

# The role of Russia in the world education market

## El papel de Rusia en el mercado educativo mundial

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### Abstract

This article considers the features of the education market formation. It is shown that the undoubted leaders by number of foreigners involved in educational projects are Western European countries (Germany, France, Great Britain) and North American countries (USA and Canada). Currently, the world education market reflects the patterns of interaction between producers, providers and users of educational services. The current education system is aimed at meeting the demand of foreign citizens on educational services through the use of a whole set of technologies related to improving skills and competitiveness of labor market specialists. It is proved that the leading market is associated with attracting foreign students to obtain higher education in Russia. In this article the main trends in the development of Russian education system were analyzed and results of the "Export of Education" program were described.

**Key-words:** Education market, export of educational services, Russia, the world.

## Resumen

Este artículo considera las características de la formación del mercado educativo. Se muestra que los líderes indudables por número de extranjeros involucrados en proyectos educativos son los países de Europa Occidental (Alemania, Francia, Gran Bretaña) y los países de América del Norte (Estados Unidos y Canadá). Actualmente, el mercado mundial de la educación refleja los patrones de interacción entre productores, proveedores y usuarios de servicios educativos. El sistema educativo actual tiene como objetivo satisfacer la demanda de servicios educativos de los ciudadanos extranjeros mediante el uso de todo un conjunto de tecnologías relacionadas con la mejora de las habilidades y la competitividad de los especialistas del mercado laboral. Está demostrado que el mercado líder está asociado con la atracción de estudiantes extranjeros para obtener una educación superior en Rusia. En este artículo se analizaron las principales tendencias en el desarrollo del sistema educativo ruso y se describieron los resultados del programa "Exportación de la educación".

**Palabras clave:** mercado de la educación, exportación de servicios educativos, Rusia, el mundo.

## Introduction

The first quarter of the 21st century is associated with attempts to transform educational space into a global market for educational services. Due to the inclusion of education into commodity-money relations, knowledge has become the product of purchase and sale. That is, the new system of market relations is associated with the establishment of a new system of socio-economic relations connected with the distribution, acquisition and exchange of knowledge (Tatarkin, Pilipenko, 2007). The growing demand for knowledge contributes to the forming of market relations in the field of education. Therefore, the conditions for the development of entrepreneurial activity of educational institutions are being formed. This contributes to the transformation of educational services into a commodity. In these conditions, the role of the world higher education market is growing. Sociologists predict that by 2030 the world education market will amount to 700 billion US dollars.

In this context, the task of integrating Russian education into the global educational space remains critical (Aidrus, Filippov, 2008; Nagornova, 2016; Tikhomirova, Bannykh, 2014, etc.). According to the World Trade Organization, by the end of the 20th century the size of the world education market was estimated at 50-60 billion dollars a year. This number is rapidly growing every year. As a consequence, the competition between European countries for leadership in the world education system is growing too.

One third of the education market turnover is controlled by the United States. An American school of higher education earns 15 times more than it spends on teaching its foreign students. The income received as a result of the service provision takes the 5th place in importance. After the USA, the leaders in terms of the amount of funds attracted to the economy from the sale of educational services are Great Britain, Germany and France. Germany controls a little more than 10% of the education market, France controls a little less than 10%. Australia, Spain and Canada each have 7-8% of the market (Grudzinsky, Bedny, 2011: p.217). In order to increase the competitiveness of education, European countries have decided to create a common European educational space based on the principles of the Bologna Declaration.

Attracting foreigners to study in Russian universities is the most important macro-economic agenda, since it ensures the inflow of capital into the country. Despite the importance of educational services, Russia significantly lags behind other countries in terms of the number of foreigners studying in the country. According to sociological data, only 5% of the total world education market is owed by Russia. Russian education is the most attractive for emerging economies' citizens.

The development of the education market implies formation of a higher education model that is competitive in the world education market.

### **Research methods and practices**

The study was carried out on the basis of analytical and critical analysis of the research results on problems arising while establishing education market. The documentary sources and statistical reports related to the core issues of the Russian education export are studied.

### **General trends in the development of Russian education**

Since 1992 Russian education system has taken a course of the transition to a market economy. Under the federal law on education, Russian educational organizations have the right to carry out commercial activities (the Federal Education Act). At the same time, the pace of educational modernization lags behind the real needs of the market economy. The success of promoting Russian education depends on the degree and speed of introducing new approaches to development of the educational sector.

