of management. Consisting of 11 nationally known academics, the School's Academic Board has the right to recommend candidates for doctoral degrees to the Ministry's State Attestation Board that officially confers the degrees. All MIRBIS programs are fully accredited by the Accreditation Authorities of the Ministry of Education and its MBA is

accredited by the Association of MBAs (AMBA)—the fact confirmed by scanned copies of accreditation documents on the School website.

Besides full-time degree programs, MIRBIS offers a host of part-time degree and certification programs in hotel and restaurant management, personnel management, business accounting and audit, etc. and custom-made executive and professional development programs.

In 1994, MIRBIS partnered with the Institute of Commercial Management (UK) and was granted a status of regional examination center for ICM. As ICM's Russian examination center, the School offers courses and runs examinations for ICM certificates. In the same year, MIRBIS opened the Japanese Management Training Center, following the Government signing the Russian-Japanese Memorandum on Rendering assistance to the reforms in Russia. Ten years later, the School opened the Chinese Educational and Research Center.

Since 1998 MIRBIS has run DEMOS, a center for re-training discharged and retired army officers. The center appeared in the wake of the Presidential resolution on training managers for Russian enterprises. MIRBIS was appointed an executor of the re-training and employment program by a special Government resolution.

In addition to membership in AMBA that accredits the School's MBA program, MIRBIS is a member of several international organizations that are variously related to business education: European Foundation for Management Development, Network of International Business, Central and East European Management Development Association, Baltic Management Development Association, etc.

In the Name of Efficiency and Rationality

Entrepreneurs behavior is driven by economic logic. Responsiveness to market demand, consumer benefits, and outcome-driven organizations are values underlying the identities of institutions in the Entrepreneurs group. These institutions see product driven behavior and responsiveness to the clientele as socially responsible values that are in the public interest. They define legitimacy as responding to clients' demands. This form of legitimacy corresponds to Suchman's (1995) pragmatic form.

Curricula at these institutions are flexible and responsive to demands of the clients and employers. A flexible organization of instructional processes, extensive use of part-time faculty from the business community, and the use of real-life case studies from the marketplace provide a crucial link between academe and practical fields and contribute to quality education, claim these institutions. As the rector of MIRBIS contends, these arrangements provide competitive advantages to private institutions and make them better quality institutions than state universities:

We have an employment center. We feel responsible for students' future. The reason we invest resources into the student employment center is that we establish connections with employers that way, which helps our institution to operate in close contact with the market and employers to choose the right professionals. Well, what's the point in those term papers at state universities when the topics are so far removed from the real world in the professional field? Their topics and projects are obsolete and devoid of life juices. I know that because I have worked in the state higher education sector. This is our advantage, for which they persecute us a lot. They always demand that we employ the vast majority of our

faculty on a full-time basis. But we simply cannot have many full-timers. Then it would be a usual higher education, so you do it yourself..... The dynamism of the real world and the market that employers now require is missing from the state sector. We employ part-time ministry officials, big business leaders, and famous people; they surely cannot work with us full-time. We also need to use foreign professors a lot; and when we hear that the main accreditation criterion is the number of full-time faculty, we simply do not understand how it applies to us. We certainly hire a certain group of full-time faculty; they teach most common core courses, and that's enough. I believe that the mechanisms at play in the nonstate sector create more opportunity to provide higher academic quality than that in the state sector. That's the reason student apply to us in droves. (YH, Rector)

According to Veniaminov (2002), rector of International Banking Institute in Saint Petersburg, it makes more sense economically and organizationally for a private institution seeking academic quality to have a faculty composed of a core of full-time research-oriented faculty, part-time practitioners from the field, and part-time instructors. This approach arguably will insure both academic quality and a tight link with labor market demands of the curriculum, allow for programmatic innovations of the curriculum, and facilitate the transition of graduates to jobs.

Chapter VIII

CONCLUSION

The goal of this study was to create a comprehensive account of how various types of private higher education institutions in Russia acquire their legitimacy from different constituencies and stakeholders in the external environment. To repeat, the central research questions I attempted to answer in this project were as follows: *1. Who are the principal stakeholders and constituencies that confer the status of legitimacy on private higher education institutions? 2. What are the mechanisms, strategies, and tactics by which private higher education institutions gain and maintain legitimacy? and 3. What are these distinctive types of Russian private higher education institutions that are identified by their orientations toward resource and legitimacy acquisition?* By addressing these questions, I intended to illuminate legitimacy acquisition by part of Russian private higher education.

