denied, although such programs are of course offered in the traditional professional areas (e.g., law) and quite a few new ones have been developed over the last years in areas such as business studies. It is unclear to what extent this situation results from definition problems or from the defensive attitude toward the professional sector. Finally, the CHEPS survey showed that, despite their overt critiques, almost all universities intend to offer the so-called top master's programs.

#### National Accreditation

The new accreditation system will accredit programs based on different sets of criteria for bachelor's and master's programs of a professional and an academic nature. Since these do not include the type of institutions offering the program, this may lead to a shift from institutional to program diversity. Responses to the blurring of institutional borders are twofold: on the one hand are universities that judge the discussion as mostly immaterial and who would con-

sider mergers with an institution for higher professional education (which will be allowed under the new regulations). On the other hand are universities that hold strongly to their particular status and research profile. Programs will be reviewed every five years by independent review committees. Their report will be the basis on which the National Accreditation Agency will make the actual accreditation decision.

Although accreditation criteria should be based on international standards, programs offered by foreign providers will be included, and foreign accrediting organizations may provide their services in the new system. The new system is also being criticized for a lack of an international orientation. This refers to the fact that it is a *national* system, whereas European-level accreditation initiatives are more desirable in the eyes of some critics. The Dutch strategy, however, is to use this national system as a basis to achieve bi- or even multilateral cooperation in a bottom-up manner. This is just as the Netherlands likes to see itself: as a pioneer in European cooperation.

# Adaptation and Change in Russian Universities

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Russian universities have experienced severe financial conditions over the past decade. Higher education expenditures, adjusted for inflation, have declined from an index value of 100 in 1992 to 27.9 in 1998. Yet during this same period, enrollments in the Russian Federation have increased 21 percent. How have Russian universities adapted to such dramatic financial constriction?

Two colleagues and I undertook case studies of three Russian universities in order to study adaptation under these conditions. All three institutions are located in Kazan, the capital city of the Republic of Tatarstan, located about 500 miles east of Moscow. Kazan State University (KSU) is a prestigious classical university of about 12,000 students in the top strata of Russian universities. Kazan State Technical University (KSTU) was a former aircraft industry—related technical institute that has recently transformed itself into a broader technical university. The Tatar Institute for Business Promotion (TISBI) is a relatively new private, forprofit institution that has achieved full accreditation and an enrollment of about 1,800.

# Entrepreneurial Efforts to Shift Revenues

Consistent with institutions around the world, the two public universities here have had to be aggressive in seeking nongovernmental revenue sources. KSU and KSTU have both moved from almost 100 percent government funding

a decade ago to around 53 percent government funding today. Tuition and fees now constitute about 20 percent at each institution. Contract research with various industries are now about 9 percent at KSU and 18 percent at KSTU. Foreign foundation funding and other philanthropic sources now constitute over 8 percent at KSU.

Russian universities have experienced severe financial conditions over the past decade.

Dramatic shifts have therefore occurred in funding sources. Even with such entrepreneurism, the level of resources available has declined significantly in terms of inflation-adjusted rubles. This has meant that the two public universities are surviving by paying faculty and staff less relative to historical levels of compensation and relative to other professions now. Yet faculty attrition is relatively low and the institutions have not cut programs nor eliminated jobs in other ways as means of coping. As is the case all over Eastern Europe and Russia, faculty survive by holding multiple jobs, which has allowed TISBI and other private institutions to develop by hiring faculty at marginal, part-time rates.

Academic adaptations have not, however, penetrated the fundamental structure of degree programs.

## Overall Institutional Strategies

The three case study institutions have adopted very different overall strategies. KSU is firmly rooted in the traditions of a classical Russian university—continuing to stress fundamental sciences and research, highly selective admissions, and only mounting new programs that are consistent with its historical role and mission. KSTU, while maintaining its technical and industry-related focus, has been more adventuresome by establishing a series of branches located in regional industries, thereby bringing education to the site and allowing all their advanced students to study on these sites and use more modern industrial equipment than the university could otherwise afford. KSTU is developing an image and programs that cluster around "new technology education for the future." TISBI is clearly the most entrepreneurial of all—finding or creating and filling market niches. It has created a series of branch campuses in every major city in the republic, bringing previously unavailable local access to higher education.

# The role of the rector is very much constrained by the power of the faculty expressed through its senate

#### Organizational Adaptation

All three institutions have created a variety of new academic programs and specializations in response to changing demands, but within the constraints of what they see as their institutional mission. Academic adaptations have not, however, penetrated the fundamental structure of degree programs such as length of programs, the highly prescribed curriculum and the large number of hours that students must attend classes. There have also been relatively few administrative structural changes, such as new offices created for managing each major revenue stream. All three institutions have instead largely opted for more informal, personal networking over administrative structures to manage and exploit new relationships with industries, governments, and internal management functions.

### Leadership and Change

The role of the rector at KSU is very much constrained by the power of the faculty expressed through its senate. KSU is a faculty-led institution. KSTU and TISBI, on the other hand, are characterized as rector-led institutions, following more industrial and corporate models, respectively. KSU is moving slowly and cautiously regarding any change of its historic academic mission and with respect to administrative or structural innovations. KSTU and TISBI are changing much more rapidly, and these changes are being made within strongly hierarchical organizations. Yet faculty interviewed at these two institutions were satisfied with this form of rector-led change. In both cases, the rectors were highly attuned and well connected to industrial, governmental, and other markets for new academic programs. In the case of KSTU, the rector seemed particularly adept at recognizing, encouraging, approving, and supporting ideas generated at the faculty level. So while overall the organization was quite hierarchical in character, the operating style of the rector seemed to encourage suggestions for change from below.

This study also reinforced the importance of the cultural context on institutional adaptation.

#### Future Directions

KSU and KSTU are both "national" universities with strong, historic ties to Moscow from whom virtually all funding flowed. As regional governments like the Tatarstan Republic have taken a greater interest in these universities, there is the possibility of increased funding from the regions (which has occurred in substantial amounts in some areas of Russia) and increased regional influence on these once national institutions. How President Putin's centralizing policies and supraregional organization will affect past national patterns and more recent regional forces will be interesting to watch.

This study also reinforced the importance of the cultural context on institutional adaptation. The unwillingness of institutions to reshape degree requirements radically, change student-to-faculty ratios, or consider program elimination or any downsizing strategies in general is largely the result of cultural forces operating within the academic community and within the national culture. In these cases, institutional adaptation operated within very powerful, culturally defined parameters that differed substantially from studies of resource reduction and adaptation in the United States and the United Kingdom. So much of our past research on institutional adaptation under conditions of financial stress is based on institutions in these Western cultures that we tend to assume that strategies derived apply more broadly.