The establishment of a new education system goes hand in hand with growing share and role of knowledge. This stage of industrial development is called the knowledge economy and is associated with the establishment of a new system of socio-economic relations in which there is a distribution and exchange of knowledge (Tatarkin, Pilipenko, 2007: p.19). The educational space is turning into a global education market and represents educational services acquired abroad by citizens of different countries, as well as educational services provided by foreign institutions in domestic markets. The world education market consists of several segments. The main segments are language courses, school education, higher education, additional vocational training, etc. (Aidrus, Filippov, 2008: p.15).

Despite the many segments of the education market, priority is given to programs in higher vocational education. The goal of learning is to master professional competencies that allow students to become competitive parties to labour relations in the new information society.

The feature of the education market formation in Russia is associated with the modernization of education, the purpose of which is to create an educational environment that would meet global needs. Training highly qualified specialists contributes not only to the integration of Russian educational space into the global one and inclusion of Russian educational services in the world education market, but also to the spiritual rapprochement of all the nations. Education quality is the key factor determining the quality of the labor force in employment, which, in turn, leads to increasing returns of organization. Raising the profile of Russian education in the medium and long term contributes to an increase in the country's rates of economic growth.

G.V. Astratova identifies the following trends in the Russian higher education market development:

- increasing the size of the education market;

- mass character of educational services;
- expanding the range of territorial services;
- internationalization of education;
- universalization of education;
- continuity of education;
- ensuring the independence and autonomy of universities;
- expanding the range of educational services;
- contributing to the transformation of education into a prospective funding target;
- cross-cultural orientation;
- tolerance to culture, traditions, values of different cultures (Astratova, 2016: p. 16).

### **Features of the “Export of education” project implementation in Russia**

Starting from 2017, the project “Export of Education” is being implemented in Russia. The goal of the project is to increase the number of foreign students in Russian universities to 710 thousand people by 2025.

The number of students from abroad attending online courses should also increase by 3 times to 3.5 million people.

The implementation of the project “Export of Education” should ensure the growth of revenues from the export of Russian educational services to 373 billion rubles by 2025. (About the priority project “Export of Education”).

Improving the quality of education, knowledge, skills and abilities that university graduates have mastered boosts the image of Russian higher education.

Higher education programs have become the main segment of the education market. The task of ensuring the export of additional vocational education programs is particularly acute. The need to expand the areas of application of additional professional education programs is connected with the need to increase the number of foreign specialists who would master the skills of working according to Russian professional standards, the demand for such specialists in the labor market, as well as the possibility of working under Russian educational programs and the possibility of employment in Russian companies operating outside the country (Nazarova, 2016).

The most favorable countries (potential importers of Russian educational services) for cooperation in the field of supplementary education are the countries with which economic, military-technical and other relations have been established (Nazarova, 2016). However, the lion's share of such learners is financed at the expense of the host country, which reduces the financial profit of Russia. An obstacle to attracting foreigners to study in Russia is the insufficient amount of English-language programs.

Nevertheless, Russian national education policy gives its results. Since 2010, the number of foreign students in Russia has increased from 153 thousand to 297.9 thousand people. These figures revealed an increase in the reputation of Russian education abroad.

Currently, there is an increase in the total number of foreign citizens who studied in Russian universities. For example, in the 2017/2018 academic year, compared to 2016/2017, the total number of foreign citizens increased by 27.5 thousand people (12.0% growth). Asian countries such as Turkmenistan, India, Uzbekistan, Tajikistan and China have contributed the most to the increase in the total number of foreign students in Russia. The leaders in the number of students pursuing studies in Russia were Kazakhstan (41.3 thousand students), China (29.2 thousand students), Turkmenistan (22.1 thousand students).

In the 2018/2019 academic year, compared to preceding year, the total number of foreign citizens increased by 25.4 thousand people (9.9% growth). Among principal contributors to the number of foreign full-time students in 2018/2019 there were representatives of Kazakhstan (43.4 thousand students), China (36.5 thousand students), Turkmenistan (30.1 thousand students). Therefore, education is a dynamic field of the world economy, which expands the scope of providing educational services. Education contributes to the improvement of the students' intellectual development.