Outlined in Chapter II, the theoretical framework of the study combined resource dependence and institutional approaches to conceptualize organizational legitimacy and its cognitive, normative, regulative, and pragmatic components. The chapter also laid a theoretical foundation for the subsequent examination of strategies and sources of legitimation.

Chapter III presented the research design, explained the procedures of interviewing and document collection, outlined data analysis procedures that led to the composition of cases, and described the measures for enhancing the validity of this qualitative study.

The purpose of Chapter IV was to provide the English-speaking reader with the political, social, and economic context within which Russian private schools first appeared and developed. The chapter also offered a general overview of the Russian system of higher education and explained major legislative documents that shaped it since the collapse of the Soviet Union in the early 1990s.

Chapter V introduced the findings concerning the role of the state in the development of the private sector in education. In that chapter I discussed the quality assurance system and examined how administrators of private institutions perceived it and strategized about it. Specifically, I showed that administrators in the study viewed the state primarily as a protector of traditions and a source of legal authority, an accreditor, a grantor of social rights and security, a factor influencing student enrollment, and a guarantor of or barrier to institutional survival. I demonstrated that institutions used two types of approaches to gain state accreditation--conformity and manipulation or 'backdoor' approaches—and discussed the challenges that accredited and unaccredited schools face in their quest for legitimacy.

The focus of Chapter VI was on organizations and institutions that grant legitimacy to Russian private institutions. For analytical purposes, I classified the founding organizations by source into four groups (private proper; person-only; state university proximate; and hybrid or multiple-source) and concluded that the groups of

institutions founded by private organizations or individuals generally attained less legitimacy (as measured by the bestowal of state accreditation) than their peers founded by state universities or multiple sources that combined state and non-state organizations. Collaboration with government and business organizations was another viable source of legitimacy for private schools in Russia. Partnerships of this kind allowed private institutions to diversify their resources and take advantage both of state and market opportunities.

In Chapter VII I attempted to synthesize the findings from the previous two chapters into a typology of Russian private colleges and universities. I identified four distinct, albeit not pure, types: Westerners that are oriented toward U.S. and European academic communities; Statists that are vested in the tradition of the state higher education; Revivalists that align themselves with the philosophic and cultural ideals of the past; and Entrepreneurs that conceive and operate their institutions as businesses.

As I demonstrated in this study, the value of Russian private higher education institutions lies in their contribution to institutional diversity and flexibility of the entire higher education system in that complex and differentiated society. In Russia, non-state higher education caters to a diverse set of clientele. In addition to traditional students, many non-state institutions target very specific populations in narrow market niches, including those seeking western-style education, ethnic minorities, working professional who need professional development education, adults with higher education degrees who seek retraining, and others. Furthermore, it is no longer tenable to assume that this sector serves under-prepared students who are unable to get into state universities. To be sure, non-state institutions are the second favorite choice for many students, but the number of

students who do not discriminate between the two sectors is increasing (Veniaminov, 2002).

Russian private higher education institutions manage to effectively seek the support from both the state and the market in the acquisition of sponsorship and legitimacy. On the whole, market orientation is an essential characteristic of almost all non-state institutions. Offspring of a nascent market economy, most institutions tailor their academic programs to the needs of the customers and employers, finding sponsorship and legitimacy in the marketplace. Without direct funding from the central government, the marketplace is their prime survival arena. Yet with this backbone *modus operandi*, non-state institutions also covet the state's legitimizing blessing in the form of accreditation as many relevant constituencies and stakeholders deem it pivotal to Russian higher education.

Legitimacy from both the state and the market has limitations. A necessary condition for survival in the long run, state accreditation is not a sufficient condition for uncontested recognition in society at large. Moreover, the state's supply-side regulation of academic quality is sometimes at variance with the demand-driven imperatives of the labor market. On the other hand, the market in Russian higher education is a relatively young social phenomenon experiencing obstacles in its institutionalization due to path dependent cultural reasons (e.g., statist tradition of social organization). Coupled with challenges of a developing market, such as imperfect information and uneducated consumers, the market itself as a legitimating institution may not be sufficient to confer solid, uncontested legitimacy. These limitations determine to some extent institutions' multiple orientations toward resource and legitimacy acquisition.

State university spin-offs have one central advantage that has helped them to develop and to cope with legitimacy threats. At founding, they are allied with state-run academic institutions which have in abundance all the resources necessary for starting a private institution: organizational knowledge of how to organize teaching and learning processes and practices, qualified faculty members eager to participate in new enterprises, skilled leaders and administrators, and classroom and other facilities. From the standpoint of transaction cost economics (Williamson, 1985), these partnerships are viable because they offer the participating parties an advantage of low transaction costs that stem from low uncertainty and low risk of exchange-based relationships. Indeed, uncertainty of a transacting relationship between the founding university and the satellite private institution is low because of a high level of trust resulting from close interpersonal ties of the people involved.

The data in this study indicate that institutions orienting themselves solely toward the marketplace are subject to legitimacy threats from the state to a greater extent than their counterparts employing additional sources in other realms of the Russian higher education field. Yet organizations generally do not need the support of all the segments of society to remain legitimate. As Pfeffer and Salancik (1978) note, a legitimate organization can be endorsed by a segment of society large enough to ensure its survival in the face of adverse reactions from some social groups. Precisely because of the multiplicity of legitimizing audiences espousing diverse value, private higher education institutions may resort to the kind of social support that Levy (2007) calls *niche legitimacy*, drawing on the interests and sponsorship of a narrow segment of society which enables them to remain socially and economically fit.

Implications for Policy

Assessments of state-granted legitimacy show that the private sector is increasingly becoming accepted as a valid alternative in the provision of higher education. As the data in this study suggest, almost three in four private institutions have achieved state accreditation, and a sizeable number of these institutions regularly earn rankings from the Ministry of Education and Science. Enrollments in Russian private universities, along with their instructional and supporting facilities, show steady growth. This growth in reputation and size has implications for policy making with regard to the public and private education.

In the context of increasing reliance on market-type mechanisms of coordinating higher education, Russian colleges, institutes, and universities may greatly benefit if the responsibility for quality assurance is shared between the State and other stakeholders closely related to the labor market. Employers and generally the business community should be given a greater role in formulating the national standards for higher education and in accreditation processes.

Russian private higher education can be instrumental to the current government reforms in several ways. It can share its best innovative practices and experience working in close contact to employers and market demands with the state sector of higher education. More importantly, the best internationally oriented institutions may offer their skillfully developed schemes of partnerships with European and U.S. universities. Indeed, these institutions have proved to be an experimental laboratory of higher education reform dealing with the adaptation of western ideas in Russian higher education. They have created models of higher education that successfully combine elements of content

and structure from two academic systems. Their experience, therefore, is of great importance to Russian higher education that seeks to incorporate elements of western academic systems within the framework of the Bologna Process.

Those private institutions that are financially and organizationally capable of undertaking changes to move toward global academic communities, should seriously consider investments in the quality of education and in making their institutions more transparent in budgetary processes. One way to monitor internal quality is to set up a system of institutional research designed to accumulate time-series data on students, professors, finances, and other vital aspects of institutional operation. Such a system can be used for accountability, public relations, student recruitment, and other purposes, and it will help to demonstrate institutional achievements to the government, employers, potential sponsors, and foreign and domestic partners.

Implications for Theory

Resource dependence perspective, whose major tenets are derived from the notion of resources and their effect on organizational behavior, and institutional theory that emphasizes rules and cultural schemas in the external environment need not be viewed as competing approaches; they should be taken, as I argued in this study, to mean two complementary theoretical perspectives explaining the impact of partnerships on organizational stability and survival. Their integration is rooted in Giddens' (1985) and particularly in Sewell's (1992) idea of the duality of resources and rules.

Drawing on Giddens' structuration theory, Sewell (1992) promotes and elaborates on the dualistic notion of social structures as both rules and resources and their reciprocally causal effect on each other. Sewell refers to rules, or schemas in his

designation, as both formally stated and codified prescriptions and informal and not always conscious, action-orienting assumptions, such as “conventions, recipes, scenarios, principles of action, and habits of speech” (p. 9). Resources, viewed as human and nonhuman, are “anything that can serve as a source of power in social interactions” (p. 9). Nonhuman resources are defined as animate or inanimate, naturally occurring or manufactured objects, and human resources include “physical strength, dexterity, knowledge, and emotional commitments that can be used to enhance or maintain power” (p. 9).