As we can see, Kazakhstan is the undisputed leader in the number of students who came to Russia to get an education. Educational services are turning into a commodity sold on the market.

Higher education in Russia is preceded by preparatory studies. In the preparatory departments, foreign students learn Russian language and acquire knowledge related to specialized educational fields.

Over the past 10 years, the number of foreign students at preparatory departments has increased by 18092 thousand people (Table 1). Therefore, the pre-university stage of education in Russia becomes an export sector too. Russian language courses, as a type of educational activity, deserve special attention. Only for the 2017-2018 academic year 17,636 people took part in Russian language courses.

The development of this segment of the world market is associated with the following factors: economic benefit (the provision of educational services is beneficial for the country that provides educational services); an increase in the quality of educational services due to the growth of competition between universities; the desire of the state to increase reputation of the country through the training of highly qualified personnel for other countries. The indicators of the education market growth include an increase in the number of foreigners studying in Russian universities, an increase in the number of highly qualified foreign scientists and teachers involved in Russian educational products, the inclusion of Russian universities in international educational programs.

Table 1. The number of foreign citizens studying in Russian universities in 2009/2010 - 2018/2019 at the preparatory departments

<b>Academic year</b>									
<b>2009-</b>	2010-	2011-	2012-	2013-	2014-	2015-	2016-	2017-	2018-
<b>2010</b>	2011	2012	2013	2014	2015	2016	2017	2018	2019

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The number of foreign citizens studying in Russian universities in 2009/2010 - 2018/2019 in programs for higher vocational education is also growing rapidly. The education market is based on the interaction of supply with demand. The integration of Russian education into the global education market ensures increase in the volume and improvement of the quality of educational services offered by Russian universities. Modernization of education is associated with improvement of educational programs, inclusion of effective teaching methods, expansion of educational programs, inclusion of basic programs taught in English that would increase popularity of Russian universities outside the country.

Table 2. The number of foreign citizens studying in Russian universities in 2009/2010 - 2018/2019 in programs for higher vocational education

Education al programs	Academic year									
	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016- 2017	2017- 2018	2018- 2019
<b>Bachelor's degree programs</b>	1811 6	2183 1	3158 8	4602 1	5950 7	7930 6	9101 3	10449 3	11467 8	12479 9
<b>Specialist degree programs</b>	5223 6	5616 8	4831 9	4585 4	4321 2	4274 3	4342 5	49985	57536	63274
<b>Master's degree programs</b>	6629	6963	7838	9347	1099 4	1392 8	1811 7	21141	21802	25442

It should be noted that the increase in the number of foreigners is observed for all educational programs. We can observe that in the year 2009 18,116 thousand people decided to study under the bachelor's degree program, whereas in 2018 this number increased to 124,799 thousand people. The increase in the number of foreign students indicates the success of the "Export of Education" project. The number of foreign master's degree students in Russian universities has increased almost fivefold.

Since 2000, the number of students whose studies were financed from the budget of the Russian Federation has been increasing. For example, in the year 2009 29.5% of foreign students received State educational grants in Russia, in 2016 this number amounted to 39.1%. In the 2018-2019 academic year, the number of foreign students who received State educational grants decreased to 35.2%. The increase in the number of foreign students, students of preparatory departments and other categories of students was provided by universities of national and regional centers. 38.2% of foreign students studied in Moscow and St. Petersburg.

Table 3. The number of foreign citizens who studied in Russian universities in the 2018/2019 academic year (by world regions)

<b>World regions</b>	<b>Number of people, thousand</b>	<b>%</b>
<b>CIS countries</b>	145,625	51,6%
<b>Asian countries</b>	75 353	26,7%
<b>Countries of the Middle East and North Africa</b>	26 506	9,4%
<b>African countries (except North Africa)</b>	15 365	5,4%
<b>Western European countries</b>	6 127	2,2%
<b>Latin American countries</b>	5 654	2%
<b>Eastern European and Balkan countries</b>	3 389	1,2%
<b>Countries of North America and Oceania</b>	1 660	0,6%
<b>Baltic countries</b>	1 766	0,6%
<b>Nordic countries</b>	850	0,3%

The largest number of foreign students are originating from CIS countries, Asian countries, countries of the Middle East and North Africa. This is determined by historical, socio-political and economic prerequisites. Educational contact has been established with these world regions in times of the Soviet Union. In addition, Asia continues to be the leader in the number of students sent abroad for educational purposes. Major suppliers of foreign students are China, India and the Republic of Korea. After the adoption of the Bologna Declaration, a creation of common educational standards and common educational environment has been promoted. One of the factors determining the selection of the country in which foreigners are going to live and study is the language of the program.