Resources and rules are integrally interconnected exerting reciprocal influence on one another: resources are the effects of rules just as rules are the effects of resources. More specifically, resources (e.g., professors and students, and presidents as apt leaders) are manifestations and consequences of the enactment of cultural schemas, or the products of schemas. In the context of higher education, for instance, such resources as the expertise, prestige, and power of economics professors at universities will be shaped by rules and schemas, including professional norms, cultural perceptions of the roles of educators, expectations of the position and value of economics in the disciplinary organization of science. On the other hand, rules constitute and inform the use of resources that in turn embody rules and validate cultural assumptions. As Sewell (1992) puts it, “the activation of material things as resources, the determination of their value and social power, is dependent on the cultural schemas that inform their social use” (p. 12). In higher education, for example, university resources, such as instructional and supporting facilities, libraries, and computer labs are not simply a stock of physical material, but they incorporate or actualize rules and schemas. This means that the rules

can be inferred from the material resources of the university. The number of professors with PhDs, a teacher-student ratio, the kinds and forms of facilities (e.g., instructional, sporting, recreational, libraries, computer labs, etc.)—all these resources show what kinds of schemas, expectations, and norms are prevalent in the culture and underpin the cognitive and normative conceptions of how higher education should be organized in a particular society.

Sewell (1992) asserts that rules and resources are integrally interrelated because they mutually imply and support each other over time. To be sustained and reproduced, “schemas need to be validated by the accumulation of resources that their enactment engenders” (p.13); rules not supported by resources would eventually fade from peoples memories, just as resources without cultural rules to direct their use would lose their significance and validation effect.

In light of Sewell’s ideas, the relationship between legitimation rules (e.g., accreditation standards) and resources may be viewed as closely interconnected and reciprocally causal: the flow of resources and the construction of legitimacy are mutually reinforcing parallel processes whereby resources are media and embodiments of approval and endorsement which shape, direct, and inform the process of resource acquisition and use (Hybels, 1995). Legitimacy acquisition should be viewed as a dynamic, continually evolving process whereby resources procured from the environment give rise to increased legitimacy and enhanced legitimacy brings additional resources into organizations.

Directions for Further Research

This study only begins to take a systematic account of the phenomena and processes in Russian private higher education. There are at least four directions in which this project can continue.

First, the proposed typology of private institutions needs empirical testing. A large-scale survey and statistical analysis may confirm or disconfirm the strength of the four institutional types (Westerners, Statists, Revivalists, Entrepreneurs).

Second, a comparative inter-system analysis of the public and private education is necessary to establish the nature of the influence that public institutions have exerted on their private counterparts in the past fifteen years. Since their inception in the early 1990s, private institutions developed in and were bound by the same legal environment as the rest of the education system. Arguably, the privates benefited from the practice of charging tuition that was adopted by and legitimized through the state institutes and universities. To what extent private institutions owe their development to their state peers is a worthy topic of investigation.

Third, little is known about the dynamics among various types of institutions within the private sector. In his research on Latin American private colleges and universities, Levy (1986) observed that value-based or religious, demand absorbing, and elite institutions followed a wave-like pattern of development in that region. By contrast, in Russia different types of private schools appeared virtually at the same time. The examination of the patterns of development and interaction among diverse institutions in the Russian private sector deserves a separate research study.

Finally, more comparative research is needed on the impact of ideological shifts on private education in post-Soviet countries. While there are expected similarities among education systems in the countries of the former Soviet bloc, the differing cultural, economic, and political factors produce differential effects in Eastern Europe, Russia, and Central Asia.

To conclude, Russian private education develops under often competing imperatives of the market and the state. Although the purpose of the government control is to ensure the quality of education, the state-endorsed definition of quality appears to privilege large universities with traditional missions and curricula. Consequently, the state stifles those private institutions that exhibit academic excellence but are too small, too innovative, or too entrepreneurial. It appears, however, that the trend of direct state involvement in the development of private institutions is not only to stay but also is likely to increase. The recent investigations in the work of the Federal Service of Supervision in Education and Science (Rosobrhadzor) by the Attorney General's Office uncovered the failure of the Service to crack down on diploma mills and reignited the national discussion on the responsibility of the state as a guarantor of educational quality. As Russia's capitalism is acquiring distinct characteristics of what economists call 'state capitalism' (Abramov, Ragygin, & Rogov, 2007), it is conceivable that private higher education in that country will transition toward different modes of interaction between the state and free enterprise.

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Appendix A

Higher Education Institutions and Student Enrollment in Russian Higher Education, 1993-2003

Academic Year	State Institution	Enrollment in State Institutions	Nonstate Institution	Enrollment in Nonstate Institutions	Total Higher Education Institutions	Total Enrollment in Higher Education
1993/94	548	2,543,000	78	70,000	626	2,613,000
1994/95	553	2,534,000	157	111,000	710	2,645,000
1995/96	569	2,655,000	193	136,000	762	2,791,000
1996/97	573	2,802,000	244	163,000	817	2,965,000
1997/98	578	3,047,000	302	202,000	880	3,248,000
1998/99	580	3,347,000	334	251,000	914	3,598,000
1999/00	590	3,728,000	349	345,000	939	4,073,000
2000/01	607	4,271,000	358	471,000	965	4,741,000
2001/02	621	4,797,000	387	630,000	1008	5,427,000
2002/03	655	5,229,000	384	719,000	1039	5,948,000
2003/04	654	5,596,000	392	860,000	1046	6,456,000
2004/05	662	5,860,000	409	1,024,000	1071	6,884,000

Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>

Appendix B
Higher Education Enrollments in Russia by Full-Time and Part-Time Status, 1990-2003

Category		1990	1995	1996	1997	1998	1999	2000	2001	2002	2003
A. Nonstate Institutions		0	135500	162500	201800	250700	344900	470600	198000	204000	234000
	1. Full-Time		52700	71000	80500	107700	139800	183200	76000	76000	79000
	2. Part-Time		82800	91500	121300	143000	205100	287400	122000	128000	155000
B. State Institutions		2824500	2655200	2802400	3046500	3347200	3728100	4270800	4797000	5229000	5596000
	1. Full-Time	1647700	1699900	1777100	1901700	2039900	2213000	2441900	2657000	2862000	3010000
	2. Part-Time	1176800	955300	1025300	1144800	1307300	1515100	1828900	2140000	2367000	2586000
C. Total (Nonstate & State)		2824500	2790700	2964900	3248300	3597900	4073000	4741400	4995000	5433000	5830000
	1. Full-Time	1647700	1699900	1777100	1901700	2039900	2213000	2441900	2733000	2938000	3089000
	2. Part-Time	1176800	955300	1025300	1144800	1307300	1515100	1828900	2262000	2495000	2741000
Ratios		1990	1995	1996	1997	1998	1999	2000	2001	2002	2003
	Full time enrollments/Total enrollments	58.3%	62.8%	62.3%	61.0%	59.7%	57.8%	55.4%	54.7%	54.1%	52.9%
	Nonstate full time enrollments/Total nonstate enrollments	58.3%	62.8%	62.3%	61.0%	59.7%	57.8%	55.4%	38.4%	37.3%	33.8%
	State full time enrollments/Total state enrollments	58.3%	62.8%	62.3%	61.0%	59.7%	57.8%	55.4%	55.4%	54.7%	53.8%

Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>.

Appendix C
Higher Education Enrollments in Russia by Gender, 1995-2002

Category		1995	1996	1997	1998	1999	2000	2001	2002
A. Nonstate Institutions		135,500	162,500	201,800	250,700	344,900	470,600	630,000	719,000
	1. Male	53,500	63,500	81,800	99,700	139,900	178,600	236,000	265,000
	2. Female	82,000	99,000	120,000	151,000	205,000	292,000	394,000	454,000
B. State Institutions		2,655,200	2,802,400	3,046,500	3,347,200	3,728,100	4,270,800	4,797,000	5,229,000
	1. Male	1,220,200	1,266,400	1,358,500	1,482,200	1,634,100	1,875,800	2,045,000	2,261,000
	2. Female	1,435,000	1,536,000	1,688,000	1,865,000	2,094,000	2,395,000	2,752,000	2,968,000
C. Total (Nonstate & State)		2,790,700	2,964,900	3,248,300	3,597,900	4,073,000	4,741,400	5,427,000	5,948,000
	1. Male	1,273,700	1,329,900	1,440,300	1,581,900	1,774,000	2,054,400	2,281,000	2,526,000
	2. Female	1,517,000	1,635,000	1,808,000	2,016,000	2,299,000	2,687,000	3,146,000	3,422,000
Ratios		1995	1996	1997	1998	1999	2000	2001	2002
	Female enrollments/Total enrollments	54.4%	55.1%	55.7%	56.0%	56.4%	56.7%	58%	58%
	Female enrollments in nonstate institutions/Total enrollments in nonstate institutions	60.5%	60.9%	59.5%	60.2%	59.4%	62.0%	63%	63%
	Female enrollments in state institutions/Total enrollments in state institutions	54.0%	54.8%	55.4%	55.7%	56.2%	56.1%	57%	57%