To get ideas about foreigners applying for Russian universities and universities accepting these students, it is necessary to talk about producers and users of educational services. The producers of educational services in Russia are federal, municipal, sectoral and non-state universities (Table 4).

Table 4. The share of foreign citizens in Russian universities of various forms of ownership according to educational programs in the 2008/2009 - 2018/2019 academic years, %

Educational programs	Form of ownership							
	Federal		Municipal		Sectoral		Non-state	
	2009-2010	2018-2019	2009-2010	2018-2019	2009-2010	2018-2019	2009-2010	2018-2019
<b>Preparatory programs</b>	75.4	71.0	0.1	1.3	22.1	25.9	2.4	1.8
<b>Bachelor's degree programs</b>	77.9	75.4	0.3	1.5	20.0	19.5	1.8	3.6
<b>Specialist degree programs</b>	47.2	37.8	0.5	0.1	46.1	60.6	6.2	1.5
<b>Master's degree programs</b>	74.5	71.0	0.2	0.9	24.3	25.5	1.0	2.6

Despite the many segments of the education market, priority is given to programs in higher vocational education. It should be noted that the success of the implementation of bachelor's, master's and additional educational programs depends on consideration of the students' interests. For this purpose, the collection and analysis of the information are carried out. The state plays an active role in regulating export-import relations. A special educational environment that ensures competition in the world education market is being created. Timely methodological assistance is provided to teachers and lecturers.

The inclusion of Russian education in the global educational space is associated with globalization, which leads to competition between universities. Even inside one country, universities compete in attracting foreign students to study in Russia. The modernization program is aimed at increasing the competitiveness of Russian education. The main criteria of Russian education are affordability, quality, and efficacy. Promoting Russian educational services is exacerbated by the fact that the transition to a market economy occurred without a formed system of management



mechanisms for organizations. There are not enough managers who are capable to work in a market environment.

The most popular specialties among foreign students are the following: clinical medicine, economics and management, education and pedagogical sciences (without Russian language and literature as a specialty), linguistics and literary studies, Russian as a specialty.

clinical medicine – 48 097 people;

economics and management – 31,538 people;

education and pedagogical sciences (without Russian language and literature as a specialty) - 12,484 people;

linguistics and literary studies – 10,257 people;

Russian as a specialty – 9,246 people.

Foreign students from the CIS countries normally give priority to the specialty “economics and management”. Students from Asia, Middle East and North Africa traditionally choose clinical medicine.

## **Conclusions**

The conducted research has shown that the general trend is the transformation of the educational space into the global education market. The transition to a market economy has contributed to the revision of educational model. It became the policy to establish education market. The inclusion of Russian education in the new system of commodity-money relations is determined by the growing role of knowledge.

The main trend in the development of Russian higher education is the inclusion of Russia in the world education market. Orientation is directed at the continuity of education, expansion of the range of educational services, promoting tolerance towards culture and traditions of students from different countries.

The education market is represented by various language courses, distance-learning programs, language schools, advanced training programs, additional training programs, and more. However, the leading market is associated with attracting foreign students to obtain higher education in Russia.

The promotion of educational services is a determining factor affecting an increase of the national wealth. The main trend of modern higher education is the expansion of the export of educational services. Education, having become an export industry, leads to a competition between universities even within one country. The modernization program is focused on increasing the competitiveness of education.

The promotion of the project “Export of Education” gives positive results.

The export of educational services is a new form of international relations, which is a profitable sector of the economy. The export of educational services brings money flows to exporting countries, as well as ensures the labor force growth in the form of highly qualified specialists. In these conditions of the expansion of the range of educational services provided by Russia, the export

of educational services is carried out. In order to promote Russian education, higher education system and educational programs and practices are being modernized.

The export of education has a huge role in raising country's investment potential. Every year, the importance of providing educational services that ensure budgetary inflow increases.

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