Source: Center for Research and Science Statistics (CRSS), Ministry of Education and Science (2003). *Vissheye obrazovaniye v Rossii: Statisticheskii sbornik.* [Higher Education in Russia: Statistical Annual.] Moscow: CRSS

Appendix D
Higher Education Enrollments in Russia by City Status*, 1990-2003

Category		1995	1996	1997	1998	1999	2000	2001	2002	2003
A. Nonstate Institutions		135,500	162,500	201,800	250,700	344,900	470,600	629,500	716,400	860,000
	1. Capital Cities	57,700	54,600	64,000	77,000	103,800	160,900	279,400	324,600	412,600
	2. Non-Capital Cities	77,800	107,900	137,800	173,700	241,100	309,700	173,700	391,800	447,400
B. State Institutions		2,655,200	2,802,400	3,046,500	3,347,200	3,728,100	4,270,800	4,797,400	5,228,700	5,596,200
	1. Capital Cities	450,800	477,400	514,400	562,300	607,900	708,700	1,140,700	1,013,000	1,134,100
	2. Non-Capital Cities	2,204,400	2,325,000	2,532,100	2,784,900	3,120,200	3,562,100	3,656,700	4,215,700	4,462,100
C. Total (Nonstate & State)		2,790,700	2,964,900	3,248,300	3,597,900	4,073,000	4,741,400	5,426,900	5,945,100	6,455,700
	1. Capital Cities	508,500	532,000	578,400	639,300	711,700	869,600	1,420,100	1,337,600	1,546,700
	2. Non-Capital Cities	2,282,200	2,432,900	2,669,900	2,958,600	3,361,300	3,871,800	4,006,800	4,607,500	4,909,000
Ratios										
		1995	1996	1997	1998	1999	2000	2001	2002	2003
	Total enrollments in capital cities/Total enrollments	18.2%	17.9%	17.8%	17.8%	17.5%	18.3%	26.1%	22.5%	24.0%
	Nonstate enrollments in capital cities/Total nonstate enrollments	42.6%	33.6%	31.7%	30.7%	30.1%	34.2%	44.4%	45.3%	48.8%
	State enrollments in capital cities/Total state enrollments	17.0%	17.0%	16.9%	16.8%	16.3%	16.6%	23.8%	19.4%	20.3%

Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>.

*City status is defined as capital and non-capita. Capital cities include Moscow and Saint Petersburg. Non-capital are the other cities and towns.

Appendix E
Teaching Staff in Russian Higher Education by Full-Time and Part-Time Status, 1995-2003

Category		1995	1996	1997	1998	1999	2000	2001	2002	2003
A. Nonstate Institutions		13,010	17,800	23,609	32,789	42,113	42,204	47,000	47,800	50,200
	1. Full Time	4,489	7,177	9,948	15,764	11,049	14,387	17,100	19,500	23,600
	2. Part Time	8,521	10,623	13,661	17,025	31,064	27,817	29,900	28,300	26,600
B. State Institutions		277,516	279,572	288,540	287,898	298,557	315,678	272,700	291,800	304,000
	1. Full Time	225,525	225,271	227,732	222,440	225,010	232,480	272,700	291,800	304,000
	2. Part Time	51,991	54,301	60,808	65,458	73,547	83,198	NA	NA	NA
C. Total (Nonstate & State)		290,526	297,372	312,149	320,687	340,670	357,882	319,700	339,600	354,200
	1. Full Time	230,014	232,448	237,680	238,204	236,059	246,867	336,800	311,300	330,300
	2. Part Time	60,512	64,924	74,469	82,483	104,611	111,015	29,900	28,300	26,600
Ratios		1995	1996	1997	1998	1999	2000	2001	2002	2003
	Total faculty in nonstate institutions/Total faculty	4.5%	6.0%	7.6%	10.2%	12.4%	11.8%	14.7%	14.1%	14.2%
	Full-time faculty in nonstate institutions/Total faculty in nonstate institutions	34.5%	40.3%	42.1%	48.1%	26.2%	34.1%	36.4%	40.8%	47.0%
	Full time faculty in state institutions/Total faculty in state institutions	81.3%	80.6%	78.9%	77.3%	75.4%	73.6%	-	-	-

Source: Center for the Monitoring and Statistics of Education (CMSE), Ministry of Education and Science, n.d. Retrieved from <http://stat.edu.ru/stat/vis.shtml>

Appendix F

The Legitimizing Role of the State

Role	Exemplary Quote	Number of Institutions Showing Strong Evidence
Tradition and Law as Sources of Authority	<p>The tradition remains that people value only state authorized academic degrees, and this is right; this is an indication of quality, and it means that the institution functions in accordance with the federal law and conforms to the state standards for higher education.</p> <p>A special characteristic of this country is that everything coming from and authorized by the state has been valued by people more than the nonstate.</p>	14
State Authority Through Accreditation	<p>The institutional status becomes higher, and so a nonstate higher education institution awards state-authorized diplomas.</p>	18
Social Rights and Security	<p>Nowadays it's tough without accreditation. The difference between a degree from a state university, or from an accredited nonstate institution, on the one hand and that of an unaccredited institution awarding its own institutional diplomas on the other hand is that a graduate with a 'nonstate' diploma [from nonstate unaccredited institutions] has fewer rights. First, the person cannot enter graduate school at state universities; then this person does not have the privilege of draft deferment for the duration of the study; and third, there are some positions in the state sector where only 'state' diplomas [from accredited institutions] are required.</p> <p>For lawyers, accreditation is very important to have. Our graduates work in state-run organizations and even in the regional and local administrations; they provide qualifying exams to judges. These state positions require state-authorized education; so we need accreditation.</p> <p>We have gone through the accreditation procedure twice over the past 10 years and have been accredited twice, which is very important because we now award state-authorized degrees. So with this accredited status our students have all the privileges that the state university students have, except stipends: our students do not receive stipends from the state.</p> <p>Accreditation is needed for students to make sure that their diplomas are approved by the state.</p> <p>To tell the truth, accreditation calms down the public; the impression is that it [an accredited institution] is a trustworthy</p>	34

	higher education institution operating under the Ministry control.	
Student Enrollment	<p>After we got an accreditation, the male student population increased, boys started to enroll in numbers; before we had almost all female students. The boys needed the draft deferment; so accreditation played a big role.</p> <p>When we got our institute accredited, we saw the number of applications triple.</p> <p>After accreditation we saw a small increase in enrollments and applications for admission. It's hard to tell whether the accreditation status influenced enrollments a lot: every year we have had more applicants, as compared with the previous year, over the past 10 years.</p>	25
Institutional Survival	<p>The first 5 years [without accreditation] will be fine. Qualified faculty and innovative curricula could attract students and inspire trust, but Russian education is divided into black and white institutions, that is those with diplomas authorized by the state and those awarding their own degrees. All the publicity, the media and the press always emphasize the value of the state-recognized degrees. These information sources would say that if a graduate has an institutional diploma, as opposed to state-authorized one, he or she would not find a job.</p> <p>The absence of accreditation becomes problematic during admissions. People call on the phone to get information, and the first question they ask is: 'Are you accredited?,' and when they find out that we are not, they do not want to talk any further and listen to how good we are. It causes problems for admissions, for institutional financing, for institutional resources, and other things. A lot depends on accreditations.</p>	17

Appendix G

Strategies for Accreditation Acquisition

Strategy	Exemplary Quote	Number of Institutions Showing Strong Evidence
Conformity	<p>We have gone through the accreditation procedure twice over the past 10 years and were accredited twice. We did not have problems in terms of accreditation because when we established an institution, we tried to follow the law conscientiously. We just worried a lot, but we were fine in terms of meeting criteria.</p> <p>We have our own infrastructure and in this respect we are autonomous. In these somewhat tough conditions, we were able to develop two-tiered academic programs of bachelor, specialist, and master’s degrees; plus we have a graduate school. All the faculty teaching graduate school are ours [fulltime]. To open a graduate program as stipulated by the accreditation requirements, we needed to employ fulltime not fewer than 3 full professors with Doctor of Science degrees in a particular discipline. We conformed to this regulation easily. Even state universities can not surpass our level of qualified faculty.</p> <p>We do not have really close linkages with foreign universities yet, but we are working toward this goal. Well, we do have formal agreements of cooperation with a college from Bulgaria and the Netherlands, with Helsinki Technological University, Plymouth College. These are exchange study abroad programs for students. They address accreditation requirements for international ties.</p>	22
Manipulation and “Backdoor” Approaches	<p><u>Misrepresentation of Information</u> They provide misleading information in order to successfully go through the review at accreditation. I myself am not without sin in this respect. I am listed as working in the position of full professor at two nonstate institutions located in provincial cities where I do not show up at all, but I am nominally employed there as adjunct and listed in the course catalogue.</p> <p>The Ministry is trying to regulate the quality of the faculty, but the privates find ways around it. They simply cheat on their claims of qualified faculty in the documentation. Their claims on the faculty with PhDs are so high that it is unusual even for the state sector institutions to have such high ratios of Ph.D. holding faculty.</p>	8

	<p><u>Corruption</u> It's possible to buy an easy accreditation, but to say that this practice is widespread would not be true.</p> <p>As for accreditation in Russia, it is being easily bought; everything depends on the size of your wallet.</p>	
	<p><u>Use of Government Connections</u> The way private institutions go through accreditation is this: they have one set of papers and documents for the ministry officials and have other kinds of documents for other constituencies and stakeholders. That's very typical of Russia. Bribery is very possible. Laws are not working in Russia, and this applies to accreditation. No matter how good laws we have, they are not working anyway. International University, Yagodin and Popov's institution, got accreditation easily after one year, or at least without waiting for 3 consecutive graduating classes to measure the skills of graduates, which was proscribed in the law on education.</p>	

Appendix H

Printed Documents Utilized in Document Analysis

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VITA for DMITRY A. SUSPITSIN

1824 Northwest Court, Apt C
Columbus, OH 43212, USA
Tel: (614) 481-1994;
E-Mail: das336@psu.edu

EDUCATION:

- 8/1999-To Date THE PENNSYLVANIA STATE UNIVERSITY State College, PA, USA
Doctor of Philosophy
Higher Education Administration and Comparative and International Education
Minor: Business Administration
Certificate in Higher Education Institutional Research
- 9/1995 - 6/1996 THE UNIVERSITY OF TOLEDO Toledo, Ohio, USA
Master of Education
Major: Education Administration and Supervision
- 9/1985 - 6/1990 BARNAUL STATE PEDAGOGICAL UNIVERSITY Barnaul, Russia
Diploma of Teacher of English and German (Equivalent of M.Ed.)
Major: English and Methods of Teaching English as a Second Language
Minor: German

FELLOWSHIPS AND AWARDS:

- 2002 – 2003 International Dissertation Field Research Fellowship awarded by the Social Science Research Council and the American Council of Learned Societies with funds from the Andrew W. Mellon Foundation
- 8/1995 - 9/1996 Freedom Support Act Graduate Fellowship awarded for a M. Ed. program at the University of Toledo and sponsored by the U.S. Department of State and the Soros Foundation/Open Society Institute

Research Experience

- 1/2001-to date Program for Research on Private Higher Education (PROPHE), the University at Albany-SUNY
Collaborating Scholar
- 8/1999-12/2001 PENN STATE UNIVERSITY, DEPT. OF EDUCATION POLICY STUDIES
Graduate Research Assistant

Teaching Experience

- 8/1997- 7/1999 UNIVERSITY OF TOLEDO, DEPT. OF EDUCATIONAL LEADERSHIP, Toledo, Ohio
Graduate Teaching Assistant
- 7/1991 - 7/1997 BARNAUL STATE PEDAGOGICAL UNIVERSITY, DEPARTMENT OF FOREIGN LANGUAGES, Barnaul, Russia; Assistant Professor (full-time)

Administrative Experience

- 1/2002-5/2004 PENN STATE UNIVERSITY, OFFICE OF INTERNATIONAL PROGRAMS
Doctoral Assistant
- 6/1996 - 8/1996 THE U.S. DEPARTMENT OF EDUCATION, Washington, DC, U.S.A.
Intern - Assistant Program Administrator (full-time)

RECENT PUBLICATIONS:

Suspitsin, D. (2007). Between the State and the Market: Sources of Sponsorship and Legitimacy in Russian Nonstate Higher Education. In Levy, D. & Slantcheva, S. (Eds.). *Private Higher Education in Post-Communist Countries: In Search of Legitimacy*. Palgrave Macmillan Publishers.

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